

SERVICE REPORTS

Jobs and a strong economy

We are the principal source of the economic advice, research and analysis the Queensland Government uses to deliver on its commitments to Queenslanders for jobs and the economy.

We work for Queenslanders by:

- developing employment policy and programs and responses to labour market issues

- conducting statistical and demographic research for a sound foundation to planning and decision making
- managing financial relations between Queensland and the Australian Government
- monitoring the performance of government-owned corporations (GOCs).

Key performance indicators

Service standards	Notes	2015-16 published annual target	2015-16 actual
Stakeholder and customer satisfaction with Queensland Government Statistician outputs (rated satisfied or very satisfied)	1	95%	100%
Development of labour market policies to assist disadvantaged cohorts		Met	Met
Provision of regular, timely and high quality advice on Queensland economic and employment conditions and performance		Met	Met
Provision of regular and timely analysis and advice on the government's economic agenda, especially in terms of economic impacts (e.g. benefit-cost analysis)		Met	Met

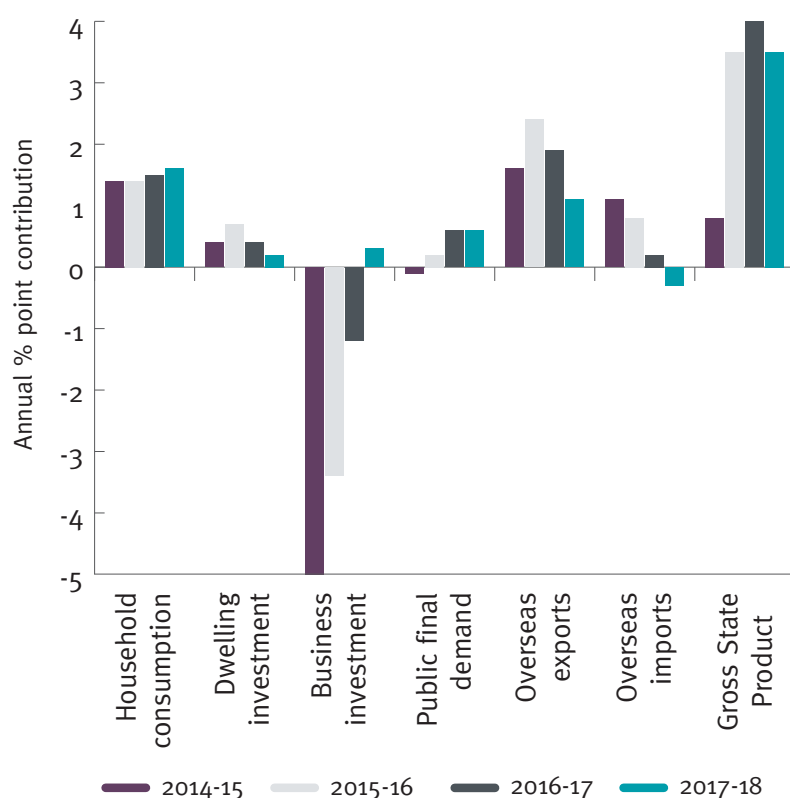
Variance notes

¹ Customer satisfaction survey results produced no instances of dissatisfaction with outputs.

ECONOMIC

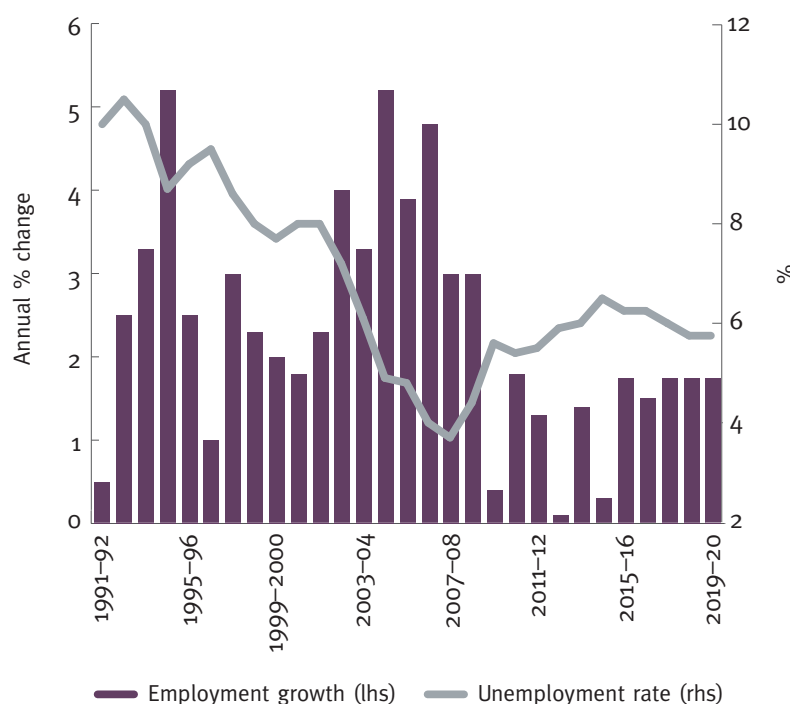
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Economic growth



Analysis: As the three large liquefied natural gas (LNG) projects near completion, the associated fall in business investment has detracted from economic growth, with further declines expected in 2015–16 and 2016–17. However, as these projects ramp up production, exports are making a strong contribution to economic growth. Meanwhile, low interest rates are supporting housing construction and the lower Australian dollar is boosting tourism and education exports. Beyond 2016–17, economic growth is expected to be more balanced across the major components, with business investment expected to improve in 2017–18.

Employment



Analysis: Queensland's headline labour market indicators improved in 2015–16. However, moderation in health and education employment growth and subdued domestic demand are expected to result in some softening in employment growth and a broadly unchanged unemployment rate in 2016–17. In the following years, a gradual pick up in domestic demand, particularly household consumption, is expected to result in slightly stronger employment growth, with the unemployment rate also expected to improve.

Financial summary – Economics Group	2015–16	2014–15
State contribution	\$20.55M	\$18.56M
Other income	\$6.34M	\$4.68M
Full-time equivalent employees	153	146

Key issues in our environment

Queensland's gross state product (GSP) is expected to strengthen to 3½ per cent in 2015–16 and to 4 per cent in 2016–17, underpinned by a surge in overseas exports of LNG. Queensland is expected to record the strongest economic growth of all states over the three years to 2017–18. In contrast to this robust outlook for Queensland exports, conditions in global economies remain subdued.

The combination of these trends is expected to support some improvement in labour market conditions in Queensland, including a fall in the unemployment rate to around 6 per cent by 2017–18. However, parts of regional Queensland are experiencing softer labour market conditions and high unemployment, particularly in areas where there has been a wind down in mining or resource-related construction workforces.

Securing a fair share of Commonwealth revenue for Queensland remains an ongoing focus with the 2016–17 Commonwealth Budget lacking funding certainty for a number of our key service priorities.

Strategy

Support economic growth, job creation and fiscal strength

Investing in job-creating businesses

In 2015–16, we established the Business Development Fund (BDF) to invest in innovative, growing businesses based in Queensland.

The \$40 million fund invests from \$125,000 up to \$2.5 million, alongside matched funding from private sector co-investors, in companies with great ideas.

In June 2016, the government announced its first investments from the fund:

- \$2.5 million for Brisbane-based firm Tritium, which produces super-speed Veefil charging stations for electric cars. BDF's investment was matched by St Baker Energy Innovation Trust and the Varley Group.
- \$500,000 for JESI Management Solutions' journey management software project, which uses mobile phone technology to help companies safeguard their employees on the road by monitoring their journeys in real time. BDF's investment was matched by Future Now Ventures.

BDF is administered by QIC, with investment decisions made by an independent panel of experienced investors who have a strong background in entrepreneurship and early stage investment. We will continue to oversee implementation of BDF over the course of 2016–17.

Getting Queenslanders back to work

Through our Employment Policy Unit, we played the lead role in implementing the government's Jobs Now, Jobs for the Future strategy introduced in 2015. This strategy was designed to boost jobs by:

- improving skills and training
- enhancing productivity and efficiency of business
- fostering emerging and innovative industries
- growing our regions
- boosting government services.

As part of Jobs Now, Jobs for the Future, we committed to consult closely with stakeholders and the community about how to improve employment in existing, new and emerging industries, rural and regional areas, and for job seekers with less favourable opportunities. We held forums in Charters Towers, Mount Isa, Maryborough, Mackay, Gladstone, Cairns, Rockhampton, Bundaberg, the Gold Coast, Brisbane North, Brisbane South and Toowoomba. At these forums, we connected with over 300 business owners, community and industry leaders, people helping disadvantaged Queenslanders, not-for-profit organisations and government agencies.

While there have been some signs of improvement in Queensland's labour market, conditions remain challenging in regions. The forums highlighted that:

- employers need greater confidence before taking on more staff
- employers find it difficult to find information and get the support and assistance they need, particularly to employ disadvantaged jobseekers
- jobseekers need help to navigate the training system, and to access information to support good training and career choices linked to real jobs.

This inspired the government to introduce, through the 2016–17 Queensland Budget, the \$100 million, two-year Back to Work regional employment package.

Back to Work will support up to 8,000 jobs across regional Queensland through:

- \$10 million for the Certificate 3 Guarantee Boost to provide additional training for eligible jobseekers to ensure they have the skills they need for work
- \$10 million for Back to Work Teams who know their local economies and can connect employers and jobseekers to opportunities and support, including through Regional Employment Networks
- \$80 million for support payments to employers who take on regional jobseekers, including long term unemployed jobseekers.

Five cohorts of people were targeted by this program, including Aboriginal and Torres Strait Islander people and people with a disability.

A fair share for Queenslanders

We represent Queenslanders at the Commonwealth – state financial relations table. Because nearly half of Queensland's revenue – around \$23 billion in 2015–16 – comes from the Australian Government, our influence is critical to ensure we are to maintain an appropriate share of funding, minimise conditions on how it is spent and improve services for Queenslanders.

These issues will prove critical in 2016–17 as we participate in ongoing fiscal and economic reforms through the Council of Australian Governments. Resolving these issues would provide a lot of certainty for governments, businesses, communities, and our economy in general.

Our advocacy for a fair share of goods and services tax (GST) revenue during 2015–16 resulted in the Commonwealth Grants Commission's *Report on GST Revenue Sharing Relativities – 2016 Update* recommending that Queensland receive an increased share of GST, with a positive underlying impact of \$520 million in 2016–17.

Again, we will maintain our focus on this issue in the years ahead to ensure Queensland continues to receive an appropriate share of GST revenue.

Changes for Stradbroke Island

When the government made a decision that sandmining on North Stradbroke Island would end by 2019 after 70 years, it created a challenge for the employees of mining lessee Sibelco.

To help workers move to other employment, we have begun consultation with Sibelco and established the \$5 million North Stradbroke Island Sand Mining Workers Assistance Scheme to assist workers with:

- finding new jobs
- training, employment, relocation and dislocation

- housing
- commuting
- income supplementation.

Over the course of 2016–17, we will start implementing the scheme with our partners in the Department of State Development and the Department of Education and Training.

Helping regional Queenslanders get Back to Work

The \$100 million Back to Work regional employment package was one of the headline items from the 2016-17 Queensland Budget.

The package, which provides direct support to Queensland employers to invest in their communities by hiring more staff, was designed with input from around 300 business owners, community and industry groups and not-for-profit organisations at regional employment forums coordinated by Queensland Treasury's Employment Policy Unit (EPU).

Laura Barnes, Team Leader EPU, said the Jobs Now, Jobs for the Future employment forums provided a great opportunity to understand the priorities of local businesses and organisations.

"The forums were a classic example of community engagement, providing participants from across regional Queensland a chance to discuss the employment challenges and opportunities in their region, as well as provide their ideas for policies and programs with job-generating potential," she said

"It was this wealth of local knowledge that helped us form the Back to Work package."



Laura Barnes, part of the team getting Queenslanders back to work.

Strategy

Improve services for Queenslanders

Debt Action Plan

A whole-of-government approach to managing Queensland's balance sheet was at the core of the Debt Action Plan announced with the 2015–16 Queensland Budget. Work on the plan continued during the year with an announcement that capital committed to Queensland's GOCs would be reallocated to reduce General Government debt.

Paying down debt in this way reduces interest expense and allows revenue to be used for more pressing services such as health and education. Our role in this endeavour was to work with external advisors to structure GOC capital in a way that would allow this to happen.

Water and energy reform

During the year, the newly formed Queensland Productivity Commission (QPC) conducted two significant reviews: electricity pricing and a fair price for solar photovoltaic energy. As expected, both were of great interest to individuals and stakeholder groups. In May and June, the QPC delivered its final reports on these reviews to government. In consultation with the Department of Energy and Water Supply, we will now prepare the government's response to these reports, and work with stakeholders to implement new policies emerging from the government's response to the recommendations.

During the year, many agricultural irrigators welcomed news of plans to move SunWater's channel irrigation schemes to local management. This initiative is expected to add value to Queensland's agricultural sector with local know-how about how to reduce costs and add productivity. We will work with the Department of Energy and Water Supply to progress these arrangements, subject to agreements between irrigators and the government.

Healthy returns for Queenslanders

Queensland's government-owned corporations (GOCs) provide essential energy, water and transport services for Queenslanders, and funds management services. We oversee the governance of 10 GOCs and two statutory authorities, and manage the relationships between these bodies and the government. The better their governance and management, the healthier their returns and services for Queenslanders.

A major development in 2015 was the announcement that the state's electricity network distribution businesses, Energex and Ergon Energy, would merge to form Energy Queensland. Queensland Treasury Corporation led the implementation of the merger. We provided advice and support and drafted legislation for the merger, which will improve network efficiencies and deliver savings for customers over the longer term.

The integration will remain a large body of work in the coming year, as we work with Energy Queensland to fine tune its business model, corporate objectives and future direction.

Queensland Rail, a mainstay of our state's transport infrastructure, has undergone significant changes in recent years. In 2015, the government decided that a review of Queensland Rail's structure, funding arrangements (such as its transport service contract) and commercial mandate was needed to ensure it was achieving value for money for Queenslanders. Queensland Treasury Corporation was appointed to lead the review. The government will consider the review's outcomes in the second half of 2016, and we will address any recommended structural or financial changes in the 2016–17 Mid-Year Fiscal and Economic Review.

Seeing the complete picture

Accurate, reliable data sources are our bread and butter. They help us and other agencies offer sound advice, develop policies based on accurate forecasts and deliver services where and when they are needed.

In 2015–16, we released the *Queensland Government Population Projections, 2015* edition. These data project our population out to 2061, with population changes at state and small region levels, plus an analysis of the age composition of our future population.

Accurate population counts enable us to know what infrastructure and resources Queenslanders need – including schools, roads, hospitals, teachers, police and nurses.

However, some groups and areas of Queensland can be harder to count, such as Aboriginal and Torres Strait Islander communities, culturally and linguistically diverse groups, people living in secure apartment buildings and remote communities, and people visiting events such as the Brisbane Ekka and the Mount Isa Rodeo.

To maximise Queensland's count and its accuracy in the 2016 national Census of Population and Housing, we delivered the Making Queensland Count census awareness campaign. For this campaign, we enlisted Count von Count, the well-known Sesame Street character, to use his own brand of humour to motivate Queensland households to complete their census forms.

Better systems equal better value for money

Better systems are usually the 'back end' of achieving better value for money for Queensland taxpayers. Agencies use our Queensland Government Program Evaluation Guidelines to assess the appropriateness and value for money of service delivery and other programs. We were engaged by the Queensland Mental Health Commission to develop a performance indicator framework to support the State Government's *Queensland Mental Health, Drug and Alcohol Strategic Plan 2014–2019* to improve the mental health and wellbeing of Queenslanders. The Office of the Public Guardian also engaged us to evaluate the appropriateness of their Hub Model as a state-wide access point to their services.



Everybody counts on Census night: Treasury enlisted Sesame Street's Count von Count to maximise Queensland's count in the 2016 national Census of Population and Housing.

Queensland's Budget

Treasury's key roles are to develop Queensland's Budget, support government in managing debt and growing the economy. Year round, we monitor Queensland's finances, ensure efficient decision making, implement the government's debt reduction strategies and manage ongoing fiscal pressures.

During the year, we developed the Queensland Budget 2016–17 within a fiscal environment characterised by:

- softer international economic conditions
- lower global demand and lower prices for resources
- constrained resources investment and royalty revenue write-downs.

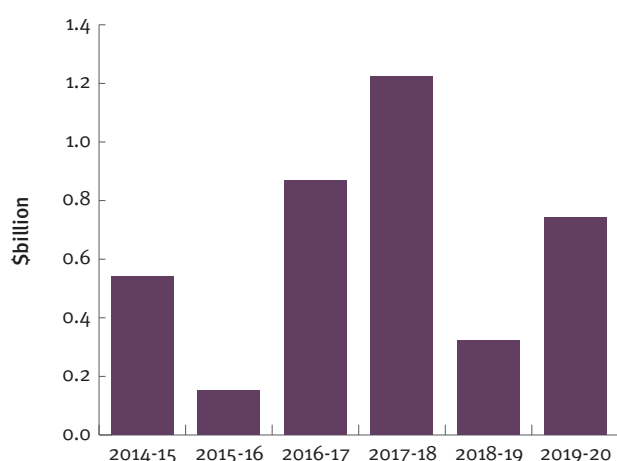
These conditions highlighted the importance of targeted initiatives, adherence to sound fiscal principles and having a diversified economy.

The government's strategy, as communicated in the Budget, was to grow innovation, attract investment and build infrastructure, all of which have one objective — to create jobs.

Treasury has a key role in supporting the government in achieving this strategy for Queenslanders.

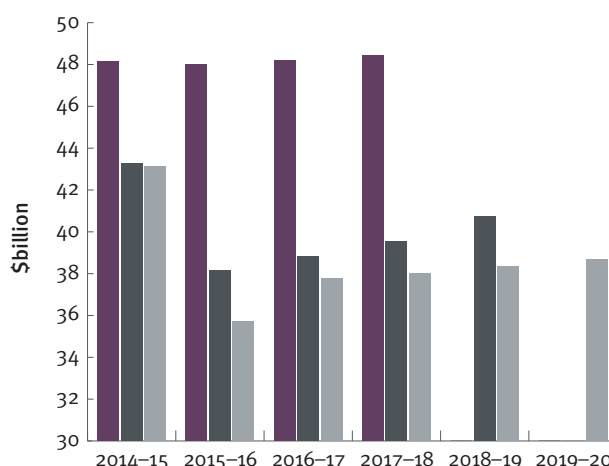
Learn more about Queensland's Budget at www.budget.qld.gov.au.

Net operating balance



Analysis: Consistent with the government's fiscal principles, General Government sector operating surpluses are projected in each year of the forward estimates. While there is continuing softness in revenue outlooks, the operating surplus in 2016–17 is forecast to be the largest operating surplus since 2006–07, and the fourth consecutive operating surplus in a row.

General Government debt



Analysis: Compared with borrowing projections in the 2014–15 and 2015–16 Budgets, General Government Sector borrowings are expected to be substantially lower in each year of the forward estimates and in 2016–17 will be \$10.4 billion lower than the comparable 2014–15 Budget estimate. Borrowings are also expected to be \$4.4 billion lower in 2019–20 than 2014–15.

Fiscal strength to fund services to the community

We are the Queensland Government's principal source of fiscal advice, through which we support the government's objectives for the community. Our strategies, policies and advice drive growth, employment and value-for-money service delivery.

We work for Queenslanders by:

- promoting Queensland's interests in negotiations with the Australian Government and other jurisdictions
- working collaboratively with agencies to develop policies and processes that support high quality service provision and deliver value-for-money outcomes.
- developing and monitoring the State Budget and managing Queensland's debt

Key performance indicators

Service standards	Note	2015–16 Budget	2015–16 estimated actual
Target ongoing reduction in Queensland's relative debt burden, as measured by the General Government debt-to-revenue ratio		75%	71%
Target a net operating surplus that ensures any new capital investment in the General Government sector is funded primarily through recurrent revenues rather than borrowing	1	83%	115%
The capital program will be managed to ensure a consistent flow of works to support jobs and the economy and reduce the risk of backlogs emerging		Met	Met
Maintain competitive taxation – own source revenue to remain at or below 8.5% as a proportion of nominal gross state product		8.1%	8.2%
Target full funding of long term liabilities such as superannuation and WorkCover in accordance with actuarial advice		Met	Met

Variance note

- ¹ The 2015–16 estimated actual coverage is expected to be 115%. This is primarily due to early receipt of cash related to dividends recognised as operating revenue in 2015–16, as well as reclassifications of capital expenditure to operating expenses or finance leases since the Mid-Year Fiscal and Economic Review.

Key issues in our environment

Historically low revenue growth and continuing uncertainty in national and global economic outlooks will have a significant impact on revenue available to government in pursuing its objectives. This will also inform our advice to government on how to maintain fiscal discipline in the face of community expectations of service delivery.

Strategy

Support economic growth, job creation and fiscal strength

A new fiscal principle

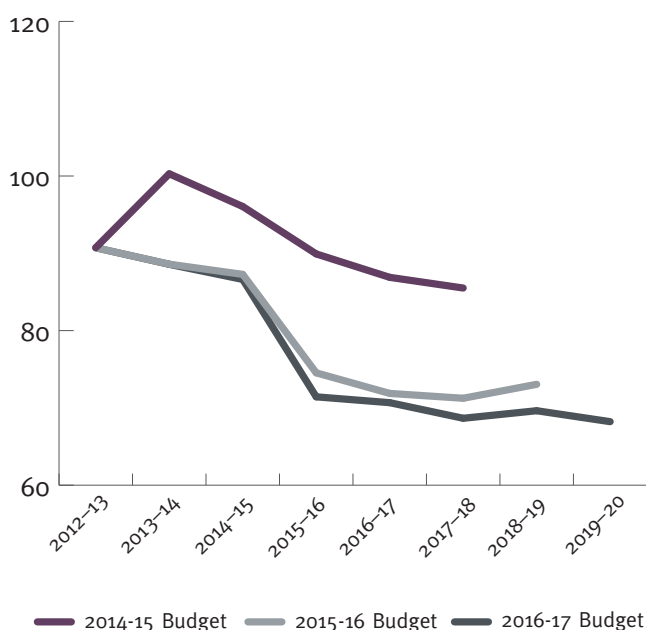
Over the course of 2015–16, the government met its commitment to revitalising frontline services, resulting in an increase of almost 8,500 full-time equivalent government employees, including nurses, doctors, teachers and police officers.

With services now largely restored, the government has added a new fiscal principle to its strategy – to maintain a sustainable public service by ensuring that overall growth in full-time equivalent employees, on average over the forward estimates, does not exceed population growth. In the year ahead, our job will be to implement and monitor progress for this new fiscal principle. Read more about the government’s fiscal strategy on page 9.

The year-round budget cycle continued during 2015–16 as we monitored and reported to Queenslanders on the state’s position through the *2014–15 Report on State Finances* and the *2015–16 Mid-Year Fiscal and Economic Review*.

In the year ahead, we will coordinate and deliver the 2017–18 State Budget, 2015–16 Report on State Finances and 2016–17 Mid-Year Fiscal and Economic Review.

General Government debt to revenue ratio



Analysis: The General Government Sector’s debt to revenue ratio – the focus of our first fiscal principle – is a key measure of the sustainability of debt levels. It is important to see this ratio reduce to improve the state’s fiscal sustainability. Queensland’s debt to revenue ratio peaked at 91 per cent in 2012–13. This ratio is expected to have fallen substantially in 2015–16 to 71 per cent as a result of the Debt Action Plan, and is projected to fall more gradually across the forward estimates.

Financial summary – Fiscal Group	2015–16	2014–15
State contribution	\$28.84M*	\$78.62M
Other income	\$0.70M	\$0.60M
Full-time equivalent employees	135	154

* Decrease mainly relates to funding provided in 2014-15 for costs incurred in relation to the former government's preparatory and due diligence activities for transactions associated with the state's income-generating activities.

Strategy

Improve services for Queenslanders

Better services for vulnerable Queenslanders

Despite a strong economy backed by a sound fiscal strategy, prosperity and security remain out of reach for some Queenslanders. Every year:

- around 44,000 Queenslanders receive specialist homeless services³
- of the more than 7,000 people in Queensland prisons, two-thirds have been there before⁴
- Indigenous Queenslanders still have a lower life expectancy at birth than non-Indigenous people.

These longstanding problems demand innovative solutions.

The government announced in its 2015–16 Budget the establishment of the Social Benefit Bonds (SBBs) Pilot Program, which we are managing for the government.

SBBs – a first for Queensland – are a form of investment in social services. The government contracts with private investors and service providers to cover the cost of delivering services to achieve specific social outcomes. The government pays the investors their principal investment plus a financial return if the outcome is achieved.

In February 2016, we invited expressions of interest for three SBBs to tackle homelessness, re-offending, and issues facing Aboriginal and Torres Strait Islander people.

The response to our invitation showed that the market was keen to be involved in this opportunity. At the close of expressions of interest in March 2016, 23 quality submissions were evaluated. Six proponents were shortlisted to go forward to the Request for Proposals stage, which will see a further evaluation to select three final submissions to proceed to the final joint development phase.

We expect Queenslanders to be able to access services funded by SBBs in 2017. Together with our partner agencies, our role will then be to monitor and evaluate to ensure that agreed outcomes are met for Queenslanders in need.

³ 2014 data

⁴ 2013 data

Getting our systems right

During the year, we began work on Horizon, a project to review our technology requirements, improve productivity and explore how our systems should be upgraded to meet current demand. Our aim is to ensure our technology is fit for purpose and user-friendly in developing the budget and telling its story to Queenslanders.

Horizon's program of ongoing improvement will continue throughout 2016–17.

Expanding our horizons

To bring the Queensland Budget a step closer to Queenslanders, some smart Treasury people have developed BP3Map, an online tool that uses geocoding to create an interactive map of State Budget capital projects.

Program Director Laurie Ehrenberg said the map was a good example of how Treasury's Horizon program is using new technology to change the way Treasury develops and communicates the budget.

"Preparation of the Budget Papers has always been about explaining the government's plans and strategies," Laurie explained

"The map concept is a great tool for helping people to visualise a key part of the Budget and how it affects their community.



Program Director Laurie Ehrenberg (right) and team member Shane Griffin preview the interactive BP3Map capital projects tool.

View the BP3 Map at
www.budget.qld.gov.au

COMMERCIAL

Value-for-money infrastructure

We help to grow the Queensland economy and improve the wellbeing of all Queenslanders by:

- providing timely financial and commercial policy advice to the Treasurer and government
- identifying opportunities to stimulate private investment
- assessing private sector investment proposals
- procuring privately financed major public infrastructure and services
- ensuring the state achieves the expected benefits of its public-private partnerships.

Key issues in our environment

During the year, the government set a clear priority for an 'open for business' approach through key initiatives led by Treasury, such as Market-Led Proposals.

The government also made significant progress with its infrastructure agenda in 2016. In March 2016 it published the *State Infrastructure Plan*, which outlines Queensland's infrastructure priorities and includes a program of funded work as well as future opportunities.

On the back of the *State Infrastructure Plan*, the government also established an Infrastructure Portfolio Office to coordinate state government infrastructure, planning and delivery, land use and economic planning. Building Queensland, established in 2015, released its first *Infrastructure Pipeline Report* to help the government make its major infrastructure decisions. A value sharing taskforce was also established to consider this as part of Queensland's infrastructure funding strategy.

Key performance indicators

Service standards	Notes	2015-16 published annual target	2015-16 actual
Percentage of key project milestones met		85%	88%
Achievement of agreed cost targets for projects	1	85%	100%

Variance notes

- ¹ Target of 85 per cent represents degree of uncertainty that exists in annual program of work as projects are approved by government progressively throughout the year. Target may be exceeded depending on degree of variation to original program of work.

Financial summary – Commercial Group	2015–16	2014–15
State contribution	\$5.94M	\$5.77M
Other income	\$6.78M	\$10.18M
Full-time equivalent employees	44*	34

* Increase reflects additional resources required to manage the number of projects.

Strategy

Support economic growth, job creation and fiscal strength

Infrastructure's big picture

Treasury's Commercial Group plays an important role in shaping the government's infrastructure agenda by providing financing and funding advice and identifying opportunities for private sector investment in Queensland.

In 2015–16 we contributed to the development of the *State Infrastructure Plan* by advising how projects could be financed and funded. This document is the definitive statement about what the government wants from its infrastructure and how this can best be achieved.

We also contributed to the development of the business case for Cross River Rail – the government's highest priority infrastructure project. We provided valuable input into the assessment of delivery options, the development of funding and financing strategies, and the approach to economic assessment. We also helped to facilitate the market sounding. In 2016–17 we will continue to assist with the Cross River Rail project by taking part in the detailed planning and pre-market phase of the project. This will include the preparation of procurement documentation, the design of the commercial structure of the project and further development of a funding strategy. Our work on the government's value sharing taskforce – a potential infrastructure funding strategy – will contribute to this.

We led the Queensland Government's negotiations with the Australian Government for the \$5 billion Northern Australia Infrastructure Facility (NAIF), which will encourage economic infrastructure in northern Queensland and elsewhere in northern Australia. With NAIF coming into effect on 1 July 2016, we will actively work with the Australian Government and private sector proponents to get projects off the ground in northern Queensland. In this space, it will be important for us to monitor any risks with projects contingent on Commonwealth funding, particularly large scale water infrastructure.



Outline of the proposed route of Brisbane's Cross River Rail. Image courtesy of the Department of Infrastructure, Local Government and Planning.

The \$36 million Rural Assistance Package, released with the 2016–17 Queensland Budget, is aimed at reducing financial stress and improving financial sustainability in rural communities, particularly with issues of succession and renewal in the family farming sector. We contributed critical commercial advice for this initiative, and we will monitor its implementation with the Department of Agriculture and Fisheries. We will also keep a close watch on Australian Government policy on drought loans and agriculture, water and infrastructure projects.

In early 2016, we partnered with Queensland Treasury Corporation for a roadshow to China to further the government's policy of attracting capital and global investment to Queensland. This was an invaluable opportunity to strengthen existing relationships with Chinese banks and to update this important market on Queensland's economic and fiscal position.

We are also working with other agencies to implement the *Advancing our Cities and Regions Strategy*. This strategy will use surplus or underused government-owned property to help fund new infrastructure, pay off debt and deliver new facilities and opportunities such as:

- public spaces
- community services
- social and affordable housing
- arts, sports and educational facilities.

A good example of this strategy in action is the Herston Quarter Redevelopment Project. Read more about this exciting project on page 42.

Market-Led Proposals

The government recognises the value of working with the private sector to achieve innovative outcomes for Queensland. Our Commercial Group recognised an opportunity to stimulate private sector investment and contribute to Queensland's social and infrastructure solutions by introducing an improved unsolicited proposals framework for Queensland businesses and innovators in July 2015.

Significant work was done to clarify criteria and improve the submission and assessment processes.

We introduced an efficient, staged and interactive process for submitting and assessing proposals, designed to give proponents timely, comprehensive feedback early and to gauge interest and commitment from government before proponents invest significant time and money. In addition, to further indicate that the government was taking a fresh approach to partnering with the private sector, unsolicited proposals were repositioned as Market-Led Proposals (MLPs) and promoted widely to business and industry.

MLPs are proposals from the private sector seeking an exclusive commercial arrangement with government to provide a service or infrastructure to meet a community need. Proponents will often also seek financial or in-kind support from government, such as access to government land, assets, information or networks.

If the government can be satisfied that the proposal is a good one and delivers value for money for taxpayers, procurement and delivery can be accelerated, delivering benefits to Queenslanders sooner.

Following significant engagement with industry through forums throughout Queensland in 2015–16, business confidence in MLPs is high. Within 12 months, more than 80 preliminary proposals were received and 30 proponents submitted formal Stage 1 proposals, a number of which are still under active consideration. Of these, four major projects worth an estimated \$665 million are already through to Stage 2 for detailed planning.

These projects include:

- Logan Motorway Enhancement Project
- Brisbane International Cruise Terminal
- Queensland Aquarium and Maritime Museum
- Mount Cotton Driver Training Centre.

Should these projects receive final government approval, they will create hundreds of jobs and inject more than \$1 billion into the Queensland economy. These projects are expected to be funded and delivered by the private sector, not the taxpayer.

Market-Led Proposals – bringing good ideas to life

Through targeted engagement with industry during 2015-16, we were able to attract strong interest from the market:

- 240+ people attended MLP forums around Queensland
- More than 80 pre-submissions
- 30 proposals at Stage 1 consideration
- Four projects in Stage 2 detailed planning stage:
 - Worth > \$655 million
 - Create >1600 jobs
 - Inject >\$1.2 billion into the economy



We are currently working with the proponents of these four projects – Logan Motorway Enhancement, Brisbane International Cruise Terminal, Queensland Aquarium and Maritime Museum, and the Mount Cotton Driver Training Centre – to guide them through the detailed planning stage and to make sure the projects match the government's priorities for the community. The outcomes of the four Stage 2 proposals will be known in 2016–17.

If successful, the government will enter into contractual arrangements for delivery of these projects.

Brisbane International Cruise Terminal – extending South East Queensland’s tourist reach

A \$100 million facility for mega cruise ships, which could add as much as \$1 billion annually to the Queensland economy by 2036, has been proposed by the Port of Brisbane.

The Brisbane International Cruise Terminal would accommodate vessels of all sizes, including those longer than 270 metres which carry up to 4,500 passengers.

These super-size vessels, which may comprise 60 per cent of Australia’s cruise vessel market by 2020, currently have no option other than to berth at the agricultural Grain Berth at Fisherman Islands.

Already experts in providing and maintaining port infrastructure and facilities, the Port of Brisbane has requested that government make available a vacant parcel of land adjacent to existing port facilities to build the facility. The site would leverage the Port’s existing facilities and systems and provide ready access to deep water frontage and an existing swing basin that requires minimal dredging. Its proximity to the heart of Brisbane and the airport, as well as transport connections to the Gold and Sunshine Coasts is also highly favourable.

If approved, the project would support an estimated 300 jobs during construction and be ready to open in 2019.



Artist's impression of the Brisbane International Cruise Terminal. Image courtesy of the Port of Brisbane.

Encouraging commercial activity

Our role is to stimulate private sector investment in Queensland and more specifically to foster private sector investment in infrastructure with the aim of ensuring that the government achieves the greatest value for money from its infrastructure and service delivery programs. We do this by working with the private sector and other government agencies to guide their assessment and evaluation of major investment decisions.

In 2015–16 we provided vital commercial and financial advice on the following major government projects, which are progressing under the management of other agencies:

- Gold Coast Light Rail Stage 2 (Department of Transport and Main Roads)
- Cross River Rail (Department of Transport and Main Roads)
- Queen's Wharf Brisbane (Department of State Development).

North Queensland Stadium

The people of North Queensland will realise a long-held dream with the development of the 25,000 seat North Queensland Stadium.

We are working with the Department of State Development to deliver this key initiative of the *Advancing North Queensland* strategy and the *State Infrastructure Plan*.

We provided advice on alternative procurement, delivery and ownership options for the stadium and assisted government to secure commitments of \$100 million from the Australian Government and \$10 million from the National Rugby League. Combined with the \$140 million committed by the Queensland Government, this funding will cover the budgeted construction costs of the stadium.

This project will deliver an economic uplift and investment for Townsville, plus around 700 jobs during construction and ongoing jobs in hospitality, new tourism opportunities and major events.

A Queensland Government-led procurement approach and design competition to be held in the first quarter of 2016–17 will set the scene for completion in time for the 2020 National Rugby League season.

Gold Coast Integrated Resort Development

In 2015–16, the government continued discussions with ASF Consortium Pty Ltd to deliver an integrated resort on the Gold Coast. If approved, the project will deliver an iconic tourist attraction.

A masterplanning process for The Spit, including community consultation about development and transport infrastructure solutions, will start in 2016–17. The government will seek a detailed proposal from ASF which will include how they will accommodate outcomes from the community consultation.

As part of the government's multiagency project team, we will continue to provide financial and commercial advice so that the government can obtain value-for-money outcomes and economic and tourism benefits for Queensland.

Herston Quarter Redevelopment Project

Procurement of a master planned health-related development on the former children's hospital site at Herston continued in 2015–16. The primary use of the site will be for health and health-related uses and will include a 132-bed publicly operated Specialist Rehabilitation and Ambulatory Care Centre. The development may also include residential and retail space for doctors, nurses, and family and friends visiting patients at the nearby Royal Brisbane and Women's Hospital.

In August 2016, Australian Unity was announced as the preferred proponent. Australian Unity estimates that the project is worth \$1.1 billion and will create 700 jobs annually during construction and hundreds of jobs annually during operation. Works are expected to commence early in 2017.

Toowoomba Second Range Crossing

In 2015–16 we completed procurement of the \$1.6 billion Toowoomba Second Range Crossing, one of Australia's largest regional road projects.

Following a bidding process which allowed the government to drive innovative technical and value-for-money solutions, in August 2015 Nexus Infrastructure consortium was named the successful proponent to design, construct and maintain the Toowoomba Second Range Crossing using a no-tunnel design solution.

The project has now moved to the Department of Transport and Main Roads, which will oversee the project's contract, construction and maintenance. We will continue to provide commercial advice where necessary to ensure maximum value is delivered.



Artist's impression of the detailed proposal for the Herston Quarter Redevelopment. Image courtesy of Australian Unity.

REVENUE MANAGEMENT

43

To help fund services for Queenslanders, we administer a revenue base of around \$13 billion from state taxes, duties, mining royalties and revenue from fines and penalties. We also administer grants that help bring home ownership within the reach of Queenslanders.

Our work for Queenslanders is underpinned by:

- high level client support
- responsive legislation and revenue policy advice to the Queensland Government
- targeted, fair and efficient enforcement
- improving end-to-end penalty debt management
- business intelligence and behavioural economics to improve services for clients.

A secure revenue base

Key performance indicators

Service standards	Notes	2015–16 published annual target	2015–16 actual
Effectiveness measure			
Customer satisfaction with services provided		70%	77%
Efficiency measures			
Average overdue debt as a percentage of total revenue collected	1	2%	2.7%
Total revenue dollars administered per dollar expended – accrual		\$203	\$203
State Penalty Enforcement Registry clearance rate (finalisations/ lodgements)	2	60%	65%
State Penalty Enforcement Registry percentage of debt pool under compliance		64%	61%

Variance notes

- 1 This calculation contains a small number of abnormal items which have a significant impact on the end result. Without these abnormal items the result is 1.3%, comparable to previous years.
- 2 The increased clearance rate is primarily due to some improvements to debt recovery actions taken during the year.

Key issues in our environment

Queensland's economic growth is forecast to improve to four per cent in 2016–17. This growth is underpinned by an increase in dwelling investments, a stable business sector, an increase in liquefied natural gas production volumes and the flow-on effect to supporting markets, as well as a depreciating exchange rate.

We expect revenue from taxation to increase by 3.9 per cent from 2015–16. Growth in transfer duties is expected to be supported by residential and non-residential activity as prices and volumes continue to grow moderately. Land taxes are anticipated to rise because of modest growth in land valuations, while payroll tax revenue remains steady. Several extraordinarily large business transactions will contribute to an increase in transfer duty revenues.

Royalty revenue is forecast to decrease slightly in 2016–17 due to a continuing weakness in key commodity prices. Nevertheless, royalty revenue is then expected to increase reflecting forecast growth in export volumes and a modest recovery in some commodity prices.

Strategy

Maintain and improve the integrity of Queensland's revenue base

In 2015–16 we administered approximately \$13 billion in revenue and grants.

We secure this revenue base for Queenslanders through a combination of effective administration of Queensland's revenue legislation, budget initiatives, system improvements and online customer service offerings.

Legislation

Our work in the legislative space helps achieve certainty for business, transparency for government and laws that keep pace with contemporary business practices and customer expectations.

In 2015–16, the government implemented a new administrative framework for petroleum royalty decisions, which will provide greater certainty for the petroleum sector on how the royalties they pay are calculated.

Financial summary – Office of State Revenue	2015–16	2014–15
State contribution	\$120.81M	\$112.43M
Other income	\$3.42M	\$3.33M
Full-time equivalent employees	611	601

State Budget initiatives

Consistent with the government's election commitment, there were no new or increased taxes, fees or charges in 2015–16.

In the coming year, we will:

- manage a forecast \$12.9 billion in revenue and grants
- implement a three per cent transfer duty surcharge for foreign purchasers who acquire residential property in Queensland from 1 October 2016. This Budget initiative ensures these purchasers make a contribution for the government services and infrastructure from which they benefit
- implement a temporary increase in the Queensland First Home Owners' Grant from \$15,000 to \$20,000
- continue to administer the family farm transfer duty concession, which as part of the government's rural assistance package was extended in the 2016–17 Queensland Budget, to remove the requirements for transfers between family members to be by way of gifts.

Safer, more reliable online services

Protecting Queensland's revenue base includes protecting our data. In 2015–16, we became the first Queensland Government agency to move its physical data business centre to a private onshore cloud facility. Our revenue management system is now entirely in the cloud, bringing with it increased flexibility to adopt new technologies without purchasing new hardware, fewer system issues and less disruption to clients.

Strategy

Ensure services are responsive, efficient and integrated

Online conveyancing – now live in Queensland

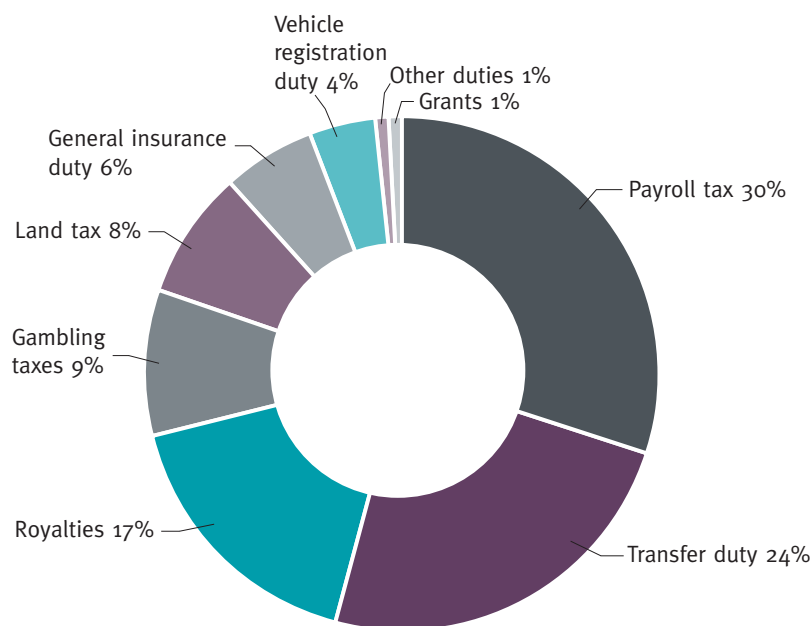
During the year, electronic conveyancing was introduced into Queensland. E-conveyancing was initiated by the Council of Australian Governments, which has an interest in deregulation and other reforms that see governments working together for the benefit of all Australians. E-conveyancing allows property settlements, including funds settlement and electronic lodgement with land registries, to take place online rather than face to face. This saves time and transaction costs.

We supported the introduction of e-conveyancing through the implementation of amendments and IT system changes to allow integration between our systems and e-conveyancing.

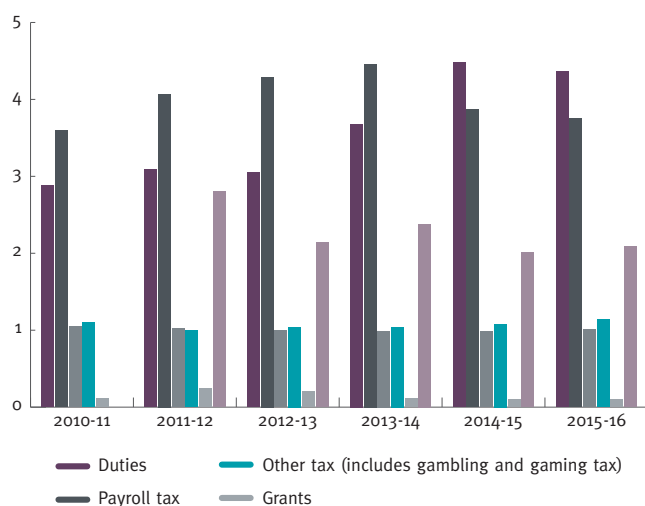
E-conveyancing in Queensland has started small, with just a few conveyances in 2015–16. As more solicitors, financial institutions, vendors and purchasers get to know the system through our client engagement program, e-conveyancing's reach will grow until it becomes the standard for property settlements.

REVENUE MANAGEMENT

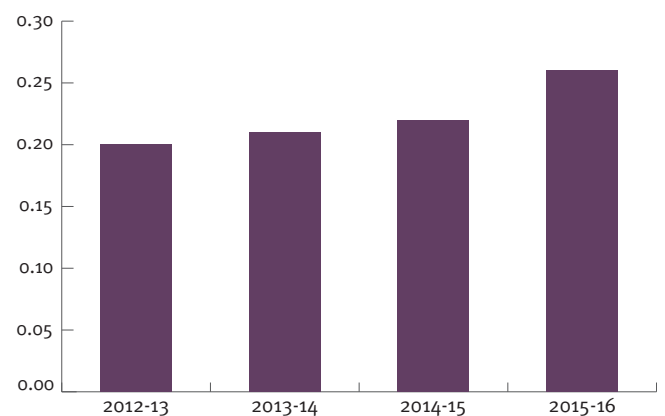
Office of State Revenue administered revenue 2015–16



Total revenue administered by Office of State Revenue 2010–11 to 2015–16



Total revenue administered by SPER 2012–13 to 2015–16



Analysis: The graph above shows a decrease in payroll tax. The decrease is a result of lower collections from a number of industries, including mining and construction. The decrease in duties was mainly a result of strong transfer duty revenue in 2014–15, which was supported by a number of large commercial transactions.

It's all about the customer

Like taxpayers, clients with fines expect agencies dealing with their debt to respond to their circumstances and provide them good quality relationship management.

This was the thinking behind our program to modernise the State Penalties Enforcement Registry (SPER). 2015–16 was the year we moved our focus from simply processing transactions to resolving debt in a customer-centric way.

We designed a new business model that incorporated:

- a new debt recovery ICT system
- an improved customer experience
- building our people's capability and capacity to be more responsive to our customers, including engaging with them earlier
- integrating services across the various government agencies that levy fines and penalties.

Our investment in the new SPER is paying dividends with some very encouraging results.

- We began contacting first-time SPER customers to tell them about their payment options and the consequences of ignoring overdue fines.
- A new agreement between SPER, the Department of Transport and Main Roads and toll road operators (a major referrer of fines to SPER) will allow operators to deal more proactively and directly with customers to resolve fines before they get to SPER. By resolving fines sooner, the customer accumulates less debt.
- With other agencies and peak bodies, we began planning a work and development order program. These programs, successfully trialled in other jurisdictions, help people in financial hardship pay off their fines through work or community development activities. Subject to government approval, we aim to introduce our program in the second half of 2017, working with a network of community advocates who will play a major part in the success of this program.

- For people owing more than \$5,000 in overdue fines, we reintroduced vehicle immobilisation (wheel clamping) and vehicle seizure and sale enforcement. In 2016–17, we plan to introduce more enforcement actions, such as seizure of other property to recover debt.
- Work began on our new debt recovery software solution with the appointment of CGI Technologies and Solutions Australia. The new system's data analytics, payments and reporting capability will allow us to recover debt more efficiently and effectively, and improve our customers' experience. We expect to be able to go live with our system in the second half of 2017.

Our objective was to improve how we resolve debt, and our efforts have already borne fruit. During the year, we achieved:

- a 64 per cent finalisation rate (target: 60 per cent)
- record collections of \$298 million which will be applied to funding services for Queenslanders at both state and local government level
- a 14 per cent increase in debt finalisations, which is greater than the 10 per cent increase in lodgement.

Focus on customer brings results

We are also adopting a customer-centric approach in how we administer taxes, duties and royalties.

People buying their principal residence in Queensland receive a transfer duty concession, provided they do not rent out or sell the home within one year of purchase. If they do not comply with these requirements, they have an obligation to notify us. If they do not do this, and we detect a breach, there is an increased likelihood of a penalty and interest applying. This results in a debt to the state.

We have addressed this problem using the principles of behavioural economics (see page 48) to determine the best way to help people comply and by making our forms easier to access. The result is a 195 per cent increase in payments being made before they are escalated to debt collection, and a 55 per cent increase in notifications from claimants that the concession requirements have not been met.

What is behavioural economics?

Behavioural economics is the study of how people behave in real life. It looks at how psychological, social, cognitive and emotional factors affect people's decisions and actions. Organisations use this insight to fine tune how they engage with and work with their customers.



Behavioural economics in action: one of SPER's social media posts encouraging positive behaviour

In the case of the State Penalties Enforcement Registry (SPER), this means understanding why some people don't pay fines on time and how best to encourage them to take positive action when their fines become overdue.

"There are a number of factors that determine whether people will pay their fines, and by understanding these we can improve the way we manage unpaid fines and penalties," SPER Registrar Natalie Barber said.

SPER is working with CGI Technologies and Solutions Australia to improve the impact of letters and notices sent to customers with overdue fines. Gordon Smith, Executive Consultant with CGI Tax, Revenue and Collections Centre of Excellence, explained how it works.

"The key is for notices and letters to highlight the actions which customers can take easily and quickly to resolve their debts," he said. "Plain, everyday language, and good design, will work better than something that looks like an impersonal mass mailing. It's about engaging their attention and guiding them to do the right thing; to either meet their legal obligations or to engage with SPER if they're unable to do so."

INDUSTRIAL RELATIONS

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We increase workplace safety and electrical safety, help Queenslanders get on with the job, and make Queensland workplaces fairer and more just places to work.

Safe, productive and fair workplaces

We do this by providing:

- work health and safety services
- advice and standards to keep Queenslanders safe at work
- standards and strategies for improved electrical safety performance, in workplaces and homes
- workers' compensation regulation and policy advice
- industrial relations (IR) framework and public sector bargaining.

We are also responsible for the following bodies:

- the Work Health and Safety Board
- the ANZAC Day Trust
- the Electrical Safety Board.

The reports of these bodies are contained in pages 127 to 137.

Key issues in our environment

The recovery from the global financial crisis and the resources sector slowdown have put a strain on the finances of governments, businesses and households. These have created funding pressures on systems of work and labour costs which may in turn have adverse workplace safety outcomes in the community.

A backlog of industrial issues from previous changes to the IR framework in 2013 continue to present pressures for the Office of Industrial Relations (OIR) and key stakeholders such as agencies, unions and tribunals.

Until the modernisation of Queensland's industrial awards is complete (see page 52), transitional arrangements will continue to cause delays in

negotiations for some agreements. This will be a significant stressor for negotiating parties and for the Queensland Industrial Relations Commission if it needs to intervene.

There has been a strong drive from public sector unions to safeguard entitlements and a renewed focus on consultative mechanisms.

While the National Injury Insurance Scheme (NIIS) will provide workers with a vastly improved safety net, it will also present a number of service delivery challenges to the workers' compensation scheme.

Key performance indicators

Service standards	Notes	2015–16 published annual target	2015–16 Actual
Industrial relations policy and regulation (IRPR)			
Overall client satisfaction with the IRPR inspectorate's effectiveness and professionalism		85%	85%
Cost of IRPR services per Queensland worker	1	\$3.24	\$2.51
Public sector industrial relations (PSIR)			
Employee costs contained within government wages policy		100%	100%
The average number of enterprise negotiations undertaken per full-time equivalent		2	2
Administration of the Industrial Court and Commission system			
Percentage of matters resolved at conference	2	65%	69%
Average time for decisions to be published and made available to the community (days)		4	4
Work health and safety services			
Number of work health and safety incidents notified to Work Health and Safety Queensland (WHSQ) per 10,000 employing businesses	3	166	182
Overall client satisfaction with inspectorate's effectiveness and professionalism	4	85%	94%
Cost of WHSQ services per worker covered by the workers' compensation scheme	5	\$27.88	\$30.55
Electrical safety services			
The number of reported serious electrical incidents involving powerlines, installations and electrical equipment per million population		6	5
Overall client satisfaction with electrical safety inspectorate's effectiveness and professionalism	6	85%	91%
Cost of electrical safety services per person in Queensland		\$3.82	\$3.87

Workers' compensation regulator services

Cost of Workers' Compensation Regulator service per worker covered by the workers' compensation scheme	7	\$7.00	\$8.38
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Percentage of dispute resolution completed within 3 months		85%	87%
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Variance notes

- 1 Reduction due to the conclusion of several large projects.
- 2 Increase as a result of fewer matters being filed that required a conference.
- 3 Actual is higher than original estimate (based on previous year's trends), as WHSQ has no control over number of incidents notified by the public.
- 4 WHSQ has been working in collaboration with stakeholders to provide a higher level of service and this has resulted in greater client satisfaction.
- 5 Increase due to machinery-of-government changes resulting in a reallocation of WHSQ administrative overhead from Department of Justice and Attorney-General (JAG) to Office of Industrial Relations (OIR) in Queensland Treasury.
- 6 Electrical Safety Office (ESO) has been working in collaboration with stakeholders to provide a higher level of service and this has resulted in greater client satisfaction.
- 7 Increase due to administrative changes to the way Medical Assessment Tribunal doctors are being paid.

Financial summary – Office of Industrial Relations**2015–16**

State contribution	\$31.74M
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Other income	\$111.54M
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Full-time equivalent employees	813
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Machinery of Government (MoG) transfer into Queensland Treasury for the Office of Industrial Relations occurred in 2015-16.

Strategy

Ensure a fair and modern industrial relations system

Strong, fair legislation

Modern IR systems are supported by solid legislation and other regulatory frameworks. They are constantly reviewed and reformed if necessary to ensure they keep pace with contemporary expectations and changing workforce trends.

Queensland's IR legislation was last comprehensively reviewed in 1998. Since then, our state's IR landscape has changed significantly, not the least from changes in the Commonwealth – state relations space. In 2015, the Queensland Government committed to a comprehensive review of Queensland's industrial relations laws and tribunals.

To undertake this task, the government established the independent Industrial Relations Legislative Reform Reference Group. Its report, *A review of the industrial relations framework in Queensland* was released in March 2016. In the year ahead, we expect to assist the government to consider and respond to the report's recommendations.

During the year, the (Australian) Productivity Commission, in its review of national workplace relations, called for a review of apprentice and trainee arrangements in Australia. If such a review were to occur, it could impact on orders that are in place to protect conditions for these workers. The Queensland Government negotiated to protect these orders when responsibility for private sector IR was returned to the Commonwealth in 2010. In the year ahead, we will assist the Commonwealth in consulting with stakeholders on whether these orders should continue to be preserved.

Modernising Queensland's industrial awards to meet contemporary business practices and how people work will be a key project for us in 2016. We aim to have all awards in Queensland's IR jurisdiction, including those for public sector workers, modernised by 30 June 2017.

Labour hire under scrutiny

Queensland's labour hire industry was in the spotlight during the year. The government had become concerned about alleged practices including undercutting of conditions, avoidance of payroll tax and WorkCover premiums, a perceived uneven playing field and the potential impacts of labour hire workforces on regional communities. Debate on this issue culminated in a Parliamentary Inquiry and a report to government. In the year ahead, we will lead the government's response to this inquiry, and assess its impact for Queensland's labour force.

Return to a May Labour Day

Up until 2013, labour Day in Queensland was observed on the second Monday in May, and commemorated the 1891 Shearers' Strike. Labour Day honours those who had fought for rights such as an eight-hour working day, collective bargaining, fair and safe working conditions and fair wages. However, in 2014, the then government moved this public holiday to October. We prepared legislation to restore Labour Day to what many Queenslanders consider its 'real' date in May from 2016, to coincide with the 125th anniversary of the Shearers' Strike.

Fairness and support for government workers

On attaining office in 2015, the government set about restoring fairness to its workers, following a period of job cuts and a subsequent impact on service delivery. Over 2015–16, this ‘revitalisation’ resulted in an increase of some 8,500 full-time equivalent workers and restored service delivery. Job security and other conditions covering state government workers were also restored. As the Queensland Government is a major employer in many communities, and many households contain government workers, this was welcomed by many Queenslanders. We advised government on IR issues surrounding this initiative. We also played a key role in implementing and reporting on the *Queensland Government Commitment to Union Encouragement*, a policy to encourage, not just accept, union activity in its workplaces.

Like all responsible employers, the Queensland Government believes strongly in its duty of care to workers who experience domestic and family violence. During the year, we developed legislation and directives to give government employees access to special leave and flexible work arrangements in these times of need.

In the year ahead, we will continue to support Queensland workers in the national Fair Work system and the national minimum wage case. This will involve promoting the government’s support for current arrangements for penalty rates and the minimum wage. In Queensland, we will represent the government at the State Wage Case and other tribunal matters.

Strategy

Make Queensland homes and communities safe from the risk of hazardous materials and electrical harm

Better safety

In 2015–16 we reinstated the Electrical Safety Office (ESO) with a Commissioner for Electrical Safety to better protect homes, communities and businesses from harm and to improve business productivity. The ESO will build our evidence base for approaches to electrical safety and strengthen partnerships with industry and other stakeholders.

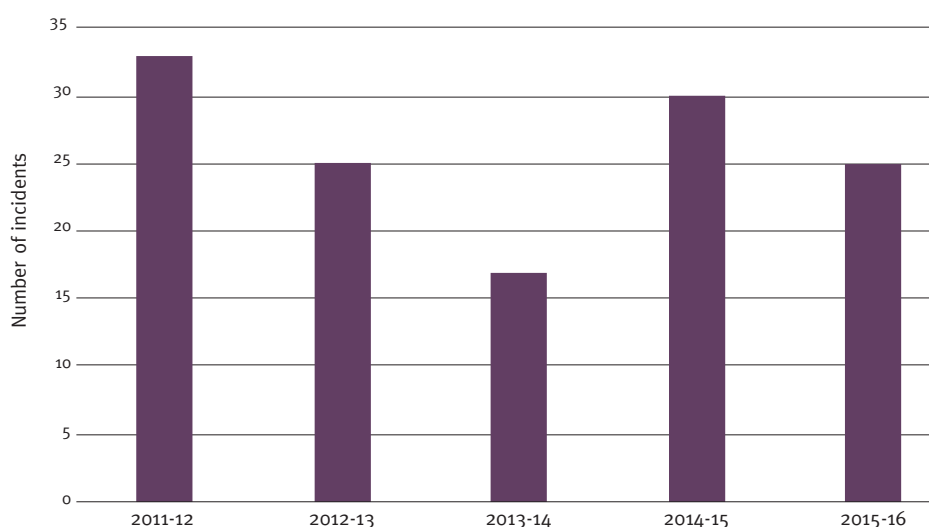
Community engagement has always been a mainstay of our safety education work. In 2015–16, we:

- initiated electrical safety workshops for electrical contractors
- met one on one with new contractors
- delivered presentations to electrical apprentices and toolbox talks to electrical businesses
- took our safety messages to community events such as home shows
- conducted audits of householders, businesses in the electrical industry and general industry as part of the annual Electrical Safety Compliance and Engagement program.

In the coming year, we will:

- work with the Commissioner for Electrical Safety and newly restored electrical safety committees to implement the five year safety plan for Queensland
- continue with practical, consumer-targeted campaigns such as the *One safety switch may not be enough* campaign
- work with industry to improve the electrical safety of new technologies including smart metering, solar systems and energy storage
- review electrical licensing arrangements, including eligibility criteria for contractors, the effectiveness of the administration of current training assessment, and the potential impact of a tiered electrical contracting system.

Serious electrical incidents 2011–12 to 2015–16



Analysis: The rate of serious electrical incidents fell from 30 in 2014–15 to 25 in 2015–16, as a direct result of electrical safety initiatives delivered by the Electrical Safety Office.

Healthy investment for healthy workers

On attaining office in 2015, the government set about restoring fairness to its workers, which saw the restoration of job security and other conditions covering state government workers, resulting in service delivery enhancements.

It is getting businesses to invest in their employees by providing healthy and safe working environments.

HWI is tackling chronic diseases such as heart disease, stroke, diabetes and some cancers by encouraging healthy lifestyles through reduced smoking, good nutrition, sensible alcohol consumption, increased physical activity, healthy weight levels and good mental health.

Healthy Worker Initiative Unit Manager Alison Abbott says she and her team are all about making a difference in peoples' lives.

“Many organisations are changing their attitudes towards healthy workers and safe workplaces. It’s an investment with lots of returns.”



Healthy Worker Initiative Unit Manager Alison Abbott (right) and Project Officer Beverley Jones – part of the team focussed on creating healthier workers.

Strategy

Make Queensland workplaces safer and healthier

Queensland workplaces and workforces are changing, and our response to safety in the workplace has to change with them:

- Advances in workplace design and technology bring new types of hazards which in turn will increase the incidence of workplace disorders and diseases.
- An ageing workforce and increases in obesity and chronic disease require changes to how people work to avoid injury and disease.

These and other factors demand that we respond with services that meet current and emerging expectations.

2015–16 was the year in which we:

- empowered trained health and safety representatives with the authority to direct workers to stop unsafe work
- restored the rights of work health and safety (WHS) permit holders to enter potentially unsafe sites to protect workers
- reported to Cabinet on the *Statewide Strategic Plan for the Safe Management of Asbestos in Queensland 2014–2019* with the Interagency Asbestos Group
- increased awareness of the risks associated with quad bikes and implemented initiatives to mitigate these risks through promotion of the *Statewide Plan for Improving Quad Bike Safety in Queensland 2016–2019*
- coordinated Families Forums for injured workers and surviving families of workers fatally injured at work

- coordinated the Serious Workplace Incidents Interagency Group to actively consider and implement a number of key initiatives in response to the issues identified by the families at the Families Forums
- expanded our Small Business Program to offer more mentoring and targeted coaching to help small businesses make their workplaces safer.

Year after year, Queensland businesses and workers have taken our safety messages on board. The number of workers fatally injured at work has reduced by 23.1 per cent between 2009 and 2014.

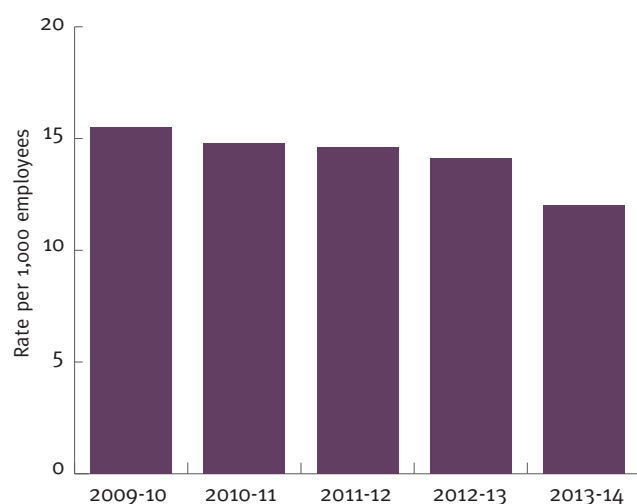
Significant reductions in the incidence of severe injuries in high-risk industries – those with higher than average workers' compensation rates – have occurred over the six years in these industries from 2009–10 to 2013–14*. Reductions achieved in these industries were:

- manufacturing – 36.4 per cent
- construction – 29.6 per cent
- agriculture – 13.7 per cent
- transport – 13.2 per cent.

These reductions lead to an overall reduction of 22.5 per cent in serious work-related injuries between 2009–10 and 2013–14.

*Latest data available

Incidence rate of serious injury and disease claims 2009–10 to 2013–14



Analysis: Queensland recorded a 22.5 per cent reduction in serious work-related injuries between 2009–10 and 2013–14. This means the number of serious injuries reduced from 15.5 claims per 1,000 Queensland employees in 2009–10 to only 12 claims per 1,000 Queensland employees in 2013–14.

IPaM – Making a difference

The Injury Prevention and Management Program (IPaM) is a joint initiative between Work Health and Safety Queensland (WHSQ) and WorkCover Queensland to assist businesses improve their injury prevention, rehabilitation and return to work arrangements.

IPaM advisors work with employers who have comparatively high workers' compensation claim rates and costs compared to other businesses of similar size. Participating businesses are guided through a program, for up to two years, to develop safety management systems and processes.

As of 30 June 2016, 288 employers had completed the program. More than 572 employers are continuing to work with IPaM advisors to improve health and safety standards at their workplaces.

Seeking cost-effective WHS induction for businesses

We are conducting a study of the costs of induction training for businesses that contract to the mining and non-mining sectors. Currently there is a pilot program being developed for the transport industry on how they should interact with industry sectors they service.

This study was prompted by concerns from stakeholders that induction programs included duplicated information and were inconsistent. Training for multiple sites can also mean considerable down time for the contractor, resulting in a significant cost burden. This is particularly burdensome for businesses contracting to multiple sites, or for people working in remote locations.

Safety Leadership at Work Program

In 2015 we launched the Safety Leadership at Work Program to develop safety leadership capacity, improve safety culture and ultimately reduce work-related injuries and fatalities.

Leaders play a critical role in WHS outcomes. Consequently, the program seeks to increase the number of Queensland organisations implementing effective leadership and build a positive safety culture through supply chains in order to create safer and more productive workplaces.

Safety Leadership at Work also recognises that anyone can be a safety leader. The program enables peer-to-peer learning between small, medium and large businesses through online and face-to-face activities and events.

As at 30 June 2016, there were over 1,400 members from 800 organisations in the Safety Leadership at Work program.

During 2015–16, over 3,000 industry delegates engaged in various Safety Leadership at Work events including:

- two program launches in Brisbane and Mackay which enabled over 300 delegates to increase their understanding of leadership in the 21st century
- a construction forum in which 180 participants shared a mix of high level safety leadership concepts and practical examples of what safety leadership looks like in this industry
- Toll NQX opening its Tennyson site to more than 800 industry representatives. Toll's transport safety showcase assembled a range of safety-related products and services available to the transport industry
- a safety culture webinar series which attracted more than 1,300 delegates. The key focus was to assist delegates increase their understanding of safety culture and climate, and of how to measure and improve their own culture
- a safety leadership masterclass with 40 experienced safety professionals. Delegates advanced their understanding of how they could influence safety improvements, safety leadership and safety management
- a forum on ageing workforce issues which attracted 130 delegates to learn about how work is changing. This event promoted a positive approach to an ageing workforce using good work design and supporting the return to work of older workers.

The program continues to develop resources that will enable industry to measure their current safety culture and identify opportunities to improve and enhance safety leadership skills.

Organisations involved in the program experienced key benefits in comparison to others across the workers' compensation scheme, including:

- 3.5 per cent average reduction in premium rate compared to 2.2 per cent

- \$5,135 average cost per claim compared to \$7,612
- 10.9 per cent reduction in new statutory claim numbers, compared to an overall reduction of 4.4 per cent
- 17.4 days average to return an injured worker to work, compared to 21.2 days average
- paid injured employees for an average of 25.7 days compared to an average of 29.5 days.

Doing the right thing

When it comes to WHS, we believe most employers and workers try to do the right thing. When someone does contravene a safety law, we have introduced an alternative to prosecution. Our Enforceable Undertaking Program allows people to give a written undertaking that they will address the issue in a way that is compatible with the law. If the undertaking is not followed, we then have an option to prosecute. We believe this is a more sustainable approach than immediately taking more severe sanctions in all instances.

Mental Health at Work Action Plan

Queensland businesses face a number of challenges from work-related mental disorders and physical disorders caused by prolonged exposure to workplace stressors. Reducing the incidence and severity of these disorders and promoting good work design to enhance mental health continues to be a priority for the Office of Industrial Relations.

The newly developed *Mental Health at Work Action Plan 2016–2022* aims to make Queensland workplaces safer and healthier through work design practices that enhance mental health. Through this plan, we will build industry capacity to identify and manage work-related mental health hazards with a particular focus on high-risk industries, occupations and injury mechanisms.

The plan's objectives are:

1. Build leadership capability at all levels of industry to better understand and manage workplace mental health hazards.
2. Turn the latest research into practical, evidence-based tools relevant to the industry sectors experiencing the highest prevalence of mental disorders.
3. Work with community, industry and social partners to increase the visibility and importance of mental health at work.
4. Provide a targeted and effective regulatory framework designed to increase recognition of mental health hazards and ability to meet legal requirements.

Young worker safety

The Young Workers Program focuses on building health and safety capabilities of supervisors and managers that are responsible for managing the health and safety of young workers.

The program focuses on interventions in four areas:

- raising awareness of the risk profile of young workers
- partnering with the education and training sector
- promoting good work design by improving the standard of inductions, training, supervision, feedback, support and mentoring
- fostering positive workplace culture towards safety.

In November 2015, WHSQ released the Young Worker Safety Toolkit, which is now available online at www.worksafe.qld.gov.au. The toolkit was launched in Rockhampton at an event which showcased industry examples of young worker safety initiatives, and educated industry around strategies to improve young workers' safety. Throughout 2016, WHSQ has supported industry by presenting at young worker safety inductions and forums across Queensland.

Direct support for businesses

Small businesses are a mainstay of Queensland's economy: businesses employing fewer than 20 people represent more than 96 per cent of Queensland's businesses and employ approximately 50 per cent of all private sector workers.

Our Small Business Program is educating and supporting small businesses to manage their health and safety risks and help them build a culture of WHS in their operations.

In 2015–16, our work with small businesses delivered:

- 150 workshops with 900 participants
- 350 workplace consultations
- more than 60 other services such as presentations, tool box talks or group coaching to over 1,200 people
- 100 per cent participant satisfaction with our safety management systems workshops.

Our Industry Partnership Program allows us vital access to businesses so that we can deliver targeted services that make a difference, such as industry-specific workshops, on-site consultations and presentations. Our industry partners include Master Electricians Australia, Master Builders Queensland, Queensland Arboricultural Association and Safe Food Production Queensland. Partnership activities include industry-specific workshops, on-site consultations and presentations throughout the state.

Greyhound's journey to improve safety

Road transport giant Greyhound Australia achieved a significant drop in injury rates by participating in the Office of Industrial Relations Injury Prevention and Management program.

After finding many of its on-the-job injuries could be attributed to ageing vehicles, Greyhound invested in a range of new safety measures including new equipment and fleet with air suspension driver seats, remote controlled bin doors, and even bump caps to protect drivers' heads when retrieving luggage.

Greyhound also moved to scheduled, face-to-face safety induction and training programs. These and other measures resulted in its workers' compensation premium decreasing for the first time in five years, and its average days to first return to work dropping from 39 to 18.



Thanks to our Injury Prevention and Management program, Greyhound drivers such as Brad Denny are a lot safer at work.

Strategy

Ensure a fair and efficient workers' compensation system

Closely linked with WHS is workers' compensation. A fair and efficient workers' compensation system begins with preventing injury in the first place, then, if workers are injured, supporting them to return to meaningful and appropriate work as soon as practical.

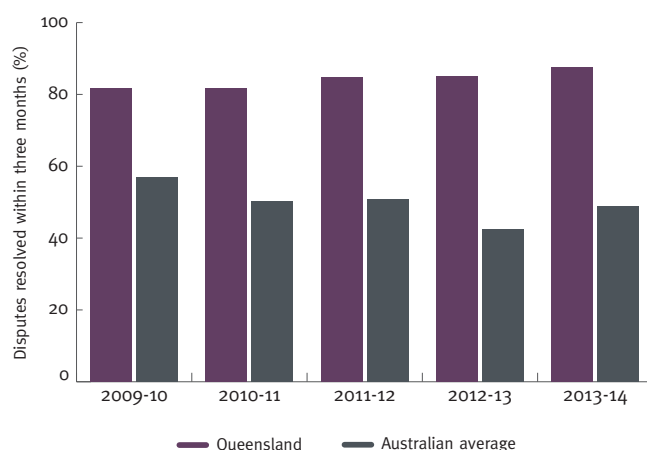
These strategies are essential to drive down scheme costs while maximising ideal return to work outcomes for both employers and workers. In 2015 we established a Stakeholder Reference Group of unions, employer associations, professional groups and insurers to advise government on workers' compensation matters.

Their involvement has enabled Queensland's Workers' Compensation Regulator to:

- review the guidelines for standards for rehabilitation
- develop a suite of promotional and educational materials on the health benefits of work and how to support workers to get back to work after an injury
- develop a new Work Capacity Certificate with a focus on the health benefits of work. We also ran a campaign on the new certificate which emphasised what the worker could do, rather than what they were unable to do
- developed a website for doctors working within the scheme to help them achieve better return to work outcomes for their patients
- convened two Queensland return to work conferences, one in regional Queensland
- trained scheme doctors in the updated *Guidelines for the Evaluation of Permanent Impairment* and how to draft effective robust written reasons for decisions.

This work has contributed to the number of workers' compensation claims reducing from 15.5 claims per

Workers' compensation disputes resolved within three months 2009–10 to 2013–14



Analysis: Queensland has the fastest dispute resolution rate in Australia; 88 per cent of all disputes are resolved in under three months. The low rate of dispute and efficient dispute resolution processes ensure workers are back to work faster.

Comparative Performance Monitoring Report (17th edition), October 2015, Safe Work Australia. Latest available data.

1,000 Queensland employees in 2009–10 to 12 claims per 1,000 Queensland employees in 2013–14.

Back to work and back on track

During the year, our popular Getting Back TV, radio, billboard, online and social media campaign successfully increased awareness of the importance of staying at work or returning to work following injury. Post campaign research showed that:

- 96 per cent of workers believed returning to work was important in a worker's recovery
- people who saw the campaign were more likely to have recently had a conversation about returning to work after a work injury (31 per cent) than those who had not seen the campaign (13 per cent)
- the frequency of injured workers' contact with their employer increased by 12 per cent

- 56 per cent of the general population agreed that the best course of action was an early return to work – a seven per cent increase.

OIR is responsible for resolving disputes about claims from either employers or workers in an efficient and timely manner. Most disputes involve:

- a decision to accept or reject a claim
- a decision to end, decrease or increase compensation payments
- a failure to make a decision on a claim within 20 business days of lodgement.

Each year, approximately 3,000 reviews are received, and less than 10 per cent of these are appealed in the Queensland Industrial Relations Commission. Approximately 70 per cent do not reach a hearing at the commission and are finalised out of court.

League legend talks safety

Rugby league legend Shane Webcke has a personal interest in work safety after losing his mechanical engineer father in a work accident.

Shane is also an employer with strong ties to his rural Queensland community, and this makes him passionate about everyone taking responsibility for safety on the job.

“Family and loved ones are the most important reason for work safety,” he said.

As a safety ambassador for Safe Work Month October 2015, Shane took the message to more than 20 events over the month, speaking to work health and safety and return-to-work professionals and community members.

He also featured in a film and advertising campaign about his experience and reflections of losing his dad.

Shane’s online campaign attracted more than 1.1 million views on Facebook and Twitter and was shared more than 1,500 times, increasing the reach of this thought-provoking campaign.

Watch Shane’s story at www.worksafe.qld.gov.au/safe-work-month/

