



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

QUEENSLAND GOVERNMENT ADMINISTRATION RELATED TO
COMMONWEALTH GOVERNMENT AFFAIRS

**Certain aspects of Queensland Government Administration related to
Commonwealth Government Affairs**

FRIDAY, 28 NOVEMBER 2014

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SENATE

QUEENSLAND GOVERNMENT ADMINISTRATION RELATED TO COMMONWEALTH

GOVERNMENT AFFAIRS

Friday, 28 November 2014

Members in attendance: Senators Canavan, Ketter, Lazarus, Ludwig, Ian Macdonald, McGrath, Waters.

Terms of Reference for the Inquiry:

To inquire into and report on:

(1) (a) the amount of Commonwealth funds allocated or paid to the State of Queensland since 26 March 2012, with particular reference to:

- (i) the purposes for which the funds were appropriated by the Parliament,
- (ii) performance measures in relation to Commonwealth funds paid to the State of Queensland,
- (iii) identified breaches of funding agreements or conditions,
- (iv) the proportion of the Queensland State budget derived from Commonwealth funds, and

(v) whether any Commonwealth funds have been used by the State of Queensland for state government advertising or party political purposes,

(b) the administration of the Queensland courts and judicial system insofar as it relates to cross vesting arrangements, with particular reference to judicial independence and separation of powers;

(c) approval process for the development of projects for the export of resources or services insofar as they are administered by the Commonwealth or under a bilateral agreement with the Commonwealth;

(d) the extent to which Queensland State Government policies and practices are consistent with Australia's obligations under international environmental law instruments;

(e) whether it is appropriate for the Federal Minister for the Environment to delegate his approval powers to the Queensland State Government under the Environment Protection and Biodiversity Conservation Act 1999 by way of approval bilateral agreements or strategic assessments;

(f) the extent to which Queensland State Government policies and practices are consistent with Australia's obligations under international human rights instruments, with particular reference to:

- (i) the administration of prisons, and
- (ii) detention without trial; and

(g) any other matter the committee considers relevant.

(2) The adequacy of Commonwealth oversight of the approval of coal seam gas projects in Queensland.

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The following evidence was taken in camera but was subsequently made public at the request of the committee—

Committee met at 10:14

CHAIR (Senator Lazarus): I declare open this in camera hearing. I must advise the witness that it is not the intention of the committee to publish or present to the Senate all or part of the evidence you are about to give. However, you need to know that it is within the power of the committee to do so and that the Senate has the authority to order the production and publication of disclosed evidence. You should also note that an individual senator may refer to in camera evidence in a dissenting report to the extent necessary to support the reasoning of the dissent. We would try to seek your view on any such proposed disclosure.

However, you should be advised that, if you give evidence that reflects adversely on another person, including in this in camera hearing, the committee is generally required to provide that person access to the evidence and an opportunity to respond. As your evidence is being taken in camera, any response would generally also be received in camera.

I now welcome Ms Simone Marsh. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission. Before I ask you to give a brief statement, we would like to know your friend's name and her capacity, just so it is on the record.

Senator IAN MACDONALD: The purpose of that is that in camera hearings are supposed to have no-one else present, but I think the committee is of a mind to allow you to have your friend with you. We just want to make sure we know who she is and in what capacity she is here, if that's okay.

Ms Marsh: This is my friend Michelle Cullen. She is here as a support person because I wanted to bring someone with me. She understands what I have been through.

Senator IAN MACDONALD: But she does understand that these hearings are in camera?

Ms Marsh: Yes.

CHAIR: Okay. I now invite you to make a short opening statement. At the conclusion of your remarks I will invite members of the committee to put questions to you.

Ms Marsh: I am here after receiving an invitation to put in a submission to this inquiry and also after being invited here today. If you don't mind, I would like some time to go through the information that I have provided, just to explain a few things. I might need about 20 minutes, if that's okay?

CHAIR: We will see how we go. It is just that we do not have a lot of time. We are time restricted, so if you could just give us a brief outline.

Ms Marsh: All right. I basically witnessed a crime, as far as I am concerned. It has caused me a lot of personal trauma, but I would like to see it through because there are a lot of people who are suffering. The crime I witnessed happened in 2010, when I was working in the Coordinator-General's office of the department of infrastructure and planning in the Queensland government.

If you don't mind opening up the submission that I have given you, I have broken it up into a number of issues that address the terms of reference of this inquiry. There are 22 issues in the document and at the back of the document there are a set of appendices that basically give you examples of some of the pieces of evidence that I have. Some of those pieces of evidence have been given to the Crime and Misconduct Commission.

We have a lot of information. I did not want to overwhelm you with many baskets and folders full of documents that we have obtained through right-to-information requests and so on, so I have just summarised it here. The timeline is evidenced in the appendices. It starts with March 2010 and then we move through. If I can take you through the timeline of what happened, it will probably start to make a lot more sense.

In Brisbane they were building some new office towers in about 2008 and in 2009 they moved in. This was Santos and QGC, and the environment department was next door to the Santos building. At the same time, the two companies, Santos and QGC, were putting together their EISs to the public for their proposed gas field development, transmission pipeline and LNG hubs. The terms of reference had been set for these documents.

I arrived at the department of infrastructure and planning in February 2010 and on the shelf was an EIS for the Santos GLNG project which was 15,000 pages long. I started going through those documents, looking for basic information like mapping of where all the wells, pipelines and other types of infrastructure were going to go and looking for baseline studies and that kind of information that was normally required under the Environmental Protection Act, section 310D.

I could not find that information and I reported that to my superiors. I suggested that they go and get some legal advice, because I believed that the companies were breaking the law. My superiors went with me across George Street to get that legal advice and the lawyers backed up what I was saying and wrote a memorandum back to the department, advising the department to seek information from the proponents—this was Santos. Santos was the first one through, because there had been an agreement made to tick off the Santos project first because it was an Australian company.

Senator IAN MACDONALD: Just so I can put this in perspective, what was your role? What level of public servant were you?

Ms Marsh: I was seconded into the department and I had worked for a long time in government. I started in the mines department in the 1990s. I spent three years there and then moved across to the Environmental Protection Agency, where I worked in the mining unit. Then I moved over to the private sector and worked in engineering for a number of years and then I was seconded into the Coordinator-General's office to do this particular job.

Senator IAN MACDONALD: But you were not a public servant?

Ms Marsh: I was acting as a public servant. I was seconded. I was not working for anyone.

Senator IAN MACDONALD: Who paid you? Where did your paycheque come from?

Ms Marsh: I got my normal weekly wage—

Senator IAN MACDONALD: From your private employer?

Ms Marsh: and my employer was reimbursed by the government, for me being away from there.

Senator IAN MACDONALD: Who was your employer?

Ms Marsh: Hatch engineering.

Senator IAN MACDONALD: Thanks.

Ms Marsh: Sorry, I have just lost my train of thought.

Senator WATERS: The lawyers had advised the department to seek more information. That is where we had gotten up to.

Ms Marsh: Yes, thank you. So the legal advice came back. A letter was drafted to Santos. The chief for eastern Australia at the time was Rick Wilkinson. The letter said to Rick—and it is in these documents, in appendix B, so you can turn to it now if you would like to have a look at it—'Only sufficient information for an assessment of the gas transmission pipeline and one train of the LNG facility is present.' It goes on to say: 'The following information is required for me to draw a full assessment and conclusions for the gas field development.' It goes on to say: 'We need gas field development plans, including operational plans showing locations of petroleum activities and infrastructure, disturbance to regional ecosystems, environmental management plans for the gas field development in accordance with the Environmental Protection Act 1994, and a regional groundwater model.'

So you can see that what Santos had not provided at this stage was basic information required under the Environmental Protection Act and cumulative information required by the terms of reference. We did not have baseline studies and that sort of thing. Over the page it says—

Senator CANAVAN: Sorry to interrupt. What date was that letter sent? I see it was drafted on 31 March 2010.

Ms Marsh: Yes. This is the version that is on my computer. It is date stamped with the author's name, so I presume it was sent the same day. I was told it was sent.

Senator IAN MACDONALD: How come you have this letter?

Ms Marsh: Because I was the only environment person in the Coordinator-General's department drafting these—

Senator IAN MACDONALD: But does the letter belong to you or the environment department?

Ms Marsh: It does not belong to the environment department. It was not the environment department; it was the Coordinator-General's—

Senator IAN MACDONALD: Does it belong to you or the Coordinator-General?

Ms Marsh: It belongs to the Coordinator-General.

Senator IAN MACDONALD: How have you come by it?

Ms Marsh: I gave it to the Crime and Misconduct Commission because there was a crime, and now I am giving it to you.

Senator IAN MACDONALD: Are you authorised to deal with someone else's document?

Ms Marsh: I witnessed a crime.

Senator IAN MACDONALD: Carry on. I might just say, Mr Chairman, out of consistency, that in committees I chair I refuse to have documents lodged if they appear to be 'stolen'. I am not suggesting for a moment this one is stolen. I only put that on the record for consistency, because in the committees I chair I refuse to allow these sorts of documents to be dealt with. But go ahead.

CHAIR: The submission has been accepted. Go ahead, Ms Marsh.

Ms Marsh: Thank you. I am happy just to say it off the top of my head, as I remember it, anyway. You do not need the document. At the end of the letter it goes on to say: 'I am aware that these are significant issues and that they are essential for a complete understanding of the environmental impacts of activities, which is necessary to license under the Environmental Protection Act.' It goes on: 'Another observation which I would make'—and this is relevant to the Commonwealth—is that as the basis of my report is used by the Commonwealth in its assessment of the project against matters of national environmental significance, it is likely that it will not be able to approve the referred project without further information from the proponent to satisfy the requirements of the Environment Protection and Biodiversity Conservation Act 1999.'

The last sentence is also interesting, because it says: 'I can delay completion of my report to allow Santos to provide further information.' That sentence is interesting because of the word 'delay'. The companies were not interested in any delays. In the very next appendix you see what happened after the Coordinator-General delivered this letter to Santos. We then see as the next step correspondence directly to the Treasurer of Queensland on behalf of British Gas, via Ian Fletcher.

Senator KETTER: How confident are you that this is the letter? It is not a signed letter.

Ms Marsh: No, that is right.

Senator KETTER: It is not on letterhead. How confident can you be that this is the actual, final letter that was sent off by the Coordinator-General?

Ms Marsh: I was told that it was sent. I did not see the signed copy, so I can only tell you what I was told.

Senator LUDWIG: That begs the question: who told you?

Senator KETTER: Can I ask who told you?

Ms Marsh: The project director—the person who wrote the letter.

Senator IAN MACDONALD: Who was?

Ms Marsh: Denis Wayper.

Senator CANAVAN: And it was sent in this form? It was not amended from this draft?

Ms Marsh: As far as I know, that was the final version. I can check my copy. It might even say 'final' on the electronic copy. I cannot remember.

The next document we see is an email to the Treasurer dated 12 May. It is now five weeks later and we have an email from Ian Fletcher. Many of you might already know about Ian Fletcher. He was the director-general of the Department of Employment, Economic Development and Innovation at the time. He arrived in Brisbane in 2009, at around the time when QGC had the EIS out for public comment. Ian Fletcher had come from Britain. He was the director of UK Trade and Investment, and for some reason he decided to come to Brisbane and he was appointed as the director-general of the department responsible for issuing petroleum and gas tenements right at this time.

He wrote to the Treasurer and said: 'David Maxwell came to see me yesterday following a call from Cath Tanna,' David Maxwell and Cath Tanna being the head people at QGC, the parent company of course being BG Group in Britain. The email goes on: 'We talked about the state of play for QGC's investments. Three points emerged—the drop-dead date is the June board meeting. After that, customers will begin to go away. One or two weeks tidying up delays is possible but six months or anything like it is not.'

So they are saying straightaway that they want their project EIS signed off by the state within one or two weeks. Then we see in paragraph (c) that David Maxwell says there are two problems. One of these is the requirement for them to provide detailed engineering data. That is about the maps of where all the infrastructure is going to be laid out across the gas fields—the maps required by the terms of reference and section 310D of the

Environmental Protection Act, with location information, environmental values information and all that kind of detail.

He said the second problem is the requirement to report in the EIS against cumulative impacts. For them to bring this up at this stage in the project is just ridiculous, because they had had the terms of reference for a couple of years and had never raised this as an issue before. Yet their 10,000 page EIS did not have this information in it and it is obviously crucial in order to make an assessment of the environmental impacts.

You can see that Ian Fletcher goes on to say to the Treasurer that he intends to speak directly with the Coordinator-General. He also goes on to say something about an LNG committee that the government had set up at the time. Ian Fletcher says: 'David Maxwell said that QGC would like to appear in front of the LNG committee to explain his position in respect of the EIS.' He uses the words 'a degree of constitutional innovation' there, and that he puts a question mark over the following words: 'the LNG committee as a Court of Star Chamber'. That is exactly what happened here in Queensland, because the law was not followed.

So someone, somewhere along the line, has made a decision. Whether it be through this LNG committee I cannot tell you because I was not there. This document only came to me this year, so I did not have this document at the time of the Four Corners program last year. I had a blanked out version of this document. All I could see was who it was to and who it was from. All the text that we just read was not known to me.

However, without having seen all of that, I had drafted an email, which is appendix E, which shows what I did not know at the time about the information. It also gives some information about what was going on in May 2010.

Senator WATERS: Could I ask you to explain what the LNG committee is and where that sits in the normal approval process? It is a concept I am not familiar with, despite knowing the laws that apply.

Ms Marsh: Sure.

Senator IAN MACDONALD: Before you do that, I see these documents are stamped 'Released under the RTI Act'. Is that a freedom-of-information act?

Ms Marsh: Yes, it is—right to information. There is no legal step for an LNG committee under our law. It was just a group of senior executive government members who I believe were trying to coordinate things together, perhaps. I did at some stage look up who was on that committee. From memory, I think they were the people who are listed at the top of this email, who are carbon copied in. So I think it was probably Dan Hunt, Mal Hellmuth. I don't know whether John Bradley was there as well. Colin Jensen is the Coordinator-General. John Bradley was the environment department director-general.

Senator IAN MACDONALD: I guess paragraph (b) of that letter brings this whole issue into the federal government sphere, does it?

Ms Marsh: It is a comment on what was going on at the federal level with the tax arrangements, yes. But that is not something that I was party to.

What I have provided in appendix D is the email from Ian Fletcher—the version that I had before the Four Corners program, which Drew Hutton had obtained through right to information. As you can see, the text that we just read has been blotted out by the RTI officer, but we can see who it was forwarded to on the same day. It was forwarded to Phil Dash, Geoff Dickie and Shane McDowall, from Colin Jensen. So the Coordinator-General, Colin Jensen, forwarded it on to his staff, the two deputy coordinator-generals and the assistant coordinator-general, Phil Dash. Phil Dash forwarded it on to the directors of these projects—Santos GLNG's and QGC's QCLNG Project directors. Denis Wayper and Russell Davie were the project directors and Melanie Harris was one of the project managers.

They were, in two words, under pressure, and that is the pressure that was then brought to bear on me at that time. I did not understand what had happened. I was brought into a meeting on 20 May and asked to finalise the Coordinator-General's report without any of this information. So I wrote the email which is appendix E on 24 May and I summarised 26 issues that I was concerned about at that time.

I do not know whether you have had time to read through all of those. Basically, nothing happened. You can see that appendix F is the greenhouse gas section I was working on at the time. It was a working document. You can see that the text is underlined in various parts. The reason I included this text in appendix F was to show what was taken out by the people above me as I was drafting. You can see that the project director, whose name I just mentioned before—Denis Wayper—has struck out the cumulative greenhouse gas emissions section that I was writing; he has struck out the assessment and conclusions that I was in the middle of drafting. You can see that a lot of that did not go into the final report, even though these matters were of interest to the Commonwealth because of things like the Kyoto Protocol—that kind of thing—national targets—

Senator LUDWIG: Is the final report available?

Ms Marsh: Yes, it is; it is online.

Senator LUDWIG: And I can find that by—

Ms Marsh: If you go onto the Coordinator-General's website under 'EIS projects completed' and under 'Santos GLNG'.

Senator LUDWIG: Thank you.

Senator WATERS: Ms Marsh, those with the strike-through are the ones that were not included in that final version?

Ms Marsh: That is right. The final version does not have that text in there. I actually had to argue the case for having a greenhouse gas chapter in this report. The admin assistant and I had an argument on a Friday afternoon with the project directors to get a greenhouse gas chapter in the Coordinator-General's report. The environment department did not provide us with any comments on greenhouse gasses. They had a policy of not commenting on greenhouse gasses. So I was left to draft this by myself, very quickly, under pressure, and it really was not my job to do it. So it just gives you an idea about how things are done in Queensland.

Senator KETTER: Whose handwriting appears on that document?

Ms Marsh: It would have been the project director who was working with Russell Davie. There were two of them: Russell Davie and Dennis Wayper, the gentleman I mentioned before. They were working together. I gave all my drafts to them.

Senator KETTER: It is unusual with a track changes document for handwritten amendments to be made.

Ms Marsh: I see what you are saying. What I would do is, every day or every couple of days, send them updates of my draft. I would show them the changes I had made since the last version I gave them.

Senator WATERS: And the handwriting is the other two:

Ms Marsh: That is correct. Yes, sorry about that confusion.

Senator IAN MACDONALD: Appendix D, the email from Phil Dash to Melanie Harris, Dennis Wayper and Russell Davie, 'under pressure': what do you think that means? What is your take on that?

Ms Marsh: My take on that is that he was telling them—sorry, I should use their names: Phil Dash was telling the project directors that the government is under pressure to sign off on British Gas's EIS within a matter of one to two weeks.

Senator IAN MACDONALD: So he is saying he was under pressure and the government was under pressure.

Ms Marsh: They are all under pressure.

Senator IAN MACDONALD: He was not saying 'Put Simone Marsh under pressure'—you are not suggesting that?

Ms Marsh: No, but I am saying that I was the person drafting the report, so I was consequently put under enormous pressure.

Senator IAN MACDONALD: I just wanted to clarify. Thank you for that.

Ms Marsh: Appendix G is just an example of some of the text that was being written at the time. This one is about the disturbing disturbance. It says in the head of the appendix that it is the email of 19 July, but that is actually incorrect; if you would not mind changing that, that should be 27 May. As you can see on the actual email, it was just a typo on my part. So the front page of appendix G should say 'email of 27 May 2010'.

Senator IAN MACDONALD: Rather than 19 July?

Ms Marsh: That is it; thank you. As you can see, by this stage, I was getting rather concerned about what the government was about to do. They were about to sign off on this project without massive amounts of information. I started writing in large font, bolded and underlined—which I have never done in my entire public service career—and I also started using words like 'crime' in emails, which I had never used in all those years. It just goes to show the level of unknowns we had at that time. This is the day before it was signed off; this is 27 May. I say to them, 'This project is unprecedented. It is the first time in Queensland's history where the Coordinator-General is being asked to consider and assess unknown and yet extensive areas of disturbance, including unprecedented volumes of waste across large numbers of tenements. We have continually asked the proponent, as part of the EIS assessment process, for total disturbance area information and the basis of calculations. However, this has not been provided.'

Not only was I saying it; you can see the emails that lead up to that in this same appendices. You can see that Steven Tarte, who is the environment officer over at the environment department, is also writing. It is on the bottom of page 3, under the heading 'disturbance limit' that he writes the words, 'This is a very complex issue and it is hard to determine the limit of impact from the tables that Santos has presented.' So it is not just me saying it. The environmental officers are saying it as well. You can see that Russell Davie, on 24 May, had sent an email to Steven Tarte saying, 'Please provide a list of matters that Simone has requested. Expected sign-off tomorrow.' He expected the environment department to provide all this information that they did not actually have because the proponents had not given them by the next day to me so that the report could be signed off.

Appendix H is a collection of emails to the Crime and Misconduct Commission and from the Crime and Misconduct Commission between me and them during last year, between March and June. I went to the Crime and Misconduct Commission in February of last year, had an initial interview, and they said that they would go away and get the documents and call me back, which they did. I went back and had further interviews—I think for about three hours the first time and another hour the second time—and provided them with the documents that they asked for. These are just some of those emails where they asked for more information.

The first email is about the upscaling of the British Gas project. That is not actually allowed for under the State Development and Public Works Organisation Act. It does not say that at the supplementary EIS stage you can go and make your project 20 times bigger, yet that is what happened with some of the impacts for QGC. I believe that was one of the breaches of law in Queensland that occurred. Therefore I was telling the Crime and Misconduct Commission about it in this email.

CHAIR: Ms Marsh, I do not want to be rude, but I am sure the senators have questions.

Ms Marsh: Do you want me to finish up?

CHAIR: Very quickly, if you could, yes.

Senator IAN MACDONALD: I would like you to finish this current thought. We have been asking a couple of questions as we go for clarity, but if you could try to bring it to a close.

Ms Marsh: Sure. In those emails with the Crime and Misconduct Commission, I talk about the cumulative volumes of contaminated solids that were altered or deleted from the final reports. I had calculated those because the proponents had not, and I had used the assistance of a doctor from the environment department. A lot of the cumulative volumes that we had calculated, like 45 million tonnes of solids, were deleted from the final report. So the public never got to see these huge volumes. We were told later that those volumes that we had calculated, which were based on the proponent's water volumes, were underestimated anyway. So, even though they were very large volumes, they were not in the final reports.

Senator WATERS: What were those solids and where were they coming from?

Ms Marsh: They are all the waste products brought up from the coal seams with the water. It would be the salts, the hydrocarbons, heavy metals, anything that is in that water once evaporated—that is those solids.

Senator WATERS: And once evaporated it was then 45 million tonnes?

Ms Marsh: Forty-five million tonnes after the water had gone. And that was underestimated. You can have a look through there. I also gave the Crime and Misconduct Commission examples of environmental authorities that had been issued by both governments in Queensland, in 2011 and 2013, that were silent on a range of contaminants that needed limits. I provided the Crime and Misconduct Commission with the limits that Dr Wilson from the environment department had recommended. You will see there that you do not have any limits applied for these companies. They are just irrigating the land. There are no limits on the total land to be contaminated, so they can contaminate as much as they like with their dust suppression and their irrigation; it is completely silent. They can spray it all over the countryside and it is not being monitored—huge volumes of irrigated water and dust suppression water, which is high in a number of different contaminants and also has a high sodium absorption ratio, which will lead to long-term erosion over time. But we were not going to see it immediately. This is something that people are going to see in the future. So they will probably be gone by then.

The point that I was trying to make in that email to the Crime and Misconduct Commission also, which was of a serious nature, was the fact that there are no measurable limits in relation to coal seam gas water contaminants with potential to cause human health impacts. I did not see comments from the health department—my job was to do environmental work—but it seemed to me that no-one was looking after the health side of things.

Senator WATERS: Are you saying that the health department did not involve itself in the process of the EIS; nobody was considering the health impacts of the project?

Ms Marsh: There was nobody in the Coordinator-General's office who was given that task, apart from the project directors, I presume. They had oversight of the whole project, so it was up to them to decide who had to do what. But I never saw anyone from the health department and I never saw their comments.

The next email in that CMC bundle is also about the waste. I will not talk about that; I will leave that with you. You can see the CMC completed their assessment after seven months and told us that it was not actually within their jurisdiction to look at health and environmental impacts of the coal seam gas industry. 'These issues do not fall within the CMC's jurisdiction.' That is what their press release said. We were never told that at the beginning. It just astounded me that they could come to that conclusion when they took us through this whole process. We provided them with all the information. I had a barrister with me; she could not believe it either. They brought in a judge who had a background in land matters. Why on earth did they do that if it was not in their jurisdiction to look at such matters? It just did not make sense. That is when I felt that there was some corruption involved in what had occurred, and I started looking into what happened next. I was very interested in Senator Waters's speech that she gave a few months ago, I think, in the Senate, about the sequence of events that had happened after I had given information to the Crime and Misconduct Commission. We know from diary entries that a series of meetings occurred. I went to the Crime and Misconduct Commission in the week of 18 February; Drew Hutton and I made complaints on 18 and 19 February.

Senator IAN MACDONALD: This year?

Ms Marsh: Last year. The diary of the Premier and his chief of staff—I think it is his chief of staff's diary—indicates that, immediately following the complaints, Jon Grayson, the Director-General of Premier's, who also had interests in Gasfields Water and Waste Services—and Ben Myers, who was the chief of staff, and Campbell Newman met with the chair and deputy chair of the Crime and Misconduct Commission immediately following me and Drew Hutton giving information to the Crime and Misconduct Commission.

The diaries indicate that the Premier's chief of staff met with QGC's Vice President Policy and Corporate Affairs, Rob Millhouse, on 21 February. So we have had meetings between the CMC and the Premier's office on 20 February, then we had meetings with the Premier's chief of staff and the head of QGC, whose process I had been complaining about the very next day after that, 21 February. It is not clear from the diaries which other members of the Premier's staff were present at those meetings.

Senator IAN MACDONALD: How did you come by those diaries?

Ms Marsh: They are online.

Senator CANAVAN: The new Queensland government publishes diaries.

Ms Marsh: What happened after those meetings? In fact, Ross Martin, who was the CMC's chairman, and Warren Strange, who was the CMC's deputy chairman at that time of the meeting on 20 February 2013, resigned within a few weeks. Actually, Ross Martin resigned first, then Warren Strange was appointed as the acting chairman, but he then resigned a few weeks later. Then, on 22 May, Dr Ken Levy was appointed acting chair. At the time of my complaint and these meetings, Jon Grayson, who is the Director-General of Premier's Department in Queensland, was a 25 per cent shareholder in Gasfields Water Management, which was a joint venture with the Australian Water Holdings, which has been the subject of ICAC in New South Wales. Tony Bellas was a director of Australian Water Queensland, which was a branch of Australian Water Holdings. Tony Bellas was a business partner of Jon Grayson, and they had been involved in different business arrangements together, both having come from Queensland Treasury years earlier, and a few other ventures together.

What I found interesting when I looked at this information was that I then noticed that Tony Bellas had been appointed as the head of Shine Lawyers in Brisbane in May 2013. I found that really quite strange that that had happened.

Senator IAN MACDONALD: Who is Tony Bellas?

Ms Marsh: Tony Bellas is the business partner of Jon Grayson, who is the Director-General of Premier's Department. So, if the Crime and Misconduct Commission had been sharing information on what had transpired with the evidence that I had been giving with Jon Grayson, and if Jon Grayson had shared his information with his business partner, given that they had a considerable interest in seeing the development of this industry for their own personal gain, it is just possible that Tony Bellas was put in charge of Shine Lawyers, because Shine Lawyers actually has a whole lot of clients from this area of Queensland that are being directing impacted by coal seam gas activities. I found that to be quite a conflict of interest. It set off alarm bells for me, because Tony Bellas, as you are probably aware, is also head of another energy company, ERM Power. That is a huge conflict of interest between Tony Bellas and the people who are going to Shine Lawyers for legal assistance in these kinds of matters.

Senator CANAVAN: I know of Shine Lawyers; I live in Toowoomba. They were a private law firm. What is their structure now? Presumably, clearly he was not appointed by the Queensland government. Who appointed him? Are they a company limited by shares or—

Ms Marsh: Good question. It was listed on the stock exchange in May 2013. It had been a private company. Earlier in the year, Shine Lawyers had basically brought up a regional law firm—Shannon Donaldson, something like that. So they had taken on all those clients who were impacted by these activities.

Senator CANAVAN: They act for mainly landholders, usually, from my understanding—or Shannon's did.

Ms Marsh: That is exactly right, as far as I know as well. It brings in the whole Toowoomba story, actually. A lot of what we are observing is connections with people in Toowoomba. A lot of people are asking questions about these types of relationships. I understand Shine Lawyers was set up by Kerry Shine, who is also a politician in Queensland. The people who were the head of Shine Lawyers at that time obviously made a lot of money when it was listed on the stock exchange. I am not sure how many shares they each owned. I do have that information; I just have not brought it with me today in terms of how much money they all made. Obviously, somehow, Tony Bellas was selected into that role.

Senator IAN MACDONALD: Was the late Premier part of Shine Lawyers?

Ms Marsh: I do not know, I am sorry.

Senator IAN MACDONALD: Wayne Goss?

Ms Marsh: I do not know.

CHAIR: Ms Marsh, can I refer you to 21.3 on page 7, which states, 'Corruption may explain the lack of a proper economic impact assessment.' The last line states that it may lead to 'loss of output of approximately \$118 billion and a loss of approximately 14,600 jobs.' Can you elaborate on that?

Ms Marsh: Thank you for raising that one. Yes, that is a really good point. The terms of reference have required the proponents to do a cost-benefit analysis to work out what the costs would be involved in these activities, as well as the benefits—financial costs and benefits. And the section of the terms of reference I think was 1.4.2. I have it on my computer; I can read it out for you if you would like to hear the words.

CHAIR: No, that is okay.

Ms Marsh: I wrote to my superiors and said that the terms of reference had not been followed and we did not have those costs calculated. It is now 4½ years down the track and we finally have one report done for the manufacturing sector, done by Deloitte Access Economics recently, that provides those figures I have put in the report about the cost to manufacturing alone. That is not even taking into account the cost to everyone else—the agriculturalists, the costs of all this contaminated land. Part of the problem we also have in Queensland is that the contaminated land unit—I have been told from my colleagues in the environment department—has been basically turned into a mailbox. Years ago when I worked there we had scientists working in the contaminated land unit, a team of people. Meanwhile what has happened is that the state now has huge amounts of land contamination and water contamination and we no longer have that scientific team in the environment department. It is just another one of the problems we are facing in Queensland.

CHAIR: I am afraid we will have to wrap it up there.

Senator IAN MACDONALD: I have a few very quick questions.

CHAIR: Okay, very quickly.

Senator IAN MACDONALD: Simone, are you still with Hatch engineering?

Ms Marsh: No.

Senator IAN MACDONALD: Have you reported the Shine matter to the Queensland Law Society? If you have not, can I suggest you might do that?

Ms Marsh: Thank you.

Senator IAN MACDONALD: Are you suggesting that those officials back in 2010 were on the take? I do not want to put words in your mouth, but you are suggesting that things were done for a reason. Are you—

CHAIR: Before you answer, Ms Marsh, you do not have to actually answer the question.

Ms Marsh: Thank you.

Senator IAN MACDONALD: You are protected by parliamentary privilege.

CHAIR: I just wanted to make sure she knew that.

Senator IAN MACDONALD: What are you suggesting? Is the CMC corrupt? Are these officials corrupt? Why are they corrupt? Have they got some personal benefit out of it? I hear what you say about Mr Bellas, who I have never heard of.

Ms Marsh: About who, sorry?

Senator IAN MACDONALD: Tony Bellas.

Ms Marsh: I am suggesting that this whole industry has come in under the radar in an illegal way. We see it in Fletcher's email. We see it through the fact that the gas was sold—the contracts were signed in China by Martin Ferguson.

Senator IAN MACDONALD: Are you suggesting that people—

Ms Marsh: I am suggesting a number of people have done the wrong thing. A number of people have been involved in breaking the law. Companies have been involved in collusion. The Crime and Misconduct Commission seems to have been covered up, and I am suggesting that a serious crime is occurring and has been occurring for some time.

Senator IAN MACDONALD: Finally, I just want to say thanks, Ms Marsh. This is obviously a difficult thing for you to do, and you have had the courage to keep going. You are very brave.

Ms Marsh: Thank you.

Senator WATERS: Thanks, Ms Marsh, also, for having the guts to speak out and for collating the documents so succinctly and well for us. I have a number of quick questions. Are you aware of whether any of the members of government at the time or those employees that were involved in the assessment process are now working for industry?

Ms Marsh: Yes, actually there are a number of cases, which are quite disturbing, in fact. As you can see, I was advising Shane McDowall, for example, who was the Deputy Coordinator-General at the time. Within I think about two weeks of signing off the QGC project, he was working for John Cotter Jr in his business at the Flinders Group, and their major client is QGC, and I had just been advising the Coordinator-General's staff on all these matters. Obviously it seems that he was lining himself up for this major role and moved straight into it after the project was signed off. That is what it seems to me. Now all those people—Geoff Dickie, Shane McDowall and also Phil Dash—have moved out of the Coordinator-General's department; they moved directing into Industry. They have all been involved in Cotter's business, as far as I know, and also with the Queensland Exploration Council—Geoff Dickie has played a major role there. We have seen people who were there at the time who had come directly from government into the roles in the companies. I was having meetings with Santos, but the people on the other side of the table were the past Public Service Commissioner and the past director-general of the environment department and the head of the Queensland Parks and Wildlife Services—they were the Santos representatives at the table. From QGC's side, the person at the table was Pauline Jacob, who had been someone at the Environmental Protection Agency when I had been there as well. So the industry had picked up all these high-level public servants to represent them at the table.

Senator WATERS: Has anything changed? What you have told us the story of is, in my view, the nonapplication of environmental rules, at least in particular incidents. Has anything changed in relation to how strictly and properly environmental laws are applied to the gas industry, from your experience—from then to now?

Ms Marsh: I have not been working within the industry now for a number of years, so just observing as an outsider it certainly seems to have gotten worse. As I said before, my colleagues have told me that the scientists at the contaminated land unit are no longer there, for example. We also have seen that the State of the environment report, which is put out every four years, used to include figures on land disturbance every four years. The last report we had had no figures on the amount of land that has been disturbed or contaminated in Queensland due to mining activities, whereas past State of the environment reports in early 2000s would have those figures in them, so people could keep a running track on what costs were accumulating.

Senator WATERS: Lastly, is the Coordinator-General's office independent of industry influence?

Ms Marsh: I do not believe so. As you can see in the email that Ian Fletcher wrote, it says that the head of QGC was going to meet directly with the Coordinator-General. When the Commonwealth environmental officers came to Brisbane, I was not invited to the meetings, even though I was drafting sections of the report relating to environmental matters. One of the documents that came out of the right to information process actually quotes the head of the environment section in Canberra complaining that she was speaking to higher and higher levels of people and basically was not getting to speak to the technical people at all.

Senator CANAVAN: Firstly, are you a member of the Greens or Lock the Gate?

Ms Marsh: I am not a member of the Greens, and I have joined Lock the Gate recently.

Senator CANAVAN: You mentioned that the CMC did not look at the merits of the environmental approvals. As I would understand, they would only be looking at whether there was something wrong with the process. But, on my understanding, there is a merits review, particularly of the EPBC Act decisions. Has anyone taken it to—

Senator WATERS: Unfortunately there is not; I wish there was.

Senator CANAVAN: Well, there is a review process for those.

Senator WATERS: It is only judicial review.

Senator CANAVAN: Has anyone taken that to the Federal Court?

Ms Marsh: Not that I am aware.

Senator WATERS: I wish they could.

Senator LUDWIG: The CMC found that, in terms of the three allegations, there was no evidence to support them. What do you say about the CMC? I think part of your evidence earlier was that they somehow should have found differently. I do not quite understand that, in the sense that the allegations you made were not substantiated to the level of satisfaction of the CMC. That might be disappointing, but that is what they found.

Ms Marsh: Well, at some stage they have decided they did not want to investigate environmental law matters. They did not tell us until seven months later.

Senator LUDWIG: But they were examining the conduct. You made a whole range of allegations in your submission about the conduct of individuals. None of that was sustained by the CMC. Do you agree with that?

Ms Marsh: No, I disagree that they could have come to that conclusion. It is just not possible. You can see in the Ian Fletcher email alone—which I did not actually have at the time that I went to the CMC—what has happened. They did not have the information that was required under law. So the evidence was there for the CMC to find. I gave them the blacked-out version of that email, and they obtained all the documents. According to them, they went away and obtained all the documents. These are just some of the documents that I have shared with the CMC. I have got many more of them, and we have got piles of folders that have come out of freedom of information. A lot of those documents are blacked out, redacted—pages and pages of them. But there is enough information there to still see clearly what happened at the time.

Senator LUDWIG: So simply you do not accept the finding of the CMC?

Ms Marsh: That is right.

Senator LUDWIG: Do you have any evidence as to why? I will leave it at that. Thanks.

CHAIR: Further questions can be put on notice. Thank you, Ms Marsh, and also Ms Cullen, for your time.

WELLINGTON, Mr Peter William, Member for Nicklin, Queensland Parliament

[11:11]

CHAIR: The committee will now commence its inquiry into certain aspects of Queensland government administration related to Commonwealth government affairs. I welcome Peter Wellington MP, member for Nicklin. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission. I now invite you to make a short opening statement and, at the conclusion of your remarks, I will invite members of the committee to put questions to you.

Mr Wellington: Thank you for the opportunity to appear. I have been an independent member for quite some time now, since 1998. Senators, I would like to take about 10 minutes of your time to make a brief submission—I do not intend to regurgitate word for word what is in my submission—and then I am happy to take any questions that you feel are appropriate.

My submission relates to paragraph (f) of your terms of reference for this inquiry, the extent that the state government's decisions are consistent with Australia's obligations under the international human rights instruments that Australia is a party to and, in particular, the administration of prisons and the detention of people without trial. My submission has identified some examples where the Queensland government has eroded the rights of people in Queensland in relation to the issue of detention, the right to be equal before the law, freedom of association and the right to work. International human rights law requires that the Commonwealth government protect, respect and fulfil the human rights obligations that Australia is a party to. My submission is that some of the Queensland government's recent decisions and recent laws are in conflict with some of the international human rights covenants that Australia is a party to.

I note that in federal parliament earlier this year, Minister Bishop spoke about how the Australian government is committed to ensuring the promotion and protection of human rights during the term on the Security Council. Also, in about March, the member for Bass spoke about how the coalition government is committed to international standards of human rights and said that the coalition government takes seriously all allegations of abuse. The evidence is that it is not a defence for the Commonwealth government to fail to uphold these human rights obligations, claiming that the laws in question fall within a state government jurisdiction, and, accordingly, the federal government cannot go there.

So it is my submission that this inconsistency between some recent Queensland laws and our Commonwealth obligations under the international covenants that Australia is a party to make these matters relevant to the federal government and to this inquiry.

I hope as a result of these hearings that you will be able to persuade our Queensland government to review some of the recent decisions. And it is my submission that, if the Premier refuses, the Commonwealth parliament can use its external affairs powers to adopt the International Covenant on Civil and Political Rights into Australian law. Then the federal adoption laws could be used to override some of the Queensland laws that disregard basic human rights. This action would save the embarrassment of having agreed to honour certain covenants and then be continually reminded that here in Queensland we keep breaking them in practice.

In order to introduce laws that are inconsistent with the Australian government's human rights obligations, the Queensland government has stacked various committees and reduced the effectiveness of various parliamentary committees.

Senator IAN MACDONALD: Sorry, 'sacked'?

Mr Wellington: Stacked—controlled—committees. The government has used urgency to avoid parliamentary scrutiny.

Senator IAN MACDONALD: If you want unusual have a look at this committee.

Mr Wellington: Senator, my submission is that the Queensland government has been using the claim of urgency to avoid proper parliamentary scrutiny of bills before they are passed in parliament. The most topical has been the government's Vicious Lawless Association Disestablishment Act 2013 and the Criminal Law (Criminal Organisations Disruption) and Other Legislation Amendment Act 2013. Both these bills were introduced into parliament back in October last year. They did not go through any real committee hearings and were rushed through, finalised at 2.45 am the next day. These laws clearly impinge on the rights of Queenslanders in the following ways—

Senator CANAVAN: You voted for those laws when they went through?

Mr Wellington: Senator, I am happy to take your questions—

Senator CANAVAN: So you are describing the law going through—

Mr Wellington: I have already checked the parliamentary records for previous hearings; senators have badgered witnesses. I have made it very clear that I am happy to take your question. What I would like to do is make my brief submission, and you can put your questions when I finish. It will not take much longer. If you let me finish—

Senator CANAVAN: It is a simple question. It is a yes or no. If you do not want to answer—

CHAIR: Senator Canavan, you do not have the call.

Mr Wellington: When it is your turn to ask the questions, I will answer them.

Senator CANAVAN: You do not want to answer them, that is fine.

CHAIR: Senator Canavan, you do not have the call.

Mr Wellington: Senator Canavan, you are simply trying to disrupt my presentation.

CHAIR: Mr Wellington—

Mr Wellington: I would urge you to show some respect.

CHAIR: Mr Wellington, stay on track, please.

Mr Wellington: I will try.

Senator IAN MACDONALD: We are very respectful to you, Mr Wellington.

Mr Wellington: Thank you, Senator. I certainly have checked the Senate transcripts of the previous hearings and the contact of a number of senators.

Senator IAN MACDONALD: We are very respectful to you, as you can see.

Mr Wellington: Thank you. As I was saying—

Senator IAN MACDONALD: Because you are very important.

Mr Wellington: I am very happy to take Senator Canavan's question as the first question when I finish my submission. These laws I am referring to— Vicious Lawless Association Disestablishment Act 2013 and the Criminal Law (Criminal Organisations Disruption) and Other Legislation Amendment Act 2013—clearly impinge on the rights of Queenslanders in the following ways.

Article 14 of the International Covenant on Civil and Political Rights says that everyone has the right to be considered equal before the courts. There are mandatory sentencing issues, whereby people could have an additional component of 15 to 25 years, mandatory term of imprisonment. There is the removal of the opportunity for reasonable bail conditions to be imposed by our magistrates to the judiciary. The independence of the judiciary has clearly been challenged by removing the discretion that has traditionally been part of the separation of powers in Queensland. No longer in Queensland are you able to claim that you are innocent until proven guilty by the Crown. In actual fact recently the government under these laws said people would be charged and may have to prove their innocence. Further, the right to silence has been removed. The aim of that is, as the Attorney-General said in the *Hansard*, 'try to coerce people to cooperate'.

The Human Rights Commission has clarified that the presumption of innocence is fundamental to the protection of human rights of citizens. And Queensland should be no different to anywhere else in the world.

Article 22 of the International Covenant on Civil and Political Rights says everyone has the right to freedom of association. But these laws make people guilty of criminal offences as a result of the company they keep, even where the person has not committed any other criminal offence.

Article 29 of the International Covenant on Civil And Political Rights refers to everyone having the right to liberty and security of their person; no-one should be subjected to arbitrary arrest or detention. People who are charged under these laws may be detained without trial, and people who are convicted of a crime contained in these laws may be subjected to harsher conditions in our prisons than others. And this has been promoted by our Attorney-General and Premier. According to these articles, anyone who is arrested or detained on a criminal charge should be quickly brought before a judge.

Article 10 of the International Covenant on Civil And Political Rights says that everyone who is deprived of their liberty should be treated with humanity and with respect for the inherent dignity of the person. But these laws have the potential to result in people being detained without trial when the length of imprisonment is disproportionate to the crime.

I will also touch on the issue of the right to be free from cruel punishment. The Human Rights Commission has clarified that the purpose of article 7—which Australia is a signatory to—is to protect the dignity, and the

physical and mental wellbeing of prisoners, to ensure that prolonged solitary confinement in prisons should not be tolerated.

The right to work—under article 6 of that same international covenant—provides for the right to work. But these laws have clearly restricted the right of certain people to work in Queensland.

The Queensland government has bypassed the normal mechanisms in place to check the excesses of their government's decisions. These decisions have serious implications for Australia's international human rights obligations—in particular, the issue of excessive mandatory sentencing, the limits on the availability of bail and parole, reversing the onus of proof, coercing people to incriminate themselves, and holding people in detention without trial—creating more severe conditions in some of our prisons and restricting people's employment.

It is my submission that the government in Queensland today does not have a proper check and balance. The laws are open to abuse by certain parties, and the evidence is clear that the additional money that the government allocated to the police service—I think it was to the tune of \$20 million; \$16 million was spent prior to the budget this year, and there was a balance of \$4 million left over—has had a significant impact on the police presence, on the Gold Coast and around Queensland, dealing with some of these issues.

It is my submission that it is that injection of \$20 million and the focus of our police officers on dealing with inappropriate behaviour and allegations of criminal behaviour that has brought the increase in arrests that we have seen in Queensland over recent times. It is not the extreme laws that the government is saying has delivered these results. It is my view that elements of these laws are extreme. They are unnecessary and I believe they should be reviewed. I am happy to take questions, if Senator Canavan would like to start.

Senator CANAVAN: Thank you. Did you vote for the laws?

Mr Wellington: Yes, I did. In voting for that clause and, in answering your question, we relied on the assurances of the Attorney-General that the instances of people being affected by these laws would be very isolated. We relied on assurances that it would only be criminals who would be affected. More importantly, the Attorney-General and the government did not allow the legislation to have proper scrutiny or review by our parliamentary committees, so what we are seeing is—

Senator CANAVAN: But you knew—

Mr Wellington: Senator, you are asking the question, perhaps you can allow me to answer it.

Senator IAN MACDONALD: You have answered that, thanks.

Mr Wellington: I am able to answer the question—

Senator IAN MACDONALD: You said you did. That was the question.

Mr Wellington: as I feel is appropriate.

Senator IAN MACDONALD: No, that is not the correct case—it might be the case in your parliament; it is not in this parliament.

CHAIR: Senator Macdonald, he is answering the question.

Mr Wellington: So what we had was legislation introduced into parliament, rushed through parliament. That legislation did not have the capacity for proper scrutiny. We relied—I relied—on the assurances of the Attorney-General about the limited scope of the legislation. History has shown that many people have been caught up in the legislation, and many people have been harassed by police exceeding their powers because they felt they had the total confidence of the government. We even had the police commissioner saying, 'You have nothing to worry about because it is just like a random roadside breath test'.

Senator CANAVAN: Did you refer it to a committee in the parliament?

Mr Wellington: We did not have the capacity.

Senator CANAVAN: As a parliamentarian, you could have moved a motion to refer it to a committee. Did you do that?

Mr Wellington: Can I say there are a range of things that you might like—

Senator CANAVAN: *[inaudible]*

CHAIR: Senator Canavan, he is answering the question.

Mr Wellington: You have asked the question. My understanding is you were able to ask the question and I am able to answer it and you may not like the answer, but if you could give me a chance to answer. The answer is basically this: the government controls the numbers in Queensland parliament. They do not just control the agenda; they control what happens on our parliamentary committees. The government totally controls it. We do

not have an upper house, we do not have a house of review; the best we have is a committee system. There is a very specific way that a matter can be referred to a parliamentary committee: first, the matter can be taken up by that parliamentary committee itself under its own referral basis and, more importantly, if that does not happen, the only way the matter can be referred to a parliamentary committee is if the parliament itself refers it to the committee. The government made it very clear that they were not going to allow this matter to go to a parliamentary committee. It would have been fruitless—absolutely fruitless.

Senator CANAVAN: Did you call for it to go to a parliamentary committee, in public?

Mr Wellington: In answer to your question, if you took the time to look at the Attorney-General's comments in the *Hansard* records you will see quite clearly that, if the government does not want a matter to be referred to a parliamentary committee, it will not happen.

Senator CANAVAN: That was not the answer to the question I asked. Did you publicly call—

CHAIR: You cannot predict what he is going to answer.

Mr Wellington: Senator, you may not like the answer. The answer is very clearly that the Liberal National Party clearly controls what happens in parliament and it also controls what happens in the parliamentary committees. The parliamentary committee is controlled by the Liberal National Party; they have the numbers.

Senator IAN MACDONALD: You must be very ineffective as a politician if you cannot get—

Mr Wellington: In relation to the 81 members of parliament, I think I am the first politician of this parliament to come here before you. I am prepared to appear to put the issues—

Senator IAN MACDONALD: This is a kangaroo committee. Have a look how representative this one is.

CHAIR: Order!

Mr Wellington: That may be your view, but I note the transcripts show clearly the attempts of the opposition—

Senator IAN MACDONALD: There are two Labor, one PUP and one Green and me.

Mr Wellington: When I look at the terms of reference of this committee—I understand that you are very passionate and that for 20 years you have been passionate about North Queensland—I believe they give you the capacity to put various issues to promote North Queensland before this committee to take back to your parliament. If you are really happy for this committee to promote issues that are passionate to you—

Senator McGRATH: We would like to, but we are not allowed—

Mr Wellington: I would invite you to take that opportunity. Then there will more hearings.

Senator McGRATH: The numbers are used in this committee.

CHAIR: Order!

Senator IAN MACDONALD: Mr Wellington, are you a member of the Palmer United Party?

CHAIR: Order! You do not have to answer the question.

Mr Wellington: I am more than happy to answer the question. Senator, I think that is provocative. The record shows clearly that I am an independent member. I am not a member of any political party. I have the ability as an independent to be able to stand-up and say it as I see it.

Senator IAN MACDONALD: So you are not going to be a Palmer candidate?

Mr Wellington: Sometimes the Liberal National Party may not like it, sometimes the Labor Party may not like it—

Senator IAN MACDONALD: I love it.

Mr Wellington: and sometimes other people may not like it. As an independent, I have a conscience vote on every decision I make in parliament, whether you like it or not, and I have the freedom to act and appear before this committee without being controlled by any political party.

Senator IAN MACDONALD: You should join the Liberal Party, then. That is what we have.

CHAIR: We are getting side-tracked. Are there any more questions?

Senator CANAVAN: I just want to delve a bit more. Mr Wellington, you voted for the legislation. Did you believe it was a breach of human rights at the time you voted for it?

Mr Wellington: The vote happened in the morning. If you look at the transcripts, the facts are that the committee did not have the time and, more importantly, the government was not prepared to allow this bill to go to a committee for proper scrutiny so we had the capacity to analyse the implications of that proposed bill—to the

extent that some of the bills were not even made available to members when the Attorney-General introduced them onto the floor of parliament. Can I say, in hindsight you may have all these questions, but the simple facts are these: the government chose not to refer it to a committee, the government chose to rush it through parliament and, once the government had considered it, that was the end of the road.

Senator CANAVAN: Obviously you did agree with the laws when they went through, as you voted for them. I am sure you consider your votes like we all do. You made a judgement at the time that it was appropriate to pass the laws. You now have a different judgement, and that is fine and that is your right. Different people have different judgements and still do. Do you believe that this a matter of judgements, not a matter of facts. That is the point you are putting here. Reasonable people can disagree on these issues. Would you agree with that?

Mr Wellington: I think a reasonable person would look at the transcripts of what happened during the debate and, if you take the time to read those transcripts, you will see the opposition and crossbenchers all said we were happy to have this matter referred to a committee for consideration. That was not allowed by the government.

Senator CANAVAN: Did you make that claim in the *Hansard* at the time?

Mr Wellington: I invite you to read the *Hansard*.

Senator CANAVAN: With as much free time as I have in this job, I am not going to do that. I am asking you.

Mr Wellington: The *Hansard* record reflects it.

Senator CANAVAN: At the time of the debate—

Mr Wellington: Yes, I invite you to read the *Hansard*.

Senator CANAVAN: before it was voted on, did you call for it to go to a committee?

Mr Wellington: I spoke to it before it was voted on, so—

Senator CANAVAN: I just want to put on record that that question has not been answered.

Mr Wellington: The question has been answered. I have invited you to refer to the *Hansard*. That is what I am referring to. The opposition and the crossbenchers said that we were happy to support the bill, for it to be referred to the committee so that there could be proper scrutiny. If that had happened, we would have identified, I believe, some of the extreme elements of this legislation, which have been criticised by eminent Australians, experts in this field.

Senator IAN MACDONALD: Like the High Court?

Mr Wellington: In relation to the High Court, the High Court has made some findings. But I also know that the High Court found, very interestingly, that while—

Senator IAN MACDONALD: Struck the bill out, did they?

CHAIR: Order!

Mr Wellington: I will just take you to the High Court. My summary of those findings is that they found that, while the reach of the laws was very wide, their operation may be excessive and harsh—

Senator IAN MACDONALD: So they struck them out?

Mr Wellington: and the High Court's decision did not mean that the laws are necessary and are in line with our ideas of equality before the law and freedom of association. The High Court made no findings in relation to the issue of mandatory prison sentences. The High Court's decision reinforces the need for a comprehensive, proper review of laws before they are passed.

Senator CANAVAN: What were you quoting from there?

Mr Wellington: They are my notes.

Senator CANAVAN: So that was not the High Court decision that you are quoting from?

Senator IAN MACDONALD: I thought you were quoting the High Court.

Mr Wellington: No, they are my notes of the decision of the High Court.

Senator CANAVAN: Your interpretation of the High Court.

Mr Wellington: I invite you to read the High Court's decision.

Senator CANAVAN: I have read parts of it; I have not read all of it.

Mr Wellington: If you read it, you will find my comment is consistent with that interpretation.

Senator CANAVAN: I would not come to that conclusion, I am sorry, Mr Wellington.

CHAIR: Senator Ketter, do you have a question?

Senator KETTER: Thank you, Mr Wellington, for your submission. I would like to take you to that part of your submission where you make reference to the changes to the running of the Crime and Corruption Commission, particularly in relation to its independence. I would like you to go into some detail about its ability to pursue matters and complaints under the current circumstances.

Mr Wellington: In relation to the issue of the Crime and Corruption Commission and its independence, for over 12 months now—it is almost 12 months—there has been an investigation in relation to a number of matters involving advice that the acting chairman, Dr Ken Levy, presented to our committee. That is on the record. Unfortunately, 12 months later the issues in relation to the evidence that the current acting chairman presented to our committee have still not been resolved. That investigation is still ongoing; it is very disappointing. The evidence shows that, as a result of decisions of the oversight committee, the government chose to sack the full committee—bearing in mind it is questionable whether the government actually had the legal power to sack that committee. Time has moved on and there is not the capacity to review that. But legal experts have actually questioned whether the government had the power, the legal power, to sack that parliamentary committee and, more importantly, sack the people appointed by the opposition.

We have issues involving the credibility of the acting chairman, Dr Ken Levy. The opposition has made it very clear that they do not support his perceived independence. The records show the close connection between the Premier's office, the Attorney-General's office and Dr Ken Levy. When this raft of laws was introduced, approaches were made inviting Dr Levy to make comments publicly supporting the government's position. The records show that, in due course, comments were made by Dr Levy; one-on-one interviews were conducted. In the context of this request for support from the government, Dr Levy's contract of employment had not been extended, as I understand it. I understand that, shortly after these supportive comments were made by Dr Levy, the acting head of the Crime and Misconduct Commission, his contract was extended for a further time.

I also put on the record that it is also questionable whether you are able to have a person acting in an acting position for so long when the intent of the original legislation was that, for a person to be appointed to an acting position to lead the Crime and Misconduct Commission, it would be a temporary position—perhaps someone was ill—until that person could soon be replaced. But in this instance we saw a person take on an acting position and continue in that acting position for months, months and months. Again, legal experts have said that that was misuse of the law and could have been challenged. It has not been challenged and Ken Levy is still the acting chairman.

Senator KETTER: You are talking there about a perception of a lack of independence. What does that mean?

Mr Wellington: In relation to the terms of reference, the Crime and Corruption Commission is the highest commission that can investigate allegations of corruption or misconduct by politicians or senior public servants. The problem we have is that if members of parliament and members of our community do not have confidence in the independence and the separation between the Crime and Corruption Commission and the government, they will not have confidence to make a complaint about ministers, senior public servants or other people in Queensland doing the wrong thing. Above all, we need to maintain not just the independence of the Crime and Corruption Commission but the perception that they are at arm's length and separate from the Premier, the Attorney-General and the leadership team of this government. Clearly, that has been questioned over recent years and also recent decisions by our current Attorney-General and the Premier. That is all on the parliamentary record. I invite anyone who is interested to refer to the *Hansard* debates of the Queensland parliament during that time.

Senator KETTER: Is Dr Levy still in an acting capacity?

Mr Wellington: Dr Levy is still in an acting capacity.

Senator KETTER: In your submission you talk about measures being changed to raise the threshold for complaints and about giving the Attorney-General control of the commission's research program. Can you elaborate on that?

Mr Wellington: I think it is totally inappropriate that the Attorney-General can decide what areas the Crime and Corruption Commission undertakes research in. I think it is totally inappropriate. I believe that if the Crime and Corruption Commission wants to undertake research into a whole range of matters involving significant decisions or potential decisions involving big dollars and the government, they should have the capacity to do that without needing the authority of the Attorney-General. Some of these decisions, some of these investigations may have significant implications and may involve politicians. If we want to have a separation between the leadership of a government and the Crime and Corruption Commission, which has the responsibility of investigating the

leaders of our state, it must be totally separate. You should not have a situation where you need the Attorney-General to approve any research that that committee wants to undertake.

In relation to the ability of people to make complaints to the Crime and Corruption Commission, that has been significantly changed. Many people are aware of information whereby they do not want to be identified. I have had people come and speak to me, who have been employed—I use these words carefully—by politicians and who are no longer employed by politicians and who have information. But they see how whistleblowers have been treated in the past and the person who most recently contacted me said to me, 'I will not put my family through it and I will not go through it. I will not come forward, but I share this information with you.'

We crucify the whistleblowers and we—when I say we, I mean the government—they look after the people and often many of the people that are being questioned. I do not know how things will end up with your committee but I know of people, but I am not able to produce their names. I have given them a commitment that I will not. They want to share their story, but they simply are not prepared to do so because they do not have confidence in the independence. It is often about perception.

You may have the separation but, by crikey, if we have an Attorney-General and a Premier, and we have these approaches that are on the record, 'What happened with Dr Levy?' and Dr Levy then made these comments about which others have said, 'How could you make those comments simply supporting the government?' people will say, 'He's in the pocket of the government.' Rightly or wrongly, the perception is there. It will be interesting to see the outcome of this current investigation.

Senator KETTER: If I could take you now to the concept of parliamentary scrutiny. You would be aware of course that billions of dollars of Commonwealth grants are going to the Queensland government. Do you think the process for scrutinising the spending of these taxpayer dollars is sufficient? And have there been any changes in recent times that adversely impact on that?

Mr Wellington: I am not on the finance committee. We have an audit office in Queensland. I think the auditor does the best he can. My experience is that if something untoward is going on or something is wrong, the only way you are going to know where to look is if someone tells you where to look and it is usually someone within the system. Someone in the system who knows the paperwork, sees what is going on will often make a phone call or draw it to your attention, so you know what question to ask. I must admit that in a previous government, a few years ago, there were issues involving—can I say—the inappropriate use of funding. I raised that matter with the minister at the time. The information was presented to the minister, in the state government, and after a number of months a result happened whereby with respect to the funding to that institution they were asked to show cause. That only happened because I was provided with the information as to where to look.

When the funding finally stopped, the minister said, 'Would you like to be involved in the announcement of the decision?' I said, 'No, thank you,' because the person who provided that information did not want their family to be identified. I would have to rely on other people better skilled. My portfolio that I have been involved in and I am still involved in includes the ethics committee, the law and community services committee—I am the deputy chair of that—and also the oversight of the Crime and Corruption Commission that oversees the—

Senator KETTER: The normal processes for scrutinising that type of expenditure are what we would call an estimates process. Have you anything to contribute in relation to that?

Mr Wellington: In relation to the estimates committee, I think I touched on it earlier in my submission where the government has been saying that these VLAD laws, these bikie laws, have got such a wonderful result. 'We have all these people being charged and coming before the courts.' But we have also got the Channel 10 and the *Law & Order* program supported by the state government. Every night you can turn on your television and there is a program—*Law & Order*. When we had the incident on the Gold Coast, all of a sudden, the state government and the police had the focus on what was going on. The government injected—and the estimates hearing showed this—an additional \$20 million to the police service to deal with the issue of this criminal behaviour. At the estimates hearings this year we heard that there was a balance of \$4.3 million in the budget still to be spent. So when any department which receives an injection of an additional \$20 million and when the focus of the police service is, 'We want you to deal with this,' you are going to get a result. So my submission is that we have had a significant result in Queensland because of the new task force dealing with illegal behaviour, illegal actions, because the government was focused and the government resourced the police. I do not believe the increased police attention to illegal behaviour in Queensland is as a result of the extreme elements of the VLAD laws and the other parts of those series of laws. We could still have achieved the results we have achieved today with that \$20 million injection of funds and with the police leadership team, saying to the police service, as they have in the past: 'There's a problem. We're going to set up these special units.' Heck, when I was in the police service many years ago, if there was a problem they had the specialist units that went out. I can still remember that when I used

to work at the watch-house in downtown Brisbane, at one o'clock in the morning they would bring in the people to be arrested, searched and processed. That is part of policing. If there is a problem, you have your special units to deal with it. But we do not need the over-the-top, extreme components of the legislation that I have referred to here today.

Senator WATERS: Thank you very much, Mr Wellington, for coming along today and for your very considered submission. Are we back to the Joh days in Queensland?

Mr Wellington: I will leave it up to others to judge. I can remember in those days when I was a police cadet and when we had the laws banning people from rallying in the streets. I can still remember that, as a young police cadet, the call came out, 'We need more blue shirts.' I can remember all of us young police cadets popping in a bus out at the police academy to Oxley and coming in to downtown Brisbane. We were the third line. The police service said the intention was to have all of the police at the front so that when the protesters were marching down George Street, or wherever they were, they would see more police hats in the group, not knowing—

CHAIR: Excuse me, Mr Wellington. A point of order, Senator Macdonald?

Senator IAN MACDONALD: I have a number of serious questions to ask. What happened 50 years ago is not relevant to this inquiry. I wonder if you can direct the witness to refer to this inquiry and answer the question without giving us a history of Queensland.

Mr Wellington: The question was in relation to the context. I am just saying that, in the context of my recollection of the Joh days, I can remember where the government—

Senator IAN MACDONALD: Recollection—

Mr Wellington: That was the question that was asked of me. Senator, you may not like the answer. You have the capacity to ask the question, but I have the capacity to answer it.

Senator IAN MACDONALD: You have to wake up first.

Mr Wellington: So that is what it is about. Give me a question and I will answer. You may not like the answer, but I have the capacity to give the answer.

Senator IAN MACDONALD: This may be good play acting in the state parliament, Mr Wellington. It does not cut any ice with this committee.

Mr Wellington: You talk about play acting. I looked at the transcript—

Senator IAN MACDONALD: Even this committee, as biased as it is—

CHAIR: Senator Macdonald!

Mr Wellington: Senator, I looked at the transcripts of your actions in the previous hearings. Let the records speak for themselves.

Senator WATERS: In your 16 years in parliament, how often have you seen laws rushed through this quickly with so many civil liberties implications?

Senator IAN MACDONALD: And compare them with the federal parliament that you were part of, Senator Waters.

CHAIR: Order!

Senator IAN MACDONALD: Fifty five bills passed through without any debate at all!

CHAIR: Order!

Senator WATERS: We are here to listen to you, Mr Wellington, not to these folk.

Mr Wellington: On occasions when there has been urgency, there have been numerous occasions when successive governments had seen the need to bring in urgent legislation. So it is not unusual for governments to bring in urgent legislation. The urgency is reflected in the speeches that are recorded in parliament in *Hansard*. In this instance, the opposition and myself, on behalf of the crossbenchers, said we were prepared to support the legislation but we wanted it to have the capacity to be scrutinised by a committee, because we relied on the assurances of the Attorney-General that it was about dealing with criminal behaviour and that innocent people would not be caught up in it. So it is an exception and it is unusual. So, yes, we have had occasion where urgent legislation has been rushed in and the minister at the time has indicated a justification for that. In this case, it is unusual to see so many challenges to the international covenants that Australia is a party to—challenged and questioned in one raft of piece of legislation. It really raises the question: where we have our federal politicians talking about how we need to be out there leading the world and telling the world how we are honouring these international covenants—

Senator WATERS: Not doing so well in that regard!

Mr Wellington: and, yet, here in Queensland, we see a government which can quite easily just ignore them. And they can ignore them because they control the parliament, they control the committees and we do not have an upper house with the capacity to review it.

Senator WATERS: In your view, what have been the unintended consequences of the series of what is known as the bikie laws—the VLAD and the other bills that were passed?

Mr Wellington: There have been significant unintended consequences where innocent people have been caught up, where innocent bike riders have been harassed by police because the police thought they could do it and have been supported by the leadership team of the police service. When I raised this matter at one instance, the response from the Premier and our police commissioner was, 'It is just like a random roadside breath test; it happens all the time.' That showed to me clearly that the leadership team in the police service and our Premier were not in touch with what was actually happening on the ground. With the random roadside breath tests, the stark difference is that you are pulled over by the police and you are asked to blow in the little gadget and then you are asked to move on, or they might look at your car and drivers licence. With this legislation we saw clear and repeated harassment of people, simply because they had tattoos, because they rode a motorbike, or because they drove a car. They were clearly victimised, and the government said that is part and parcel of the strategy they were going to embark on.

That was the unintended consequence. Some people who were charged and were caught up in this legislation ended up in solitary confinement. I do not know how many people can deal with solitary confinement. I remember from when I was working in the watch-house that people were put in the padded cell and they could not cope. Everyone has different stress levels. Of the people who were caught up in that, who were in prison in the solitary confinement criteria, I understand from their families that some of them could not cope.

Our international obligations under the covenants we are a party to, and in which we are trying to lead the world, say that we want to not just respect everyone, but, more importantly, how do we deal with the people who have some challenges. How do we deal with people who are brought before the courts. It is wrong that we have people in solitary confinement, where magistrates and judges were not able to deal with the charge in a normal way to consider whether it was reasonable to allow them to go on bail and normal reporting conditions. Instead, the legislation was clear in mandating and putting restrictions on the ability of magistrates to process people in the normal way. So there was one rule for the people who the government saw were in the bikie groups and another law for everyone else.

You can compare it with how the government wants to deal with white-collar criminals. Quite clearly, the white-collar criminals who are walking around in the best suits and the flashiest cars get a different set of rules to the person who might ride a Harley-Davidson or other motorbike, and I think that is not on.

Senator LUDWIG: You would have expected the Attorney-General to refer the legislation for the committee's consideration. Our Attorney-General would do exactly that for legislation that was going to impact on civil liberties, and the Attorney-General before him would have done that. So why does the Attorney-General in this instance not refer them, where they have a significant impact on civil liberties?

Mr Wellington: I cannot speak for Attorney-General Bleijie. There is no reason why the government could not have referred this matter to our committee to investigate. Heck, we just finished an investigation into how we can deal with crime in Queensland. The government can at any stage refer anything to a committee to investigate. They did not want to. The *Hansard* record shows that the opposition and crossbenchers said, 'We are happy to support it. Refer it to committee so that we can assess it.' The government refused to take up that offer. I think that says volumes about the intentions of this government.

Senator IAN MACDONALD: Are you so ineffective as a state parliamentarian that you cannot get your view across there and you have to come to a federal committee to put on an act and shout at the cameras?

Senator LUDWIG: Scott Morrison also came to a federal committee.

Mr Wellington: With respect, do you have another question?

Senator IAN MACDONALD: So, you are ineffective as a state politician.

Mr Wellington: With respect, I do not intend to answer that. It is totally disrespectful. I asked you to ask questions about the matters I have put before you.

Senator IAN MACDONALD: You appeared at Mr Palmer's theme park a few months ago on a speaking list with Dr Douglas and Mr Carl Judge. Were you paid for that appearance?

Mr Wellington: What relevance does that have to the matter before us?

Senator IAN MACDONALD: I will tell you the relevance. The evidence you give here and the veracity of your evidence depends on your political take on these things. Are you intending to be a Palmer United Party candidate at the next election?

Mr Wellington: Thank you for clarifying your question. I will be very clear and very precise so the you and your party of aware of it. I have never been paid to do anything for Mr Palmer and I have never been paid to do anything for anyone. As an Independent I stand up and I say what I feel needs to be said.

Senator IAN MACDONALD: Thanks for clarifying that.

Mr Wellington: That is to answer your question. I take it as an insult for you to insinuate or think that I was paid to stand up and to—

Senator IAN MACDONALD: I am asking a question.

CHAIR: He is answering the question.

Mr Wellington: No, no—I am answering it. You may not like it. You chose to ask the question. Have the courtesy to allow me to answer.

Senator IAN MACDONALD: You have told me you were not paid.

Mr Wellington: I take it as an insult after my time in parliament—

Senator IAN MACDONALD: I am not interested in your emotions.

Mr Wellington: that you have even insinuated that I would take money to attend—

Senator IAN MACDONALD: I have asked a question and you have answered it.

Mr Wellington: a meeting to speak as the only member of the Sunshine Coast who was prepared to go and speak with my constituents, who also were at that venue.

CHAIR: Order!

Senator IAN MACDONALD: Mr Chair, can I ask that you remove the Wellington-paid cheer squad from the room.

Mr Wellington: If I can finish—

Senator IAN MACDONALD: Don't bring the cheer squad next time.

Mr Wellington: Senator, you have asked a question. Allow me to finish.

Senator IAN MACDONALD: I cannot hear it because of your cheer squad.

Mr Wellington: Senator, if you would stop interjecting, you could allow me to finish. You might not understand the demographics of the electorates of Nicklin and Fairfax. The demographics are that many of my constituents are also constituents of the electorate of Fairfax. Mr Palmer is a federal member who represents, by and large, the electorate that I also represent in state parliament as the electorate of Nicklin. When I was invited to attend that weekend that he put on, he said to me: 'Peter, we will have mutual constituents at this weekend. Would you like to come and speak to them about issues that you want to share with them about what is happening in state parliament?' and I said, 'I'd love to!' Senator, if you had taken the opportunity to attend, you would have been able to listen to what I had to say.

Senator IAN MACDONALD: So your vote is with Clive?

Mr Wellington: The records show that I supported—

Senator IAN MACDONALD: I want to—

Mr Wellington: You have just asked me a question. Senator, sorry—you have just asked me a question. In relation to the article you have just produced, 'Your vote's with Clive', the record is very clear. I publicly endorsed Mr Palmer as a candidate for the federal election because I was concerned that, if we did not get Mr Palmer elected into this area, we would have had a whole series of LNP members on the Sunshine Coast and it would have been business as usual, as it has been for the last 20 years. More importantly, it would not just have been business as usual; we would have had our part of the Sunshine Coast taken for granted by the federal parliament. That is no longer the case, rightly or wrongly. Now every politician in Canberra knows where Fairfax is, and you certainly do as well. I am pleased about that.

Senator IAN MACDONALD: Just getting on to the International Covenant on Civil and Political Rights, have you referred your comments, which you made a very fine speech about earlier in this hearing, to the Human Rights Commission?

Mr Wellington: No, I have not, because I thought this would be the appropriate vehicle to take it to. When I heard this session was being held, I thought: 'I'm going to put this case to your committee,' because of your terms of reference.

Senator IAN MACDONALD: Thank you. The Human Rights Commission has been there for a long time. I thought your submission suggested that we were not parties to the international covenant, but you would be aware that that was signed in 1972 and ratified in 1980, so it does apply to Australia. Are you aware of that?

Mr Wellington: I am aware of that. I am also aware that, legally, until—as I put in my submission—that covenant is adopted as law in Australia, the government can ignore what is in that covenant.

Senator IAN MACDONALD: An international covenant should automatically be made part of the Australian law.

Mr Wellington: No, no—listen to what I am saying. I understand that, until the contents of the international covenants are adopted as part of the law in Australia, governments can ignore them.

Senator IAN MACDONALD: Do you want us to adopt that completely as Australian law? Is that the thing?

Mr Wellington: My submission is that the only way we are going to be able to control the excesses of a government like we have in Queensland at the moment is to try to find a capacity to have the federal government powers used. At the moment, as the records show, we do not have an upper house—

Senator IAN MACDONALD: Okay.

Mr Wellington: Sorry, I have not finished. We do not have an upper house—

Senator IAN MACDONALD: You have told us this before.

Mr Wellington: We have a committee system the government totally controls.

Senator IAN MACDONALD: You have told us this before.

Mr Wellington: We have a parliamentary crime and corruption commission that—

Senator IAN MACDONALD: You have told us this before.

CHAIR: Let him answer the question, Senator.

Mr Wellington: the government basically is able to influence. We have another level of government—the federal government. It is my submission that, if the federal government has sufficient concern about some of the recent decisions that we have seen passed in Queensland without proper scrutiny, maybe we need to ask our federal government for some assistance. And I have put forward a solution as to how you may be able to find some assistance—

Senator IAN MACDONALD: Thanks, Mr Wellington; I can read your submission.

Mr Wellington: Thank you.

Senator IAN MACDONALD: Long before this committee was established, the Human Rights Commission was around. Did you think to report all of your concerns, which you are so articulately presenting at the moment, to the Australian Human Rights Commission to investigate all of your allegations of human rights abuses?

Mr Wellington: No, I have not—

Senator IAN MACDONALD: Why not?

Mr Wellington: Because the law is very clear. The Australian government is able to ignore the covenants that it is a signatory to.

Senator IAN MACDONALD: Why didn't you refer it to the Australian Human Rights Commission? You gave a very fine speech about human rights here earlier on. Apparently you do not give them in the state parliament, but we heard it here. Why then haven't you referred your great concerns about abuses of human rights to the Human Rights Commission, which deals with these things all the time?

Mr Wellington: Senator, you have been around politics for over 23 years—

Senator IAN MACDONALD: Twenty-four.

Mr Wellington: I apologise: 24 years. What we have is this Senate hearing's capacity to make a recommendation to take action to bring a government to account. So my answer is—

Senator IAN MACDONALD: Well, it cannot.

Mr Wellington: I am asking you to use the powers that you have to come up with recommendations. You may even find some way to identify that the legislation has been—

Senator IAN MACDONALD: Why didn't you report it to the Human Rights Commission?

Mr Wellington: I did not pursue it at that time.

Senator IAN MACDONALD: You were not all that concerned then, but you are now when you have got an audience?

Mr Wellington: Senator, if you do not like the evidence I am presenting, that is fine. But, quite frankly, I—

Senator IAN MACDONALD: I am trying to establish why you are doing this.

Mr Wellington: I simply did not at the time, but I have presented material to you now.

Senator IAN MACDONALD: You are concerned about human rights now in front of this parliamentary committee, the composition of which is clear, but you were not concerned enough to report it to the appropriate authority, which is the Australian Human Rights Commission. That says something about your appearance, Mr Wellington. Thanks for coming along.

Mr Wellington: Thanks Senator.

CHAIR: Would you like to answer that?

Mr Wellington: Frankly, the Liberal National Party government in Queensland significantly restricts the capacity of Independent members to pursue a whole range of issues. I am one member of parliament with two staff. Two staff are the full resources I have from this government. When I compare that with the recent amendments to the Electoral Act, where the state government pushed through the policy for gifting of money to the major parties, like the Liberal National Party and the Labor Party, without any accountability for where that money goes, I say that is absolutely disgraceful. There is no capacity for that sort of funding for Independents. We are limited in the resources that Independents have. When it comes to comparing how the Liberal National Party government in Queensland looks after itself, I refer you to the recent amendments that went through in relation to the Electoral Act where the government refused to put any condition on the requirement to account for where that money—which is referred to as 'policy development payment'—goes.

Senator IAN MACDONALD: Shouldn't you raise this in the state parliament?

Mr Wellington: I certainly have. If you refer to the Hansard records—

Senator IAN MACDONALD: It just shows how ineffective you are.

Mr Wellington: unfortunately what we saw was the Liberal National Party refused to even respond to putting conditions on the accountability—

CHAIR: I am sorry, Mr Wellington. Point of order?

Senator CANAVAN: I make a point of order on relevance. This inquiry was a farce last week. It is turning to irrelevance this week. I mean—

CHAIR: On the point of order, Senator Macdonald asked the question. Mr Wellington has chosen to answer it, and he is trying to give his answer now.

Mr Wellington: Thank you, Senator. That may be your interpretation. I am actually very pleased that I have had the capacity—on behalf of many people in Queensland who believe they have no voice in Queensland at the moment because of the way this government operates and the way the committee system operates—to come and appear before your committee—

Senator CANAVAN: You have a parliament. You have your own Queensland parliament.

CHAIR: Senator Canavan!

Mr Wellington: to shine a light on some of the excesses of the Queensland government. I am looking forward to the day that the Premier chooses to announce the date of the election—

Senator CANAVAN: We all are.

Mr Wellington: so that we can actually have that election and we can move forward.

CHAIR: Sorry, we are running out of time. Senator Macdonald, you do not have the call!

Senator IAN MACDONALD: He would tell you how effective an Independent—

CHAIR: Senator Macdonald! You do not have the call!

Mr Wellington: I have been a member for over 16 years.

Senator IAN MACDONALD: And you have been totally ineffective.

Mr Wellington: That may be your view.

CHAIR: That is just inappropriate. Stop it.

Senator McGrath: Mr Wellington, do you believe there is a link between crime and criminal activity and outlaw motorbike gangs?

Mr Wellington: I understand that when the Premier was asked a question during the estimates hearing in relation to that linkage—

Senator McGrath: I am asking you.

Mr Wellington: he said there were 11 people arrested. I will just find some of my notes here. I think he said that there were 11 people arrested who were directly connected to the VLAD laws—the criminal organisations of the bikies—11. Now, that may have changed—11 people arrested. There are criminal activities everywhere—

Senator McGrath: I suppose my question was that outlaw motorbike gangs are renowned for their involvement in drug pushing and things like that. I just want to know whether you think there is a connection between outlaw motorbike gangs and criminal activity? Whether you personally believe there is a connection between those people who are involved with these gangs as such and criminal activity?

Mr Wellington: Quite frankly, I have no personal involvement. All I can go on is the evidence that has been presented to our—

Senator McGrath: It was not involvement, but—

Mr Wellington: To our committee. Clearly, there must be some connection on the evidence that has been presented, and the advice and the announcements from the Premier, the Attorney-General and the Minister for Police and Community Safety. All I can say is that with an injection of \$20 million to deal with this issue in the context of where things are in the bigger picture of crime in Queensland—the information that I have seen shows that we have so much other crime in Queensland: white collar crime and a series of significant criminal activities—that the government made a call. They have allocated the money. They have prioritised the police resources. The police service has prioritised the special task force, so they are out there doing the work. And they are certainly charging people. But—as I said—I understand that only 11 have been charged.

Senator McGrath: My understanding is that the latest figures from the Queensland Police Service show that crime overall in Queensland has gone down by 10 per cent, and that on the Gold Coast, where these gangs were out of control, crime is actually down by 46 per cent. I put it to you that there is a direct correlation between the government's actions with the VLAD laws and the reduction of crime across the state—especially on the Gold Coast which, sadly, was getting a reputation for seediness because of the activities of these outlaw bikies. I just put it to you that that is a good thing, isn't it?

Mr Wellington: There is no doubt that with an injection of \$20 million and with a policeman on the street at almost every corner, as we have seen on the Gold Coast since last year, that people who are going to do the wrong thing will have second thoughts. There is no doubt about that whatsoever.

In relation to whether that is as a result of the VLAD laws or simply as a result of the increased police presence and the additional resources that the police service provided to them, that will be up for others to decide. But the facts are, as far as I am concerned, that the police took their eye off the ball for some time; things got out of hand on the Gold Coast and when an incident, or a number of incidents, happened, next minute it was, 'We'd better do something.' So what did we see? We saw the government bringing in some of the most extreme legislation.

But in addition to that, they actually gave them some real dollars and they focused the police service's attention on the problem. That is not unusual. What I am saying is that the increased security that people feel at the Gold Coast is as a result of the increased police presence. But you cannot automatically say that because there are increased mandatory terms of 15 years imprisonment or 25 years in prison, or you go off to solitary confinement—or at one stage you had to go and wear pink overalls when you were in prison because you were deemed to be a bkie—that that is going to have any impact on criminal activity, I think is just ridiculous.

Connections with solitary confinement and pink jumpsuits in prison are laughable. But that is what the government did, because they had the capacity to do it and no-one could question them.

CHAIR: We are going to have to wrap it up there, I am sorry. All other questions can be put on notice. I would like to thank you, Mr Wellington for coming along. The committee will take a short break—and when I say 'short', it will be very short—of about 10 minutes.

Proceedings suspended from 12:09 to 12:24

DAVIS, Dr Chris, private capacity

CHAIR: Welcome. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. I now invite you to make a short opening statement and, at the conclusion of your remarks, I will invite members of the committee to put questions to you. Before you begin, do you approve of microphones or recording devices sitting right there? Is that an issue for you?

Dr Davis: No.

CHAIR: Okay; over to you.

Dr Davis: Ladies and gentlemen of the inquiry, I am here in a private capacity, as a citizen with an interest in the subject matter of this inquiry. I appreciate the invitation and I took particular note of the terms of reference for the inquiry. It is really in that context that I hope to share some ideas and, more importantly, some future challenges with this inquiry. Even though I am not here in that capacity, my long-standing interest in health is on the public record and also my appreciation to the people of Stafford who elected me as a state member for that seat back in 2012. I was privileged to serve as the assistant health minister for the state of Queensland for a period until earlier this year. In that process I have a great interest in health, not only from a patient and a community point of view but also from a sustainability point of view for government. My interest in sharing some ideas with the committee today is really based on how we have performed since the major health reforms of 2012; the new national health agreements that came out, which provided for some very substantial increases in funding; whether those funds have been put to optimal use; and, most importantly, how we will cope with the increased pressures on the healthcare system going forward.

Of course I am also mindful that the committee itself, or this inquiry, has been the subject of criticism in some quarters. My own personal view on that really goes back to a saying by Plato: 'We can all understand children who are afraid of the dark; one of life's great tragedies is men who are afraid of the light.' From that point of view, any opportunity to shine light on the performance of government is welcome. So it is here that I hope to talk not about problems but about solutions that undoubtedly we do require. What I hope to address is to, first of all, talk about the benchmarks as I see them that have been achieved in Queensland thus far and as a result of very substantial changes.

The particular term of reference of the Senate inquiry that I want to touch on is:

(ii) performance measures in relation to Commonwealth funds paid to the State of Queensland—

and in particular health care. As you know, health care is a major outlay for state governments. Looking at the most recent data to hand—for example, the 2013-14 financial year—it was in fact the state government that provided the majority of funding for Queensland's public hospital and health system with its \$7.714 billion comprising 62.6 per cent of the health portfolio's total funding of \$12.326 billion. But the Commonwealth's funding for that financial year was budgeted at \$3.34 billion and 27.6 per cent, so it is not an insubstantial amount. The balance was from user charges and other revenue.

In terms of looking at what value both the state and Commonwealth got for that, we really have to focus predominantly on patient outcomes and secondarily on healthcare outcomes, which I will come to later. We should also be mindful, when we talk of performance, that we need to look at how we perform in terms of our employees. Certainly one of the big roles of our healthcare system is training future generations of employees. Unfortunately, data on how we perform in relation to employees is somewhat more difficult to get. The other big group we need to look at in relation to performance is the people who actually pay for our public system—in other words, taxpayers—and whether they have got value for money or the very best outcomes possible.

Performance measurement in healthcare is extraordinarily complex, because of the very complexity of the work and the very rapidly changing environment. It is indeed no simple task to have valid, reproducible and comparable performance measures. As we know, in Queensland we could not get a payroll system that even worked reliably, so you can imagine how much more difficult it is to measure the activity of employees if you cannot even have the data to pay them accurately and easily.

On the major issue, the universal measure of efficiency that we have in the healthcare system is something called the national efficient price. It is a weighted average of a package, really, of activities in health care. Like all statistics it has its critics, but it just happens to be the best that we have at present. The national efficient price is part of activity based funding, where funds to hospitals flow based on activity and price agreed to between the Commonwealth and the state. That was part of the National Health Reform Agreement, signed on 2 August 2011. The very important point to note is that we do not have a lot of historical data to benchmark progress on. Really, we only have peer review—in other words, looking at Queensland relative to the other states—recognising that all states are unique, particularly in terms of remoteness of service delivery and factors such as special needs of

Indigenous populations and other special need groups. It is a major ongoing work but, nevertheless, it is a great tribute to everyone working in the field that they have managed to be able to implement a nationally consistent approach to activity based funding for acute admitted services, emergency department services and non-admitted patient services. That began on 1 July 2012. The year commencing 1 July 2013 saw a nationally consistent approach to activity based funding for services such as mental health and subacute services. With an ageing population, the whole area of subacute and chronic care is a major challenge as well. My particular interest in that area is as a geriatrician, so I am very familiar with some of those challenges.

There is a body that, like a lot of other areas, is undergoing reform by the Abbott government, as I understand it, but the initial body to establish this national efficient price was the Independent Hospital Pricing Authority. Its role was to calculate and determine this national efficient price. It also has responsibility for collecting the data that underpins the price and for doing the various weightings of the different sorts of clinical activities. Queensland Health, to its great credit, although there is an obligation to do so as part of getting the Commonwealth funds, does provide an ongoing performance report online as to how it is actually performing relative to the national efficient price, amongst other issues. The most recent available data is that of 27 October 2014. That has a number of statistics detailing, for example, shorter stays in emergency departments, which was one of the requirements of the 2011 healthcare agreement. In that respect, the performance standard is having a patient seen within four hours. If we go back to the period January to March 2012, that standard of four hours was being met across Queensland 63 per cent of the time. It is now being met 73 per cent of the time. In terms of fewer long-wait patients, we have data from March 2012 showing that long-wait patients—in other words, people who waited for longer than the recommended time for their surgery—was reported as 6,485. As of September 2014, it has gone down to 531. That reduction—6,485 to 531—is a very significant achievement as a result of these national health reforms and of the other big reform, of course, the establishment of health and hospital boards in Queensland and elsewhere in the country, where they were not previously. Having local input and, very much, clinician input, with the additional funding provided by the 2011 agreement, has driven a lot of those performance improvements in the context of both surgical patients and emergency department throughput. I ask the inquiry to make a mental note of that, because with changes that are forced, really, on the Australian community as a result of our changing financial position, we are going to have to produce these sorts of outcomes without the resources that were actually part of the 2011, fortunate, contribution at that time.

We can go on and see from the Queensland health website performance measures that all these performance measures are properly documented and so I will not take up too much of the inquiry's time. The other major achievement was the dental waiting list. The number of people waiting for the number of people waiting two years and over on the general care waiting list for dentistry, as of March 2013, was 61,405. As of September 2014 it is reported as zero. The data collection that underpins this was part of the national partnership agreement. The key issue in terms of financial sustainability was the better value for money one. The benchmark cost target for the national efficient price was \$4,503. The state average in the most recent reporting was \$4,529, just marginally above the Queensland adjusted national efficient price. In terms of measuring that performance, there is a substantial amount of data that is out there.

However, at the same time as we are managing to make that progress, the pressures definitely need to be acknowledged. I will talk about some of the demographic and lifestyle questions briefly, if I may, that we have to acknowledge. We are very fortunate in Queensland to have an outstanding Chief Health Officer, Dr Jeannette Young, and her team. She puts out one of the benchmark reports, in my opinion and that of many, in terms of the challenges facing our health in Queensland and Australia more generally. According to her current report, which came out this month, the current Queensland population of 4.7 million is projected to increase to 7.1 million by 2036, with a 50 per cent increase in the percentage of patients aged 65 and older and a doubling of those aged 85 and older, otherwise known as the old old. Due to frailty, that particular group makes particular demands on the healthcare system. So health spending as a proportion of gross domestic product is projected to almost double in the 40-year period up to 2049-50. In 2011-12 it cost about \$6,200 per person to provide healthcare services to Queenslanders, and over the previous decade there had been a 4.1 per cent annual increase in recurrent spending per person. Reducing the level of illness across the life course, including amongst older people, is particularly important. I will refer to some adverse trends in that regard shortly. As the committee will well know from media reports and other sources, the ability to continue funding that 4.1 percent per year increase is a huge and probably improbable challenge for both federal and state governments.

One of the big questions is really the degree of inefficiency, therefore. Given that we cannot in all likelihood sustain 4.1 per cent, it is about the degree of inefficiency in the current system. This is a matter that I have had a longstanding interest in. From my perspective—and we have clues such as the payroll system—there are huge inefficiencies already in the way that patients are streamed, and the data around them for safe, effective and

efficient care is universally not done. In that regard, there is some good news in that I understand the new Hervey Bay private hospital from UnitingCare has set a new benchmark for the efficiency of patient management using modern technology. So there is, as I say, a model of care that we can look at, but at the moment operational efficiency has a long way to go, even though we have made some progress, as evident from the national efficient price.

The other enormous challenge is going to be something called allocative efficiency, where we have to allocate what are going to be increasingly finite healthcare dollars in a way that achieves the maximum good for both the individual and the community. That will require rigorous data looking at the benefit accrued from medical interventions and also some decisions by patients and the community as to the models of care that work and do not work. Indeed, there are many models of care that do not actually achieve any good but they are entrenched in our clinical practice.

Again, it is going to require great leadership by government to have those conversations and do the change management that is necessary, and that includes better and more timely access to palliative care, which of course is what many patients want. We need very much more ability to treat more conditions in primary care and more Hospital in the Nursing Home so that you do not have to traumatise everybody by admitting patients to hospital when they would prefer to be palliated and treated well in a nursing home. That is another example of the challenge for the Commonwealth and state governments, where traditionally there has been a game. Knowing that you did not provide enough resources in the nursing home sector, for example, people would be treated in hospital, even though that is not in accordance with patient and family wishes, and nor is it efficient. Again, I think we have a huge amount of work to do on that. We have been talking about it for years, but again we have a particular imperative in terms of not only patient demand but also affordability and sustainability.

The last point that I would wish to make is to draw attention to the messages in the Queensland Chief Health Officer's report on the performance of our health system. This is the fifth report by Dr Jeannette Young. Despite having talked about the challenge of obesity and diabetes for many years, Queensland now has the sad mantle of being the nation's heaviest state, with 28 per cent of our children being overweight and 65 per cent of adults being either overweight—in other words, a body mass index of 25 or above—or obese, with a BMI of 30 or above. So that is really an alarming figure, particularly as this notion has now crept in that this is normal in our society.

The number of cases of things like diabetes is going to increase fivefold by 2050. Indeed, every day about 50 Queenslanders are diagnosed with this insidious disease for which there is no cure. It is the largest single cause of anticipated proportional expenditure increase. Expenditure already increased by 86 per cent in the eight years up to 2010, and hospitalisation expenditure has more than doubled. It is not only the financial pressure on the health system; it has a direct impact on productivity and efficiency—the matters of interest to this inquiry. Productivity losses from obesity comprise 44 per cent of the \$8.3 billion in financial costs nationally.

I alluded earlier to the huge increase in hospital activity that is going to occur. The largest area there is going to be renal dialysis, which is one of the long-term outcomes of diabetes. The Queensland public and private hospitals recorded 1.9 million hospitalisations in 2011-12, and that is predicted to more than double to 4.13 million by 2031-32. I would be very pleased to expand on any of those issues that might help the inquiry into how we improve the productivity and optimal use of the finite Commonwealth funds.

CHAIR: Thank you. I was very interested in the stats you read out about adult obesity. I will apologise but I am probably contributing to the negative side of that, but I can reassure you that I am trying very hard to get on the other side.

Dr Davis: With your permission, we might touch on the sort of teamwork that is needed. You as a team player would know all about teamwork—

CHAIR: Absolutely.

Dr Davis: and I think this touches on big issues such as primary care and how we improve accessibility of primary care but also improve the responsibility of the individual. As you said, that is a point that we touched on. One of the negatives of providing such an excellent hospital system is that it diminishes the sense of personal responsibility for health care, and we need to change that culture within the individual and within the family. But we must also, very importantly, acknowledge areas such as the role of school education in establishing healthy lifestyles and healthy benchmarks at a young age which ideally children take home and which their families then adopt. That then becomes a lifelong habit.

There are also the critical issues of jobs for people's sense of self worth and therefore their motivation to take care of themselves and issues such as housing—all those broader picture issues that we also need to consider in health planning going forward.

Senator WATERS: Thanks for such a comprehensive and well considered contribution. Given your medical background, I am interested in what your concerns are, if you hold them, about the current state government's plans in relation to doctors and contracts. Can you share your views on that issue, please?

Dr Davis: Certainly. It is a very important point. Hopefully underpinning my philosophy on how we get the best outcomes in health care is that it is very much data driven. The old saying is, 'In God we trust—all others must please bring data.' So the challenge is to use data to check on the operational efficiency of our services, as I alluded to earlier. There is also the more difficult challenge of how we allocate the finite resources in the best interests of the public and the patient.

Who are the people who actually do this? Obviously government has a responsibility to set up the frameworks, to do the allocation of funding in an appropriate mix between public and private and so on. But the people who actually do this in the healthcare system are, of course, the healthcare teams. One of the enormous strengths, as we know, of our healthcare system in Australia is the extraordinary standard of our healthcare professionals and the enormous commitment and ability of all our staff.

The way forward is to recognise that in terms of organisational theory. We have a professional bureaucracy, as Mintzberg, the organisational theorist, has stated. The professional bureaucracy recognises the professionalism and skills of the team and their willingness to take on the challenge, because obviously every doctor, every nurse and every allied health person also wants to get the best value from whatever healthcare dollar is available. The problem with the contracts is that they absolutely failed to recognise that. They were command and control contracts that were best suited to a machine bureaucracy, where if people did not perform in a way that was dictated they could be fired, with minimal recourse to any appeal for unfair dismissal and such.

It would have been far better to have actually set up a contract with key performance indicators in place already. In fact, arguably, if you had key performance indicators in place, you would not even need the contract, because there is an issue within professions of professional pride in the work they do. If you give a peer group KPIs, they will strive to achieve the very best outcomes from the KPIs they have been given. The contracts were completely inexplicable and an equally unacceptable approach, and, quite rightly, they were significantly adjusted. Bizarrely, to save face, I guess, the contracts proceeded significantly modified but without the KPIs in place for many of the contracts. That was a very unfortunate interlude in what was otherwise reasonable progress in the Queensland Health front.

Senator WATERS: Do you think there will be any sort of lasting impact from the shortcomings of the contracts as well as the conceptual use of contracts?

Dr Davis: Well, I hope not, simply because we cannot afford to have the negative consequences, as I mentioned in terms of performance of government. We obviously have to perform for the patients and for the public, but we also have to perform for staff, because it is a fiercely competitive market for the best practitioners across Australia and globally. It really is up to managers to provide the appropriate environment, but it is very much a case of government providing the right culture that recognises the contribution that people want to and can make—and are making as well. Of course, as I touched on earlier, a lot of those figures that we were reviewing just now have actually been as a result of emergency department staff—surgeons, nurses, theatre staff and others who have done this all.

In a perverse sort of way, getting the reversal of the original contracts sent a strong message, but we must be very mindful of that message going forward, not only in health care but, I would suggest, across this nation. It is about working with the community, working with employees and giving them the tools. My definition of a manager is somebody who gets the tools that the staff need to do their jobs. They get the resources and then give them the resources.

In health care, while we have made some progress with those resources, we still have an enormous way to go. There are still far too many errors, because we do not have safe systems for getting critical data about a patient's background at the time when they are admitted. They could have had a true wealth of assessments already that you just do not have access to. They have investigations that are expensive and invasive, and you do not have access to them. All of those things hugely impede the quality of care but they also hugely impede the efficiency of care. Again, only the state and Commonwealth governments can provide the leadership for those sorts of advances.

Senator WATERS: On some other matters, you were also expressing concern shortly before you left office about the increase of the disclosure threshold for political donations. Can you share your views on that issue with us and why you thought that the increase in the threshold was not appropriate, if indeed that is an accurate summation of your views?

Dr Davis: There were a number of factors. Going back, I have always been and remain a very strong believer in Abraham Lincoln's approach to democracy, and indeed that is reflected in the Australian Constitution, where it is the notion of a representative of the community representing the people in the relevant house. Nowhere, to my reading of the Constitution, is there provision for the significant influence of third parties. And very wise politicians, in my view, such as Sir Robert Menzies, recognise this and have been very careful to ensure that any donations were kept at absolute arm's length from the politicians. So, certainly the donation was not made to a politician. Indeed, that tradition continues to this day in certain sectors of the Liberal Party, to my knowledge.

And then we have also seen, on the other side—Labor—highly experienced colleagues of yours, such as Senator John Faulkner, having great concern about the untoward influence of political donations, certainly if they are too close to politicians. And then there was the position of the Queensland parliament, for which I stood for preselection, where in fact the existing arrangement was a \$1,000 cap, beyond which it had to be reported. And there had certainly been no mention of any change at the time that I campaigned and was elected.

It is true that we can all allow ourselves to be pragmatic and to get onto a slippery slope and ignore those sorts of changes. But some changes are really core values, and that core value of democracy is one that is very dear to me personally. The other thing is that I took an oath of office as a parliamentarian, and that oath was to the people of Queensland. If one is going to be a successful doctor or a successful teacher, as the evidence shows—or indeed a successful politician, as I would suggest—one of the great skills is empathy, with your patient, your pupil, your electorate. Perhaps I was lucky in having that empathy with my electorate, but I knew that my electorate shared those values as well, about their concerns about the undermining of democracy by political donations. And these are not hypotheticals; these are things that come out of ICAC in real time, on both sides of politics. It is not a party-political thing; it is just a failing in human nature that we have to guard against.

So, I did what I did as a doctor. I was in touch with my constituency. I received a lot of communication from them in which they expressed grave concerns about changes to both the CMC and indeed political donations. Being a doctor, you have a hunch, but then you go and do measurements—special investigations. So, I did some special investigations, which I understand is a bit unusual for a politician, but I did some polling, and that confirmed what my intuition and the more informal feedback said—that my electorate did not like it either. So I took a stand on the matter and said that this was something that had not been on the cards at the time that I was voted for, that it was something that my electorate did not like, and that it was something that I could not live with comfortably and I think there are far better ways to fundraise than to have large undisclosed amounts of money. And I did not want to be even perceived as being amongst that group of politicians who may be at risk of actually being obliged to go down the route that some colleagues in New South Wales have been shown to have been obliged to go down.

Senator WATERS: I commend you for the honourable stand that you took.

Senator LUDWIG: Just to follow on from Senator Waters, did you raise those concerns with the Premier?

Dr Davis: I certainly indicated that I was willing—in fact, I went further and said that I needed—to resign as a member of the broader outer cabinet because I could not maintain cabinet solidarity on that matter. So I actually sent the Premier a letter well ahead of the meeting. I had a copy of the letter in my pocket when I went into the meeting. The Premier claimed that he had not seen my letter and did not want to see it. He wanted to fire me for not maintaining cabinet solidarity on a matter that in practice I had actually had no solidarity with.

I also am aware of the criticism that you are meant to raise these things early and more vigorously, but the simple reality in politics is that until they are on the immediate weather radar, if you will, of the business of the House they do not have a particular issue out there in the community—or, if they do, there is no particular media interest in them. So, again, it was an issue such that, in fairness, if it had been a policy of the LNP going into the election then I would not have been there and we would have saved a lot of trouble. But, as I said, I certainly did raise it, and I was prepared to resign. And it would have made life a lot simpler if I had simply been allowed to resign, because then at least I would have kept the faith and I would not have been punished for this view. In the view of my electorate, that was a really an over-the-top response.

Senator LUDWIG: Was it the size of the threshold that was such a concern to you?

Dr Davis: Yes. I thought the previous threshold was entirely reasonable. I think you are not going to buy—hopefully—too much influence. It is this whole notion, as you know, of common law—what the reasonable man considers. I think most reasonable voters would accept that \$1,000 is something that is just a reasonable donation in goodwill to give you some support for your campaign, but \$12,000 and heading upwards certainly can be seen to buy a significant amount of influence.

Senator LUDWIG: And that is your greatest concern—the perception that you can then, through political donations, buy influence? And that is where you fell out with the Premier, because he wanted to raise the threshold and support, and you could not find it in your heart to do that?

Dr Davis: That is absolutely correct. And, as you well know, perception in politics is everything, and it is the perception that it the people's government, and the government is actually working for the people.

Senator LUDWIG: Juxtapose that for a moment with another form of political donations or campaigning. Do you recall when the *Blueprint for better healthcare in Queensland* was first brought forward by the LNP government? You would have participated in a range of dinners, I guess. Did you participate in any campaigns or funding events to support that?

Dr Davis: The *Blueprint* came out after the government was elected, of course, so from that point of view I was really mostly involved simply campaigning in my own electorate of Stafford. I was not significantly involved in the *Blueprint* even subsequently, even as the assistant health minister. That was very much a matter driven, quite appropriately, by the health minister himself.

Senator LUDWIG: You did not do any fundraising events with that?

Dr Davis: Not that I can recall significantly at all.

Senator LUDWIG: Do you recall that the health minister had invited you to do any fundraising on the *Blueprint*?

Dr Davis: Not that I can recall, no.

Senator LUDWIG: Just coming back to the waiting lists in the health portfolio: I think last Sunday in the *Sunday Mail* I think it showed that there was a 27 per cent blow-out in the waiting time. When you were the assistant health minister were you conscious of those waiting lists and the federal government's contribution to maintaining the downward pressure on those waiting lists and then the subsequent cuts by the Abbott government that then allowed those waiting lists to increase?

Dr Davis: Yes, I have been following all those issues. In fact, I have a number of those press clippings right here with me, and hence, as I said, the challenge to improve the efficiency across the board. I think we all have to acknowledge that whilst on one hand we want to get the maximum number of resources for the healthcare system it does come at an opportunity cost elsewhere, particularly if health care can be provided more efficiently and unhelpful care is not provided or is avoided.

I think that we just need have a very strong discussion around the outcomes that we want rather than the inputs. I think we all have to be realistic about the fact that the income for the federal government is under severe pressure, and if we put a disproportionate amount into health care that is of low value then key issues such as education and training and so on are at risk. It is a delicate balancing act, as you well know.

Senator LUDWIG: One of the key issues that got raised by a previous witness is the issue of transparency, accountability and probity. I just wanted to see how you felt about it, being part of the LNP government, as it would have related to you when you were the assistant health minister. Did that matter that was raised by you with the Premier, when you were dismissed—

Dr Davis: My view on the transparency is that it probably did not add a lot of value in the minds of the public. I am again trying to put myself in the minds of the voters because, whilst having a diary published online is one thing, the reality of the world is that most business is done in a multitude of ways, so I think it was actually removing the risk factors for any potential third-party intrusion that was absolutely critical. Personally, as I say, I did not raise my head on the perceived futility of publishing diaries, but I certainly was not personally excited by their value.

Senator KETTER: Dr Davis, I congratulate you for coming forward. I would like to just follow on a discussion earlier about that particular issue. You have articulated your reasons as to why you felt that lifting that threshold on the donation laws was inappropriate. I am just interested in the arguments that you were presented with from the other side as to the justification for lifting those thresholds. Can you elaborate on what arguments were presented to you?

Dr Davis: Yes. It was the argument that was actually the subject of the debate in parliament at the time when the changes were promulgated or debated and then passed and also the one that was announced in the media at the time and subsequently. In other words, it was that, simply, we were obliged to have compliance in the laws on such matters with the federal jurisdiction. For as long as it is part of the federal jurisdiction, that is the argument.

What does strike me—and I am sure many—with that argument is that that argument has not, to my knowledge, been legally tested in this matter, nor has it been appealed at all in a court of law. So the arrangement

under the previous Labor government of the \$1,000 threshold was not challenged. Indeed, to my knowledge, there are a number of state governments which actually have much lower thresholds. So that, again, I think was a convenient argument that did not actually address the much bigger intellectual debate that was necessary. Indeed, it was in my final speech in the Queensland parliament that I went through in great detail why really I did not buy that argument and really brought the argument that I hope I have shared with you today.

Senator KETTER: So what was it like for you being on the inside of the LNP government in relation to probity and transparency issues?

Dr Davis: One has to tread with extreme caution in terms of alleging or even inferring any improbity or any improper business. It is all always a risk profile. In my entire professional life as a medical practitioner—the term doctor, or doctore, means 'teacher'—when you advise, you really advise in the context of risk.

So a lot of the issues were actually built around risk. You try to minimise political risk and the waste of political capital around things that really probably do not bring you any benefit but certainly are not what your constituents want. I was certainly aware, as I said, of the perception around probity. In my own mind, I came up with an analogy from medicine of the situation we have with the risk of corruption in Queensland. My hypothetical is of a 40-something-year-old male who comes to his general practitioner and says, 'I've been asked to come and see you because down in New South Wales my brother had some abdominal symptoms and he was referred for a colonoscopy and they found some malignant polyps. They took them out and, because these things tend to run in families, I've been told to come and get a similar colonoscopy here in Queensland.' By the way, this patient has also had the same symptoms as his brother in New South Wales and has other risk factors in addition to his genes, such as a high fat intake. But the Queensland doctor says, 'No, my son. Don't worry about it at all. We don't have this problem with malignant polyps here in Queensland at all. In fact, we've stopped doing colonoscopies, and since we stopped doing colonoscopies we don't have this problem! So you can just go home and relax.'

And so in terms of if we actually have the tools to drill down on probity, we simply do not. I think I would be with a number of colleagues who really feel that the CMC is not independent enough to act in a way similar to the New South Wales ICAC. I think that the only way that you could actually answer the question of a truly transparent, truly accountable and truly honourable state government is to have the kind of powers of audit of politician performance such as they have in New South Wales.

Again, I think that many of the public are actually calling for that. Many of the statistics actually measure that, with a progressive loss of trust in Australian politics and Australian politicians. That is a particular concern amongst the youngsters, because if you actually look at the data—which, as you know, correlates trust in government with actual good outcomes for society and for the nation—you see the relationship. So the greater the trust in politics, the greater investment, the greater the household income and the greater the quality of life. And the converse is true as the trust drops.

Personally, I would strongly support any move to have an ICAC operating across the nation.

Members of the audience applauding—

Senator KETTER: Thank you. I have just one final question in relation to the issue of hospital waiting times. You have talked about the importance of having benchmarks in health so we can see how things are going. There was a report done by the Auditor-General recently in respect of emergency departments. I am not sure if you are familiar with that particular report; it talked about the fact that the figures that had been released about hospital waiting times—particularly in emergency departments—were open to manipulation. Are you familiar with that report?

Dr Davis: I am not familiar with that particular report, sorry. But, again, as I alluded to earlier in my opening address, of course that is always an issue with statistics. It is called 'gaming' in the health care system. You simply rearrange the place of care for the patients. For example, you can move them out of an emergency department into an acute assessment unit, and that acute assessment unit is part of the hospital so then it is no longer part of the emergency department and therefore that statistic has been achieved. Sometimes that is good, but many emergency department specialists will actually argue that it is not good because it dislocates the patient from the care team that was following them up and which would probably have had an answer in five hours and been able to discharge them but they have now had to move out of that immediate environment.

This really gets back to Senator Waters' question relating to the contracts. Really, the best outcomes are achieved by giving the challenge to the actual healthcare team who will focus on the best outcome for the patient, not the best outcome for the system. That will be the best outcome across the board, not just for the patient but also, often, financially.

Whilst every bureaucracy has a right to intervene and set some of its requirements, you need to be very careful about something that makes no biological sense. In other words, what are four hours in terms of somebody getting a proper—the most appropriate—episode of care? If they are acutely unwell and present with an acute coronary, they need to be in a catheter lab within 20 minutes if not sooner. Whereas if it is just a matter of waiting for an X-ray or a CAT scan or something, five hours is probably fine, as long as they can be looked after safely. So, yes, this is an ongoing issue which can be resolved, as I said, by reference to clinicians who will compete to be top performers.

Senator IAN MACDONALD: Dr Davis, thanks very much for your principal submission. We very much appreciate what you have said. It is good to see you again, Chris—slightly different circumstances to last time we met at the Stafford branch meeting of the LNP! I am a bit disappointed, though, that the ALP have not dealt with your application to join, because you would have doubled the integrity of that party in one membership!

I do not really have any questions for you. I appreciate your comments on the health system. I think they are comments which you have articulated before, so thank you for coming along.

Dr Davis: Thank you.

Senator IAN MACDONALD: Is your submission available to be tabled?

Dr Davis: I am certainly happy to table my notes, such as they are—

Senator IAN MACDONALD: Are they written in a doctor's hand?

Dr Davis: No—fortunately not—otherwise I would not have been able to read them to you myself! But I have a number of documents, which, as I said, just came off my printer, and my fundamental script, which I did not follow, is here. A lot of those figures are here for cross-reference, so—

Senator IAN MACDONALD: We will get it from the *Hansard*. Thank you.

Dr Davis: Again, it is not my original work—some of it is, but a lot of it is, of course, from sources that are available to the Senate, amongst others. Thank you.

CHAIR: A lot of the nursing graduates are not actually getting jobs in the health sector and where a lot of people in the health sector go on leave for one or two different reasons, the jobs are not backfilled. Could you just explain what sorts of risks are associated with that? for Queensland patients

Dr Davis: Again, best practice is to have a model of care. The patient drives the model of care—patient needs drive the model of care. An optimum model of care will actually identify the resourcing requirements in terms of the skills and the volume of care needed from members of the healthcare team. A good audit process of the health plan will actually show compliance with all of those issues. And so the sooner that we actually move to highly-sophisticated systems that can answer those questions in real time the sooner we will end those sorts of concerns, risks and perceptions, because no-one benefits from those perceptions. They not only pose a risk to the patient they also pose a risk to the staff who are left behind having to do the care.

We also know that overworked staff become a great risk to their patients and to themselves, with distractions—when just about to give a patient medication all of a sudden one's pager goes and so on. You forget and then it is not recorded. I have regular concerns of that nature brought to me.

On the positive side, I understand that there are now those sorts of excellent models available in certain sectors of our community. The big challenge is, as I said, to make them more readily available. We need to do the investment. We have systems in Queensland Health that are so old that they are not even maintained by their actual vendor anymore. They certainly cannot talk to each other, and data has to be re-entered manually. We have been talking about this for far too long. If you look at other industries that have made gigantic improvements in their performance, such as the banking industry and the airline industry, they have all been underpinned by really smart use of technology. There is no greater opportunity and no greater need to do so than in the healthcare system.

CHAIR: We are now seeing that aged-care facilities are not required to employ a registered nurses. They now employ what are called personal carers. Do you think these people are qualified to look after our elderly people in these aged-care facilities?

Dr Davis: Health care in the elderly is very much about teamwork and is very much focused on the needs of the individual, particularly the functional support. The issue in health care is really what people can and cannot do for themselves as much as their general health. It all begins with a healthcare plan, drawn up by a competent person, a person qualified to do so, which will generally be the combination of the general practitioner, the registered nurse, the allied health teams. That care plan will identify a range of needs, such as potentially assistance with showering and dressing and so on. The personal care assistant, properly trained, properly

supervised, properly motivated, has an important role in that, but they are certainly not a substitute for those other key players.

The other deficiency if you do deskill your residential aged-care facilities is that things that they ought to have been able to do historically—by virtue of the name 'nursing home'—they are not able to do anymore. Where it is dollar-driven you get adverse outcomes. As I mentioned earlier, a person who might quite reasonably be managed for their bronchitis or even just a bit of care following a minor fall in the nursing home ends up in the public hospital. Public hospitals are remarkably dangerous places, particularly for older people who suffer from disorientation and risk of serious, life-threatening falls and so on. Again, if only we would focus on the needs of the patient and put the appropriate care plan in place and stop playing games between governments, we would get vastly better outcomes.

CHAIR: Thank you, Dr Davis. It has been an absolute pleasure. Thank you for your time.

Dr Davis: Thank you very much for the opportunity. I wish you well with your very important work.

McCALLUM, Mr Lance, National Policy Officer, Electrical Trades Union of Australia

SIMPSON, Mr Peter John, State Secretary, Electrical Trades Division, Communications Electrical Plumbing Union

TRAILL, Mr Stuart Kenneth, Electricity Supply Industry Coordinator, Electrical Trades Union of Australia

[13:26]

CHAIR: We will continue on. Welcome, gentlemen. The committee has your submission. Information on parliamentary privilege and the protection of witnesses giving evidence has been provided to you. I now invite you each to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to put questions to you.

Senator CANAVAN: I would like to raise a point of order before we start. There seems to be a video camera over there. I am not sure whose camera that is. If it is the media's camera that is fine, but I do not think we approved the private recording of Senate proceedings. Can we check whose camera that is?

CHAIR: Who actually owns that camera? I would appreciate it if you would remove it. I invite the witnesses to now make a short statement.

Mr Simpson: Thank you for providing the opportunity for us to come and share our concerns. We have had long-held concerns about the way this government has operated. It started about 2½ seconds after they were elected to parliament. As the committee would probably be fully aware, the LNP and the trade union movement do not have a strong relationship. We do not usually get along that well and that intensified after the election, particularly in relation to the electricity industry, for which we held grave concerns.

I wrote a letter to Minister Mark McArdle in April of the year they were elected, 2012, expressing those concerns. To prove my point, in my original opening statement about how they treat us, I got a one-page response saying—and I am paraphrasing—'You're a union. We don't particularly like unions. Go away'. That has pretty much been the correspondence between us and the LNP ever since.

We are used to that. We are not trying to be precious about it, but it gets a bit much when there are some serious issues in this industry. I will give you an example. I was driving home one afternoon—I cannot remember the exact date but I can dig it up if you need it—when I got a phone call from a Courier-Mail journalist asking was I aware of the Independent Review Panel that had just been put in place by the government to review the electricity industry. It was the first I had heard of it. As a key industry stakeholder, I would have thought we would have at least received an email, a phone call, a text message or a carrier pigeon—I would have been happy with that! We did not get that.

They went on to tell us that a bloke by the name of Tony Bellas would be the independent chair on the committee. I have known Tony for some years in different iterations over the years; he was part of Queensland Treasury at one stage under the Labor government and he was the Ergon Energy CEO under the Labor government, so I had had some dealings with the guy; I was familiar with him. Actually I had got reasonable rapport with him, to be honest, so I was not too concerned about his name being put forward, originally. As a part of that review panel, I was invited to go and sit there with the review team and go through the recommendations. I am a bit of a sceptical guy at the best of times, but when I was called over to do it I went to the effort and took the time to put together some paperwork and some ideas on what needed to happen to make the industry more efficient. There is no industry that I have ever come across in my experience that cannot be made more efficient, but there are ways and means as to how that is done—that is the issue.

When I went over, about two minutes into the meeting with the independent review panel it became very clear to me that the agenda was not what was in the scope of the original committee as had been given, and my suspicion was that it was about privatisation. I raised that during the course of the meeting. I said, 'This is all about privatisation; that is the main reason you've got us here—it is to set up this investigation that will deliver a privatisation outcome for the LNP government.' I was assured by all and sundry at that committee—and I have not got all the names, but I can soon dig those up as well—that that was not the case and that actually privatisation was not in the scope of the investigation that they had been undertaking. Lo and behold! At the end of that process, it was—it was one of the key recommendations that they privatise the government generation and distribution entities. I will let Stuart, when he gives his opening statement, expand on that.

But it got spookier and spookier as that process went on. I did not know Tony Bellas's relationship or where else he worked, but I then found out he was a key person—a chairman, actually—in ERM Power, a private gas

peaking station operator. They operate gas peaking stations throughout Queensland and they are 100 per cent privately owned by ERM Power.

We then went on and did a bit more digging and we started putting in for some right-to-information requests, to find out what relationships existed between the LNP and ERM Power. That is all contained in our submissions. We have substantial RTI information, but a lot of that has been blocked, and one thing I would like to put on to the committee is that I understand you guys can have access to all the documents in the Queensland parliament that you need for the purposes of this committee—

Senator IAN MACDONALD: I don't think so.

Mr Simpson: I am sure you will have a go at it, Senator Macdonald, but we'll have a crack anyway. We have been stopped from getting a lot of that documentation, but the stuff we have found, I believe, uncovers some relationships that need further exploration, if I can put it in those terms. One day you give a donation to a political party; the next day you are pretty much a chairman of a government review panel.

The Tarong Power Station, one of our main baseload government-owned corporations in Queensland, was told to shut down two units, which will leave us short come the summer peak period for generating electricity. That shortfall is picked up by gas, privately-owned, peaking stations. So you would have to ask a couple of questions along those lines, I would have thought.

Again, we have not got the resources. We have not got the documents. We have started the trail but we cannot finish it. What I am hoping comes out of this process is that that will be further investigated, because the more we have seen there, the smellier it gets from our end.

We found meetings that were not disclosed, despite this government saying that they are the most accountable and open government in the entire universe. We found lobbyists that had met in boardrooms with LNP ministers that had not been declared. There were LNP fundraisers where ministers were turning up in the ERM boardroom. I am not a scientist, or a doctor like our previous speaker, but I am certainly a bit suspicious and a bit half-canny, and when I start smelling a rat I smell a rat. And I reckon there are plenty of rats to be smelt in this exercise. So part of our putting the submission together and part of us putting this RTI process in place was to try and join some of those dots. We have joined some of them. We certainly have not joined all of them. But I will leave that as the end of my submission and probably throw to Lance. He put the submission together for us.

Mr McCallum: Thanks very much, Chair, and I would like to echo Mr Simpson's comments of thanks for the opportunity to submit to the committee today. Since being elected to government in 2012, the Campbell Newman-led Liberal National Party has implemented a fairly aggressive reform agenda within the energy sector, and, thus far, that has resulted in increases in residential electricity prices of over 32.6 per cent, the cutting of about 1,750 jobs from the public energy sector and a reduction in or closure of rural and remote energy services, and of course they have announced plans to privatise all taxpayer-owned generation, transmission, distribution and retail energy assets.

We are highly concerned with these actions, events and decisions in the energy sector, not just the policy decisions that the government has made or the operational decisions of these state-owned energy corporations, but it also involves, as discovered through RTI processes, Liberal National Party donors and their lobbyists.

ERM Power, as Mr Simpson mentioned, is a private electricity generation company that operates in the federally regulated national energy market, where it competes with other public and private generators, including state-owned generators CS Energy and Stanwell.

ERM Power donated \$16½ thousand to the Newman government shortly after it was elected in 2012. Five days later, the chairman of ERM Power was appointed as the head of an energy sector review panel by the LNP government, which is what Mr Simpson just indicated. The relationship between ERM Power and the LNP also included Premier Newman officially opening ERM Power's Brisbane office in 2013 and the current energy minister meeting with ERM Power and their lobbyists at least five times, including dinners at the exclusive Queensland Club, since they have been in office.

In addition to this, the LNP has held a political fundraiser in the ERM Power's boardroom and invited an ERM Power director to participate in an LNP political energy and water policy committee at Parliament House.

Alarmingly, it would appear that, based on all available evidence to us, the LNP fundraising dinner in 2013 was not declared in the energy minister's diary—which is the protocol here in Queensland. Also, an ERM boardroom lunch earlier this year in March would appear to have been not properly declared in the Queensland Integrity Commissioner's lobbyist contact log, as is required.

We believe that ERM Power has been afforded what amounts to almost unfettered access to the government. It is far in excess of that of most other energy industry stakeholders—certainly us. It is clear that they have been deeply involved in LNP energy policy discussions and political activities.

Just as an aside, over the same time the commercial performance of ERM Power has been what can only be described as stellar, posting a 32 per cent increase in revenue, which is over \$2 billion, and a 263 per cent increase in profits in 2014. That is revealed in their 2014 annual report. We believe that such a close and constant relationship between a government and one of its political donors that appears to be deliberately kept from the public falls well short of the expected public standards of openness, accountability and transparency. We believe that the LNP government's relationship with ERM Power should be thoroughly examined by the committee going forward, using all of the powers available to the committee. That concludes my opening remarks. I will hand over to my comrade Stuart Traill.

Mr Traill: Thank you for the opportunity to appear. As Mr McCallum said, as the organiser for the electricity supply industry, we noted that there was a reduction of 1,750 electricity workers in this state since the Newman government came into power. There are fewer than 750 Energex workers since the LNP came into power in the south-east corner of the state. There are over 400 fewer in Ergon Energy in the regional areas, with a further 595 to go, as identified in their deliverability report to the Australian Energy Regulator—so further significant job cuts. Currently, Ergon and Energex are proposing to cut the apprentice numbers significantly, with Ergon reducing from 280 apprentices per year down to a minimum of zero; and Energex going down to a minimum of 32.

Of the recommendations in the independent review panel's final report, a number have a significant potential impact on this state. Recommendation 23 refers to Ergon Energy depots, with fewer than 15 staff, are at risk of potential closure. That has been accepted in principle by the government, and it is now sitting with Ergon Energy as far as the implementation of that policy. That could potentially lead to the closing of over 40 depots throughout regional Queensland, with the loss of jobs and income for their communities and the loss of the service they provide to the communities.

Recommendation 29, which has also been accepted in principle, refers to the potential privatisation of 33 remote power stations, which are standalone ones, largely in the Indigenous communities throughout Western Queensland, Cape York and Torres Strait. They are all at risk of privatisation, which could lead to significant job cuts, significant increases in the price of electricity to those people and a significant reduction in services.

Recommendation 24 is very pertinent today given that we had the significant storms last night. This recommendation refers to the network service providers taking urgent action to reduce overtime to benchmark levels and review gross pay to base pay ratios. Last night we had 127 crews working through until 11 pm. That is roughly 127 two-person crews for Energex. So it was roughly 260 staff members of Energex. There were over 600 wires down, with 80,000 customers being without supply. Hundreds of Energex employees were available to be called in to participate in the response work, but unfortunately were not. It is our view that the reason they were not is that Energex did not want to pay them overtime last night and again today.

As we speak, on the Energex web site there are still over 40,000 electricity customers in the South East without power. We have ETU members who are unfortunately in depots right now sweeping the depots instead of being out there getting the supply on. This is a result of the sorts of cuts recommended by the government.

We believe this is only a sign of things to come under privatisation or leasing—in the absence of details by the state Treasurer it is the same thing. It is a sign of the times for the future of the state. We are still going to suffer significant storm events in the future and unfortunately there are likely to be further job cuts and higher electricity prices, with a reduction in services to the people of Queensland as the focus shifts from the provision of services to the people of Queensland to the delivery of profits to the corporations and their shareholders.

Senator WATERS: Thank you for coming along today and for your very considered submission. And thank you, Mr Traill, because I wanted to ask about the response to the storm last night, amongst other issues you have raised. You said there were 127 crews out until 11 last night. What happened after 11?

Mr Traill: Between 11 pm and 4.30 there was a handful of crews. I spoke to the Energex manager probably at about 8 o'clock last night to try to get an understanding of what was going to happen throughout the night. The advice was given to me by the persons in control of the Energex response that there would be a handful of crews. I asked him what a handful was and he said there would be a handful across the three hub areas of Energex. The feedback I have is that there were approximately six two-man crews working between 11 last night and 4.30 am this morning. Calls were made during the evening last night to our members who wanted to go out and work—those who had not breached their fatigue levels. The crews that were out at 11 had to go home because they had

breached their fatigue levels. The guys who had been home could have been called in. Unfortunately they were not called in, despite being ready, willing and able to come into work, because Energex did not want to pay overtime rates for last night and again throughout today. So, unfortunately, the people of Queensland and the small business owners are still suffering as a result.

Senator WATERS: So 40,000 people, businesses or homes are still without power and there were people who were ready and able to help last night. Did Energex provide any reason why they were not deploying personnel, those who were not breaching the fatigue provisions, to try to help the situation, given that we know we can expect more of these sorts of extreme weather events in future?

Mr Traill: This occurred last week, also. We raised it with Energex and they promised us last week that it would not occur. But it is all part of the cost cutting. Heading towards a state election, these managers are obviously concerned with the threat of privatisation. They are concerned about their own jobs, so they will do whatever they are told. So it was a significant shift.

In the past, they would generally have progressively brought crews in over the night as they got more of an understanding of the extent of the damage. Last night they did not do that, and our members were not allowed to come into work until 4.30. The only explanation for that is: prior to 4.30, the crews would have had to have been paid overtime throughout the morning and then throughout today. It is a bean counter's exercise instead of it being one of delivering a service and response to the people of Queensland.

Senator WATERS: One presumes as well as the inconvenience of losing power that there are safety issues here?

Mr Traill: Significant safety issues—over 600 wires down. There were still 400 wires down being reported by Energex when I headed to work this morning. Every single one of those wires is a life-threatening situation. Energex spends a significant amount of money advertising on educating people to stay away from live powerlines, whilst keeping their employees—

Senator WATERS: Some of the workers can stay away as well!

Mr Traill: Unfortunately, this is a sign of the times for the future if the LNP get a mandate and are allowed to privatise or lease these power assets.

Senator WATERS: I want to come to the lease arrangements but I have one final question on emergency response. You mentioned that 1,750 have been jobs lost in the last couple of years. What impact has that had, cumulatively, on the ability to respond to emergencies such as the one we saw last night?

Mr Simpson: A huge impact. It is a ridiculous situation. In 2004 or 2005, we had a massive storm come through Queensland and wipe out the CBD—and it was out for four or five days in some places. We, as a union, lobbied to get maintenance standards up.

I will go back go back 30 years. In 1985, we had a little industrial dispute—you may have heard of—called the SEQEB dispute, which we subsequently lost. It was all about cutting jobs, slashing the budget and maintenance to try and improve the bottom line. They did that quite substantially. The result of that was that there was no subsequent money spent on maintenance by successive governments—LNP and Labor—for many years.

In 2005, we had a perfect storm, if you like. The maintenance levels were so bad that the things were just about falling down. The storms that hit were fairly severe and took them all down. We lobbied particularly hard and got a thing called the Somerville inquiry up and running. It was chaired by a guy by the name of Darryl Somerville—I cannot think which company he was with now. It was a tripartite committee that went around and looked at the maintenance level; they physically went out and saw the standard of the poles and wires in our state. As result of that, they put a pretty scathing report back to the government saying it was just about to fall over and the government needed to spend billions and billions of dollars on it—which they did. Thankfully they did, because, with an event like last night, instead of being two or three days would have been about two or three months in some areas. It was that bad.

One other concern is reliability standards, which, under the Somerville regime, were N-1. I will not go into why it was N-1, but that is a standard that engineers set that the network should be maintained to. One of the first things that triggered me writing to the minister for water and energy when he took over back in April 2012 was he was flouting to the public that he was going to reduce those standards. The best analogy I could probably give you would be: you currently have a car that is supposed to be serviced every 10,000 kilometres. Under the regime that Mark McArdle was proposing you do it every 30,000 kilometres. You can get away with that for a couple of years probably—depends how you drive a car—but eventually it is going catch up with you. Instead of buying five litres of oil every three or four months, you are going to have to get a whole engine rebuilt. That is pretty much where we are heading back in this state now, because, since that was implemented—he has implemented it now—

the reliability standards have been lessened. People are going to have more and more blackouts. There are fewer staff now to go out and maintain—not that the maintenance is getting done—or fix the powerlines that do fall down.

We keep hearing this tag 'goldplating'. I have been in this trade all my life. I came out of school pretty much and became an overhead linesmen, later a live linesmen, a delegate and then went off on the union path rather than staying in the trade side of it. We are very proud of our industry. We are very proud of our trade. We are very proud of our craft. When things are not maintained properly, they fall down. That sounds all well and good—a bit of copper wire hits the ground. But sometimes that bit of copper wire is carrying 66,000 volts. If the protection is not maintained, it stays live on the ground—it does not just trip out—and can kill people. We have had numerous instances over the years of workers being killed, members of the public—kids—being killed because of those reliability standards not being in place. When they were finally put in place—and we started moving in the right direction—the chances of that happening lessened. Now we are going back the other way. It is a retrograde step, but that is the reality of it. To answer your original question: without suitably trained staff on the ground to do the job, more and more storm events, like last night, are going to get worse and worse and the response times are going to get greater and greater.

Senator WATERS: I want to take you to one of the statistics that I think you, Mr McCallum, mentioned in your opening statement about the fact that, since the election of the Newman government, there has been a 36.2 per cent increase in residential electricity prices. Can you give your views on what you think is driving that increase?

Senator CANAVAN: The carbon tax!

Senator WATERS: Maybe, Mr McCallum, you might share your views rather than Senator Canavan.

Mr McCallum: Only 48 hours ago, there was a report that was released by the Australian Energy Regulator that basically looks at all of the residential electricity prices in all of the jurisdictions in the national electricity market. Queensland had the highest increase over the period, which was basically 2013. Last year alone, there was a 22 per cent increase. The report concluded—and anyone who wants to look at the AER website can grab this report—that the policy that the Newman government implemented upon being elected, which was to freeze tariffs for electricity prices for 12 months, resulted in electricity price shock by effectively holding over what would have been a 12-month increase for another 12-month period. So, last year, Queensland consumers were sluggish with a double whammy: basically, two years worth of electricity price rises—that was 22 per cent. In our view, at the time—we have made lots of public statements in this regard—we regarded it as energy policy vandalism. It was ill-considered, populist and completely impractical. That is one of the main drivers with regard to the soaring electricity prices that we have here in Queensland, and it is an extremely unfortunate set of circumstances.

Senator WATERS: I want to go now to the proposed leasing arrangements, which you say are 'privatisation by another name'—I personally agree, as do, I am sure, many people, but that is irrelevant for these purposes. You reference the fact that similar leasing arrangements have been in place in South Australia, and you say that this has led to producing the highest power prices in Australia, with job cuts, overseas ownership, maintenance issues and leaseholders requiring network assets over time. If we have learnt some lessons from that experience, why is the government proposing to do the same thing? Do you think that the same outcomes will eventuate under the LNP's plan for Queensland?

Mr Simpson: Most certainly. I have written to the Treasurer twice. The first time was on 21 October, from memory, and the follow-up one was in November. We got a copy of not the lease documents—obviously, they are probably commercial-in-confidence, like everything interesting is—but certainly the legislation and regulations that underpin that for when it is sold. They make no bones about it in South Australia that a long-term lease is a sale. Jeff Seeney himself actually said it in 23 March 2010, I think, in Queensland parliament in relation to the Bligh asset sales. A long-term lease is a sale; we know that. In South Australia, the terms and conditions of the 99 year lease that they did with the old electricity trust of South Australia are that, if the new operator or owner, if you like, works at any part of that network during that 99 year lease, that becomes their property. If they build any new lines, that becomes their property. Regardless of the stupid fact that my grandchildren will not live to see them come back into public hands, at the time they did, if they lived that long, it would not be theirs anyway, and they would have to buy it back. Tim Nicholls, the Treasurer here, basically made that concession the other day on Channel 9 news when he was asked a question about it.

These are pretty fundamental issues that go to the heart of this whole privatisation agenda. You would have seen the massive amounts that the state government is spending on advertising saying, 'We are not selling assets'—even the grocer says, 'No asset sales;' I thought they were a part of their campaign at one stage. They are

out there selling that to the Queensland public. They are spending millions and millions of taxpayers' dollars saying 'save' but, when we ask one simple question about the details of the lease and how that will operate over the next 99 years, we do not get a response. I think Queenslanders need to have that response to make a value judgement, come the next election. If they thought that they have neutered the argument about asset sales, they certainly have not from our side. An asset lease is a sale, and Tim Nicholls has said as much in parliament, as well, prior to this, in the Bligh years. So it is scary stuff, Senator.

Senator WATERS: Staying on that issue, you mention in your submission that there appears to have been quite a lot of progress made towards these long-term leases already, despite the fact that the Premier had said that he would take this issue to the next election—and I believe it should indeed go before the people. Can you just walk us through what has already been done in relation to facilitating these long-term leases before we have had the election?

Mr McCallum: Sure. This is only what we are aware of, and we suspect that this is probably only the tip of a larger iceberg. We are aware that scoping studies were undertaken last year where financial firms were appointed at that time to investigate the possibility of a 50 per cent equity sale in certain Queensland energy owned businesses. However, since that time, we also understand that—and this is via various media reports and what we can find out around the place—up to \$300 million of taxpayer money has been set aside for financial services and consulting fees associated with preparing for the privatisation of our ports and energy companies. What concerns us is that there seems to be this disingenuous action by the government where they are out there making a virtue of the fact that they are going to go to the next poll and seek a mandate, when really they are preparing right up until the point where they are ready to pull the trigger. They have loaded the gun, and they are going to be ready to fire it, if they win the next poll, the minute they are returned. We think that that is not befitting a government when it comes to its dialogue with the taxpayers of Queensland.

Senator WATERS: In relation to the donation from the company of which the head subsequently became the head of the inquiry, if you are following me—Tony Bellas is the chap's name; his company made a donation, and then, five days later, he was appointed as the head of this inquiry—was that donation disclosed at the time that he was appointed to head that inquiry?

Mr McCallum: The short answer to that is that I do not know, because I do not know at what point that disclosure was put on the Electoral Commission of Queensland's website. I would be surprised if it was that expeditious process—that, five days after the donation was made, that was declared. I am referring to the disclosure document from the electoral commission. It indicates that the date it was received was 23 August. Given that these events occurred in May, that is some months afterwards.

Senator CANAVAN: At the outset, I want to ask this: I know you have had a fraught relationship with the Labor Party in the past, but for today's hearing and the evidence you provided and the submission you provided, did you at all meet or discuss the evidence in that submission with the Leader of the Opposition, Anastacia Palaszczuk, or her office?

Mr Simpson: We are well aware of the terms of reference and the procedural matters that go with a Senate committee such as this, and we took time to go off and get legal advice on that. No, we have not shared this submission. We have certainly shared the RTI material, though.

Senator CANAVAN: That was not quite my question. Did you have any discussions with the Leader of the Opposition's office in preparing the submission?

Mr Simpson: We spoke to a range of people about the submission and what was in it. We spoke to people about the RTI material, yes. I cannot recall off the top of my head whom we spoke to in all cases, but certainly we would have spoken to someone in the ALP, I am guessing, on the way through.

Senator CANAVAN: But you cannot recall if you have or have not.

Mr Simpson: I cannot recall who it was. This has been compiled; this has not been Peter Simpson sitting in a room doing it. It has not been Lance McCallum sitting in a room doing it. It has not been Stuart Traill doing it. It has been an amalgam of people and a lot of resources to go off and chase the material down. There have been several discussions—maybe Lance can, from his side, writing the submission, throw something in. I cannot, off the top of my head, think of anyone else.

Senator CANAVAN: Mr McCallum, did you speak to the Leader of the Opposition's office?

Mr McCallum: Most of my discussions with a range of other organisations and stakeholders have been in relation to the information that has been discovered via the RTI document. As Mr Simpson has indicated, we have told those stakeholders. It was a part of those discussions that we intended to make a submission to the committee, which we have subsequently done.

Senator CANAVAN: Did you personally have any discussions with the Leader of the Opposition's office?

Mr McCallum: No.

Senator CANAVAN: I just want to clarify this. My understanding, Mr Simpson and Mr Traill, is that you were suspended from or left the Labor Party ahead of the last Queensland election?

Mr Simpson: I was thrown out of it.

Senator CANAVAN: Thrown out? I am going somewhere with this line of questioning, Chair. Are you now members again?

Mr Simpson: Yes, we are.

Senator CANAVAN: You are back again. Just bearing on these issues about asset sales: recently the former Labor Minister for Resources and Energy, Martin Ferguson, gave a speech. I am not exactly sure where. In that speech he said, 'I'm proud to stand before you today to lend my support to the restructure and sale of the New South Wales and Queensland electricity grids.' He went on to say: 'The continued public ownership of the New South Wales electricity network serves the public interest very poorly indeed. In the 15 years since privatisation, Victoria's electricity consumers have enjoyed the lowest electricity price rises. Twenty years of experience shows that public ownership has harmed, not helped, consumers.' Do you believe Mr Ferguson? You have presented some evidence on price rises. Do you think the evidence he has provided there is incorrect?

Mr Simpson: As far as the Victorian price rise—you have researched this.

Mr McCallum: I think the key to the answer is that Mr Ferguson referred to enjoying 'the lowest price rises' not 'the lowest prices'. If you look at privatised jurisdictions, I referred to a pricing report from the national regulator in one of my earlier remarks. That had South Australia, which is a privatised network that has leasing arrangements such as those proposed for Queensland, as the highest state in the country when it comes to electricity bills. It has been a well-known fact in multiple and numerous reports that have put the prices in Victoria higher than those in public states, on average, depending on where the pricing cycle is in any given jurisdiction. Simply saying that the prices have not risen as much as elsewhere forgets to mention the base at which the prices were to begin with. To go any further we would have to know what period he was talking about. Was he talking about only network charges? Was he talking about generation charges? What about the retail sector et cetera? I really cannot assist you beyond that.

Senator CANAVAN: Do you think, then, that if we were to lease or sell assets here in Queensland, just like Victoria, we would have lower price rises than otherwise?

Mr Simpson: I can tell you what you would have in Victoria. You would have half the workforce, for a start, because that is what happened in Victoria in 1995 when it was privatised. It halved the workforce, and it took 10 years to employ one new apprentice in that place. If you go to the Latrobe Valley, as I have, and witness firsthand what has happened to the place, it is a ghost town, literally with tumbleweeds going down it. I would have thought people who supposedly represent the bush would have been of a different mindset to that, especially in regional Queensland. I come from regional New South Wales. I was born and bred there. I have a bit of a passion for seeing what governments can do and do do to regional communities. You gut the workforce. You cut the Queensland workforce in half—which is what they are going to try and do, I can assure you of that—and you cut apprenticeships. That has already started to happen as a result of this independent review panel. What you end up with is less service. We have already seen the result of that last night and again today. You see people going longer without power. You see more people getting killed as a result of bad maintenance, and you see fewer of our kids getting trained.

Senator CANAVAN: Mr Simpson, I know you have to represent your members, but you probably would appreciate the position of ministers of both Labor governments, which have privatised assets, and coalition governments, which have. We would love to have more people employed in these sectors, but every additional person employed does increase costs and ultimately will make for higher electricity prices. Do you reckon there is a point that we cannot just consider how many people are employed in the electricity sector; we have to balance that against the need for an efficient sector and efficient electricity prices?

Mr Simpson: Contrary to popular belief, trade unions do not want people sitting idly by just for the sake of employment—certainly not our trade union, anyway. When I am talking to a farmer out the back of Quilpie or St George or Cunnamulla who has a three-hour drive from town for the existing staff that are in those locations to fix a pump, which waters his cotton, when it goes down, I do not disagree with him on any other political point except privatisation, where he says: 'I like the way that the guys are in town and they can come out and fix things when they're broken. They can come down and turn the power off before it starts bushfires, and that sort of stuff.' Those people are essential to be able to have response times. Sometimes they are two or three hours in the bush,

because that is literally the drive you have to do to get there. When you start taking those resources out, which this independent review panel talks about doing, any depot with less than 15 staff—what is it, 38 depots across Queensland were closed?

Mr Traill: Forty-four depots.

Mr Simpson: Forty-four depots in Queensland were closed, and they were all in regional Queensland. There is not one of them in the CBD of Brisbane; there is not one of them in Mackay or Cairns or Townsville. We are talking about regional Queensland—there, where they are suffering. We are not top heavy with staff, trust me. The C1750 cost the industry—they have walked out the door in the last two years, mostly with redundancy packages. They were not thrown out the door—they all took their money and ran, and I can understand why they would want to, seeing what the future holds. Those sorts of numbers cannot be allowed to leave this industry, if we are to keep a sustainable, safe and reliable electricity network, and that is where we are right now. We are right at that crossroads now, where a couple more will be the tipping point.

Senator CANAVAN: Just to change tack: you said earlier that you were thrown out of the Labor Party ahead of the last election—

Mr Simpson: Proudly.

Senator CANAVAN: Proudly. And my understanding is that that was primarily because—

CHAIR: Beware of relevance!

Senator CANAVAN: you were unhappy with the change in the policy with regard to electricity privatisation by the Bligh government. Given that that policy was not announced ahead of the 2009 election, do you have any more confidence that they would not change their policy again after this election, if the Labor Party were to win?

Mr Simpson: I have every confidence.

Senator CANAVAN: So the Labor Party has reformed—they have changed?

Mr Simpson: I do believe they have, actually. I do believe in all sorts of things, and it is one thing I do believe in. The Queensland Labor Party as it stands now, and the members and candidates that I have met, and in some cases have worked with for many years, are decent people. They are decent, hard-working, working-class people who are working their way up through the ranks. They are not the same ilk as some of those who were leading the place before.

Senator CANAVAN: There are many recycled candidates, but I am glad to hear that. *The Courier-Mail* reported earlier this year that a number of unions were funding the case against bikie laws. I believe the Maritime Union of Australia admitted to that. There was also a \$10,000 donation from a group called ETU Boys. Who are those boys?

Mr Simpson: It is my officials. It is not union money, and it was misreported in the paper. I took great exception to that. No union money went towards that, but we did donate \$10,000. Officials of the Electrical Trades Union put \$10,000 into that fund.

Senator CANAVAN: When you say 'officials', what does that mean?

Mr Simpson: Elected officials. Us. The guys at the—

Senator CANAVAN: Okay. So you personally, Mr Simpson and Mr Traill? You helped to fund that?

Mr Simpson: That is right.

Senator CANAVAN: And that was to the order of \$10,000?

Mr Simpson: Ten thousand dollars.

Senator CANAVAN: Was that the case that was recently decided upon?

Mr Simpson: No.

Senator CANAVAN: The funding that went to—okay, what was that?

Mr Simpson: Sorry, in relation to the bikie laws?

Senator CANAVAN: The High Court one that was recently—

Mr Simpson: Yes. The High Court challenge, yes. All we did was make a donation to a central fund. What happened with it after that, I do not know. But that was certainly the cause we donated to.

Senator CANAVAN: All right.

Senator IAN MACDONALD: How many bikie boys are there?

Mr Simpson: I beg your pardon?

Senator IAN MACDONALD: How many bikie boys are there?

Senator CANAVAN: ETU boys.

Mr Simpson: Bikie boys? There would be quite a few, I would imagine!

Mr Traill: That was probably when you were on the phone. You missed that one.

Senator IAN MACDONALD: Or when I was sort of dozing, perhaps, because I had heard all of this before. But how many in the ETU Boys? What is the number?

Mr Simpson: About 25 contribute to a fund. We always have. It is not a slush fund; it is registered through ASIC. You are welcome to check it any time you like, Senator. You can Google it.

Senator IAN MACDONALD: The ETU Boys?

Mr Simpson: No, that is not the name of it. That is why I said it was misrepresented in *The Courier Mail*.

Senator IAN MACDONALD: What is the name of it?

Mr Simpson: It is the ETU Officers' Defence Social Club. I cannot tell you the ASIC number off the top of my head, but you can Google it.

Senator IAN MACDONALD: I will Google it, thanks. Sorry, Senator Canavan.

Senator CANAVAN: You mentioned earlier that I think it was the Queensland Attorney-General had some correspondence with you. Do you have a copy of that letter to table to the committee?

Mr Simpson: I'm not sure if—was it Mark McArdle, the energy minister?

Senator CANAVAN: Was it Mr Mark McArdle? Sorry.

Mr Simpson: I have, actually—I did bring it.

Senator CANAVAN: Can you table that letter?

Mr Simpson: I only brought one copy of both—to and fro—but I can hand that up, if you want.

Senator CANAVAN: Thank you.

Mr McCallum: At this point I might table a copy of our submission, just for completeness's sake, as well. Thank you.

CHAIR: We have accepted it, I think, already.

Senator LUDWIG: What was the letter from Mr McArdle about?

Mr Simpson: That was in response to my original letter, where I wrote to him. They were elected in March—give me a couple of weeks either side of this—and I wrote to them in April when there were some reports in *The Courier Mail* that they were going to lessen reliability standards in the network. I went into it extensively when I was answering Senator Waters' questions. Obviously, we had major concerns about it. We had just spent the last five, six or 10 years building the industry back up to where it needed to be, and what McArdle was talking about doing was stripping that all away and going back the other way.

So I wrote to McArdle and I said, 'Listen, we've got some buy-in in this industry; we are a stakeholder.' I am paraphrasing again, but the letter is there. 'Here are some cost savings straight away that could be made. We are happy to sit down and talk to you further about the issues going forward.' I got a one-page response—I think it was three or four paragraphs. Again, paraphrasing: 'You're a union. You back these shitty Labor governments. Go away.' That is the way I read it.

As a subsequent response there I gave them more detail and said, 'Let's not play stupid politics; let's just talk to the issues.' And I did not get a response to that letter.

Senator LUDWIG: You are also concerned about what they are doing currently in a range of the depots. As I understand it they are also not keeping transformers in depots where they otherwise would, which means that affects the time it might take, particularly in rural and regional areas, if a transformer blows up and you have to find a replacement. If you do not have that transformer in the depot then it has to come up from—

Mr Simpson: A central warehouse somewhere, yes. A lot of them have gone to central warehousing—particularly Energex and Ergon—and just-in-time substations. They might keep two or three transformers in stock in Brisbane, a couple in Townsville and a couple in Cairns. But if you are in Thargomindah and your transformer to your pump blows up, that is 300k to the local depot. The closest depot would be at Cunnamulla or St George. They would not have one of those, so it has to be freighted out. Those are massive delays, but the way that they see it, it is a cost saving.

The other big issue—especially today as well—is that Energex used to have a service that would go out when they had planned outage in your street or you if were a small business. They would hook a generator up at no cost to keep you going, so you would not lose supply. That has been axed. Stewie knows the exact amounts that they reckon they have saved but that was a service to the community, and as a government owned corporation we should be about service. We would go out and make sure that local business—that local pie shop—had supply if you were doing a Sunday outage. That has gone as well now. So it is not just the material stuff; they are cutting back on all of the services—the ancillary services we used to provide as energy providers in this industry. That has not been reported widely, but I can assure you that there was a bakery—where was it?

Mr Traill: It was up in the Kelvin Grove area.

Senator LUDWIG: All that means, though, is that service delivery to customers is going down in terms of the ability to be able to respond—times and waiting for power to be reconnected. We would be experiencing that now: if there were only six crews on between 11 and 4.30, then presumably they had to start post-4.30. So for all the work that could otherwise have been done it means that by the end of today there will still be people without power who would otherwise have had power.

Mr Simpson: And they were out there this morning saying that it was a safety issue and that they could not do it. I have worked in this industry, as I said, since 4 February 1980—as a tradesman up until 1997. I have patrolled more power lines than most of them have had hot feeds—although I've had a few hot feeds myself, but to tie in with the previous speaker! You can patrol lines at night; you can fix lines at night—there are lights, there are safety procedures in place. As Stuart said before in his opening address, when a powerline falls on the ground you need to know that it is de-energised. You cannot just assume it is de-energised because a lot of the time they are not. You need people out checking that sort of stuff—physically on the ground. There is no magic board that Energex consults that says 'Senator Ludwig has just lost his power at 3 Smith Street.' You actually have to physically go there and check it out. That did not happen last night, and that is part of this service decay that has happened over the last two years.

Mr Traill: It did not happen last week either, I was talking with some of our members out at Raceview the other day. One of the on-call supervisors rang around after the storms last week and he could not get enough staff because 750 have already been cut out of Energex since the LNP government came to power in Queensland. There were not enough staff last week. He actually had to rely on the apprentices to come in to offset the tradespeople who just are not there any more. These are the apprentices who are proposed to be slashed as well. This is only the start of the rot if the LNP get their way and privatise or lease these assets.

Senator LUDWIG: And with this 99-year lease, your view is that this will get worse or much worse?

Mr Simpson: Much worse.

Mr McCallum: The evidence from other states, such as South Australia, has suggested—and has given us every reason to suggest—that that is going to be the case. You mentioned the storms last night. As someone whose own home—mine as well as thousands of other people—was affected, I left home this morning without the power on. I will get back tonight and, hopefully, it will be on. I will check to see whether food has gone off in the fridge et cetera. It is very disappointing for me to know that not everything has been done by Energex to get it on that could have been done. It is even more disappointing for me to know that that is linked to directives from the government as cost-saving measures.

Senator LUDWIG: I just want to go through the issue in your document which goes to shutting down units before summer. I just do not quite understand why you would do that.

Mr Simpson: Neither do we!

Senator LUDWIG: What is the thinking? Do you have a view as to why they were shutting down units in the lead-up to—

Mr Simpson: I cannot categorically say why, but a baseload power station is exactly that—it is there to provide constant, consistent baseload power over the whole network. It is not a peaking station, and it is a lot cheaper to run baseload station than a peaking station. Why you would take out 750 megawatts of generation capacity just before summer, I have no idea. I have said publicly many times that this government has got no idea of how to run an electricity network. They have proved that, because they shut those two units, they kept everything else going and they used Swanbank E Power Station, which is a gas fired power station, until the gas price peaked. They then came out and said they were going to mothball the gas fired power station. They sacked 35 staff and then ramped up those two units at Tarong, which have subsequently been raided for spare parts, and they would have to get parts from Germany and various other places. Economically, managerially, common-sense wise, none of it makes sense.

Senator LUDWIG: And they have extended the closure for the one in Ipswich now too. They originally said it was going to close earlier; now it has been extended. Is that the reason: because they cannot—

Mr Simpson: Because gas prices fell. There are two reasons, I believe. The gas prices went back through the floor again and they realised they could not ramp up the two units at Tarong as quickly as they wanted. We are currently in litigation with them over the Tarong shutdown. They said when they put those two units back up again that they would not employ any new staff, and they sacked 65 people, I think, when they closed those two units.

Mr McCallum: I might quickly add that, in reference to taking away baseload capacity just before the summer peak, we found it very curious that government owned generators would reduce their output, because that gap, if you like, in demand has to be taken up by the private generators. It was during that period, just before the summer peak, that prices were upwards of \$12,000 per kilowatt hour. The government takes away some of its capacity; private providers come in and take that up.

Senator LUDWIG: And the beneficiary is the ERM.

Mr Simpson: I would suggest they are a fairly big beneficiary, yes.

Senator KETTER: Thank you, gentlemen, for coming forward. In your submission—and you touched on this in your remarks—you talked about huge job losses and service reductions across the government energy sector. Are you able to elaborate on that, provide a bit more detail on what this means for both workers and the public?

Mr Traill: Prior to moving to Brisbane in January, I spent 35 years living in Cairns. I grew up there, did my trade as an electrician and worked for the electricity board, which then formed into Ergon, and participated in a large number of cyclone response activities when I was on the tools.

Without that number of staff—750 less in Energex and 1,750 across the state—there is a massive impact in relation to response times and service standards. What we are seeing in Far North Queensland is that, with the last cyclone that went through Cooktown, the staff could not get in because the Bruce Highway was flooded. So they fly crews in without trucks, and it is nothing more than a political statement. The government comes out and says, 'We've flown people in from Brisbane to assist,' whilst they sit in the depot with no ability to do any work. We are seeing a significant reduction in service standards, response times.

The first few hours after a storm like last night's are critical. You want to get your crews out, make safe, fix up the major safety issues, isolate the wires, get them off the roads, and earth them so they are safe for people to be around. Then you start getting the backbones of the network on—hospitals, sewage system, water, all the traffic lights—so people can get back to some level of normality. Last night is a classic example. Without those numbers of staff being able to respond and not being brought in because of restrictions on overtime, people suffer. I was talking to a lady this morning in a coffee shop across the road from our office who was saying how disgusting that was, because she had a number of elderly neighbours that had health issues and that could not access the medication and treatment they needed because they had no electricity this morning. She was horrified to know that between 11 pm and 4.30 this morning there were 12 people out there restoring supply.

Senator IAN MACDONALD: How many crews is that?

Mr Traill: Generally after a storm response, you have two people per truck, because if you are out there doing high-voltage switching isolation—

Senator IAN MACDONALD: Six crews?

Mr Traill: A handful of crews.

Senator McGRATH: I think you are wrong with that. I think I have figures from Energex that at 11 pm last night they had 123 crews out, at midnight they had 78 crews out and it did get down to 40 crews at 4.30 this morning. I think the information you are putting here is misleading and I think you should be very careful in terms of the information you are giving to this committee.

Mr Traill: That is not what I was told by the Energex representative—

Senator McGRATH: What, by the lady in the coffee shop?

Mr Traill: It was not the lady in the coffee shop—

Senator McGRATH: An informative source—the lady in the coffee shop.

Mr Traill: Excuse me—you asked me a question and I am happy to respond.

Senator McGRATH: You are putting wrong information out there.

Mr Traill: The person I spoke to last night was the Energex representative in control of the response activities—Mr Paul Rainbird.

Senator IAN MACDONALD: Would you be surprised if we had information from Energex that completely disregards and challenges your information, which I suspect is typical of a lot of the information you have given. It is just something you make up on the spur of the moment. .

Mr Traill: Senator Macdonald, it is not made up. The information that I have provided was based on—

Senator McGRATH: It is wrong.

Mr Traill: Energex, Ergon and the government have made many misleading statements on fault response over many years.

Senator KETTER: I would like to move on to that part of your report which refers to the independent review panel report and its recommendations. The panel was chaired by the same gentleman who was the chairman of ERM Power. What are your views about the legitimacy of that arrangement and the report itself?

Mr Simpson: We did not think it was legitimate from the start. For a start, if you are going to put something together, you come and talk to all the industry stakeholders. Whether you like trade unions or you do not like trade unions, we represent 4,500 people in the electricity industry, so I suggest we have a reasonable idea of what goes on around the place. All of us in this section have come up from the shop floor—we have worked as tradesmen ourselves and we know the industry inside out. I was not aware at that stage that Tony Bellas was with ERM Power—I think that came out subsequently. I had had previous dealings with Tony; I found him a reasonable guy to deal with. I am not having a personal sledge at Tony Bellas in any way, shape or form.

The committee got up and running and we read the scope of the committee and saw the process that it was following, but I only got one meeting for about half an hour during that whole time. When I put it onto them about the privatisation they said it was not in scope, they were not even considering it, yada yada yada. Then it came out as one of the main recommendations. I think that pretty much answers your question, for mine. It did not have too much credibility towards the end. Originally we did not throw too many stones at it because we thought maybe Tony would make sure the rest of it was pretty transparent, but I think there were other moves afoot from inside the government, more particularly, to make sure that the thing was pretty much written before they kicked off. Like I said, privatisation was not to be considered—it was not even in the scope of the committee's dealings but it ended up one of the key recommendations. For me, that explains it.

Senator KETTER: I also make reference to ERM Power and that a director of the company was invited to an LNP energy policy committee, which seems extraordinary. Can you take us through that?

Mr McCallum: You have taken the words right out of my mouth. It is absolutely extraordinary. There is an attachment to our submission which is a document obtained under freedom of information that indicates that from the energy minister's office, via one of the administrative staff who works there, there was an email sent to a gentleman, I believe one of the founding directors of ERM Power, inviting him to a party political policy discussion on energy and water. What is a little bit strange is that I do not believe we have ever been invited as an energy industry stakeholder. I am not sure what other energy companies, whether they be generators—

Senator McGRATH: Maybe if you were not protesting all the time—

CHAIR: Order! You do not have the call, Senator McGrath.

Mr McCallum: It is absolutely extraordinary.

CHAIR: Someone mentioned apprenticeships and the lack of positions. What sort of ramifications will that have in the future?

Mr Simpson: I started in this industry up here in 1991, having come from Canberra, as you know. I saw how bad it was—I think there was one year when Energex put on 10 apprentices, but most years before that there were none.

When we had the campaign in 2004-05, we got some decent ratios in place. We were getting two, three, four hundred kids every year into apprenticeships. This industry—and I think even the employers if they were allowed to talk to you would give you the same detail—is a ten-year cycle. We ramp up to where we need to be, and then the LNP get in, or someone decides they have got a smart idea and cut the guts out of it. Then we go back up again: now we are talking about no apprentices or very few apprentices in the next couple of years.

That has devastating effects for regional employment, obviously—where do your kids get trained? We used to have a body Queensland rail that used to train a lot of kids, Qbuild that used to train a lot of kids. Successive governments have got rid of both of those, unfortunately. The power industry is probably the last one left. Telstra used to be out in the bush, the Commonwealth Bank used to be out in the bush. Ergon Energy and in some towns Energex are the last two standing in that space. Take them away, privatise them—there will not be any place to

train your kids. And what happens then? Unemployment, crime—off we go from there. That is a whole different subject. It hurts me that people are looking at that side of it, it really does. It is just tunnel vision.

Mr Traill: If I can just finish off on that one: the linesman trade is a hard job. It is a hard job on the body, generally. Linesmen past 45 to 50 have either got dodgy shoulders, dodgy knees, dodgy backs. It is a trade that needs an ongoing secession process such as the training of apprentices. Without those apprentices, there is going to be significant reduction in service levels, because right now those apprentices who are currently employed and about to be slashed in future years if they get their way, they are not going to be there. In places like Ipswich, there is over 20 per cent youth unemployment; Far North Queensland in the Cairns area, 21, 22 per cent youth unemployment. Where is the commitment and where are the future opportunities for our children as they leave school?

Mr McCallum: I would just quickly add as well, in the latest figures from the federal Department of Employment, it lists electrical line workers as one of the occupations that is currently in shortage.

Senator IAN MACDONALD: Just on ERM Power and the donations to the LNP, so you say, are you aware that ERM Power has also donated to the Labor Party? Did you make any complaint about that?

Mr Simpson: I did not make a complaint about it; I said that it was curious that they make a donation and then five days later they get a chair spot on the independent review panel.

Senator IAN MACDONALD: Thanks for that. Just going back to your contribution to help overturn the bikie laws, have any of you ever been members of any bikie organisations?

Mr Simpson: I was a Boy Scout once, Senator. That is pretty much my involvement.

Senator IAN MACDONALD: Is that a no?

Mr Simpson: That is a no.

Senator IAN MACDONALD: You said in a media release in January this year that the Queensland government anti-bikie laws would affect 200 ETU members. What does that mean? Does that mean your members are associated with outlaw motorcycle gangs?

Mr Simpson: It means that I have got members; however, under the regressive—and some would say fascist—laws that were put in place under the VLAD legislation, I have got members, as most other unions do, who ride motorcycles on weekends and used to congregate in groups of three or more, that would lose their jobs as a result of the ridiculous laws that were put in place by the Attorney-General in Queensland.

Senator IAN MACDONALD: Thanks for that. I am aware Mr McCallum has been a Labor candidate. Has anyone else been a Labor candidate?

CHAIR: What is the relevance Senator MacDonald?

Senator IAN MACDONALD: It is the relevance of the veracity that you would place on the evidence that they are giving.

CHAIR: I would not think so. What relevance is there to what we are discussing here about whether or not they have been—

Senator IAN MACDONALD: Perhaps it is politically tainted.

Senator McGRATH: Everybody who comes along here is obviously in the Labor Party or the Greens or wants to join the Labor Party.

CHAIR: That is not true either, Senator McGrath.

Senator CANAVAN: A point of order. Just on that ruling, we have heard continual evidence in front of this committee of a political nature. There is no dispute about that, and that is fine. But therefore Senator Macdonald's question is perfectly relevant, because you have to consider—

CHAIR: No, it is not. You do not have a point of order. I am going to wrap this up.

Senator IAN MACDONALD: Mr Chairman, you have given Senator Ketter, Senator Ludwig and Senator Waters—all from the Labor party—about three quarters of the time—

CHAIR: I am sorry. Further questions can be put on notice. Thank you very much, gentleman, for your time.

BATES, Mr Kevin John, President, Queensland Teachers' Union

ROY, Mrs Kimberley Margaret, Research Officer, Queensland Teachers' Union

[14:30]

CHAIR: I would like to welcome representatives from the Queensland Teachers' Union. Information on parliamentary privilege and the protection of witnesses and evidence has been provided to you. The committee has your submission. I now invite you to make a short opening statement. At the conclusion of your remarks, I will invite members of the committee to put questions to you. Do you have any comments to make about the capacity in which you appear?

Mr Bates: I also appear as the President of the Australian Education Union Queensland Branch. I want to begin by describing who we represent. I think it is important in terms of the evidence that we provide. The Queensland Teachers' Union represents 43,000 teachers, principals and educational managers working in state schools and TAFE colleges. Created on 9 January 1889, the Queensland Teachers' Union has been promoting and protecting public education in Queensland for 125 years this year. We are a state registered union of employees within the meaning of the Queensland Industrial Relations Act. I am the full-time president of the union elected by the rank and file as the political leader of the organisation.

I have a 20-year history working with the Queensland Teachers' Union as an organiser based in south-west Queensland and an industrial advocate prior to being elected as the president. I have a seven-and-a-half year history working as a teacher, prior to commencing work with the Queensland Teachers' Union. I was the head of department curriculum at Dunwich State School secondary department on North Stradbroke Island prior to commencing work with the union.

I have a number of qualifications, including a teaching qualification with majors in history and geography in secondary schooling; an arts degree, majoring in politics and comparative religious studies, a graduate diploma and a masters degree in labour studies and industrial relations, respectively.

The Queensland Teachers' Union is not affiliated with any political party nor has it ever been affiliated with any political party. As is a matter of the public record, as required by Queensland industrial relations law, I am not a member of any political party nor have I ever been in the time that I have been the president of the union.

I simultaneously hold the position of president of the Australian Education Union Queensland branch—a branch of the Australian Education Union federally registered union under the Fair Work Act. I am also, in that capacity, a member of the executive committee of management of the Australian Education Union.

The evidence that I give today is based on my experience in Queensland schools and TAFE as a teacher, union representative and as president of the two bodies that I have mentioned. With me today is Ms Kimberley Roy. Her role is assistant secretary, research. She has only just taken up that position with the union in the last couple of weeks, so this has been an interesting baptism for her in terms of this process. Kimberley has come very recently from school and was appointed into that position.

It is significant that the federal government invests more than \$1 billion a year into Queensland schools and TAFE. It is obviously a considerable stake in an industry that is crucial to the social and economic wellbeing of our state. Furthermore, there exists a range of documents and arrangements, including national funding agreements in education, combined with a range of realities such as the National Curriculum, the Nation Assessment Program for Literacy and Numeracy, known as NAPLAN, the National Disability Insurance Scheme, which impacts significantly on education, and the Disability Discrimination Act. But probably most significantly in terms of the submission, is the referral of powers by the Queensland government under the National Vocational Education and Training Regulator Act 2011 to the federal government, such that the Australian Skills Quality Authority, ASQA, became the regulator of vocational education and training in Queensland, from 1 July 2012, with such referral of powers finalised under the current government. That is consistent with section 51(37) of the Australian Constitution, in relation to referral of powers. For all of those reasons we would submit that the evidence we have provided in written form, and are happy to provide today, may be relevant to the consideration of the select committee under 1(g) of the terms of reference.

CHAIR: Did you have anything to add, Mrs Roy?

Mrs Roy: No, I do not.

Senator KETTER: I have questions about your reference to the Queensland Skills and Training Taskforce. Are you able to shed some light as to who were the four appointed members of that body who had formerly been, or were at the time, directors or executive officers of companies in direct competition with TAFE?

Mr Bates: From our perspective, for such an important review of a critical element of both the education industry and the Queensland economy to exclude the public provider of vocational education and training, and indeed to have no representation from the union that represents the vast majority of educators who work in that industry, is a fundamental flaw in any review process. In direct answer to your question in relation to the four, the names of those people are on the public record. They are named in the report of the training taskforce. They include for example, Claire Field, who at that stage was the CEO of ACPET, the Australian Council for Private Education and Training. There are a number of other private providers who are represented there, as well.

Senator KETTER: Moving to the issue of Nyanda State High School, are you able to tell us how much the Brisbane Christian College paid the state government for the acquisition of that site?

Mr Bates: We sought that information recently at a meeting around facilities with the Department of Education, Training and Employment. We were told that we could not be provided with that information because it was commercial in confidence. We were also informed that the department accepted a tender from that institution that was not the highest bid, on the basis that they believed there was a matter of public interest in preserving the facility within the education industry. Given the sorts of rhetoric that surround—

Senator LUDWIG: Not in the public education domain.

Mr Bates: Within the education industry. Not in the public domain. Correct. That evidence is again unable to be substantiated at this stage. We have asked for that to be provided to us, but it was reported to a senior officer of our union, the deputy general secretary, at a meeting with officials of the department, where we asked that question.

Senator LUDWIG: Was it an open, competitive tender for the sale, but then they did not accept it—but you do not know that for a fact?

Mr Bates: What has been reported to us, and that is the best I can say, is that a bid other than the highest bid was accepted, for reasons the government argued—that it is about keeping an education facility in the education industry as opposed to—

Senator LUDWIG: That begs the question as to why you would sell it in the first place.

Mr Bates: That is a question the government would need to answer. Clearly, from our perspective, it does say that this will be a secondary education facility that will continue to operate on the grounds and in the buildings where there was a secondary education facility, albeit it will move from the public sector to the private sector.

Senator LUDWIG: And you will have to pay to go there?

Mr Bates: There will be a cost associated with that. It was also the last secondary public school in that particular area, the other high school having been closed by a Labor government some years earlier—Salisbury State High School. Nyanda was the last secondary facility available to students in that area. They now have to travel some considerable distance to access secondary education.

Senator LUDWIG: And that area is going through a regrowth—that is one way to put it. It was a big area at one point, 30 years ago, but it is now going through a reinvigoration, as well.

Mr Bates: As is often the case in these sorts of suburbs. I worked very closely with the Nyanda community at the time they were going through this closure process. The parent community is dominated by Aboriginal and Torres Strait Islander peoples, Pacific peoples and people who have come to Australia through a variety of means from other countries. They were certainly very disappointed that their local high school, to which they were happy to send their children, was being closed, and that they had to send their children elsewhere.

Senator KETTER: You mentioned that, in the recent past, there has been a substantial amount of maintenance funds spent on the school. Can you elaborate on that?

Mr Bates: In the 2012-13 year, \$160,000 was spent on the school. That involved completely repainting and recarpeting, and a number of significant improvements that were certainly required of the school because of a maintenance backlog that existed. So the initial allocation was in that order. A second allocation was not made to the school because it was closed. There was further work to be done that was not completed because of the closure.

Senator KETTER: You make passing reference to the funds raised by the parents and citizens association which might have been invested in the school. Do you have any information about that?

Mr Bates: I cannot be specific about those, but with all of the six schools that closed the parent communities were very strong in their voice in saying that they had invested heavily as a community in those schools over decades. They were certainly concerned about the loss of that amenity to their community in terms of the investment. I have to acknowledge that, in all of these circumstances, parent groups are aware that, when they

invest money into a public school, by operation of legislation, they cede to the state any control of that money and the resources that they had purchased. That is a condition under which it operates. Nonetheless, those people certainly feel a strong ownership of their schools and are concerned about the loss of that amenity in their community.

Senator KETTER: What is the significance of the Nyanda State High School being described on Education Queensland's website as being 'the Learning Place'?

Mr Bates: The Learning Place is actually an online learning system that the education department uses. It is accessed by all schools. A range of programs operate within the education system. With Nyanda in particular, there had been a number that had developed out of, in particular, things like the national partnership, where upwards of \$1.3 million was invested in the school to develop, under the terms of that federally funded program, significant assistance for students from low socioeconomic backgrounds. Obviously, in that regard, the Learning Place is part of the environment in which those students are operating.

Senator KETTER: Turning to the Barrett Adolescent Centre: are you aware of the nature of transitional care arrangements that were put in place for the patients of the Barrett Adolescent Centre?

Mr Bates: One of the challenges with the Barrett Adolescent Centre—and, in answer, I have had direct contact with the educational staff there on a regular basis, working with them over the last two years as they struggled with the decision to close the centre which operated successfully for 20 years—

CHAIR: Why was that closed?

Mr Bates: The challenge here is that the school itself remains open. It has been moved to Yeronga State High School. The problem was that the LNP government chose to close the health facility within which the school sat. So the Wolston Park mental health facility, as it was then, was actually closed around the school. As a consequence, the school had to be moved. The education department gave a commitment and kept the commitment to keep the school open.

But this school had a unique program context in that it was a school that operated within a 24-hour residential care facility. The director of the school was in fact a very senior psychiatrist who had responsibility for the health and wellbeing of the students and worked with a principal of some 20 years experience in the centre, who was there to provide educational programs for those students. They were students at severe risk of self-harm and were acute patients in terms of the mental health provisions, so they operated within the school context but within a mental health facility to which they had been referred by appropriate medical practitioners. It is a little complex in that the school itself has not closed, but it was forced to relocate, and the facility to provide those students with 24-hour care in a residential facility is what was taken away.

In terms of the transition, what educators in the centre as it now exists at Yeronga have reported to me is that they were forced into essentially an outreach program. That is, students would go to community based acute-care facilities, to hospitals or back to their parents in some cases, and then the educators would provide a visitation service where they would provide the educational process in situ in whatever facility those students had been relocated to.

In the case of the three students that committed suicide—a matter that is now before the coroner—I want to just clarify that two of the students had actually left the school within the same period that we are talking about. They transitioned out because the centre had closed but also were due to leave school within that same 12-month period. The third student was still an enrolled student at the school. That is my understanding.

Senator KETTER: Your submission talks about the report that was conducted in respect of this issue and you talk about the process of transitional planning occurring in an atmosphere of crisis management. Could you elaborate on that, please?

Mr Bates: Essentially what happened was we had had two separate reports, including one by the most senior mental health practitioner in Queensland, the title of whom escapes me for the moment. Both of those had been seen as pre-emptive processes to the closure of the centre—that is, investigations about whether or not the centre would close and, if it were to close, what would replace it. We had been given assurances over time, mostly verbal, that the closure would only occur once a replacement service was provided, because there was concern about the acute nature of the illnesses of the students and patients concerned.

So, in this context, the review was really looking at a broader and long-term process of replacement, because under the previous government there were in fact finalised plans for building a new facility in the Redlands, in the grounds of Redland Hospital, that would have provided the same type of institution as we saw at the Barrett Adolescent Centre—that is, a residential care facility that offered a full-time schooling program as well as mental health care for those students.

I might also add that I understand we have a meeting next week where we will be pursuing the option of an alternative facility to be set up at the old Royal Children's Hospital special school, which has just been vacated for the new Lady Cilento Children's Hospital school, which has been opened across the river.

The environment of crisis that you referred to was about the fact that, despite all of that planning, there was no alternative put in place, so the medical practitioners, nurses and educational staff were left with this situation where the centre was due to close on, I think, 10 December and there was no alternative. The crisis that ensued was: what are we to do with the 20-odd students who are in our care, given that there is no alternative program for those students to access? It was in that context that people were under huge pressures and stressors.

It actually got to the point of a meeting of the three unions involved—Together Queensland, United Voice and us—to work with our members, who represented about 99 per cent of the workers in the centre, and to work jointly with the Queensland Nurses' Union, who represented the medical staff in the centre. We were at that stage pursuing a number of industrial options that we might have accessed, but ultimately the school remained open, albeit in a different location.

Senator KETTER: Can you tell us who were the team appointed to undertake the transitional care planning?

Mr Bates: I don't actually have that information to hand. If I can take that question on notice I will provide that information to you.

CHAIR: Tell me what sort of impact the Campbell Newman government has had on TAFE Queensland.

Mr Bates: This is a critical issue for us. The combined impact has been in several key areas. The first is in relation to jobs. The impact of the policies carried out under the LNP government—I wish to acknowledge, for balance, that they were commenced under Labor in this state, but they were pursued with vigour and brought to absolute fruition under the LNP government—is that more than 1,400 jobs have been lost. I think the submission refers to have a figure of about 1,300. We received an updated report from TAFE Queensland—the new entity created under law to manage TAFE in Queensland—that that figure is now 1,400 jobs lost. That includes around 587 teaching staff, with the remainder being administrative staff who work across centres. We are also aware from some recent announcements by the government that the cleaning staff, security staff and catering staff working within TAFE colleges all over Queensland are being outsourced, so those jobs will go and those services will be contracted out. That has been manifest in a range of applications before the Industrial Relations Commission for certain awards to cover the new entity of TAFE Queensland. The first one is jobs, with 1,400 jobs lost in our industry, of which 587 have been teachers, many of whom are our members.

The second area is in relation to the provision of programs. On the public record has been a significant reduction in programs. The arguments put by the government are that the programs that have been discontinued do not lead to jobs; as a consequence they are seen as being a waste of money. Many of the programs do have significant demand from students. They include things like personal training and some of the associated health roles, such as reflexology and aromatherapy, and while that might not be everyone's cup of tea in terms of a career, there are people who might choose that. Perhaps more importantly, they also involve an amalgamation across the TAFE institutes. For example, a single institute is being created out of the Townsville, Cairns and Mount Isa institutes of TAFE. Townsville, for example, has discontinued the provision of tourism programs. Those programs were all centralised around Cairns, which means that if a student anywhere in the northern part of the state wishes to study tourism—and why wouldn't they in Queensland, given the significance of that industry to our economy—they have to do that through Cairns in order to access that program. For many students that is simply not possible because of the distances involved or because it involves the provision of those programs through alternative delivery, which means not face-to-face teaching but online learning or other sorts of alternatives. It is the narrowing of the programs. It is my understanding that, at last count, we were up to 700 programs that have been lost. I have highlighted things like tourism because of their significance, but there are other, smaller programs that very few students would study.

Finally, there is the cost to students of studying at TAFE. There is a significant public discourse at the moment about declining enrolments within the TAFE sector and significant discourse from the government regarding utilisation, as they refer to it—that is, the amount of space within TAFE colleges that is being used. It is an economic argument for why TAFE is no longer as relevant in Queensland as it once was. What we have seen under this government in recent months has been a dramatic increase in the cost of courses to students. The government argues that that is a consequence of the removal of subsidies and that what students are paying is the cost of the course as it always was. In real terms, that means that the cost for some courses has gone from \$200 up to \$2,000. Probably the most heavily hit that we as a union have seen has been in respect of TAFE courses provided in schools through the VET in Schools program. At Hervey Bay State High School, for example, there were some 120 students who were studying VET in Schools courses this year. There will be no students studying

VET in Schools at Hervey Bay State High School next year, because the cost of the courses that were on offer has become prohibitive for those students to be able to access those programs.

In the current context, the impact of that is on alternative pathways for students—that is, other than straight academic programs with university entrance as a goal. Those students were accessing TAFE-level qualifications, often certificate II and certificate III level courses, which provided them with a real leg-up in terms of their studies after school. That obviously has created a significant concern in the school community, because those students now have less relevance out of their schooling because they cannot access some of those programs.

CHAIR: The Queensland Training Assets Management Authority: could you explain to us why you think that was formed and what sort of impact that is having on TAFE Queensland?

Mr Bates: There are a variety of reasons quoted in the Skills and Training Taskforce report, not least of which is that there is an argument that, from a particular perspective in economics, the fact that the public provider would own its own assets—that is, the buildings and the equipment—gives them an advantage in the competitive market that is training at the moment. The argument used by the Skills and Training Taskforce was that, by taking away that ownership and the asset, it levelled the playing field, to an extent, with private providers. It provided each of those private providers with the potential to access those public resources, in terms of the space for training or the equipment that would be used for training, at a market rate, but it also requires—albeit with some initial subsidies—the TAFE public provider to pay to use the space that it once owned.

There was a wholesale transfer of those facilities to QTAMA—the Queensland Training Assets Management Authority—on 1 July, and it is now managing all of those facilities and assets on behalf of the state of Queensland. Its remit is to do so on a commercial basis, so there is an expectation that there will be profits generated. If no profits are generated, those facilities might be sold in order to remove them from the books and decrease what the Skills and Training Taskforce refers to as the 'TAFE facilities footprint'. In Brisbane, for example, the Director of TAFE has made it known that he envisages they would need to close 15 of the 18 campuses in the Brisbane area in order to manage the cost of the commercial rent that would be charged for those facilities in just two years time, once the subsidy disappears.

Senator CANAVAN: In relation to the Nyanda school, my understanding is that the utilisation of that school was only 43 per cent at its closure. In your view, was there a case for a restructure of the school, given its low utilisation rate?

Mr Bates: A restructure, perhaps; closure, no. Our submission on the school made it very clear that there were a range of considerations, as there were in a number of schools, that may have led to reinvigoration of that school into the future. Just by way of personal example, I used to work at Kedron State High School. At the time, there were fewer than 400 students. That school now has over 1,600 students, and the same facilities basically exist. So, over time, we see these cycles. My experience there was in the early nineties, over 20 years ago.

Senator CANAVAN: But do you accept that, from time to time, schools have to be closed if populations move and demographics change—as a general principle?

Mr Bates: As a policy, our union absolutely acknowledges that there is a need for review of this sort. In fact, it has participated over many decades in school closure processes, but they tend to be in circumstances where, for example, schools have zero enrolments. One example of that just recently was Peek-A-Doo State School, which is just out from Taroom. That school fell to one enrolment.

Senator CANAVAN: Are you saying you only support school closures where there are zero enrolments?

Mr Bates: We support school closures where it is an educationally valid decision. That is, if the school falls to such a size that it is impossible to provide programs, then that is obviously a realistic prospect. It is in the best interests of students to do that.

CHAIR: Are there any more questions? I think that is it. Thank you, Mrs Roy and Mr Bates. That concludes today's proceedings.

Mr Bates: Do you need us to table a copy of the submission?

CHAIR: We already have it. I thank all the witnesses who have given evidence to the committee today. Thanks also to Hansard, Broadcasting and the secretariat. I declare the hearing adjourned.

Committee adjourned at 14:59