

ESTIMATES COMMITTEE D

Ms L. R. Warwick (Chair)	Mr R. A. Mitchell
Mrs L. R. Bird	Mr M. H. Rowell
Mr T. M. Mackenroth	Mr R. J. Welford

MINISTER FOR ENVIRONMENT**IN ATTENDANCE**

Hon. B. G. Littleproud, Minister for Environment
 Mr T. Tolhurst, Acting Director-General
 Mr D. Boyland, Acting Executive Director,
 Division of Conservation
 Mr C. Pattearson, Director, Coastal
 Management Branch
 Mr G. Wellard, Director, Cultural Heritage
 Branch
 Mr R. Arnott, Director, Corporate Services
 Division
 Dr I. Wilson, Acting Executive Director, Division
 of Environment
 Mr D. Miles, Director, Waste Management
 Branch
 Mr T. Dacey, Acting Executive Director, Wet
 Tropics Management Authority

The Committee commenced at 9 a.m.

The CHAIRMAN: Good morning, everybody. I declare this meeting of Estimates Committee D now open. The Committee will examine the proposed expenditure contained in Appropriation Bill (No. 2) 1996 for the areas as set out in the Sessional Orders.

The organisational units will be examined in the following order: Minister for Environment, Minister for Local Government and Planning, Minister for Tourism, Small Business and Industry. The Committee has also agreed that it will suspend the hearings for the following breaks: morning tea will be from 10.45 until 11 a.m., lunch will be from 1 until 2.30 p.m., afternoon tea from 4 to 4.15 p.m., and the evening break will be from 5.45 to 6 p.m.

I remind members of the Committee and Ministers that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given. The Sessional Orders require that at least half the time is to be allocated to non-Government members. I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in their transcript.

In accordance with the Sessional Orders dated 3 September 1996, a member who is not a Committee member may, with the Committee's leave, ask a Minister or a public official questions. In this regard, the Committee has agreed that it will automatically grant leave to any non-Committee

member who wishes to question either a Minister or a public official unless an objection is raised at the time by a member of the Committee. The Committee has also agreed that each of the Ministers be permitted to make an introductory statement of no longer than two minutes.

In relation to media coverage of the Estimates Committee D hearing, the Committee has resolved that television film coverage be allowed for the Chairman's opening statement and for each Minister's opening statement and that at all other times audio coverage be allowed.

I now declare the proposed expenditure for the Minister for Environment to be open for examination. The time allotted is three hours and 15 minutes. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, would you like to make a brief introductory statement, or do you wish to proceed direct to questioning?

Mr LITTLEPROUD: Madam Chair, I will make a short introductory statement.

The CHAIRMAN: In that instance, then, I ask that you limit it to two minutes. Thank you, Minister.

Mr LITTLEPROUD: Madam Chair and honourable members, firstly, I have assembled as requested by the Committee all the departmental officers with the exception of Mr Peter Hitchcock, Director of the Wet Tropics Management Authority. Mr Hitchcock is ill and off duty. His place today has been taken by Mr Tom Dacey.

The Estimates for this department for this year are \$170.276m, which represents an increase of 5.8 per cent on the budget of last year. The Environment Program has been allocated estimated expenditure of \$34.112m—which represents a substantial increase on the expenditure last year—and the Conservation Program \$136.164m.

I want to advise members of the Committee that it has been very difficult to frame the budget for this department this year. First of all, we were part of a Government that inherited a legacy of an \$8 billion blow-out in the Federal Budget. Consequently, the funds coming to Queensland from the Federal Government have been reduced. As a consequence, this department had to bear its share of that. Secondly, we inherited cash flow problems within the State Budget, and we were requested by the Treasurer and the Cabinet Budget Committee to make significant savings across our department. That was made in various ways. We put aside some of the initiatives of the previous Government and we also took away \$762,000 in the administrative costs of central office.

This Budget features some new initiatives in the Department of Environment. We are introducing Park Pass which, for the first time in Queensland, introduces a fee for those people accessing the national parks and protected areas of Queensland. Park Pass will bring us into line with the other States of Australia, and I think the level of fees we are putting in place is comparable. Park Pass starts on

1/3/97 and, as a consequence, we are in a set-up year; we will not get full benefit in the first year. It is also worthy of note that for commercial operators it does not start until 1/1/98, and that has prevented a lot of angst with the commercial operators out there. We are also introducing two environmental franchises. They start at the beginning of next year. We have to be working between now and the end of the calendar year to have that framework in place.

Highlights of the Environment Program will continue with the EPA licensing and compliance factors. EPP on waste management is getting top priority. Coordinating with that will be an integrated system of waste management in cooperation with the councils of Queensland and a waste tracking system. We hope to develop and release EPPs on water, air and noise in the next 12 months, and also the Brisbane River Management Group should have completed their findings and we should have an EPP—Brisbane River.

As regards the Conservation Program, we are carrying on with some of the initiatives of the previous Government—of note the Daintree Rescue Program, mahogany glider funding, and funding for land acquisition for the Koala Coast. Another feature in the Conservation Program is a special enhancement for the capital works program. I would signal to the Committee that there is an ongoing problem within the Conservation Program regarding the funding for management of the national parks. That has been addressed to some degree but cannot be overcome in the short term of just one Budget. It is an ongoing program acknowledged by a couple of previous Ministers, in particular the Honourable Pat Comben. They are the highlights of the Estimates of this department.

The CHAIRMAN: Thank you, Minister. The first period of questions will now commence with non-Government members. I acknowledge Mr Rod Welford, who is the member for Everton.

Mr WELFORD: Thank you, Minister, for your opening statement. May I first draw your attention to comments by the Treasurer in her Budget Speech where she says that in every department there was identified areas of waste, duplication and inefficiency and that savings of \$500m have been made against the Forward Estimates for this financial year from all departments. Can you tell me what share of that proposed \$500m announced by the Treasurer was found by your department? What were the areas of waste, duplication and inefficiencies in which you made your portion of the savings?

Mr LITTLEPROUD: I will ask the acting director-general in a moment to give some specifics in terms of percentages and identify areas. In my opening remarks, I made comment with regard to the savings out of central office, which can be expanded upon in a moment. I talked about some of the initiatives of the previous Government that we put aside. One that comes to mind straightaway is the Community Facilities Fund that was associated with the Koala Coast and the road that did not exist. We went in there with some sensitivity because some of the money for that program had already been expended by the local authorities or groups out

there, and we honoured any of those contracts. However, there were some others that had not been started, and as the road itself did not go through, it was readily conceded by many people out there that the community facilities then should also stop. We saved quite a bit of money there. Mr Tolhurst might have some specifics that he can add to that.

Mr TOLHURST: Yes. Out of the gross savings mentioned by the Treasurer, the amount allocated to this department was \$5.6m. That \$5.6m is allocated across three programs. Maybe in a minute I could ask the program directors to speak to the savings in each of those three programs.

Mr WELFORD: I will ask them that in due course, but if you just tell me what the global figure is of the savings that were made.

Mr TOLHURST: The global figure is \$5.6m for this department.

Mr WELFORD: Right. The \$726,000 in savings in Corporate Services is said, according to page 20 of the Program Statements, to be achieved through outsourcing and decentralising functions. Can you tell me what functions you are going to outsource, Mr Tolhurst?

Mr TOLHURST: Yes. There are a range of functions, particularly in the corporate services area, including information technology, systems development and so on. In terms of allocating additional responsibilities to the regions from central office, over the current financial year they will be primarily in the human resources area and in the financial management side. The Director of Corporate Services is responsible for implementing those and you may wish to ask him the detail of it.

Mr WELFORD: Mr Arnott, how much do you plan to save in net terms by decentralising staff from head office to regional offices?

Mr ARNOTT: It is not so much a question of saving. The savings have been achieved before this budget was framed. In other words, they were taken out of the program beforehand. Therefore, it is not as though we have to make savings throughout the year. I think that point is important to make up front. Our budgets have been framed on the basis of the program allocation in the statement.

Mr WELFORD: Where would the \$726,000 be saved?

Mr ARNOTT: A sum of \$383,000 will be saved on staff and salary costs.

Mr WELFORD: That is staff numbers which have been removed?

Mr ARNOTT: Temporary staff who have been removed; no permanent officers have been removed. It is temporary staff who have been forgone to some extent, too, because temporary staff come and go during the year as projects commence and cease. That is temporary staff whom we planned to do without this financial year. Salary-related costs associated with those are \$33,000 and administration and operating expenses are \$310,000.

Mr WELFORD: A sum of \$310,000 in administration and operating expenses?

Mr ARNOTT: That is right.

Mr WELFORD: You have been pretty wasteful in the past, haven't you?

Mr ARNOTT: Those are not my words. We have been able to achieve economies is the way I prefer to put it.

Mr WELFORD: Mr Tolhurst, page 4 of the Program Statements states that revenue item New Initiatives will generate \$9,803,000. Could you give me a breakdown of what the items are that achieve that amount of money?

Mr TOLHURST: The figure of \$9.803m is made up of a number of matters. The largest single item would be from the Environmental Franchise Scheme.

Mr WELFORD: How much is that in this financial year?

Mr LITTLEPROUD: On a point of order, I believe that the question has been asked and the acting director-general has the capacity to answer the question as he wants before another question is asked.

Mr WELFORD: We are just going through the items. I am just asking how much for that item and then we will go to the next question.

Mr LITTLEPROUD: The point that I am making is that Mr Tolhurst probably had not finished the detail that he was giving. When he has finished, Mr Welford has the opportunity to ask the next question. Surely he can answer the question as he wants.

Mr WELFORD: I am happy for him to finish.

Mr TOLHURST: The amount of \$9.803m is made up of a number of items. A sum of \$8m will come from the Environmental Franchise Scheme in this current financial year, with the scheme starting from 1 January. That is 50 per cent of the anticipated, full financial year income of \$16m in future years. The park pass system is coming in from 1 March 1997 and slightly over \$1m is the anticipated revenue through that new initiative. The remainder, which is about \$0.5m, I think, is made up of a range of items which I could ask my colleagues to comment on if you so wish.

Mr WELFORD: Yes, I would like comment on that. The park user fees is just over \$1m?

Mr TOLHURST: That is correct, for this financial year.

Mr WELFORD: And the other items would include camping fees, presumably?

Mr TOLHURST: That is right.

Mr WELFORD: Wildlife permit charges?

Mr TOLHURST: Yes.

Mr WELFORD: Increased contaminated land charges?

Mr TOLHURST: That is correct.

Mr WELFORD: Commercial activity fees?

Mr TOLHURST: Yes.

Mr WELFORD: Could we ask the relevant people how much is going to be saved from each of these?

Mr TOLHURST: It is not so much a saving; we are talking about anticipated revenue collections. It has nothing to do with the savings figure at all.

Mr WELFORD: That is right. How much revenue will be raised from each of those items?

Mr TOLHURST: I could ask the two operating program directors, starting with Mr Boyland on the conservation side.

Mr BOYLAND: Approximately \$3.4m will be raised from additional funding through charges and so on.

Mr WELFORD: Could you detail where they are coming from? How much for camping fees, for example? Before we get to that, what are the items that raise that \$3.4m in your area, and remember that these are new revenue items?

Mr BOYLAND: Additional revenue items. We believe that from the wildlife management initiative, we will raise—and I will correct that earlier figure—\$2.269m.

Mr WELFORD: For park fees?

Mr BOYLAND: No, for the total generation from the Parks and Wildlife subprogram.

Mr WELFORD: Which new revenue initiatives does that refer to?

Mr BOYLAND: It includes additional increases to wildlife fees, that is, the increase in those. Some fees have gone up, some have gone down. We will be adjusting those. It is for permits for birds—

Mr WELFORD: Wildlife permit charges, yes.

Mr BOYLAND: Next year we anticipate an additional collection of \$135,000 from camping fees, an additional \$901,000 from the RAM fees—recreational area management fees, that is—the fees from Fraser Island, Moreton Island and Green Island. We anticipate park user fees of \$1.1m.

Mr WELFORD: Mr Tolhurst, don't we have a problem here? We have well and truly overrun the \$9.8m you referred to, if there is \$3m coming out of conservation management and \$8m out of franchise fees.

Mr TOLHURST: I think on page 4 some of those items would be regarded as regulatory fees in the \$850,000, and new initiatives is the \$9.803m.

Mr WELFORD: Note 5 refers to environmental franchise fees, regulated waste levy, conservation management and contaminated land.

Mr TOLHURST: That is correct.

Mr WELFORD: It says that that is what the \$9.8m refers to.

Mr TOLHURST: Yes.

Mr WELFORD: How much do we expect to raise from each of those items listed in note 5 which give us that \$9.8m?

Mr TOLHURST: As I mentioned, \$8m is from the Environmental Franchise Scheme. Contaminated land would be almost \$400,000. Conservation

management through the park pass would be about \$1m. The remainder would be under the regulated waste levy for grease traps, wastes and so on, which I think is about \$450,000. They are estimates which would come to about \$9.8m. The QRAM fees, camping fees and so on would be in the figure above.

Mr WELFORD: So they are in addition?

Mr TOLHURST: That is correct, because they are increases in existing charges rather than new initiatives.

Mr WELFORD: So increases in camping fees are not represented in this table?

Mr TOLHURST: Camping fees are not in the \$9.803m. They would be in the table.

Mr WELFORD: Where would they be in the table?

Mr TOLHURST: Under regulatory fees. Wildlife permits and so on would be under licences and permits.

Mr WELFORD: It also says that total receipts are linked to expenditure. Could you explain what that means?

Mr TOLHURST: Yes. I think in most Governments these days you are looking at both the appropriated expenditure and the anticipated revenue. We must balance as a Government department the net effect of those two amounts. So therefore the Government, in framing its Budget to give us what is in Appropriation Bill (No. 2)—\$170.3m—worked on the basis of our department collecting \$43.344m during the financial year from the various sources listed there, including Commonwealth special purpose payments.

Mr WELFORD: I see. So the budget of the department is conditional upon these revenue items being achieved; is that right?

Mr TOLHURST: The departmental budget is exactly the same as the State Budget overall in that it is based on both income and expenditure. We are required to manage both.

Mr WELFORD: But if you do not achieve these revenue targets, will your departmental budget be cut?

Mr TOLHURST: Following the practice of previous years—

Mr WELFORD: No, I just want to know: will the departmental budget be cut if these revenue budgets are not achieved?

Mr TOLHURST: We anticipate collecting \$43.344m and, if we do not, we would expect the budgeted expenditure figure to be cut by the same amount.

Mr WELFORD: Mr Boyland, you said that the budget for additional revenue items in the Conservation Program was \$3m-plus?

Mr BOYLAND: Sorry, I did correct that the second time around. I reduced it down to \$2.624m. I think that was the figure I mentioned. Sorry, it is \$2.629m.

Mr WELFORD: The figure is \$2.629m?

Mr BOYLAND: Yes.

Mr WELFORD: Are you totally confident that that extra revenue will be raised in the program?

Mr BOYLAND: We have good reasons to assume that it will be. Certainly, previous records with respect to wildlife fees would indicate that. In the wildlife areas, there is basically only an adjustment of the existing ones. We see no reason why we would not guarantee those. The camping fees are modest. The one that we do have a little concern about is generating the level for park passes at that time of the year. These figures were estimated and put together in anticipation that those park passes may have been introduced slightly earlier. There could be some minor adjustment there, but it would not be of a significant order.

Mr WELFORD: There are no measures in place yet to recover the park-user fees, are there?

Mr BOYLAND: No. All the processes and procedures are being worked up and being fully developed.

Mr WELFORD: So you can confidently tell me that between 1 March and 30 June next year you are going to collect \$1.1m, even though nothing is in place yet?

Mr BOYLAND: If we just take one park as an example—Noosa National Park. Noosa National Park has a recorded visitation of 1.5 million. If we assume that we will issue passes for three months of the year there, if people acquire only a day pass you are looking at a significant amount of funds even if people do not comply with it. You are looking at something like 300,000 visitors at \$3 a day. That is very close to \$1m, even without consideration elsewhere. We believe those figures are relatively conservative.

Mr WELFORD: Even though there is no mechanism currently planned to collect the fees?

Mr BOYLAND: The full mechanism is not in place. Obviously, the park passes will go on sale at various information centres and other department centres. There will be negotiations with other enterprises to sell the park passes on our behalf with their retaining a small commission. Those commercial arrangements are not in place at present.

Mr WELFORD: You are hoping you will raise \$1.1m?

Mr BOYLAND: I know we will raise \$1.1m.

Mr WELFORD: Minister, you say that the money raised from these park-user fees will help national park management?

Mr LITTLEPROUD: Correct.

Mr WELFORD: Your Government and indeed the previous spokesperson, Mr Slack, made much of the need to dramatically improve national park management. Despite a plan to raise \$1.1m this financial year and \$18.4m over three years, if you refer to page 11 of your Ministerial Program Statements you will see that in this financial year the aggregate budget for National Parks and Wildlife has fallen by \$5m. Where are those cuts occurring to produce that reduced budget for national parks?

How can you say that you are doing anything to improve the lot of national parks?

Mr LITTLEPROUD: Mr Welford, I think you should understand—and I made mention of this in my opening statement—that there is a built-in problem with funding of management of the national park system of Queensland. First of all, over the last six years the national parks estate of Queensland doubled in size. The visitation rate has gone up quite remarkably. Associated with visitation is the need for more management. In the past, I did not see any marked increase in the amount of money coming through for management to match the increase in the area to be managed.

The other thing that has exacerbated it and cannot be corrected even in this budget concerns the programs that the previous Government went along with in concert with the Commonwealth Government. There was money put aside for some acquisitions. Certainly, the acquisition of land in the Daintree, the Sugar Coast and the Koala Coast areas were important, but there was nothing matching that with respect to the ongoing recurrent costs of management. While we are working towards adopting user-pays principles and having people contribute towards facilities and management of these national parks, the amount of money we will raise is not going to go anywhere near the need for better management of the parks. I have plans to push that matter with the Federal Government to make it recognise that some of the things that it may have initiated and which the previous State Government went along with in terms of acquisitions were flawed in that there was no money matching it to go into management. I also have plans to push my case with the Treasurer.

Mr WELFORD: How do you say that money for management was not available under the previous Government when in fact money for management under your Government is falling?

Mr LITTLEPROUD: That is a consequence of the Budget situation. I would ask Mr Boyland to add to that.

Mr BOYLAND: The available funding for national park management has in aggregate declined from 1995-96 to 1996-97. The decline is mostly due to the financial arrangements entered into with Treasury as the basis for the 1995-96 conservation management new initiative. In 1995-96, this initiative provided \$5.6m, of which \$3.2m was matched funds against projected increases in revenue, and \$2.4m unmatched. The initiative proposed that in 1996-97 the unmatched proportion of the funds would be reduced from \$2.4m to \$1.5m on the basis of an increased revenue stream. You may recall there was thought of introducing park passes under the previous Government, though that policy had not been endorsed.

Mr WELFORD: It was not pursued, no.

Mr BOYLAND: The regulation changes to implement the higher fees and charges were not made in 1995-96, and in negotiating the 1996-97 budget the Treasury was unwilling to continue matching funds, leaving only \$1.5m.

Mr WELFORD: So the result at the end of the day is that Treasury has cut funds, and despite all your rhetoric, Minister, about funds going to national parks, it is national parks that has borne the major burden of those Treasury funding cuts. That is what has happened, isn't it?

Mr LITTLEPROUD: As a consequence of the things I have outlined to you—and some of those I have inherited and they cannot be corrected within the first Budget.

Mr WELFORD: This will be my last question before we break for other questioners. Could I just come back, Mr Tolhurst, to the funding or revenue raising that will occur from park user fees? I just want to get a breakdown of park user fees, additional camping fees and—as stated on page 83 of the Budget paper—"other user charges"—"The introduction of Park User Fees and increases in camping and other user charges . . ." My question is in two parts. Firstly, can you tell me what those other user charges are? Secondly, could you tell me, in respect of those user charges and in respect of the park fees and camping fees—and perhaps Mr Boyland can help—what are the expected revenues for the next two years, that is, 1997-98 and 1998-99?

Mr TOLHURST: For each category of revenue?

Mr WELFORD: Yes.

Mr TOLHURST: I mentioned before that in the environmental franchise—

Mr WELFORD: No, sorry, just "other user charges". It says under Conservation Management, page 83, ". . . Park User Fees and increases in camping and other user charges under the Nature Conservation Act . . ."

Mr TOLHURST: Yes. These were the charges referred to by Mr Boyland before, and they are within the Conservation Program, so I ask Mr Boyland to speak to those.

Mr WELFORD: Okay, that is fine.

Mr BOYLAND: If you will bear with us just a moment. I would hate to give you wrong information.

Mr WELFORD: I would hate to receive it. I think the other user charges you might have referred to before are wildlife permit charges and commercial activity fees.

Mr BOYLAND: We do not have the complete forward projections here at this point in time for that breakdown.

Mr WELFORD: So do they exist?

Mr BOYLAND: Yes.

Mr WELFORD: We don't have them here.

Mr BOYLAND: No. If I recall, I think that the park pass is anticipated to generate \$4.2m in the out years.

Mr WELFORD: \$4.2m?

Mr BOYLAND: Yes.

Mr WELFORD: So you do not have information before you that can establish how we get to that \$18.4m over three years at the moment?

Mr BOYLAND: I thought I did, but apparently I don't have it with me. Can we take that on notice?

Mr WELFORD: Yes, perhaps we can take that on notice.

The CHAIRMAN: We will move now to Government questions. I will start the ball rolling. Minister, what State funds have been expended by the department to support Mr Williams and the Oyster Point development, and what has happened to the money that was held as compensation for mangrove clearing?

Mr LITTLEPROUD: I think it would be incorrect to say that money has been spent to support Mr Williams. The department has a responsibility to offer advice on environmental matters, and obviously we have been called upon to answer questions and we were called upon to carry out an environmental impact statement. I would have to say that we have had to expend more money than that, though, because of the issues raised by the previous Commonwealth Government. You might remember Senator Faulkner had given approval, then stepped in and put a stop work on that particular issue and then raised more concerns, and that necessitated my departmental officers going up there and addressing those issues. But it is not true to say that we supported Mr Williams. We were looking after the responsibilities of our department.

With regard to mangrove compensation—the deed of agreement signed between the Cardwell properties, the Cardwell Shire Council and the department included a provision where \$100,000 of compensation for removal of mangroves was written into the agreement. The developer paid an initial instalment of \$20,000. \$10,000 of that went to the department and \$10,000 went to the Department of Primary Industries, because they have some sort of responsibility as well. The developer is required to reinstate mangroves declared under the arrangement, as per the agreement, and he has requested that some of this money be returned to him and used to fund his mangrove replanting program. No formal response has been provided on this matter yet, but the developer's requests seem reasonable and it will be recommended that the money be refunded for this purpose.

The CHAIRMAN: Thank you, Minister. I will now move on to Mr Robert Mitchell, who is the member for Charters Towers.

Mr MITCHELL: On page 11 of the MPS, I note that the coastal management budget has been reduced by approximately \$2.7m. What impacts do you believe this will have on the management of our coast?

Mr LITTLEPROUD: Obviously, reduced funding is always a concern, but I think there are extenuating circumstances. I might ask Mr Boyland to expand on that. Are you aware of the question, Mr Boyland?

Mr BOYLAND: Yes.

Mr LITTLEPROUD: While Mr Boyland is finding that, I can say that in 1995-96 the estimated expenditure was \$30.327m and the actual

expenditure for 1995-96 was \$27.713m. So there is a bit of a skewing there of the figures.

Mr BOYLAND: As to the actual reduction—there are specific program variations. In 1995-96 the budget contained an initial estimated expenditure of \$3.8m for the Tweed River Entrance Bypass Program. Due to contract delays, this expenditure was reduced to \$1.47m and the outstanding amount deferred until 1996-97.

Mr LITTLEPROUD: I believe that that contractual problem has been resolved now, but there was a delay for a while.

Mr BOYLAND: Yes, that is right. Also, the Coastal Protection Strategy was allocated \$2.5m to cover coastal planning, Coast Care and marine conservation. Only \$1.635m was expended during the year because of delays with appointment of planners and other projects. These funds were treated as program savings and reallocated outside the Coastal Management subprogram. Specifically, \$300,000 was used to support salaries for Fraser Island and \$565,000 was returned to Treasury as savings. In addition, Coast Care funding of \$315,000 was carried over into the 1996-97 financial year. Funding of \$2.193m has been allocated for the Coastal Protection Strategy in 1996-97. There is a budget for planning of \$1m and marine conservation of \$0.875m. Coast Care Air will be funded to \$0.25m.

Mr MITCHELL: So there are savings all across there.

The CHAIRMAN: We might now move on to Mr Marc Rowell, who is the member for Hinchinbrook.

Mr ROWELL: Just following on with the funding for Coast Care—what funding has been provided for the Coast Care Program, and is it sufficient? You mentioned a certain amount there—something like \$300,000. Is it sufficient to match the Commonwealth funding for this program?

Mr LITTLEPROUD: I might let you carry on there, Mr Boyland, because you are up to speed on that.

Mr BOYLAND: I think it may be appropriate to refer that to Chris Pattearson, who has more detailed information.

Mr LITTLEPROUD: Madam Chair, Mr Pattearson is in charge of the Coastal Management Division.

Mr PATTEARSON: The Coast Care funding for the current year will be set at the same level of funding that we had for the previous year. We will be reallocating funds from within the program to achieve that. We have a deed of agreement with the Commonwealth relating to Coast Care, and we will be honouring the obligation in the same way that all the other States are doing that.

Mr ROWELL: And there is sufficient funding there for that as far as the Commonwealth funding is concerned to ensure that that program progresses?

Mr PATTEARSON: The Commonwealth funding levels have been cut significantly this year on what they were last year. We could allocate additional funds to match Commonwealth money but

we chose to keep the program at the same level as this year because we have only run it for one year and we want to assess the impact on the ground before we increase the funding levels.

Mr ROWELL: And to reiterate that amount, it was \$300,000; is that correct? I think that was mentioned by Mr Boyland earlier.

Mr PATTEARSON: It is \$315,000.

The CHAIRMAN: Minister, while we are on the same subject, what programs for the management of Moreton Bay will be implemented during this year and how will they be funded?

Mr LITTLEPROUD: The zoning plan under the Marine Parks Act 1982 is currently being finalised for the Moreton Bay Marine Park and it is expected to be approved in something like October or November this year. That zoning plan will set out entry and use provisions for the various zones into which the marine park will be divided. Some base funding has previously been provided at regional level for operations in Moreton Bay in conjunction with management of island national parks, management of the existing marine park and the Pumicestone Passage. This base level of operation funding amounts to \$407,000 for salaries and \$199,000 for operating in the Moreton Bay area. In the 1995-96 financial year, supplementary funding of \$600,000 was provided for management of Moreton Bay. The break-up of these funds is \$366,000 for salaries and \$234,000 for operating costs. Now that work on the formal zoning plan and the preparation of management strategies for Moreton Bay is well advanced, it will be possible for these funds to be moved into management activities, which are more directly related to public enjoyment and monitoring of the marine park.

With the funding provided, activities for this year include, under planning: management plans for oyster farming in the Rous Channel, and that will be developed in collaboration with DPI and the Oyster Farmers Association; secondly, a mooring and anchoring plan for Flinders Reef will be finalised. Under research and monitoring we list long-term seagrass monitoring programs to continue, monitoring of migratory shore birds and their habitats will continue and base line monitoring for marine sea floor communities will commence. In the enforcement of permits area, assessment of applications for permits under the zoning plan will be required—in fact, some of that has been held up until such time as the plan comes out; compliance monitoring for permits issued under the Marine Parks Act will be undertaken and public contact; implementation of marine park signage plan will commence. A vessel capable of effective operations throughout the whole of the marine park will be purchased and regional field patrols will be implemented, focusing initially on public education rather than enforcement. Initially, we want to educate the people that the plan is out there and has to be adhered to.

In addition, regional coastal planning activities under the Coastal Protection and Management Act 1995 will commence this year for south-east Queensland, and these will have some relevance to overall strategic planning for Moreton Bay and will

focus on links between conservation of the bay and activities on the mainland which are critical for the long-term conservation of the bay and its environs. An amount of \$173,500 has been allocated in the budget to cover regional planning.

Mr MITCHELL: Just to carry on further, Minister, could you explain what you believe will be achieved by the 1996-97 Park Improvement Program which you mentioned in there? Do you want to carry on with that, please?

Mr LITTLEPROUD: I would think that most of the money we are talking about in park improvement is more to do with terrestrial parks, be they island national parks or the terrestrial national parks right across Queensland. In that regard, I have been able to convince Treasury that some money set aside for land acquisition in the Koala Coast area, but which is not going to be needed up front, can be redirected in the short term to improve amenities across the national parks of Queensland. That is something like \$3m additional capital works over two years. I believe that there is a need for the department to show it is quite sincere about improving facilities in national parks and improving the management of national parks if we are going to introduce the park pass system. You would see in the Budget papers in fact we put out quite a long list of expenditures across the national parks where we have in fact targeted some of the high visitation parks. Mr Boyland might like to add to that.

Mr BOYLAND: Yes, I could add to that, Minister. Highlights of the program certainly will be that over \$1m will be spent in the Great Sandy National Park, projects such as new lookouts at Lake Wabby and Middle Rocks will enhance visitors' appreciation of the outstanding beauty of the Fraser coast. The construction of stage 1 of a new camping ground at Inskip Point will provide an increased level of service to many thousands of visitors to this popular area. Green Mountain's day-use area redevelopment in Lamington National Park will be completed with extensive landscaping and a new visitor display to enhance visitor understanding of the rainforest in the World Heritage area. Considerable improvement in access to the world renowned Undarra Lava Tubes will be completed. Access to Road Cave will feature access for visitors with disabilities. The new Barron Falls lookout has been designed as a word class lookout on one of the most highly visited sites in the Wet Tropics of Queensland World Heritage area. The completion of this structure will enable visitors with disabilities to view the falls for the first time. In addition, there will be works planned for key parks. There is something like \$2.7m being spent over 13 key parks throughout Queensland.

Mr LITTLEPROUD: It is worth adding, following the tragic accident in one national park in New Zealand where a viewing platform collapsed, that the department's Conservation Division has been careful to go out and do some surveys of those sorts of platforms in Queensland. In fact, one has already been declared as being unsafe and been dismantled.

The CHAIRMAN: I think that is very relevant.

Mr ROWELL: Does the Minister consider the resourcing provided for the management of Fraser Island World Heritage area as adequate, and would you explain what outcomes will be achieved in the 1996-97 financial year?

Mr LITTLEPROUD: I think that anyone in my position would always say that any more money would be very welcome, Mr Rowell. It has been occupying a fair bit of my time since I became the Minister because the people who live in that vicinity have been making approaches to me to make sure we can start implementing something. You would be aware that not long ago we released a draft plan of management for the Great Sandy region—Fraser Island is part of that. The Hervey Bay City Council, the Cooloola Shire Council and the Maryborough City Council all are stakeholders. In fact, the acting director-general was up there earlier this week talking to the council. They are keen to see something really happen so that we can better manage the place. In terms of details, Mr Boyland might like to add to that.

Mr BOYLAND: In 1996-97, \$5.366m will be spent on the management of the Great Sandy region. This amount includes \$3.5m to be spent on management operations within the Fraser Island World Heritage area. It includes over \$1m to be spent on the capital works program, which I have referred to before, which will substantially add to the quality of the experiences visitors get when visiting Fraser Island. Capital works will include, in more detail than given before: design and construction of Middle Rocks day-use area to provide enhanced visitor safety; improve visitor protection; enhanced park interpretation; new toilet facilities and increased car parking; design and construction of new toilet facilities at Ocean Lake day-use area; upgrade the boardwalk at Eli Creek for enhanced visitor safety and experience; construction work on the Moon Point Road for enhanced visitor safety; redesigning the Wanggoolba Creek barge landing for increased visitor safety and enhanced interpretation of the World Heritage area; and construction of Lake Wabby viewing platform for enhanced visitor safety and experience.

Mr LITTLEPROUD: It is worth noting that there are two different sorts of expectations out there with the people who visit Fraser Island. The level of visitation is going up, and the sort of person visiting varies. There are some who appreciate the wilderness of it and the conservation side, and they are keen to see some parts shut up and just left—only accessed by bushwalking tracks. There are others who have a liking for the four-wheel drive, and they are looking to get more facilities for those sorts of people on the island. It is pretty difficult in the management plan to strike a balance where you are responsible for the conservation of the area, because it is a World Heritage listed area, and yet at the same time get the sorts of facilities, particularly in terms of toilet facilities, so that the high visitation levels do not create some sort of health problem.

Ms WARWICK: Can we talk about cultural heritage now? I would like you to tell the Committee what you are doing to ensure that cultural heritage interests of indigenous people are being considered

in major mining and development projects that are under way in Queensland at present.

Mr LITTLEPROUD: I will speak in general terms for a start, and then I might get Mr Wellard or Mr Boyland to help me out. It has been past practice—and we have continued it—that, when new projects are planned, it is necessary for the cultural heritage of the indigenous people to be considered. All developers have to come to my department and have someone go out and do a cultural heritage search. In some instances there have been complaints that the level of consultation going on has not been enough, and that has caused undue delays in the final approval of some of these developments. Only a few months ago, we tried to overcome that process by making sure that we give due consideration to the indigenous people's heritage but, at the same time, try to make sure that there are no unnecessary delays in allowing development to go ahead. We have changed the process so that now any developer wanting to go ahead with a development has to advertise in the Statewide papers and the regional papers alerting all interest groups to the fact that the development is planned. They have to go out and do their searches by a particular date. We think that, by doing that, we will comply with the need for due consultation.

Mr BOYLAND: As the Minister indicated, in recent years both the Government and industry in Queensland have encountered major difficulties in dealing with infrastructure development projects throughout the State. These difficulties have arisen primarily from developing aspirations of indigenous people throughout Australia, the High Court's recognition of native title, and recent determinations by the Federal and High Courts on various cultural heritage matters associated with such cases as the Hindmarsh bridge and, finally, the acceptance that many indigenous people continue to remember and practise their cultural heritage. The department has recognised these difficulties and their origins and has provided assistance through the cultural heritage subprogram to the Departments of the Premier and Cabinet and Economic Development and Trade in dealing with indigenous issues associated with gas pipelines, major mining and other industrial projects.

The department has been involved with the implementation of modern techniques, such as work area clearance and site avoidance models to negotiate agreements from the Aboriginal people so that the development projects can proceed. The department has also been very closely involved in the development of cultural heritage. Plans by Aboriginal groups increased in managing and protecting their cultural heritage in places. New procedures for the issuing of permits pursuant to the Cultural Records (Landscapes Queensland and Queensland Estate) Act have also been developed by the department and have been implemented with Cabinet approval.

Mr MITCHELL: Being from the heritage town of Charters Towers, I would like to ask you what the department and the Government are doing to assist the development of heritage tourism in Queensland.

Mr LITTLEPROUD: It is interesting that you should ask a question like that. We have Mr Wellard at the table. Perhaps Mr Wellard, who heads that subprogram, might like to explain what is going on.

Mr WELLARD: The department, through its Cultural Heritage Branch, has a very significant body of information which is proving of direct relevance and value to the tourist industry. What we are doing at the moment is producing the information into some pilot drive-yourself guides to try to capture the self-drive and the backpacker tourist market in Queensland and provide a resource which will assist the tourist industry to service them. It is part of a focus of moving some of the attention of tourism away from the coast and getting out into what is the real Queensland—into the outback. So this is a development that we are developing slowly to make sure that we do it correctly. We are working with the QTTC and the regional tourism bodies to make sure that we produce a product which they can use. It is really quite an exciting initiative. Over the years, I think it will develop into something very valuable.

Mr ROWELL: Endangered species are quite important. Certainly the need for their preservation in Queensland has been a major issue. Can the Minister advise what resources will be directed towards endangered species management in Queensland, including the establishment of appropriate information systems?

Mr LITTLEPROUD: It is interesting that you should ask that question, Mr Rowell—living in the Sugar Coast area, with the mahogany glider and its endangered habitat. That is obviously one program where we have Federal and State Government contributions. The other thing I will add before I call on Mr Boyland is that, earlier this week, I was at the Townsville regional offices, where officer Peter Johnson is in charge of looking after the endangered macropods, which are unique in Australia. I would like to see recognition given to that by the Federal Government as well, because we need more funding for that particular program. Mr Boyland might like to give some further details.

Mr BOYLAND: The department will be rationalising current resources that are being directed towards endangered species management to provide an enhanced focus on these activities. To this end, a Threatened Species and Communities Unit will be formed by redeploying a small number of existing staff at central office level to coordinate, promote and improve the conservation of threatened species in communities. At a regional level, threatened species officers for both plants and animals will be appointed by redeploying existing staff.

The priority project of the Threatened Species and Communities Unit will be the creation of WildNet, which is an integrated information system about Queensland's wildlife which will accommodate marine and terrestrial fauna, flora and information to assist in the conservation of their management. What has happened in the past is that there have been a number of individual databases established throughout the department. This, of course, has cost. Also, they are not all available on the wide area

network. We are rationalising all those databases and bringing them through under WildNet. There will be in excess of \$1m spent on WildNet over a three-year period, with \$300,000 allocated this year to the enhancing of the system that we currently have.

More specifically, WildNet will provide information on wildlife, particularly the rare and threatened species, to foster ecologically sustainable development, enhance protected area management through the provision of resource information, and assist with the development of guidelines for tree clearing, vegetation retention schemes and forest policy, assist local government with their town planning initiatives, provide for a basis of planning for the recovery of rare and threatened species and ecosystems, and educate the community about wildlife conservation and management. WildNet will service staff throughout the State.

The CHAIRMAN: The time for Government members' questions has now expired. I will hand over to Mr Welford.

Mr WELFORD: On that issue, the funding for the Community Nature Conservation program last year was something in excess of \$800,000; is that right?

Mr BOYLAND: CNC?

Mr WELFORD: Yes.

Mr BOYLAND: Yes, approximately.

Mr WELFORD: This year for WildNet, it is \$314,000, did you say?

Mr BOYLAND: No, \$300,000—that is actually just for the WildNet system. That does not include the funding that will be allocated to Community Nature Conservation.

Mr WELFORD: What other funding is allocated to Community Nature Conservation?

Mr BOYLAND: I cannot give you the exact figures here, but there are three staff, whose salaries would approximate in excess of \$120,000.

Mr WELFORD: So the three staff that you are talking about being redeployed—they were the Nature Search people, were they not?

Mr BOYLAND: WildNet is actually in a different section to Community Nature Conservation.

Mr WELFORD: So why did you refer to \$314,000 in respect of WildNet just before?

Mr BOYLAND: No, I referred to \$300,000; you mentioned \$314,000.

Mr WELFORD: Sorry, \$300,000.

Mr BOYLAND: WildNet actually is incorporated in the Threatened Species and Communities Unit which we were discussing. Community Nature Conservation is a slight variation. It is closely related to that area, but it is different from that area. It comprises our activities with Landcare and also our activities with the modification of Nature Search. Nature Search was a program that involved, and still does involve—

Mr WELFORD: I understand what it involves. So what has happened to Nature Search?

Mr BOYLAND: Nature Search has been modified and some of the temporary staff associated with that—their contracts have run out so they have not been renewed.

Mr WELFORD: They have gone. How many permanent staff were there on Nature Search?

Mr BOYLAND: There were three permanent staff and those three permanent staff are still employed.

Mr WELFORD: Going to what?

Mr BOYLAND: The coordinator will move into the Community Nature Conservation area and continue coordinating with the community volunteers of which there are in excess of 3,000 in south-east Queensland and about 250 at Townsville. There has been a little branch established up there between Townsville and Thuringowa Shire of about 250, 300 volunteers.

Mr WELFORD: The other two staff?

Mr BOYLAND: The other two staff are both scientists and they have been put into the Endangered Species Unit.

Mr WELFORD: What section does that unit come under?

Mr BOYLAND: What—the Endangered Species Unit?

Mr WELFORD: Yes.

Mr BOYLAND: That comes under the Conservation Strategy Branch.

Mr WELFORD: But which section of the Conservation Strategy Branch? What is the source of their funding? Is it part of the Community Nature Conservation allocation for operating and capital budget?

Mr BOYLAND: No.

Mr WELFORD: Where does it come from?

Mr BOYLAND: Most of their funding actually comes from research funds they attract from the Commonwealth—Nature Search.

Mr WELFORD: There is no new funding for the Endangered Species Unit other than Commonwealth funding; is that what you are saying?

Mr BOYLAND: No, the majority, I said—they attract in excess of \$1.7m, or they did last year, of funding for research. There is a core basis of a manager, three other staff that are actually funded from base funding within the department—consolidated revenue—and a small amount of their operational funds are attracted to that. But attached to that is also the new WildNet, which is a significant \$300,000 initiative.

Mr WELFORD: So in terms of dealing with the community Nature Search volunteers, we have gone from three permanent staff and three or four temporaries to one coordinator.

Mr BOYLAND: There were two temporaries.

Mr WELFORD: To one coordinator.

Mr BOYLAND: One coordinator, that is right.

Mr WELFORD: Let us go back to national park fees. How much do you anticipate it will cost to administer the collection of national parks fees.

Mr BOYLAND: In the first year, it is anticipated that the majority of funds obtained will be used in establishing the actual process—the advertising and that sort of thing. As you would appreciate, with a major initiative like that, there has to be considerable advertising to ensure that the community is well and truly aware of what they have to do, what's expected of them, where they can get the passes and that sort of thing.

Mr WELFORD: About \$1m.

Mr BOYLAND: In the first year, it is anticipated around that figure, but Bob Speirs, who is actually specialised in handling that project, would be in a far better situation to answer that.

Mr LITTLEPROUD: Do you want to ask a question of Bob?

Mr WELFORD: You have answered the question. You said it is about that. That will be enough for me. What protected areas are subject to these fees? It is not just national parks, is it? Are conservation parks, nature refuges and resource reserves involved?

Mr LITTLEPROUD: I understand that is the case.

Mr BOYLAND: Not nature refuges. The park pass applies to all tenured protected areas.

Mr WELFORD: All tenured protected areas—what are they?

Mr BOYLAND: By that we mean national parks, national parks (Aboriginal), national parks (Torres Strait Islanders) etc., conservation parks as well as resource reserves.

Mr WELFORD: So it is resource reserves, conservation parks, Aboriginal national parks—

Mr BOYLAND: Any of the ones where there is actual tenure associated.

Mr WELFORD: How much do you estimate that you will raise from Noosa National Park, for example?

Mr LITTLEPROUD: That's a bit of a ballpark figure. I was listening to Mr Boyland speaking a while ago and he was giving an estimation of 300,000 people in the last part of this year. Next year when it is implemented, at \$3 each that is almost \$900,000.

Mr WELFORD: How many extra staff are you allocating to collect these fees?

Mr LITTLEPROUD: I think that we have to be flexible in our management there, Mr Welford, and—

Mr WELFORD: Approximately?

Mr LITTLEPROUD: Let me finish answering the question, okay? You people aren't still worried about that Alexandria beach, are you?

Mr MACKENROTH: You're the ones who have to be worried about it; we are not.

Mr LITTLEPROUD: I think that we have to find out whether the people of Queensland, who are

exhibiting goodwill at the present time, go out and buy their passes on a yearly basis. We'll get a better understanding of the clientele going through—whether people are on their annual holiday and they will buy a monthly pass or whether a lot of people will buy a daily pass. That will determine just how we allocate our resources. But we will always be having in mind that we want to be efficient in the way that we implement the park pass system. The idea of having an entrance fee has been crossing the minds of people in this department under all sorts of Governments for a long time, but then you've got to go through the process of what's most cost efficient. In some instances, you could well establish a kiosk or an agency or an office right beside it; in other instances, it would be impossible and you have to go for the honesty factor, which already exists on the extensive national parks in Cape York Peninsula and out west where you have been. I think that we will take that into account and see what sort of a clientele is going and see what the collection rate is and we can accordingly allocate our funds so it is best used.

Mr WELFORD: Let us go for the honesty factor. The honesty factor says that no additional staff are being allocated to collect those funds.

Mr LITTLEPROUD: I have not said that.

Mr WELFORD: Are there extra or not?

Mr LITTLEPROUD: If it can be justified that the number of people going in there—

Mr WELFORD: Not "if"—how many extra staff are you allocating this financial year to collect the \$1.1m?

Mr LITTLEPROUD: May I remind you, Mr Welford, that these are the debates on the Estimates so there are no definites. I look back over the book here and I notice that some of the Budget Estimates from last year and the actuals from the previous Government are all over the place as well, so you are not going to be putting me down to something definite. I have given an answer that we are going to take into account the level of visitation and then we will allocate resources accordingly. It will vary from park to park across the State.

Mr WELFORD: Let me tell you what your Estimate is, Minister. In 1995-96, according to the Ministerial Program Statements, 439 rangers were in national parks. Your estimate for next year is 439 rangers in national parks. How many extra staff do you think you are allocating?

Mr LITTLEPROUD: There is none there, is there?

Mr WELFORD: Exactly.

Mr LITTLEPROUD: Let me finish.

Mr WELFORD: If I want to go for a bushwalk through Daisy Hill—

Mr LITTLEPROUD: Let me finish.

Mr WELFORD: Okay.

Mr LITTLEPROUD: You would also be aware that we are also looking at the possibility of outsourcing some of the provisional services on national parks, which would not go down as staff.

Mr WELFORD: You get them for nothing, do you?

Mr LITTLEPROUD: No, but they are not permanent staff.

Mr WELFORD: You have not budgeted for it.

Mr LITTLEPROUD: We will take that into account as we develop it.

Mr WELFORD: I want to go for a bushwalk through the Daisy Hill Conservation Park next weekend—not next weekend; after 1 March. Will I have to pay \$3?

Mr LITTLEPROUD: There would be an expectation that you would be an honest person, but you would be better off buying the yearly pass, Mr Welford, seeing that you like to go walking so much.

Mr WELFORD: What about a holidaying family who wants to go across from Cairns to Green Island; are they going to have to pay another \$3 on top of the fees they currently pay? Is that right?

Mr LITTLEPROUD: Part of Green Island is a national park and part of it is under a lease of a company—private enterprise people—and in that case you would find those sorts of operators will factor in the cost of the visit. So the person will not actually pay to get that pass. When they pay to go on to the island and use those facilities to stay there, they will do that. There is an expectation that it will be applied across the State. In some instances, there will be negotiations going on as to how it is applied with the commercial operator, be it a boat operator or a person operating the facility on the island itself.

Mr WELFORD: The Federal Government has put a 500 per cent hike on its reef tax for people going to those islands. Recently, you issued a press release and outlined what you called some basic details of park-user fees for national parks. You said that, while the fee will not apply to marine parks, there are some protected areas on islands such as Heron Island, Lady Musgrave Island, Fraser Island—of course, on which there is already a permit fee. Can you tell me how many parks in the Great Barrier Reef are going to be subject to your new \$3 entry fee?

Mr LITTLEPROUD: I will get the specific information from Mr Boyland.

Mr BOYLAND: Obviously, for any national park island you would have to pay your \$3 fee.

Mr WELFORD: Daydream Island?

Mr BOYLAND: It depends on whether you went off the actual resort area. You do not have to pay the \$3 if you are just going to visit the resort.

Mr WELFORD: So you had better not step outside the fence?

Mr BOYLAND: If you are going to go for a walk in the national park, one would expect that people would pay the cost.

Mr WELFORD: I wonder why people go to Daydream Island if they are not going to do that. What about Lindeman Island? The same?

Mr BOYLAND: The same answer.

Mr WELFORD: Can you point to any other national parks or islands where people are going to have to pay this additional \$3 entry fee to the national park? How many are there?

Mr BOYLAND: I could not answer that off the top of my head, honestly.

Mr WELFORD: Approximately.

Mr BOYLAND: How many island national parks?

Mr WELFORD: Yes, approximately.

Mr BOYLAND: I know there are 210 national parks throughout Queensland. I do not know how many of those are actual island national parks. If you want that—

Mr WELFORD: We will put it on notice, and list the islands, please. Minister, the end result is that, to go to island national parks in the Great Barrier Reef, you will be paying \$6 extra per person for the Federal Government's tax hike, \$3 extra per person for your tax hike and then you pay camping fees if you want to stay on the national park. That is about the end result of it, is it not?

Mr LITTLEPROUD: That is right and this has all come about because of the need for user pays—something that the previous Government—

Mr WELFORD: Never introduced.

Mr LITTLEPROUD: Did not apply.

Mr WELFORD: That is right.

Mr LITTLEPROUD: But you applied user pays. It was interesting that a previous Minister of your Government—the Minister for Conservation—has been quite supportive of the notion. The reality is that if you are a user of these things, there is an expectation these days that you pay. I would point out that I think we have been pretty considerate of those people who are tied up as commercial operators because we have given them a leeway until 1/1/98 so they can get a chance to go out there and factor this cost into the packages that they are selling and also to allow them to prepare their brochures that will show changes of entrance fees and conditions.

Mr WELFORD: What about parks where there is already a fee, such as a guided tour fee at Fort Lytton in the bayside suburbs, or at Mount Etna, St Helena and Chillagoe? People already pay to go into those places. So would you have to pay whatever that fee is plus the \$3 entree fee?

Mr LITTLEPROUD: I will ask Des to answer that.

Mr BOYLAND: You pay for the actual—not an entrance fee at this point in time; you actually pay for a guided tour. If the person elects to go in and has a guided tour then, obviously, they are going to have to pay for the guided tour as well as the entrance fee.

Mr WELFORD: Right. What about if I am a fisherman and I am crossing a national park to go to my local fishing hole out west; do I have to pay when I go through the national park? There are no exemptions, are there?

Mr BOYLAND: No exemptions.

Mr WELFORD: I refer you to page 83 of Budget Paper No. 2. It states that the \$18.4m to be raised over three years from these increases in park-user fees, camping and other user charges will go to five areas. Could you indicate to me how much will be allocated to each of those areas? Do you see those five areas there? Starting from the bottom, there is a top-up for the Coast Care program—

Mr BOYLAND: This is a question that we took on notice, I think.

Mr LITTLEPROUD: The director-general can help you out, if you like.

Mr WELFORD: So you will give me all of that on notice?

Mr LITTLEPROUD: We can give it to you now.

Mr TOLHURST: If we speak to the figure that we were referring to before of \$18.4m—that is made up of three figures over each of the next three years of \$2.629m and over two years, \$7.860m on each of those years, and within each of those years, that adds up to about \$18.349m.

Mr WELFORD: Sorry, \$2.629m in the first year?

Mr TOLHURST: In the first year; \$7.860m in the second year; \$7.860m in the third year and that comes to about \$18.349m, which figure is rounded off to \$18.4m. Within those figures in the first year, Queensland recreation area fees, \$901,000; NCA—Nature Conservation Act—fees, camping, commercial fees and so on, would be \$628,000; and the remainder is the park pass fee estimate of \$1.1m. I can give you the breakdown for the other two years if you wish.

Mr WELFORD: We can get that. You can just give me that later on notice. I wanted to know how much was going to these other areas. You see, there are five areas and only one of them is the management of national parks. I wanted to know how much of that \$18.4m over three years was going to these other things, such as documenting the conservation values of the Torres Strait.

Mr TOLHURST: Mr Boyland may wish to answer that but I must say it is qualified by the opening, which says it includes those five. That is not supposed to be an exhaustive listing.

Mr WELFORD: So there is even more than that?

Mr TOLHURST: There could be others.

Mr WELFORD: Are you able to add any figures to that at all at this point?

Mr BOYLAND: I cannot give you any definite figures. The only definite figure I can say—no, I will not even say that at this point in time.

Mr WELFORD: That is probably a good idea, Mr Boyland. Minister, last year your Premier made a commitment to spend an initial \$10m on managing Fraser Island over three years. You have increased the budget for Fraser Island by only \$1m this year. You are going to do a lot of work in the next couple of years, are you not?

Mr LITTLEPROUD: It looks like the Premier is going to give me some good news, Mr Welford.

Mr WELFORD: He has not given it to you this year, has he.

Mr LITTLEPROUD: No, but I think in my opening comments I alluded to the fact of the diabolical conditions that we inherited in framing this Budget and the general consensus around Queensland seems to be that the way the Budget was framed, taking all matters of the Government into consideration, we have done a pretty good job. Quite obviously, this department had to bear its share of the cuts.

The other thing I would say is that I have taken considerable time and energy to try to crank up some of the management things that have been proposed for a number of years on Fraser Island that were merely ideas that had not really become operational. We have appointed a manager up there. I mentioned earlier that the acting director-general and the regional directorate just met with the local councils up there. I think what needed to be put in place for a start were some definite plans of what we were going to do. The draft management plan is out there but certainly there is a need for money as well, yes. I highlighted that when I first made a visit to Fraser Island only a month or two after I became Minister.

Mr WELFORD: The Premier has a \$200m slush fund in his Co-ordinator-General's department. The other day, he said that some of that money will go towards reopening the airstrip at Orchid Beach. How much will you contribute to that?

Mr LITTLEPROUD: Discussions have been held about that, because—

Mr WELFORD: So your department will be contributing—

Mr LITTLEPROUD: Let me finish. I pointed out to the Premier that it would not be proper for the Department of Environment to be running aerodromes and airports when, in fact, I am desperately in need of all the funding that I have to do all the things that fall under my ambit. However, we have a responsibility to cover ourselves legally in case anything should happen on that airstrip because it is within the national park boundaries. The acting director-general might be able to add to that, but that was certainly part and parcel of the contribution I made to the debate with the Premier, knowing that he wants to do it. I pointed out that even though it is in a national park, it is not part of our normal duties, although we have concerns about the legalities of the use of the airstrip.

Mr TOLHURST: We are looking at that and having discussions internally with the Department of Premier and Cabinet, and Treasury. In addition, we are having detailed discussions—and I was involved with some of those earlier this week—with the mayor and senior officers of the Hervey Bay City Council as to how that will actually take place. However, the funding will be a special allocation to the department through the Premier's Department.

Mr WELFORD: The Premier will spend \$190m this year reopening the airstrip. It is allocated as \$190m.

Mr TOLHURST: I think the figure might be \$190,000 rather than \$190m.

Mr WELFORD: I am sorry; \$190,000.

Mr TOLHURST: That is an estimate at this stage and we are negotiating with the Hervey Bay City Council and resident groups as to the most cost-effective way of reopening it. The figure this year is certainly higher than the ongoing figure, because we have some initial capital costs to expend this year. The annual cost will not be that high.

Mr LITTLEPROUD: That is other departmental expenses.

Mr TOLHURST: That is right.

Mr WELFORD: Minister, do you support the establishment of an airstrip in the middle of a national park, at a cost of \$190,000 this year and, as I understand it, \$65,000 a year for the next couple of years at least?

Mr LITTLEPROUD: That is hardly pertinent to these Estimates, because none of the expenditure will come from my department.

Mr WELFORD: You are responsible for national parks; do you support the proposal or not?

Mr LITTLEPROUD: I have supported the notion, bearing in mind my responsibilities to ensure that I cover the legal liability that may accrue to this department should something happen on that airstrip. Over and above that, it is a matter for the Premier and Cabinet as a whole. In terms of this Estimates debate, I have been most responsible in pointing out what my responsibilities will be and the acting director-general has been in there making sure that our interests are looked after.

Mr WELFORD: You've rolled over on it, haven't you? You have been rolled.

Mr LITTLEPROUD: I find that comment rather offensive, actually. Would you like to have an airstrip there, would you?

Mr WELFORD: No way in the world! You are permitting it and you are not taking responsibility for it.

The CHAIRMAN: I address this question to a representative from the Wet Tropics Management Authority. In view of the comments by the Executive Director of the Wet Tropics Management Authority to the Minister concerning the proposed budget cuts in the Capital Works Program for 1996-97, can you tell the hearing of the intended ratio between the capital works expenditure and the staffing levels proposed for this year as opposed to previous years?

Mr DACEY: The capital works funds allocated to the authority for this year total \$308,000. That is made up of both State and Commonwealth funds which were carried over from the previous years. The majority of those funds will be used for the Barron Falls lookout, as mentioned previously, and also for the Mount Hypipimee lookout on the tablelands. No further capital works have been

allocated by either State or Commonwealth Government to the Wet Tropics for 1996-97.

In respect to your question on staffing levels, the staffing levels within the authority, as at 30 June 1996, totalled 39, including temporary and contract staff. As at today's date, the total staff numbers are 34 and, by the end of this financial year, they will be 30 with the cessation of some temporary employees whose terms of employment cease on 31 December.

Mr ROWELL: It has been stated that there will be established a Wet Tropics Rainforest Foundation. How much has been expended to date and on what items has the money been expended? I understand that a consultant has been appointed to assist. Under what terms and conditions has this consultant been retained, at what fee and who was the successful consultant?

Mr DACEY: In respect of the Wet Tropics Rainforest Foundation, it was legally established in the last financial year. In last year's budget, an amount of \$150,000 was transferred to the Wet Tropics rainforest bank account. The total approved amount being \$350,000, there is still \$200,000 outstanding to be paid. Of that, \$50,000 is intended to be paid from 1996-97 financial budget and the balance will be paid in future years.

In respect of the consultant, in the 1995-96 budget, a firm by the name of Everaldo Compton was employed at the cost of \$9,500 to undertake recruitment of an executive officer for the rainforest foundation. There was a previous consultancy engagement for the same firm in the year prior to that. I do not have that figure in front of me.

Mr ROWELL: Returning to endangered species and the Sugar Coast protection package, could the Minister elaborate on the situation that prevails at the present time in which he had to find the resources to fund a package for endangered species in north Queensland? I particularly refer to the mahogany glider. Could you give me a breakdown of what happened in the initial stages when you took over as Minister? What was required to fund that package?

Mr LITTLEPROUD: There was a program already in place, and I will leave it to Mr Boyland to tell exact amounts of money. It was put in place with joint funding from State and Federal Governments. The habitat that was crucial for the survival of the mahogany glider had been identified and the properties involved in that area were listed. Some of them were freehold properties and others were leasehold country, and that makes quite a difference in terms of the protection that goes on. Some properties were already acquired when I became the Minister and some were in a state of negotiation. Two in particular have caused me a fair bit of angst, because it was my preference to go out and negotiate with people, having regard to the fact that they were caught up with the need to preserve these animals yet they were innocent victims.

In the first instance, one property owner was quite willing to negotiate a settlement. Then I think that that person found that the taxation laws were going to impact pretty badly on her, in terms of

capital gains tax. Therefore, she changed her stance somewhat. She then proceeded to knock down some of the vegetation on her property and I had to use the Nature Conservation Act to put an interim conservation order on her land. The inherent danger was that it can only last for so long, and after that you have to acquire by compulsion, which I did not want to do, but the need was there to do it. I was worried that with one landowner being rather antagonistic to the level of settlement being offered, even though it was prepared to go to the Land Court, that other landowners would do the same thing. If they all went in at the same time and started the bulldozers, we would have been financially embarrassed because the amount of money promised was not necessarily there.

In fact, I am told there had been a bit of double counting on some of the budget figures that had been listed by the previous Government on this program. Since becoming the Minister, I have discussed this issue with Senator Hill. We both gave it a high priority. The Federal Government brought down its Budget first. Senator Hill informed me that the amount of funding he could give was limited and it would have to be expended over two years. Mr Rowell, you will notice in the Budget papers that we have allocated something like \$4.5m. As a matter of fact, that property acquisition I just talked about, I think, is finalised. But there is another one still waiting to be settled. In fact, some of my officers are going up to north Queensland early next week to talk to those parties and their legal representatives. I have still got some concerns about how much money we have in terms of going out and talking compensation with those people on leasehold land. Some of them have got the potential that they are going to lose.

Mr MITCHELL: As to conservation—can you tell us what the Government will be doing in 1996-97 to substantiate the real status of the vegetation communities in Queensland? Specifically, will the department be undertaking to identify vegetation communities across the State?

Mr LITTLEPROUD: I will refer that question to Mr Boyland. He is a botanist and is also with the tree-clearing group. He works with the DNR in that regard.

Mr BOYLAND: The tree-clearing guidelines that were introduced last year are a Statewide policy. The State Trees Group's lead agency is the Department of Natural Resources. The policy is still being refined. It is anticipated that the policy will come into play towards the end of this year. One of the major challenges was for the Department of Environment to substantiate its claims that certain species were either endangered or threatened. There was less than 10 per cent. To achieve that, we have made an allocation of \$250,000 in funding for this year to actually go out and map existing vegetation in critical areas, particularly of those communities which fall into the category of either threatened or of concern. A community of concern is one which has less than 30 per cent of its original extent still remaining. There will be a number of mapping teams employed. We will be working closely with DNR. We

will be assisting it to go through some of its satellite studies and its QVLUMP or SLATS studies being undertaken.

Mr MITCHELL: Regional DPI does the same sort of thing across the regions in relation to grass species and so on?

Mr BOYLAND: Yes, that is right. Dr Bill Burrows is actually working on the greenhouse effect, carbon sinks and so on. But, contrary to popular belief, we do work in close collaboration with our colleagues in Natural Resources and also with Primary Industries.

The CHAIRMAN: Minister, I would like to move on to talk about the Environmental Protection Act. There has been lots of publicity and consternation about it. What action has your department taken to ensure compliance with and enforcement of the Environmental Protection Act?

Mr LITTLEPROUD: It is an ongoing commitment, because the Environmental Protection Act was proclaimed in the life of the previous Government. On 1 March this year, the regulations pertaining to that with regard to licensing compliance were to be proclaimed. You may recall that this Government was sworn in in late February. At that particular time there was a belief by some people in industry that with a change of Government the licensing provisions might just disappear.

Mr WELFORD: You created that belief.

Mr LITTLEPROUD: That was not the case. It was always in our policy that we would have a review of the Environmental Protection Act. I was also contacted by the Local Government Association of Queensland because so many people at the last minute were coming forward to put in an application for a licence that the local government people were swamped. Because of the unhappiness with the way the fee structure was put together, the lack of consultation and also concerns with the councils and the role they would play in the devolution of this licensing provision, you will recall that I issued a moratorium until 30 June.

The ministerial advisory committee was formed comprising all of the stakeholders, with the exception of the people from the conservation movement, who refused to come on board. Other people met seven times. In that short couple of months, they came up with 102 recommendations. There is money allocated now in this budget to continue on with the licensing provision. In some cases, it takes quite a while to assess an application for a licence. Whether they be people in my department or people on the staff of local governments across Queensland, they are still in the process of going through those applications and assessing them. We are committed to bringing some amendments to the Environmental Protection Act that will in fact put into place some of the recommendations brought forward by the ministerial advisory committee. We have made a fair allocation of money there because there are ongoing costs associated with the implementation of it, both within our department and with respect to the sort of assistance we have promised to give local

authorities. Perhaps Dr Wilson might like to give us some more specifics with regard to actual funding.

Dr WILSON: One of the things that has happened is that the number of inspectors in our regional offices has increased in the last 12 months from 36 to 51. We have had actions commenced in the way of environmental protection orders. Our department has issued 12. As to environmental management programs—we have issued 24. There have been two audits, 12 investigations, two successful prosecutions and two other prosecutions have commenced.

Mr LITTLEPROUD: This is a pretty important part of the portfolio. Would you allow an extension of time so that Mr Wilson can expand on that?

The CHAIRMAN: If you do not mind, I think that would be appropriate.

Dr WILSON: In addition to those figures from the State Department of Environment, local government has also been involved in those sorts of enforcement actions. They have issued 13 environmental protection orders and 41 environmental management programs. One hundred and four audits have been requested and 24 investigations have commenced. They have had one successful prosecution, and at least one other prosecution had commenced. Is that sufficient at this stage?

The CHAIRMAN: Thank you. For the moment, that is fine.

Mr MITCHELL: Minister, what staffing is proposed in 1996-97 for the Environmental Program in regional offices? Can you give us a breakdown at this stage?

Dr WILSON: The total staff for the Environment Program is 152 in central office. The grand total is 284. So it is the difference between those two numbers. The break-up by regions is as follows: south-eastern, 67 permanent and 10 temporary; south-western region, 10 permanent and one temporary; central coast, 15 permanent and no temporaries; northern, 15 permanent and one temporary; and in far-northern, nine permanent and four temporaries. That was the position as at 30 June this year. The proposal over the next 12 months is to actually increase the numbers in the far-northern region by six, increase the numbers in northern region by seven, increase central coast region by five, and south-western region by two. South-eastern region is to remain the same, and the central office will actually decrease its number of staff by 20.

Mr MITCHELL: You are getting them out into the regional areas. That is very good.

The CHAIRMAN: We will now move back to questioning from non-Government members.

Mr WELFORD: Just to finish off before morning tea—could I have Mr Dacey from Wet Tropics back, please? Actually, I might direct this question to the Minister first. Just referring back to the Treasurer's comment about waste, duplication and inefficiency—what was the waste, duplication and inefficiency that justified your budget cut to the Wet Tropics Management Authority?

Mr LITTLEPROUD: I will answer that in my choice of words, Mr Welford. I think it would be appropriate to say that, if there have to be cuts in the overall budget of the department, they have to be shared. It was only natural, then, that there should be some cut to the budget of the Wet Tropics authority. Added to that were discussions I had with Senator Hill, the Federal Minister for the Environment, who indicated his budgetary problems. He was indicating to us that his contribution would have to be reduced, and because there is a sharing arrangement, obviously ours had to be reduced. But both of us had reason to believe that there were chances for savings in the administration of that authority. We had taken note of the comments coming from the people who live in and around the Wet Tropics area. There were certain levels of dissatisfaction, of tangible things that seemed to have been happening in the actions of the authority. As yet, we haven't had a ministerial council meeting—that comes up in November this year—so that we can meet with the board of the authority. But in the interim there is an expectation that the authority will become more efficient in its administration.

Mr WELFORD: Mr Dacey, you said before that the only money for capital works is money that is carried over from the previous year. Absolutely nothing has been allocated from the State Government for new capital works this financial year. What about recurrent expenditure? What was it last year and what has been the extent of the reduction this year in the State Government's contribution?

Mr DACEY: Recurrent funding provided by the State Government in 1995-96 and spent was \$2.868m, and the recurrent funding provided by the State Government for 1996-97 is \$1.492m.

Mr WELFORD: So the Federal Government have reduced theirs from 4 to 2.8. That is a 30 per cent cut. The State Government has actually cut you by 50 per cent; is that right?

Mr DACEY: I haven't got—

Mr WELFORD: 2.8 to 1.4.

Mr DACEY: I don't have the actual percentage figure. The percentage figure for the total cut, combining State and Commonwealth together, is 38 per cent. I haven't worked out the arithmetic on the individual cuts.

Mr WELFORD: It is pretty easy—2.8 to 1.4. It sounds like 50 per cent to me.

Mr LITTLEPROUD: I think we can give you some further clarification that will help you understand it. I will call on the acting director-general, because there are in-kind expenses coming forward from the State as well.

Mr TOLHURST: For some years under the previous Government and this Government there has been an agreement between the Commonwealth and the State where funding would be shared. In this year, the State funding matches precisely the Commonwealth funding for Wet Tropics. The State funding is made up of two parts. One is the cash part, and that has been referred to by Mr Dacey. As has occurred in previous years, there is an in-kind amount where through our own department we

spend money in the Wet Tropics area, and that has been regarded by the Commonwealth and State right from day one as being part of our contribution to the State half of the total Wet Tropics appropriation. So the cut in funds is exactly the same by both Governments.

Mr WELFORD: Mr Dacey, what are the areas of waste, duplication and inefficiency that the State Government has identified that you are going to cut as a result of these reduced funds available to you from the State Government? Where are you going to find the cuts?

Mr DACEY: I am currently going through the Wet Tropics budget because I have to put together a budget for consideration by the board of management before the end of October, and then for further consideration by ministerial council on 30 November. We are looking at spreading the cuts throughout the various programs within the authority. The proposals that I am intending to put forward are looking at the following quantum savings: 33 per cent savings in corporate services; 35 per cent savings in the Aboriginal program; 25 per cent savings in the policy planning and land management section; 54 per cent savings in the science and technology program; and 62 per cent savings in the community relations program. They are only proposals. They have not yet been considered by the board or ministerial council.

Mr WELFORD: Minister, when are you going to appoint a new chair to the Wet Tropics board?

Mr LITTLEPROUD: As soon as I can, Mr Welford. There have been discussions going on between myself and Senator Hill for quite some time. I can give you an update to say that we have been interviewing several people who we consider would fill the position of chairman well. Currently, it rests with the Federal Minister. He is waiting to make contact with his Prime Minister. The Prime Minister, you might know, is currently in Japan. But we had discussions as late as the end of last week, and I had the last of the interviews last week. It now rests with the Prime Minister making contact with his Minister federally.

Mr WELFORD: Mr Dacey, just finally to you—the Minister said that one of his concerns about the Wet Tropics authority is that it is upsetting a lot of people up in northern Queensland. His budget cuts, however, have just put you in the position of looking at a 62 per cent reduction in community relations expenditure. Given the funding that has been cut and what you are left with, do you believe you have sufficient funding to staff and discharge the responsibilities that the Wet Tropics Management Authority has under its legislation?

Mr DACEY: Yes, I do.

Mr WELFORD: Despite all the cuts, you are saying the Wet Tropics Management Authority will be able to do all the things it needs to do to fulfil the charter that it was filling before.

Mr DACEY: The Wet Tropics Management Authority will be able to meet all its legal obligations under the legislation with the current funding proposed for 1996-97.

Mr WELFORD: What won't you be doing in 1996-97 that you were doing before?

Mr DACEY: We will be doing the same activities. Take the science and technology program. Three years ago, we started a whole range of scientific research projects. A lot of those have ceased or are about to cease in this current financial year, so we will not be re-funding those projects. They have come to their natural end. From time to time, we employ temporary staff and contract staff to do specific jobs. As those contracts are completed or as the period of temporary employment ceases, we do not renew those contracts or renew those temporary employments. They are the sorts of areas that will be taking the cuts.

Mr WELFORD: Thanks very much.

The CHAIRMAN: At this point in time it will be appropriate to suspend the hearing for morning tea.

Sitting suspended from 10.47 to 11.05 a.m.

Mr WELFORD: Mr Tolhurst, in relation to the figures you gave earlier, you said that, of the \$18.4m in the first year, \$901,000 would come from the Recreation Areas Management Fund new fees; is that right?

Mr TOLHURST: That is correct—\$901,000 the first year and \$1,872,000 in each of the two other years.

Mr WELFORD: That is on the basis that the increased or new fees will be introduced when?

Mr TOLHURST: Later in this calendar year.

Mr WELFORD: That means that if someone goes to Fraser Island or Green Island, they are going to pay to get on the island, because they are recreation management areas. Then if they go up the island to a national park, they will pay to get into the national park—the extra \$3 national park levy. And if they want to camp there, they will pay the increased camping fees; is that right?

Mr TOLHURST: That is correct, but there are different charges for different reasons.

Mr WELFORD: If you go to Fraser Island, you will pay all of those charges if you go to the national park, will you not?

Mr TOLHURST: It would depend on whether or not you wanted to camp. You do not have to pay the charges. It is a matter of people paying for things that they are using.

Mr WELFORD: They do not have to pay if they stay at home.

Mr TOLHURST: One would hope not.

Mr WELFORD: That is about what it is, is it not, Minister? These new taxes are stay-at-home taxes, are they not?

Mr LITTLEPROUD: I do not think you have read the mood of the people of Queensland well enough. The departmental officers have assured me that there is a good mood out there with regard to this idea of user pays. In the last two days, I have been in central Queensland and north Queensland, where I have had access to people. They have advertised this and asked stakeholders about it, and there was no criticism whatsoever.

Mr WELFORD: With regard to the arrangements for benchmarking rangers' salaries, I understand that some sort of job evaluation study was done and the rangers' salaries are to be benchmarked, based on equivalent jobs elsewhere. How much have you allocated, and where can you point to in the budget that funding has been allocated for the benchmarking of rangers' salaries?

Mr TOLHURST: That project has been going on for some considerable time—the benchmarking of rangers—in accordance with the resolutions of the Industrial Relations Commission. It has been a joint exercise between management and the rangers with union involvement. In accordance with what has occurred every year for the last 25 years that I am aware of, appropriations not made in the Appropriation Bill (No. 2) for likely Industrial Relations Commission determined payments during that financial year are always taken up as unforeseen expenditure. We foreshadowed those in our budget deliberations when we were having discussions with Treasury officers.

Mr WELFORD: And they did not give them to you?

Mr TOLHURST: We would not expect them to give them to us, for the simple reason that no-one knew what the figure would be. We still have not calculated that figure. We intend to do that over the next six to eight weeks and will be keeping Treasury informed. But as with all State Budgets around the Commonwealth, there is always some unforeseen expenditure. The Budget Estimates just do not take those into account in any year in departmental Estimates. I think you will find that, in other parts of the Budget papers, one part of the Appropriation statement is for the Treasurer's Advance Account and other matters which take into account those things not appropriated to particular departments.

Mr WELFORD: I move now to the other tax, the tax on tyres and oil. Minister, I refer you to the Budget Speech of Mrs Sheldon. It says that the money raised from this will be reinvested in encouraging sustainable collection, recycling and waste disposal options for tyres and oil, assistance for cleaner production, a waste management strategy and environmental protection policies. A number of these activities were in place in the department before this franchise fee or tax was raised in your current budget. So how much have those programs or initiatives been cut to require this revenue to fill the gap?

Mr LITTLEPROUD: I think that there is a need, and surely you would concede that there is a need for an enhancement of many of those programs. I was aware, when I became the Minister, that local governments across Queensland had been asking for quite some time for a Statewide integrated waste management policy so that they knew exactly where they stood. They were also calling out for some action from the State Government to coordinate regional agreements for solid landfills. It was well recognised that two of the biggest concerns we have in waste management are oil and tyres. So, following also along the general thrust of user pays, one of the initiatives was to become self-funding in

those sorts of areas within the department. We are going to enhance the program that is already there. Dr Wilson might like to expand on that in some of the specifics.

Dr WILSON: I might pass that on to David Miles who is the Director of the Waste Management Branch.

Mr MILES: To pick up the four points that you have asked—the rebates is a new program, of course; that was not in place at all last year. The National Assistance Scheme For Cleaner Production—there has not been a National Assistance Scheme For Cleaner Production previously; there have been other packages but not specifically for cleaner production. The Waste Management Strategy—yes, people have been working on the strategy and, in fact, still are. Some of those people were funded from a previous new initiative, which ceased in the mid-year review of last year. Those staff will be funded by the income raised from the franchise fee. Developing our protection policies relating to waste—yes, staff are currently doing that. It is a rather large program and assistance to that program will come from this scheme.

Mr WELFORD: How much is going to be raised from the tyre and oil tax over the next 12 months?

Mr MILES: The expectation is that there will be \$8m raised as a result of the franchise fee scheme.

Mr WELFORD: What is the increase for the Environment Program budget over the next 12 months?

Dr WILSON: The budget rises from \$29 to \$34m in round terms.

Mr WELFORD: So in the very first year, \$8m is going to be collected from tyres and oil and only less than \$5m is going to go into your Environment Program; is that right?

Dr WILSON: There are a number of new initiatives which are terminating this year. In particular the rebate system for local government is expected to drop from somewhere in excess of \$4m to \$3m, so \$1m of the decrease is in that rebate. There are other new initiatives that are also terminating relating to some specific water monitoring and air monitoring programs, which are also terminating, so there are a number of new initiatives which were expected to terminate which are terminating.

Mr WELFORD: I refer you to those items that Mr Miles was just acknowledging that are set out on page 15 of the Ministerial Program Statements. Can you tell me how much you plan to allocate into each of the four items—five items, I think—listed there? The additional one is the land characterisation study. This is page 15 of the Ministerial Program Statements. How much will be allocated to waste management, for example?

Mr MILES: At this point in time, with the approval to go ahead with that scheme being reasonably late in the piece, the full budget has not been determined in regard to all of the individual activities that will take place within the Waste Program. I am unable to answer your question.

Mr WELFORD: What was the cost of it last year?

Mr MILES: For the strategy?

Mr WELFORD: Yes.

Mr MILES: I don't believe I have that with me, Mr Welford.

Mr WELFORD: What is your operational budget for it this year?

Mr MILES: As I have just said to you, we have not yet determined that, because the allocations of those funds have only just been recently made. The detail funding for each of the activities that take place within that Waste Program have not yet been done.

Mr WELFORD: How much do you expect the rebates for the industry on recycling treatment and disposal options for tyres and oil will cost?

Mr MILES: We are looking for \$2m to go directly back to the industry for those measures that will help to establish a viable collection, recovery, reprocessing and treatment industry for those materials so that they don't end up being either irresponsibly dumped or just the cheap option being taken, which doesn't help to recover that valuable resource.

Mr WELFORD: How did you set upon this idea of a 10c per litre levy or, in the case of car tyres—

Mr LITTLEPROUD: Varying rates.

Mr WELFORD: —\$3 a car tyre? Yes, there are varying rates for car tyres: up to \$30 for earthmoving equipment, \$4.50 for a four-wheel drive per tyre. How did you settle on those figures? They seem arbitrary to me.

Mr LITTLEPROUD: You take into consideration the amount of oil that's sold in Queensland in a year and, in the case of tyres, how many tyres there are. You take into consideration what you think may be a fair franchise to put on those products. Obviously, you do some calculations in terms of what could be needed to responsibly fund our Waste Management Program and you make your necessary estimations. There could well be some adjustments down the track, but to the best of our knowledge now, making the calculations from the information that we have at hand coming from the Waste Management Branch, those are the things that we have worked upon.

Mr WELFORD: Did you consult industry before settling upon these fees?

Mr LITTLEPROUD: I didn't, because it was a budgetary matter and I do not think it is commonly done to go out before the Budget papers are developed and talk to people in industry when you are talking about raising new fees or franchises. What the Treasury people did, I don't know.

Mr WELFORD: What sort of cost analysis did you undertake? If you did not consult industry about how many tyres were sold, what sort of cost analysis did you undertake to assess how many tyres were sold and how many litres of oil are used and what impact that would have on urban or rural areas? Did you make any assessment of that at all?

Mr LITTLEPROUD: I think you would find that, within the Waste Management Branch, there have been discussions with regard to the environmental problems that are associated with both those products. I know that the department had discussions ongoing for quite some time with the Australian Tyre Manufacturers Association. I am sure that, within the Waste Management Branch, they are also aware of what sort of volumes of oil are used. Mr Miles might like to add to that.

Mr MILES: Yes, we did have discussions at branch level for some time with both the oil and tyre industry. The data that we have used has come from the Australian Institute of Petroleum in regards to oil and directly from the tyre industry themselves as regards the numbers of tyres that are likely to be scrapped per year and also the number of tyres that are purchased per year.

Mr WELFORD: Do you have the support of the industry to impose this new tax on the purchase of tyres?

Mr LITTLEPROUD: When you say "industry", which industry are you talking about?

Mr WELFORD: The tyre industry, for example.

Mr LITTLEPROUD: The Tyre Manufacturers Association of Australia has expressed opposition. There have been indications coming from the tyre distributors across the State that they would see this as being preferable to a system that was being organised by the tyre manufacturers. In terms of industry bodies since then—I have had discussions with all the major rural industry people across Queensland, because they were wanting some clarification on making sure that they were relevant to it. We are still carrying on negotiations now with the tyre manufacturers and I would hope that they are taking some sort of notice of the tyre distributors across the State.

Mr WELFORD: Minister, only about \$2m is going to go into rebates for the industry, that is, oil and tyres, out of the \$8m that you are going to raise in the first year. Why did you mislead people by putting out media statements that claimed that it was going to target tyre and oil waste when, clearly, only 25 per cent at most of the money being raised is going into that?

Mr LITTLEPROUD: You have a flaw in your argument there because you should be aware that there are already some sort of collection and treatment processes going on across the State but they do not cover the State nearly as widely as they should. I think the thing that is preventing that from happening is that there is not a proper collection process right across the State; it is very patchy. We have to take into consideration what might have to be done to in fact make that more effective across the State. We also have to make sure—at the same time as that goes on—that the people out there who can reconstitute oil and shred tyres and reuse them also have the capacity to match up with what we collect. I think good management from the Waste Management Branch would indicate that they have got all of those things taken into consideration.

Mr WELFORD: You want it to be effective but you did not consult industry about how you would impose this levy, the amount of the levy, or anything else.

Mr LITTLEPROUD: It is normal.

Mr WELFORD: You have dumped negotiations with them. In the past, you were negotiating with them. Gradually, a national program was being established, yet you have lumped this on them without any notice whatsoever.

Mr LITTLEPROUD: It is normal when you are developing new Acts that you go out and consult the stakeholders and industry people. I think in terms of putting a budget together, there is a certain amount of secrecy that has to be involved, for obvious reasons, and in this case I am sure that the answer given by Mr Miles was pretty right. The waste management section had an ongoing gathering of information from the various people with regard to these two franchise fees. That was being gathered. There was an understanding on both sides that they posed problems for us environmentally. Those industries, to some degree, recognised that there was a responsibility for them, as the generators of it—that they have to play a role in it. But when it came down to the sharp end where the Treasurer was putting together a Budget, obviously, that had to be done without direct consultation with them.

Mr WELFORD: When they expressed outrage, you called them in and had a meeting. But even then you could not explain how you were going to implement the levy.

Mr LITTLEPROUD: I would not accept that as a proper description of the discussions we had.

Mr WELFORD: That is their description.

Mr LITTLEPROUD: They might have put their version to it, but it is interesting that since we had that meeting there have been further discussions with some of the officers of the department with regard to the implementation of this franchise fee. If you are talking then about some of the people out there in the rural industries—I have talked to them on the phone; some more of them are coming in—I have gone out of my way, through the media, to try to convince them that I am going to ensure that there is relevance in this for those people who feel that they are away from the present areas where collection and disposal is operational.

Mr WELFORD: One of the concerns is that it is not just targeting the disposal end of tyres—or oil, for that matter—and that, in effect, the tyre industry is going to be slugged twice, that out of their industry they are going to have to find \$3 per tyre for you and your Government's tax and then pay again when they dispose of tyres at council tips.

Mr LITTLEPROUD: No, not necessarily so. The tyre industry will not be paying at the disposal end.

Mr WELFORD: They have to now.

Mr LITTLEPROUD: That is generally the distributors who are paying that, the manufacturers—

Mr WELFORD: Well, the industry.

Mr LITTLEPROUD: That is one of the things that they are finding wrong with the present system, I think you would find.

Mr WELFORD: Industry is paying that at the moment—the cost of disposing of tyres into landfill.

Mr LITTLEPROUD: That is passed on to the community as a whole. You have to understand that my responsibility is to the environment across Queensland, and when you start talking about raising revenue for the environment on a Statewide basis you cannot have exemptions and you cannot have some people in and some people out. It is not an easy thing to legislate Statewide. I think the departmental people in the branch have done some good research and targeted those things that are causing real problems at the present time, bearing in mind that you have got lots of councils now into waste separation of the solid waste, recycling and all of those sorts of things. So there has been good work done in previous years on that end and now we are getting into some of the other ones that are of major concern and we are targeting them. I think that has been pretty responsible work, actually.

The CHAIRMAN: Thank you, Minister, and thank you, Mr Welford. I now ask Mr Rowell to continue the Government's line of questioning.

Mr ROWELL: Thank you, Madam Chair. In relation to the Environmental Protection Act, how is the franchise fee system going to benefit industry and the environment?

Mr LITTLEPROUD: I have been talking in general terms. I think it would be a good chance now for Mr Miles or Dr Wilson to go into more detail, because Mr Welford was asking something along the same lines.

Mr MILES: I was going to say I will answer it without any reference; I will just do it myself. The question was: how is the franchise fee going to benefit industry and the environment? The need within the industry at the moment is that there needs to be perhaps a central management of the framework by which any party to the tyre and oil industry can have a certainty in themselves that their waste will be responsibly dealt with. The franchise fee scheme will ensure that those adequate resources are available in order that management framework can be put in place.

The franchise system will create recycling opportunities also for industry through the provision of private sector rebates and other assistance together with funding to implement the Queensland waste management strategy, which talks about a whole host of different strategies to assist the private sector deal with their waste. The rebates that are planned to be offered to industry under the environmental franchise scheme will help fund the collection, the recycling and the reprocessing of used oil and tyres. Therefore, once it becomes a waste, it will fall into the scheme. Recycling techniques which result in the recovery of a valuable resource will receive a higher level of rebate than waste disposal options. The idea there, of course, is to promote the idea of the waste hierarchy, so the more that you would recover, the more inherent the

value of the material. Hopefully, the scheme will provide you with a better return. The rebates also encourage the development of new recycling industries and existing recyclers will receive a substantial increase in financial support.

As well as rebates, industry will benefit from the programs being established to support the Government's commitment to continuous improvement in waste management in Queensland. Programs under which industry would be the primary beneficiary could include, for example, grants or interest-free loans to support cutting-edge environment technology and the establishment of information clearing houses on cleaner production methods.

If we look at using the franchise system in conjunction with the waste tracking system, then industry will have more assurance that declared waste will not just be lost to the environment—maybe into a creek or a drain—and that the franchise scheme will encourage the development of a viable reprocessing and recycling sector in Queensland.

Mr LITTLEPROUD: I will just add to that. Everyone would be aware of the angst that the people of Gurulmundi had when they had to build the secure landfill out there. It is always going to be difficult to find new sites for those sorts of things. At the same time, Mr Miles was talking about new technology coming on board that may in fact make those sorts of things obsolete. If we put this waste tracking system in place across the state, there is a surety there that we may be able to keep to a minimum the sorts of facilities that are needed to handle the harder end of the waste management stream.

The CHAIRMAN: Minister, a lot of emphasis is now being put onto the environment in terms of development projects. Could you outline the role of the Department of Environment in assessing development projects?

Mr LITTLEPROUD: Very often we are called upon by the lead agency to give our advice, but I will ask Dr Wilson to go through the steps in detail for the benefit of the Committee.

Dr WILSON: The Department of Environment has a number of roles in the impact assessment process. We can be an advisory body if there is an investigation such as an impact assessment being conducted by another agency. We can be asked to become the responsible authority if a particular agency feels that it does not have the expertise to run an impact assessment process itself. The third area that we can become involved in is as a reviewing agency, and we actually review the final environmental impact statement that is presented to the Government by the proponent of a development.

Our department has a delegation under section 29 of the State Development and Public Works Organization Act. To implement that delegation, there is a planning and assessment section set up in the department. The function that that branch has is somewhat similar to that of an environment protection authority in most other States. The

department also responds to impact assessment processes that are overseen by local government under the Local Government (Planning and Environment) Act. The DOE also has a decision-making role in relation to approvals, permits and licences in its own right under the Environmental Protection Act and other Acts that the department administers. Other approvals might be such things as dredging and canal developments under the Canals Act, permits and investigations affecting matters of a cultural heritage nature, and investigations involving the manipulating of native fauna under the Nature Conservation Act. Some of these Acts come into play at the investigation stage as well, when we are leading up to the planning decisions for a major resort or other tourist-type development. Others of these developments come in later in the process when they are actually constructed and they become the works or operational controls of the activity.

The department has been involved in virtually all the major projects in Queensland in recent times, ranging from infrastructure-type projects providing water and electricity to areas, through to mining developments and road and transport activities. Of course, we have been involved very closely in a lot of the coastal resort and urban development proposals throughout Queensland. The resources involved in major projects in the State rely on a team in central office supported by people in other branches of central office and all our regional staff can be called upon for their expert knowledge.

Mr MITCHELL: Minister, or perhaps Dr Wilson again, can you give us give some idea of the revenue that has come from environmental licences and where it has been spent?

Dr WILSON: The annual licence fees and application fees are set down in the Environmental Protection Interim Regulation. They were based on full cost recovery for the administering authorities and the fees range individually from \$300 up to \$20,540. However, the EP regulation does allow for fee waivers. In many cases, the fee waiver has been implemented and has resulted in lower fees being paid by the individuals. The total amount of revenue that was collected by our department in the previous financial year came to \$3,998,000. Some further revenue was generated by the Department of Mines and Energy. No revenue was generated by local governments from their licensing activities as they were fully subsidised by the State Government last year. Therefore, the revenue we collected of \$3.9m was effectively spent on subsidising the smaller business end of the industries which were licensed by local government.

The funds were largely expended on the salaries of officers appointed to the 36 inspector positions and the 51 environmental officer positions in the five regions. There has been significant growth in these regional offices to implement the licensing program. Approximately one-quarter of these positions were not filled by permanent appointees and there were a number of vacancies in the regions, but some of those were filled on a temporary basis by officers on secondment or by contract officers. A number of positions in the central office were also

directly associated with licensing activities, such as maintaining databases and providing legal and technical advice to the licensing operations in the regions. They are also being funded from those licence fees.

The fees for environmentally relevant activities that are devolved to local government range from \$300 to \$650. They have commenced to be collected by local government authorities as of 1 July this year. They are able to set their own fees to any amount up to that as a maximum, and many of the local authorities have set their own fees considerably lower than the schedule fees because they believe that they have means of gaining efficiencies as their environmental health officers are also inspecting the same premises for health or other regulatory functions. Therefore, they are able to economise, and that is one of the benefits of devolution.

Mr ROWELL: Minister, we have certainly gone over the area of local authorities, and there are a large number throughout the State. Why are the fees under the Environmental Protection Act different in some local government areas?

Mr LITTLEPROUD: It was pretty obvious to me, as Minister, and to people like yourself who also represent the people of Queensland, that in times of economic hardship small business especially was finding it pretty tough. The drift of people from rural Queensland, which has been going on for a long time at varying speeds, has alarmed local authorities. I know that lots of them go out of their way to in fact try to keep business in town because it creates a cash flow, it becomes the centre of the community, and it maintains some sort of quality of life. People were approaching me and pointing out that the level of fees was a detriment to businesses staying open, especially those with a small cash flow. They sought and were given the chance to use their own common sense—bearing in mind their responsibilities under the Act, because they have a responsibility to ensure that they comply with it—to then shape the sorts of fees that they wanted to suit their own budget, to ensure that they could carry out their responsibilities under the Act and yet give as much consideration as they could to the businesses of their local authority areas.

One of the recommendations which came from the ministerial advisory committee was that we should introduce what they call "conditional approvals", whereby small businesses which are seen to present no environmental threat, or potentially no threat, should be relieved of the annual licensing fee. That was really welcomed by people in small business and is still to be passed in amendments to the Act. As late as Wednesday I had discussions with local authorities in the Townsville area about this, because most of the small businesses are in fact licensed by the councils under the devolution of power. They need to discuss this matter further with us because, if someone is given a conditional approval, there is still a need to have some sort of scrutiny of them to ensure that they are complying. That is still being developed.

There was a need to have some sort of variability in the way the fees were applied. We saw the need for it and we have made it possible. I think there is a good relationship between our departmental people in the various regions and the local authorities. You are right, Mr Rowell: there is more work to be done. In fact, another one of the recommendations coming out of the MAC—the ministerial advisory committee—was that perhaps our department should change its role now from one of enforcement to one of extension, in that we should give more information to the local authorities on how best they can apply the Act and organise themselves in terms of setting fees to make sure that they gather enough to cover the expenses of administering it.

The CHAIRMAN: I would like to ask about environmental protection policies. In the development of these policies, what consultation took place?

Mr LITTLEPROUD: I will speak generally about the issue to start with. There is a piece of legislation in place that determines the exact process. A two-stage process of public consultation has to take place. We are governed by that.

Dr WILSON: There are presently five environmental protection policies under way—water, air, noise, waste management, and mining and petroleum industries environment protection policies. These are subordinate legislation. The Environmental Protection Act dictates that there must be two rounds of public consultation. The first round deals with the proposal to develop the EPP. The second round allows public comment on the draft policy before it is approved by the Government. In each round a minimum of 14 days is provided for submissions from the public and any other interested parties. The submissions are then assessed.

In most cases when we have gone out to the public we have received around 200 to 300 submissions, and assessing them can take quite a while. They are then developed into either the draft policy in the first instance or, after the final consultation, into a final policy. The Office of Parliamentary Counsel becomes involved by legally drafting these documents as subordinate legislation. The formal consultation has assisted industry and the community to understand the issues involved, and certainly it has benefited the department in raising views on particular issues. It can be a relatively slow process and can cost well in excess of \$200,000 for the consultation program for a single EPP. Some of them have taken quite a while and quite a lot of resources.

At the moment, the one nearest completion is the environment protection policy for water. It had its first consultation back in November 1993 through to January 1994. The second round was in March 1995 through to April 1995. There was subsequent consultation earlier this year on the regulatory impact statement for that water EPP. We believe that it is pretty well as good as we are going to get it. We hope to have it ready for its final approval in the near future. The air policy is following fairly closely behind that one at the moment. As the Minister said earlier, we would hope to have the noise policy out also by

the end of this year. The others—waste, and mining and petroleum industries—are both expected to be in their final form early next year. In many cases, in developing the policies we have involved a group of key stakeholders. They have participated in extra informal consultation as well as the consultation in the more formal sense. So we are benefiting quite a lot from the consultation process in the development of those EPPs.

Mr MITCHELL: Minister, this Government is preparing waste management legislation. Will this legislation include any means to reduce the impact of packaging waste, landfills and littering?

Mr LITTLEPROUD: Yes. As to the process—you have the EPA at the top and then subordinate legislation developed underneath it. We are currently in the process of developing the environmental protection policy on waste. I am informed that it should be ready by about March next year. It will give the directions to the people who have to handle regulated waste, in particular the local authorities. In conjunction with the development of this, we are also now negotiating with the local authorities, either individually or on a regional basis, across Queensland to better manage the whole waste system. Mr Miles might like to expand on that with regard to the sorts of things we are encouraging, bearing in mind that there is a place there for the private sector as well.

Mr MILES: The new legislation that is being proposed in regard to waste will look at packaging as an issue as well as looking at many other aspects of waste. The environment protection policy is progressing, as was mentioned before by Dr Wilson. That is now getting to a point at which firmer ideas are becoming available which will form that first draft to go back to public consultation. One of the things it will look at, of course, is waste avoidance. Waste reduction is a primary element of that. That reflects the hierarchy. That hierarchy, by the way, just about underpins everything that we try to do; in other words, if you can avoid it, then you do so.

Also, the Litter Act is being reviewed as part of the development of the new legislation. The Litter Act will become part of the new waste legislation as a result of this change. That litter regulation will bring about changes to the existing structure to increase penalties and make it generally more difficult for people to litter. Also, in respect of waste regulation and the EPP, nationally there are several industry waste reduction agreements already in place. It is proposed that similar agreements be established in Queensland should there be a need to do something separately to what will happen at the national level.

The other areas that we have looked at within the legislation are things such as cleaner production. There are benefits to all parties from cleaner production. If some incentives can be given for that to be introduced by industry, then we will take that opportunity. The other thing is looking at life cycle analysis. Perhaps there should be an ability at times to ensure that, if people are putting a product into the market, they should look at its total impact from beginning to end.

Mr ROWELL: It is quite important that the cost of administration by the local authorities is considered. What support is provided to local government in its administering of the activities devolved under the Environmental Protection Act?

Mr LITTLEPROUD: That question is pretty extensive. Dr Wilson can expand on that. It has been one of the things that we have had to spend money on and will continue to spend money on. Dr Wilson can give the details.

Dr WILSON: During 1995-96, the department paid the third instalment of a \$1.5m grant to local governments across the State to assist them in introducing this new administrative system for licensing under the Environmental Protection Act. The distribution of these funds has been negotiated with the Local Government Association of Queensland, and a formula that everyone agreed was equitable was developed and the funds were duly granted. The final payments were allocated on the basis of the number of licences expected to be issued by the local governments. By the time the funds were granted, we had a pretty fair idea of how many there were going to be. The grants amounted to approximately \$50 per licence. In addition to that, they also received the \$500 licence rebate, or \$200 rebate for any approvals that the local government granted for the actual operational aspects of handling the licence.

Previously to last year, those grants were allocated on slightly different bases. In the first year, we divided all local governments up into 10 groups and then allocated a range of fees just on their population bases, because we had no real measure of how many environmentally relevant activities they had. In the second year, there was a bit of a cross between the two. The other assistance to local government in 1995-96 included the establishment of 10 devolution working groups, which were a forum for representatives from local government to discuss with our departmental officers problems they were having with the Act and its interpretation, and to get feedback from those people who were at the coalface back to the department so that we could work on any amendments to the regulations or any advisory material needed. We provided over 900 days of training to local government officers. That covered issues such as enforcement, noise, air and water monitoring and also assessment and licensing activities.

We extended the fee rebate until the end of the moratorium. That was at a cost to the State Government of an additional \$525,000. We also provided some special assistance to the Aboriginal and Torres Strait Islander councils, and included in that an officer was made available for several weeks from central office and was supported by regional officers to assist with licensing of ERAs in the Aboriginal communities and Torres Strait Island communities. All of those assistance measures were built on the previous support of environmental monitoring, equipment purchase subsidies and technical training that had gone on for a number of years before the Act actually commenced. We have

done a lot and put it all in a six-volume support kit for local governments.

The CHAIRMAN: Thanks, Dr Wilson. The time for Government questions has now expired for the time being. We will move back to Mr Welford.

Mr WELFORD: Could I just check something with Mr Miles again? Of those items on page 15 of the Program Statements to which the new tyre and oil taxes are going to be applied, are all of those within the Waste Management subprogram?

Mr LITTLEPROUD: It is halfway down the page you are talking about?

Mr WELFORD: Yes, page 15.

Mr MILES: In looking at that list, many components of the waste management strategy are in environmental protection, and some of the moneys that come from the franchise fee will be expended by parties outside the Waste Management Branch in implementing that strategy. The EPP development is essentially within the Waste Management Branch framework.

Mr WELFORD: How much do you expect to get out of that? How much does your Waste Management subprogram expect to secure? I know that all the money is going to consolidated revenue, but how much are you hoping to get back to your section from that money?

Mr MILES: The \$8m is all coming back into the Environment Program. Of that \$8m, the current allocations internally would be that around \$3.5m would be going to the Environment Protection Program under the Environment Protection Act as a broader expenditure, and the remainder, which would amount to \$4.5m, would come into the Waste Management Branch. As I indicated to you before, \$2m of that would be for the rebate program.

Mr WELFORD: So of the \$4.5m coming back to the Waste Management Branch, if \$2m goes to the rebate program, does that include administrative costs of that rebate program?

Mr MILES: No, that is at this stage being built into the \$2.5m.

Mr WELFORD: So that means \$2m is coming back to the Waste Management subprogram, and your subprogram gets about \$1.9m of that in additional funding this year?

Mr MILES: I am not clear on your question, Mr Welford. The waste branch from the franchise fee system will receive \$4.5m. There are some other moneys that come from previous base fundings which will continue, and of course there are some funds that come into the branch which are directed solely towards contaminated land activities.

Mr WELFORD: What I am getting at is: how much of the new taxes has to be applied to your division to maintain its funding? How much was your division cut back before these new taxes were used to top it up?

Mr MILES: The real cutback, if you like, was suffered at the mid-year review of the previous Government, when something in the order of \$1.9m was removed from the waste management budget.

That left us with considerable difficulties to meet programs at that time plus staff payments. The system that is now in place will provide for those programs to continue and to be built on in the light of those programs explained in the documents in front of you.

Mr WELFORD: Minister, with respect to the tyre and oil levies, what is the comparative impact on rural areas compared to urban areas?

Mr LITTLEPROUD: That would vary according to what sort of collection and disposal practices are in place across the State. Currently across the Darling Downs you would find that there is a private operator out there who is already pretty well organised in collecting waste oil. With regard to waste tyres—I am not quite sure what the collection rate is across the State. It would obviously vary. I do know—and I think I mentioned this before in answer to one of the questions from the Government members—that there is going to be a need for us to make sure we match up the capacity to recycle tyres with the capacity to collect them. That is all going to be part of the strategy worked up by the Waste Management Branch. Mr Miles might add to that, what we know about the impact across the rural area.

Mr MILES: Obviously, the impact of any changed circumstance will affect different people in different ways. The way in which that will be addressed also will end up in some people feeling the benefits earlier than others. It may well be that as the franchise fee scheme is used to establish the network for the responsible collection of these materials, that network will spread from perhaps the more populous centres out to the less populous ones. Therefore, the expectation is that it will take two to three years for the total program to be in place, where the full benefits to all generators of waste will receive that benefit.

Mr WELFORD: What is the cost of administering this? What are the administrative costs of the department and the industry in administering this tax?

Mr MILES: At this point in time, as I indicated before, it is early days for us to finalise our internal budgetary program. But we would be looking right now for two people in the Waste Management Branch to administer the scheme. As regards the cost to industry—I cannot speak on behalf of them, but the way in which some of the discussions have gone to date would indicate that quite a few, particularly in the tyre sector, are already paying a waste levy and incurring certain costs voluntarily. This would not add to that; it would just replace it.

Mr WELFORD: But they are not paying \$3.

Mr MILES: Some of them are paying close to that already. It depends on the charge that is levied by the landfill operator as to the amount they pay. I am sorry, but I have forgotten the other point.

Mr WELFORD: Minister, in the Treasurer's Budget Speech, she said that the environmental franchise fees will be introduced and will "initially apply to tyres and oil". What other taxes are you going to introduce, or what other items are you going to introduce franchise fees on?

Mr LITTLEPROUD: I think that is a matter that will probably be initiated by the Treasurer later on. I am just as well aware as you are of those comments being made in the Treasurer's Budget Speech. I suppose it is possible to identify other products that cause us concern, and who is to know in the future what new products won't be developed that are going to cause grave concern and that we as a community will have to address and say, "Though they are something we want, as consumers they still pose a huge problem in terms of waste management." You would hate to close the door completely so that you can't cover those sorts of contingencies. So I can't give anything definite at the moment, Mr Welford.

Mr WELFORD: No. There are a lot of things that are a bit indefinite at the moment, aren't there?

Mr LITTLEPROUD: I will answer that by saying that we seem to be putting more things in place in the last seven months than have been done in the last three years.

Mr WELFORD: Well, nothing is in place yet—just new taxes are in place.

Mr LITTLEPROUD: For years local government has been out there calling for something to be done about an integrated waste management program across the State. I am the bloke who has put my head on the chopping block and said that we are going to do something by March next year. They seem to be pretty appreciative of what is going on.

Mr WELFORD: We will see if they are appreciative, if you can get it done by March next year. It is looking pretty speculative at the moment. Just in respect of the staffing—Mr Miles, in answer to the question on notice, you said that staffing in your Waste Management subprogram was 56 in 1995-96 and 56 in 1996-97, so there are no new staff for this extra work, are there?

Mr MILES: The staffing levels as regards full-time equivalents will not change, but I think you would be aware that full-time equivalents mean you can apportion staff to doing different duties if you like, and what will happen is that there will be a transfer of duties among staff for those programs that finish or those that receive higher priority.

Mr WELFORD: What are the costs of implementing the Waste Management Strategy? Can you give us a breakdown of those costs?

Mr MILES: No, I do not have those figures.

Mr WELFORD: Can you take it on notice?

Mr MILES: We have not individually looked at all of the action statements that were part of that strategy and individually costed those. In fact, some of those would perhaps be a little bit different to cost because they are voluntary, they are in relation to information education programs and they—

Mr WELFORD: You must have some idea of what the overall strategy cost will be? You have \$8m coming in this year from the environmental franchise fee; you have five things to apply it to. You are going to run out of money if you do not know how much they are going to cost.

Mr MILES: The priority that has been given, as the Minister indicated before, is to establishing the framework for legislation, and we certainly have some staff working full-time on that. The rough breakdown that we would have is that the \$2.5m will cover this sort of range of programs. There is a Hazardous Waste Program which would involve some assistance in regard to the waste tracking regulation development and its implementation and there is the Land Characterisation Study that was referred to a little earlier which will look at the opportunities that exist within the State to find land which should be preserved for future use as any secure landfill, should that need arise in the future. Work and money will be allocated for continuing development of a MAC protection policy on waste and its associated regulations. Money will be required in order to administer responsibilities that transferred from the Health Department in February of this year from under the Health Act. There is also a program to look at—or will be in place—to undertake a hazardous waste survey around the State. That will link in to existing surveys being done by others. It will fill in all the gaps and provide for the first time real knowledge about the current waste generation. There is still an ongoing program in regard to recycling assistance to local communities, in particular local governments—

Mr WELFORD: I think that will do. We still do not have any figures. On contaminated land, what is the backlog in terms of entering sites on the register?

Mr MILES: The backlog to entering them on the register is a question I find a bit difficult to answer. The notification that comes in that the site is potentially contaminated and should undertake consideration for entry on the register does require investigation generally before that entry on the register is made. That is the normal case for notifications other than when it is a prescribed purpose land use and the notification comes from a body that would have had some knowledge of that prescribed purpose land use—for example, local government—by giving approvals. In those cases, they go on to the register almost automatically and that would be within 24 hours of notification they are classified as probable.

Mr WELFORD: Is there a backlog at all?

Mr MILES: Yes, there is because there are investigations being undertaken in regard to allegations made to us about—

Mr WELFORD: So approximately how many are there to be investigated?

Mr MILES: I would have to take it on notice, I am afraid.

Mr WELFORD: Minister, according to page 19 of the program statements, staffing for contaminated land is going to be cut by four—a further four staff position cuts. Part-time and contract staff have already been reduced. How are you ever going to make sure that contaminated land registration is properly dealt with if you are going to be cutting staff?

Mr LITTLEPROUD: I will ask the acting director-general to answer that.

Mr TOLHURST: I might start and ask Mr Miles to follow me. The reason for a decrease in staff in part of that program is because over the last 12 or 18 months we have had a team of people working on the integrity of the database. Over past years, we were not satisfied with the level of information in that database and it was agreed at a departmental level that we would review the total database by going back to local authorities and other groups who had provided information—and we have worked closely with the Registrar of Titles and others. During this financial year, that team will complete its task and therefore not be required for that.

Mr WELFORD: Dr Wilson, you mentioned the Environmental Planning Section before and you mentioned in particular that it is responsible for impact assessment, amongst other things, which of course is particularly important in the context of controversial issues that arise for new projects and developments in sensitive areas environmentally, yet I note that that section has had its budget cut by in excess of \$1m this year. What work of the section is going to be cut back or neglected?

Dr WILSON: That figure is for the whole of the Environmental Planning Branch, which also includes the policy development area, and one of the differences that is incorporated in that is the transfer of some functions, such as the local government grants from that particular branch, to the Pollution Management Branch and a re-allocation of some of the other directorate services which have previously been in the Pollution Management Branch back to the Environmental Planning Branch. In fact, the budget for the impact assessment area of the Environmental Planning Branch is very similar to last year on our present estimates, so there is no significant change between the two.

Mr WELFORD: Can I go to Heritage? Perhaps Mr Wellard can be available. The question is, Minister, what is the backlog of nominations for heritage listing in Queensland?

Mr LITTLEPROUD: The exact number I will leave to Mr Wellard, but I will make some comments initially. It has been brought to my attention that there is considerable trouble in assessing all those places coming up for nomination and we think that we can probably relieve ourselves of some of that onerous work and catch up on the backlog if in fact we put an onus on the people making the nomination to do a lot of the research into it and I think it might also help in stopping some of those people who seem to make maybe vexatious listings in some cases. It has been a concern for some time just how long it takes per application—there are lots out there. Mr Wellard could give you the exact details.

Mr WELLARD: I wish I could. Unfortunately, I might have to take that question on notice. I do not have the actual figure, but I can get it.

Mr WELFORD: Take it on notice. Mr Wellard, are you satisfied that you have been allocated sufficient funding and staff to clear the backlog to ensure we do not see a repeat of the disgraceful

overnight demolition of the historic Stoneleigh Cottage in Windsor recently?

Mr WELLARD: There are actually two questions there and I think if I tackle the first one in terms of clearing the backlog—we have a program in place which is quickly reducing the backlog. It is based on compiling research that has been done for other studies, for instance, a significant part of the backlog came from areas of railway places and mining places. There have been two very major studies done which are now in very final draft form and that has allowed us to clear quite a large number of places and to get them processed very quickly.

In terms of the situation with places like Stoneleigh, it is inevitable that we will have places which have not been brought to our attention which may become the subject of these critical issues, and we have had a re-think since Stoneleigh about how we are going to address those places in terms of dealing with the Minister on them and we will be bringing them to the Minister's attention earlier if they happen. I think the important way to address those is to work better with local authorities and to cooperate with local authorities in their planning process to identify what important heritage places they have early on before they become a critical issue.

Mr LITTLEPROUD: I would just like to add to that. With regard to the Stoneleigh demolition—I want to defend the actions of Mr Wellard and the other departmental officers because they were made aware of it when the demolition had started. If you look at the records, the person who was doing the demolition had made an application to the Brisbane City Council for demolition and the Brisbane City Council had in fact noted that the application had not been fully processed, so the person doing the demolition started illegally. When we were advised, the officers went out there, made an assessment and also contacted the council. The council put a stop order on it, and whether you have one stop order or five or six stop orders on a demolition, you would not have any more effect on a person who is hell-bent on disregarding the law.

I think that the actions of Mr Wellard and his officers in that regard were quite correct. I was made aware of a statement made by Councillor Hayes that I should apply a stop order to stop material on the ground being removed from the premises, because by that time the place had already been demolished. The advice coming to me from Mr Wellard was that, once the place has been demolished, it has lost its historical significance and there would be no point in my applying a stop order then. I still say that, with the local government working with the officers of the department, and bearing in mind that the local government had put on a stop order, all appropriate action had been taken, but it was a most unfortunate occurrence.

Mr WELFORD: I refer you to cuts that you are making to both frog and sea turtle operational research in this year's budget. Why have you cut these two vital projects at the very time that you are congratulating yourself for setting up an Endangered Species Unit within the department, when a number of frog species in particular have already been

rendered extinct? How do you intend to ensure that there are no further extinctions of frogs occurring in north Queensland and that Australia continues to protect what are also six of the world's most endangered sea turtle species found in Queensland waters?

Mr LITTLEPROUD: I will refer that to the manager of the Conservation Program, Mr Boyland.

Mr BOYLAND: There have been some cuts to the turtle program. There is no question about that. But to counterbalance that, our staff have been successful in attracting a \$400,000 research grant for studies with turtles, particularly with the hawk's bills. This \$400,000 project is being funded by the Bekko industry from Japan. It is over a five-year period. They vary from year to year, but this year I think the funding is actually \$94,000. It will total approximately \$400,000 over a five-year period.

Mr WELFORD: What were your cuts for turtles and frogs over that period?

Mr BOYLAND: There was some reallocation of existing funding within the research program. To the best of my knowledge, there have been no cuts in our funding in frogs. We have had research grants which we have been administering and funding from ANCA, etc., but to the best of my knowledge we have not had any direct funding for frog research in our program at present. We have a number of endangered species. The mahogany glider is very critical. With the bilby—there are less than 600 left. The most endangered one is the hairy-nosed wombat, to which we are redirecting funds and making certain of their long-term survival.

The CHAIRMAN: I want to ask about the waste tracking system. Minister, could you tell the hearing when the Government will introduce a waste tracking system? Could you also explain how this would help in preventing incidents such as the Gold Coast dumping, where innocent parties were affected?

Mr LITTLEPROUD: There is already existing to some degree a waste tracking system. That is necessary because of agreements across Australia throughout the States. But you are referring to a Statewide waste tracking system?

The CHAIRMAN: Yes.

Mr LITTLEPROUD: When the ministerial advisory committee discussed this issue, the strong recommendation coming from the local governments who represented the rural areas of Queensland which have in the main landfills that are unmanned was a concern that that would impinge on them very badly, because there is a certain responsibility attached to the tracking of waste. They said, "Hold off until such time as the environmental protection waste policy comes out." I have taken note of that. But I also know that it is vitally important, if we are going to adequately control and handle some of those toxic liquid wastes that are out there at present, that we have something going in the meantime. There are people in the private sector who are doing excellent work. They are actually going to those people who generate waste and have the capacity to destroy it themselves, either on site or

where their own premises are. So we want to enhance what is there. It will probably come on stream after we put out the EPP on waste and get it operational.

You made reference to that diabolical situation on the Gold Coast. That comes from when the disposal of waste starts to cost money. Obviously, the person who has been investigated saw a chance to make a quid. He knew someone who had a product that they wanted to get rid of. It was going to cost a certain amount to dispose of it in a legal way, so he made an approach to that person and said that he could handle it for something less—or one would think so, at any rate—and then disposed of it illegally. I would think that a properly constituted waste management program involving tracking might help overcome that as best we can. But there are always going to be scoundrels.

Mr MITCHELL: What is your policy on the closure of the Gurulmundi waste disposal facility?

Mr LITTLEPROUD: I inherited the Gurulmundi dump when they had the last electoral distribution in Queensland. It is being carefully monitored by a tripartite committee at the present time. I have given an assurance that I would be looking for other alternatives to come along. Currently we have the department looking at an assertion by one particular private-enterprise group that they can successfully treat toxic wastes that are currently going out to the secure landfill at Gurulmundi and put them into a state in which they can go into other landfills. I am having that checked scientifically.

Mr MACKENROTH: Good luck.

Mr LITTLEPROUD: I am hopeful, too. You can understand the angst of those people who get those sort of facilities. In some cases some of their fears are greater than they should be, but it would be better if we could find other ways of looking after those toxic liquids rather than putting them in the Gurulmundi toxic waste dump. We know that there are going to be more of them generated in north Queensland, especially around the Townsville area with the expansion of industry up there. This all ties in with the overall waste management idea of a waste tracking system and transportation of those sorts of wastes to where they can be disposed of. But the agreement with Gurulmundi certainly limits from where wastes that are generated can be drawn to go to Gurulmundi. I hope to close it down the track if we can get absolute proof that there are other methods available.

Mr ROWELL: Minister, hazardous waste is always going to be a difficult issue to deal with. Can you give us an indication of what the State's role will be in the management of hazardous waste?

Mr LITTLEPROUD: I might call on Mr Miles to speak to this one, because it is rather complex. We have all sorts of roles to play.

Mr MILES: The State's primary role, on the advice of the Minister previously, is to develop an integrated and comprehensive waste legislative and regulatory framework under which people will know what they need to do or choose to do in order to environmentally deal with their wastes. The

Environmental Protection Policy is obviously the lead factor in that and the lead regulation.

The other area I spoke of briefly before is that, in order to perhaps encourage the private sector to invest in this State, there needs to be some certainty about the actual quantities and types of wastes that are being produced in this State. For that reason there will be a hazardous waste survey undertaken within this financial year to provide that data and make it available to the private sector.

The second area in which the Government will be playing a role is in the characterisation of land, as I mentioned before, whereby we may be able to identify land with suitable natural characteristics that should justify its being preserved for possible future use as another secure landfill. If those areas of suitable land are around, we would not like to see them being suddenly used for another purpose, only to find great difficulty in the future in locating a secure landfill.

The Contaminated Land Act is another area where the Government will be involved in hazardous waste management. Obviously, if it's impacted upon the land and the use of that land can give an exposure to the people from the toxicity, then obviously there is a health risk. So administration of the Contaminated Land Act and management of any of the wastes that might be removed from those activities of remediation will be part of the Government's role, too.

Finally, of course, there is a facilitative role. As the Minister has already indicated, he has spoken with quite a few people within the management waste sector; so have I; so have my staff. We are always playing our part to bring the relevant parties together to try to facilitate the instruction of waste management throughout the State.

The CHAIRMAN: Could you tell the hearing if you have provided some funding for the preparation of a Queensland state of environment report? If so, when is the report due for publication? Can the public expect an honest, scientifically based assessment of the state of our environment or will it be coloured to hide the problems?

Mr LITTLEPROUD: Crikey! I will refer that one to Dr Wilson. I am sure it will be honest.

The CHAIRMAN: I am sure it will.

Dr WILSON: As to the first part of the question—there are funds allocated for state of the environment reporting in the current financial year. I am trying to find where those figures are. I have a feeling it is \$160,000. I was wrong. The funding is provided to prepare the report to the extent of about \$352,000 this financial year. It is expected that the report will be tabled in Parliament and made publicly available early in 1998. The report is being prepared by a team of scientists based in the Department of Environment and they are supported by a network of highly professional working groups with members drawn from other Government agencies. We have had really good cooperation from the other departments that are providing that sort of information. There are also academics from at least six universities contributing data and various

research organisations, such as CSIRO, are cooperating in the development of our state of the environment report. There is also a contribution coming from the conservation movement.

As to the question of honesty—these are all professional officers who work in our division and other agencies. I am sure that their professional ethics would ensure that it comes out as an honest representation of the facts. There may be interpretation there, and there could well be scientific debate on some of the finer points of the interpretation, but the basis of the state of the environment report will be a factual account and it will be scientifically rigorous. It will present facts and figures. The Government is quite serious about

assessing the current state of Queensland's environment and presenting it in a way that the public will be able to understand what is being done.

The CHAIRMAN: Thank you for that honest answer, Dr Wilson.

Mr LITTLEPROUD: Could I just make available to Mr Welford the list that he was asking about—the list of island national parks? There are 57.

The CHAIRMAN: Thank you, Minister. The time allotted for the consideration of the Estimates of expenditure for the Department of Environment has now expired. I would like to thank the Minister and all the portfolio officers for their attendance.

MINISTER FOR LOCAL GOVERNMENT AND PLANNING**IN ATTENDANCE**

Hon. D. E. McCauley, Minister for Local Government and Planning
 Mr K. Yearbury, Acting Director-General
 Ms L. Apelt, Acting General Manager, Corporate Services
 Mr D. Peddie, Acting Manager, Finance
 Mr M. Tucker, General Manager, Local Government Services
 Mr T. Haupt, Acting General Manager, Planning Services
 Mr I. Schmidt, Manager, SEQ2001 Regional Resource Unit
 Mr R. Barker, Manager, Planning Information and Forecasting Division
 Mr S. Biggs, Acting General Manager, Office of Rural Communities

The CHAIRMAN: The next item for consideration is the Department of Local Government and Planning and the time allotted is two hours. However, the hearing will be suspended in 30 minutes for lunch. For the information of the Minister and new witnesses, the time limit for questions is one minute and for answers it is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of those time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given. As set out in the Sessional Orders, half the time is to be allocated to non-Government members. For the benefit of Hansard, I ask departmental officers to identify themselves before they first answer a question.

I now declare the proposed expenditure for the Minister for Local Government and Planning to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, is it your wish to make a short introductory statement in relation to the elements within your portfolio, or do you wish to proceed direct to questioning?

Mrs McCauley: I will make some opening remarks, if I may.

The CHAIRMAN: In that case, we ask that you limit your remarks to two minutes.

Mrs McCauley: My portfolio's record for 1995-96 clearly demonstrates a commitment to improving the economic and social development of the State. That is demonstrated through a renewed focus since February this year on working to ensure that Queenslanders, regardless of where they live, can expect and will receive appropriate, reliable, timely and cost effective services and infrastructure. This year will see the commencement of a 10-year

water and sewerage subsidy program, which doubles the general subsidy for new capital works to 40 per cent. Total funds for this initiative will be in the order of \$600m over 10 years.

The doubling of subsidy payments to local governments will increase the Government's contribution to ensuring basic facilities are in place for Queenslanders and help protect the environment as sewerage treatment plants meet higher effluent standards. The targeting of \$150m within the overall program to meet specific needs of smaller communities will ensure they also can afford decent water supply and sewerage services. This aspect of the funding program supports the Government's commitment to ensuring the needs of rural communities are met.

In the year ahead, my department will also manage the development of legislation to give effect to the statement on the application of National Competition Policy to local government, which was issued in July this year. In doing so, my department will work with local governments to ensure the implementation of this statement takes account of particular circumstances involving local government and small rural communities.

The successful holding of the local government elections in March 1997 is also a matter of vital interest. Councillors who hold office over the next three years will be the ones to cement in place the reforms central to making our local government system the best in Australia.

Work on drafting the new Integrated Planning Bill for Parliament will be completed by the end of the year for implementation in 1997. The Bill will carry forward the concept of a streamlined planning and development approval system but with much simplified machinery. The pivotal role of local government in planning matters will be retained.

This year will also see the completion of several major regional planning projects. With the Integrated Planning Act in operation and high-growth areas of Queensland covered by regional growth management frameworks, it will be possible in the not-too-distant future to make substantial savings for Government and the business community through the coordinated provision of public infrastructure.

People in rural communities need improved access to Government information and various other services. This is being addressed through exploring alternative service delivery options for the remote south-west and Aboriginal and Torres Strait Islander communities.

The people of Queensland can expect that my department will continue to improve its productivity by ensuring well-targeted programs, reduction of waste and continuing to meet clients' high standards.

The CHAIRMAN: The first period of questions will commence with non-Government members. I now call on the Honourable Terry Mackenroth to ask the first lot of questions.

Mr Mackenroth: Minister, I will start with this question first because we might not get to it—it is right at the back of the book. If you go to page 34

of the Program Statements, under 1996-97 Planned Performance, dot point 3, it states—

"Improve the strategic management capacity for coordinated decision-making and performance analysis through the provision of effective corporate planning and information support services."

Can you tell me what that means and what it is going to cost?

Mrs McCAULEY: Thanks, Terry. Key elements are improving the client service focus and ensuring appropriate strategies are in place to implement Government policy commitments. As you are aware, our policy commitments vary from those of the previous Government. I have not got any costings here.

Mr MACKENROTH: I just thought that those were nice words. I just thought that I would give you something nice to start with.

Mrs McCAULEY: Thanks.

Mr MACKENROTH: In relation to the \$500m in expenditure savings that is to be achieved in the 1996-97 budget, could you please provide specific details of the individual savings achieved in your department?

Mrs McCAULEY: Are you aware of the question on notice of that? That did not provide you with enough information?

Mr MACKENROTH: No, I did not see that.

Mrs McCAULEY: There was a 10 per cent reduction in head office staff and administrative costs in all program areas.

Mr MACKENROTH: That is in your department?

Mrs McCAULEY: Yes.

Mr MACKENROTH: A 10 per cent reduction in head office staff. Right.

Mrs McCAULEY: There was a further downsizing in the planning program with rationalisation of the vehicle fleet, downsizing of the QDIAL show circuit—the thing that went around to the shows—and a reduction of costs of the Green Papers and White Papers that were to go out. There was a discontinuance of the free copy of legislation that goes to local government and a termination of the legislation library. There was a withdrawal of support for the Rural Queensland Women's Network and the Rural Women of the Year Award, because that funding went into the peak women's body. In fact, more funding went into the peak women's body that has been formed. There was a discontinuance of the Queensland Rural Regions Advisory Council, as we felt that that was no longer necessary. There was a discontinuance of the ROSS system, which is under review at the moment.

Mr MACKENROTH: Sorry, a discontinuance?

Mrs McCAULEY: Of the ROSS system—the Regional Open Space System.

Mr MACKENROTH: I know what it is.

Mrs McCAULEY: And the QNIP program and the Local Bodies Capital Works Subsidy Scheme.

Mr MACKENROTH: If there is a discontinuance of ROSS, why in the budget papers—and I could refer to this later but I will ask about it now—is there more money allocated for it this year than was allocated for it last year?

Mrs McCAULEY: That funding is to complete the existing commitments and also for maintenance of the land that has been bought previously.

Mr MACKENROTH: From what you have said, there would have been savings made in budgets of Local Government Services, Planning Services and in the Office of Rural Communities. Can I ask the managers of each of those areas to come forward and outline the actual savings for each of their areas?

Mrs McCAULEY: Certainly.

Mr TUCKER: My name is Maurie Tucker. I am the General Manager, Local Government Services. Do you wish—

Mr MACKENROTH: Mr Tucker, I wish to know the savings that you have had to make in your department. Would you outline them individually?

Mr TUCKER: The Queensland Nutrient Removal Program, there was a saving of \$1.917m; the Local Bodies Capital Works Subsidy Scheme, a saving of \$2.5m; the Local Government Infrastructure Program in terms of Aurukun and Mornington, a saving of \$1m.

Mr MACKENROTH: How has that been saved?

Mr TUCKER: There was a figure of about \$6 or \$7m that had been allocated to road and drainage works.

Mr MACKENROTH: \$7.5m.

Mr TUCKER: That had been allocated to road and drainage works. When the tenders came in for all the work, there was still money left over in the fund. Further moneys were allocated to sewerage works in both Aurukun and Mornington and with all that money allocated, there was still a saving of \$1m. So the works were done and there was \$1m left over.

Mr MACKENROTH: From my recollection, some of the money was allocated to Mornington Island to purchase machinery in lieu of contracting out. Was that still done?

Mr TUCKER: Yes, that is being done. Then there is the Aboriginal and Torres Strait Islander Infrastructure Program. There was a savings of \$2m.

Mr MACKENROTH: How was that saved?

Mr TUCKER: That was saved in 1995-96 as the funds had not been spent in that year.

Mr MACKENROTH: So it was not carried over then?

Mr TUCKER: It was not carried over.

Mrs McCAULEY: That does not mean that that funding has been lost. It may well be brought back in future years.

Mr TUCKER: Those savings I just went through were for 1995-96. Do you want the savings for 1996-97?

Mr MACKENROTH: Yes.

Mr TUCKER: There was a savings of \$580,000. The Commonwealth had provided money over three years to pass on to local governments in terms of the pensioner concessions, where they had to pay more because of a Commonwealth decision. The Treasury had factored that money into our base when in fact the Commonwealth was not providing any more, so it represented a saving by taking it out of the base. It was only a transition provision. There is a \$20,000 saving from reducing the costs of Green Paper and White Paper proposals. There is a saving of \$5,000 in terms of copies of legislation to local governments. There is a saving of \$4,000 in terms of a legislation library we discontinued.

Mr MACKENROTH: Do you inform local governments if legislation affecting them is being introduced so that they can then purchase it?

Mr TUCKER: We will still be informing local governments. We are looking at putting copies of the legislation onto LGAQ net, and it may be that we will provide some copies of smaller documents photocopied.

Mr MACKENROTH: Would that contravene the copyright law with the State Government and the Government Printer, as I believe putting it on computer disk does?

Mr TUCKER: I cannot answer that question.

Mr MACKENROTH: So they can sell the service to help them pay for it?

Mr TUCKER: I can't answer that question. I do not know.

Mrs McCAULEY: You would be aware that most councils are on the LGAQ net now and that is the way that they get the bulk of the information that is sent to them.

Mr MACKENROTH: Planning?

Mr HAUPT: If you look at page 19 of the Program Statements, there is an amount in the top line which refers to the program outlays, under salaries, wages and related payments. You will notice that there has been a substantial saving in those areas. In fact, that has meant some reduction in staff numbers.

Mr MACKENROTH: How were those staff numbers reduced?

Mr HAUPT: By natural attrition for the most part. There have been some voluntary early retirement payments. In terms of project savings, a number of programs have been slowed down or discontinued.

Mr MACKENROTH: Which ones are they?

Mr HAUPT: The Regional Open Space System has been reduced, and the community renewal—

Mr MACKENROTH: What is the savings for this year?

Mr HAUPT: The savings are \$2.8m. The community renewal and community parks programs will cease.

Mr MACKENROTH: That is not a saving though, is it?

Mr HAUPT: That is correct, yes.

Mr MACKENROTH: It is not a saving?

Mr YEARBURY: That is correct; it is not a saving.

Mr HAUPT: I am just scanning down to look for other planning-related programs. Downsizing the planning program—there is \$0.5m saved there from the previous year. That is about it.

Mr MACKENROTH: Rural communities?

Mr BIGGS: The savings in the Office of Rural Communities were achieved with a 10 per cent reduction in base which equated to \$113,000. We also downsized the QDIAL show circuit, which resulted in savings of \$40,000. We withdrew support—

Mr MACKENROTH: Have you decided which shows in rural Queensland do not deserve the services this year?

Mr BIGGS: We will be putting together the itinerary for 1997 around about December or January.

Mr MACKENROTH: From memory, I think the savings is something like 27 shows that you will not go to?

Mr BIGGS: It will be around about that figure.

Mr MACKENROTH: Those 27 will all be in the first part of next year?

Mr BIGGS: They will probably be apportioned across the whole of 1997, because we will be targeting shows—

Mr MACKENROTH: No. Your Budget papers state that your target this year is 40, which is a drop from 63. That is a drop of 23, so you cannot apportion that over the whole of 1997 because this Budget paper refers to 1996-97.

Mr BIGGS: Sure. A lot of the expenditure for the shows over the show season, which is a calendar year, is incurred in the second half of the financial year because of the up-front costs associated with booking show space, accommodation, travel and that sort of thing.

Mr MACKENROTH: Technically, then, this document is incorrect, because you are going to go to more than 40 shows this financial year?

Mr BIGGS: In the 1996-97 year?

Mr MACKENROTH: On page 30, the figure was 63 down to 40 for field days and shows in remote communities.

Mr BIGGS: Yes.

Mr MACKENROTH: So the target for 1996-97 is 40; that is how many you are going to go to in 1996-97.

Mr BIGGS: Yes.

Mr MACKENROTH: We are not talking about savings for the second part of the financial year or the first part of the financial year in 1997-98.

Mr BIGGS: In the context of this document, that is correct, yes.

Mr MACKENROTH: This document we are referring to?

Mr BIGGS: Yes.

Mr MACKENROTH: So that is correct?

Mr BIGGS: Yes, that is correct.

Mr MACKENROTH: So there are 23 fewer shows or field days that you will go to. Will that be in the first half of next year?

Mr BIGGS: Yes. Sorry, I understand. Yes, that is correct. Withdraw support for the ABC Rural Woman of the Year Award, which will deliver \$10,000 in savings; discontinue the Queensland Rural Regions Advisory Council, which is a \$55,000 saving; reduce support for the Queensland Rural Women's Network, which will be a \$20,000 saving.

Mr MACKENROTH: Is that it?

Mr BIGGS: Yes.

Mr MACKENROTH: Minister, the funds for the ABC Rural Woman of the Year have been cut, which will save \$10,000. I always saw that as a very good program which encouraged women in rural Queensland. It really helped to promote the work that they are doing. How do you justify cutting that? I know that you said you were putting money elsewhere, but how can you justify taking that funding away?

Mrs McCAULEY: I guess it is a matter of priorities. We are giving \$30,000 to the peak women's body to represent rural and country women in Queensland. I believe that out of that will come far more than would have come out of the Rural Woman of the Year event. It was just a matter of priorities. I agree with you that it is a good program, but I believe that the peak women's body will achieve more.

Mr MACKENROTH: I have heard about the savings that have been made. Paragraph 4 on page 2 of the Ministerial Program Statements states—

"A key contribution by the Department has been the making of savings in administrative and corporate services."

I draw your attention to page 4, which shows that the staffing level for corporate services has increased from 5 to 36. There has been a 9 per cent reduction in project staff across the department, but in fact the corporate services staff now represent 15.8 per cent of the department. As you have stated that there has been a key contribution in that area, could you advise where those savings have been made?

Mrs McCAULEY: You would be aware that the department was split. That is what accounts for what seems to be a discrepancy but is not. Previously, corporate services were all done under the one roof. When Housing was split and went with Public Works, we had to set up our own corporate services. That is why there is that jump from 5 to 36. We did not have a corporate services unit as such. The percentage of people in that corporate services unit, at less than 16 per cent, compares more than favourably with other departments, which are much larger. This is a fairly good figure, we feel, based on the cost savings that we were forced to make in that area. It is a fairly lean machine.

Mr MACKENROTH: I refer to the FitzGerald Commission of Audit which your Government trumpets as being the way to go. It basically said that departments should look at rationalising corporate services. Did the Department of Public Works and Housing offer you the opportunity to allow it to do the corporate services work for your department?

Mrs McCAULEY: Yes, apparently that is correct, but it was felt that that particular offer was not competitive. It was cheaper to do it ourselves.

Mr MACKENROTH: I thought the offer was \$250,000 or something like that? That was my understanding. What was the offer?

Mrs McCAULEY: There was not a specific figure mooted, but various services were costed. The department looked at the costing of those various services and believed that it could do them cheaper itself.

Mr MACKENROTH: So the Department of Public Works and Housing actually offered to do the service? Did it offer you any costings? You say that there was not any total cost. Did it say, "These are the figures that we would be looking at charging"?

Mrs McCAULEY: No, it did not offer, but it was asked to do a costing so a decision could be made as to which would be the cheapest way to go.

Mr MACKENROTH: So there were costings done?

Mrs McCAULEY: Yes.

Mr MACKENROTH: Can you provide this Committee with those costings?

Mrs McCAULEY: Regional planning officers and help desk function, \$23,860; records management service and archives storage service and mail services, \$23,115; archive storage service, \$25,000; department financial statements provided free of charge, and preparation and audit of departmental statements. These can only be figures up to a particular date, you realise. I do not know the period that it covers. But invoices to date, \$13,610—

Mr MACKENROTH: You are saying that these are not for a full financial year?

Mrs McCAULEY: Yes. Some of them, such as this payroll system figure of \$120,000, are estimated for six months. Library services and QUT and State Library corporate cards are mentioned. For example, the inquiry service is \$75 to \$80 per hour. Interlibrary loans are between \$9 and \$45 depending on the source of the book. You would be aware that a range of corporate communication work is already outsourced. That is a very rough outline of the sorts of things that they gave us.

Mr MACKENROTH: Can you actually provide me with the information that you would have used to make the decision not to outsource your corporate services? To make that sort of decision, I believe you would need to have the relevant information to decide that it was better to do it internally than to outsource it. Bearing in mind that you state that your key contribution has been the savings in corporate services, can you outline where those savings are?

Mrs McCAULEY: Can you put that on notice? There has been a cost-benefit analysis done, and you can have that. But you do have to remember that the Department of Public Works and Housing did not want to enter into the long-term provision of corporate services for our department. So we could hardly force it to do what it did not want to do.

Mr MACKENROTH: Minister, you run the Government, not the public servants.

Mrs McCAULEY: A cost-benefit analysis has been done, and you may have that if you want.

Mr MACKENROTH: Yes. Maybe Ms Apelt could outline the savings that you are going to make in corporate services this year?

Ms APELT: For 1996-97, there will be a 10 per cent reduction in the head office staff and associated operating costs. We have achieved——

Mr MACKENROTH: That is——

Ms APELT: It is corporate costs across the department.

Mr MACKENROTH: If you started off with five and now you have 36, how do you arrive at a 10 per cent reduction?

Ms APELT: The five staff who appear in the MPS on page 4 relate to the five staff who were funded through the Consolidated Fund under the previous Department of Housing, Local Government and Planning. Other staff who supported the corporate program were funded through a Housing trust fund. So when the department was separated we had to do an analysis of what would be the core resources for corporate and executive services and how they would be funded through the Consolidated Fund for Local Government and Planning. Therefore, a total of 36 staff was considered to be necessary to set up that operation.

Mr MACKENROTH: You decided you needed 40 and then you took four off to make 36?

Ms APELT: That is right. The initial analysis was 40 and, on a second consideration in light of the savings that the department was being asked to make, we looked at further efficiencies and reduced it to 36.

Mr MACKENROTH: That is the easiest way to do it.

Mrs McCAULEY: I perhaps should point out, too, that in the old corporate services section in your department they were funded, in part, from Housing trust money. You would have to ask: was that a legitimate use of Housing trust funds?

Mr MACKENROTH: I ask the questions. Is that the only area of savings?

Ms APELT: There are further savings of \$150,000 in 1996-97 through rationalisation of the vehicle fleet. We have reduced the fleet from 36 to 25 with the cessation of home garaging, which has reduced the fringe benefits tax as well as the operational cost of those vehicles. We have also increased the use of SES vehicles for day-to-day travel to reduce the fringe benefits tax cost on those. It is also much more cost effective than using the QG-plated vehicles for day-to-day operations.

Mr MACKENROTH: Minister, as to the Housing trust funds—was any of this money for your corporate services either directly or indirectly taken from the Public Works and Housing budget?

Mrs McCAULEY: There was a very small amount. I think it was around about \$28,000. That was until we could sever the thing and sort it out. That was the limit of the amount which was used.

Mr MACKENROTH: But this year, of course, all of the Housing trust funds have been put into consolidated revenue and you are drawing from consolidated revenue?

Mrs McCAULEY: You would have to ask the Housing Minister.

Mr MACKENROTH: No, I am telling you.

The CHAIRMAN: We will now suspend the hearing for lunch.

Sitting suspended from 1 to 2.30 p.m.

The CHAIRMAN: We will resume the hearings of Estimates Committee D. I think it was our turn to ask questions. Lyn Warwick is my name. I will start off the questions for the Government. Minister, I would like to refer to MPS pages 7 and 8, which refer to the ATSI Infrastructure Program. Can you tell the hearing what infrastructure has been put in place in Aboriginal and Torres Strait Islander communities under the Aboriginal and Torres Strait Islander Infrastructure Program?

Mrs McCAULEY: The approved grants have been to the—a name I can't pronounce——

Ms APELT: Apunipima.

Mrs McCAULEY: I'll take your word for it—a Cape York health council, an amount of \$269,000 for an environmental health project at Pormpuraaw. Expenditure to date is \$190,000 on that. Badu Island Council, an amount of \$153,000 for emergency repair work to drains and replacement of septic tanks following the outbreak of Japanese encephalitis. Most of that has been completed. The grant included the purchase of a second-hand screening plant for the processing of local rock for the drainage work. Yarrabah Aboriginal Council, an amount of \$1.37m for sewerage system upgrade and refurbishment of No. 4 bore. That refurbishment has been completed, as has the design report for the sewerage scheme. Finally, the Palm Island Aboriginal Council, an amount of \$1.345m for a new town plan and total management plan, new subdivision and transport infrastructure, which included resurfacing and fencing of the runway and refurbishment of the jetty. Most of that work has been completed, except for the resurfacing of the runway and the jetty refurbishment.

The CHAIRMAN: Thank you. I refer to the tenth dot point on page 3. How have you funded the new initiatives for subsidies to upgrade water and sewerage facilities, and what do you anticipate the program to deliver?

Mrs McCAULEY: They will be funded through savings which have been generated by the department through reducing corporate and administrative overheads, reducing duplication and redirecting resources to services that we consider

are of direct benefit. In the case of our department, savings in the order of \$10.3m for 1996-97 have been achieved and will be redirected to deliver that commitment, and additional amounts are provided in the Budget and Forward Estimates, that is, \$20m in 1996-97, \$40m in 1997-98 and \$45m in 1998-99.

The CHAIRMAN: What work has been undertaken in providing a sewerage facility on Thursday Island?

Mrs McCAULEY: State Government assistance of \$5.5m was made available to the Torres Shire Council to sewer Thursday Island. The Torres Shire contribution was half a million dollars. That has been over a three-year period up to the 1997-98 year. Because the Department of Environment has imposed a higher standard of treatment of that sewerage, it has obviously cost more, and the revised estimated cost is \$6.75m. Tenders for the first stage were advertised on 31 August this year. Planning and design is almost complete, and the projected completion date is December 1998.

The CHAIRMAN: I now move on to Mr Mitchell.

Mr MITCHELL: Minister, I refer to page 7 of the MPS. What did the field work on the development of indicators to enable comparisons of the performance of local governments highlight? What has been done in response to this?

Mrs McCAULEY: I might ask Maurie Tucker to come and answer this one.

The CHAIRMAN: Could you state your name, please?

Mr TUCKER: Maurie Tucker, General Manager, Local Government Services. The field work consisted of a series of workshops we held around the State with 18 councils. We sat down with them to find out what sort of information they used in terms of performance indicators and also what data would be readily available. That was the first step in the process. Since then, we have come back into Brisbane and we have sat down with all the data to examine what we think might be the ideal approach. We are now in the process of developing performance indicators that we will go back and trial with a series of councils. Again we will see how it goes, and ultimately we will go back to a full pilot study later in the year.

Mr MITCHELL: What sort of trial period would you be looking at there?

Mr TUCKER: The trial period will be this year.

Mr MITCHELL: Just for the year?

Mr TUCKER: Yes.

Mr MITCHELL: That is fair enough. I have a question on a much-talked-about issue. How are you proposing to implement the National Competition Policy in local government, as you mentioned in your opening address?

Mrs McCAULEY: You would be aware that we released a policy statement called National Competition Policy in Queensland Local Government in July this year. That was the subject of extensive consultation with local government, and it is intended

that the legislation will be introduced in stages to give effect to that statement. There is a State/local government working group which will continue to advise on the development of legislation.

The main priority is to establish a corporatisation framework and a commercialisation framework for the significant business activities of local government—that is, for those councils which have large sewerage and water treatment works, those sorts of things. Discussion papers are currently being prepared on that. The timetable is that legislation to apply competitive neutrality to local government business services will be finalised by the end of this year, and then local government will be required to review their local laws to identify any anti-competitive principles. Small councils will have a voluntary code of conduct that they won't have to abide by, but it will be a guide to them in their business activities which are not captured by corporatisation or commercialisation. Hopefully, the review of the local laws will be completed by June 1999, so we have plenty of time for them to do it.

I will shortly be introducing a Bill that will extend the deadline for the review of those laws. It was to be March next year, but it has been moved out to give councils time to come to grips with that. The State Government has made a commitment in principle to sharing the State's competition payments from the Commonwealth with local governments which participate in the National Competition Policy reforms. That is a very important point. It is something that the councils were asking for.

Mr MITCHELL: You mentioned that there would be different impacts on smaller and remote local councils. Can you expand further on that?

Mrs McCAULEY: It is probably not appropriate for the business activities of those smaller councils to be commercialised or corporatised, but as long as they make any cross-subsidisation fully transparent, then they will be able to continue doing what they are doing.

Mr MITCHELL: Very good.

Mr ROWELL: I would like to refer to page 6, which is the program goal statement. How do you ensure that the Local Government Program is actually assisting councils to respond to community needs as opposed to involving itself in functions which are legitimately those of local governments?

Mrs McCAULEY: The Local Government Program is clearly not involving itself in the functions of local governments. I agree with what Tom Burns said when he talked about the business of councils being roads, rates and rubbish. I have always thought that. While that is probably an oversimplistic statement of the role of councils, it does demonstrate that councils are directly involved in providing facilities and services to their communities, and that is where we need to assist them. It is not the core business of the Local Government Program. Our role is to work in partnership with local government so that they can deliver the facilities and provide the services to the communities. The Local Government Program Evaluation in 1994 was the third major review of the program to occur since

1991 and it was concluded that there was no viable alternative to Local Government Services delivering the goal of assisting councils to respond to community needs.

There was a client survey this year and that confirmed council's satisfaction with LGS and its provision of services. The main area of focus is in setting the legislative framework for local government, of course, and there will be some amendments coming forward shortly in that regard. The survey also confirmed that councils look to Local Government Services for assistance in this increasingly complex area and for further education and training to ensure those reforms are implemented. It also works closely with the Local Government Association to ensure that the needs of councils are met. It is a partnership, if you like, and it works on a consultative basis.

Mr ROWELL: My next question refers to page 7, the third dot point. What are the key aspects of the Commonwealth principles for the distribution of the FAGs—financial assistance grants?

Mrs McCAULEY: We have just been through this exercise actually and the first cheques have gone out to councils. We had an agreement with the Commonwealth that was reached in April 1995 to implement a new methodology. Now, when the Queensland Grants Commission sent its recommendations down recently to the Federal Minister, he disagreed with those recommendations because the Queensland Grants Commission people had worked on any cutbacks being in real terms rather than money terms. The Federal Minister, Warwick Smith, disagreed with that and wrote back and said that it had to be in money terms. If there were any reductions it had to be in money terms rather than in real terms, which included CPI and some other factors so that in fact instead of being a 5 per cent reduction in grants for any council, it worked out at less than 3 per cent in real terms. So he wrote back and said he did not agree with that, he wanted it to be in money terms.

I then wrote back to him and said that we preferred it to be the way it was because that was supported by the ULGA and the LGAQ. He has written back and said that he will accept the recommendations of the Queensland Grants Commission for this financial year as long as we accept it thereafter. Really, we have had no choice but to do that. It means that some of the larger councils have perhaps lost more money than they would have under our idea of real terms but, overall, nobody has complained. It was not a substantial sum of money. Probably the largest amount was about \$55,000 down in a budget of several millions for one of the very large councils.

Mr ROWELL: And generally it is the larger councils that have been disadvantaged?

Mrs McCAULEY: Yes, but none of them will lose more than 5 per cent.

Mr ROWELL: My next question refers to page 10, that is the key outputs table. What are the benefits of making councils adopt accrual accounting practices?

Mrs McCAULEY: Some councils would probably tell you there is no benefit, but that is not quite true. There is a benefit and that is that it identifies assets—and one mayor told me that he found several roads that he did not know that he had, even though perhaps they were unformed roads. It assists in asset identification, valuation and depreciation mechanisms which enables councils to—at the end of the day, we will have a very clear picture of the infrastructure that councils own, which is worth many billions of dollars, I would expect, and that helps councils to determine their costs, prices and cross-subsidies. It has not been an easy thing for councils to do, and that was evidenced by the fact that so many of them complained about how difficult it was to value roads and parks and things like that. I think it is getting easier. The problem was with the asset valuations and the failure to include appropriate budget figures. That was due to the incompatible systems during that year of changeover, but we have also made some amendments and they include reduction of budget statements required from seven statements back to one and simplifying the asset valuation procedure, so that instead of going out and valuing each road, they can value roads in a particular area.

Mr ROWELL: It actually gives a clearer picture, does it, of the asset value of the council?

Mrs McCAULEY: It does. Again, this is linked to the Federal Government and the National Competition Policy and it is something we really cannot avoid. We did discuss whether councils should be going down this track or not, but they need to do this. The Federal Government is also moving to accrual accounting, the State Government as well. It is just something that we need to come to grips with.

The CHAIRMAN: Minister, if I could take you to page 11, note number 3—why are there unexpected Rural Living Infrastructure Program funds carried over in 1996-97?

Mrs McCAULEY: Probably because the previous Minister gave out all the funds in the week before I came to office and they did not have time to spend them. The simple reason is that some councils have asked for an extension of time because they have not had time to spend that funding to meet those commitments that have been given to projects. There was no money left for me to expend; it was all committed funds.

The CHAIRMAN: Still on page 11, the program outlays, table note 4—what constitutes the \$44.8m in unrequited transfers and if these are largely made up of infrastructure grants, what are you doing to ensure that these funds are translated in a more timely manner to infrastructure and services in the community?

Mr PEDDIE: The \$44.8m, except for \$125,000 which relates to the base carryover, represents the unexpended balances from various budget allocations for grant assisted programs administered by the department. The department has identified and will target those local governments which have larger scale projects which account for the majority of the subsidy grants and to monitor their progress

on these projects. We are looking to improve planning and project control, including adherence to cash flow projections and strictly enforcing the time limits for the grants and subsidies programs.

The CHAIRMAN: I refer to page 8, the sixth dot point. Minister, what are the implications of the Commission of Audit report for local governments? How will you ensure that the implementation of the recommendations will not increase the administrative burden on councils, thus resulting in an increase in cost for ratepayers?

Mrs McCAULEY: The major recommendations are: amalgamation of councils where the results would be better value for money for ratepayers, and I think our policy in that regard has been made very clear; processes and incentives which ensure National Competition Policy is applied in local government; reforms which ensure best practice, improve efficiency and deliver optimum value for money from councils; processes for coordinating planning, particularly at the regional level; a framework for integrated impact assessment and development approval; planning and framework for the coordination of State and local government infrastructure; and provision which maximises private sector involvement. An implementation unit has been set up to report directly to the Premier and the Deputy Premier on the commission's recommendations and provide advice to Government, so we cannot escape looking at some of these issues very closely.

Departmental officers will be liaising with that unit to assist in preparing our response to the report. The immediate issue for our department is agreeing on the process to be followed in assessing the recommendations that have an impact on local government. That process needs to be managed by the department and involves crucial players, such as the Local Government Association. All councils in Queensland are not the same, and what may be applicable for large councils may not be applicable for small councils. It is important that we take note that the National Competition Policy statement made a clear statement about the social obligations of small councils in rural areas. National competition and some of the recommendations of the Commission of Audit may well not apply to those small councils.

The CHAIRMAN: So you are mindful of the fact that we do not want to increase the administrative burdens on these councils and, in turn, on the ratepayer?

Mrs McCAULEY: Very much so. Again, the role that I see for the department in this regard is one of partnership to assist local government to come to grips with this and to work out how it will affect them.

Mr MITCHELL: Still on page 8—the fourth dot point—could you tell us what work has been done on the legislative proposals to implement the water reform initiatives agreed by COAG?

Mrs McCAULEY: There is a State/Local Government Working Group on National Competition Policy, as I said before. The application of COAG water reform decisions regarding local government

has to come through that working group. On that working group are representatives of the LGAQ, the Brisbane City Council, Queensland Treasury and the Departments of Natural Resources, Premier and Cabinet, and Local Government and Planning. This group reports to me.

The main COAG reforms are the introduction of consumption-based charging for water, with cost-effective transparency of cost subsidies between classes of consumers, because in some areas business people subsidise domestic usage of water. We have no problems with that continuing as long as it is made fully transparent. A discussion paper is being developed and will be released shortly about the application of these reforms. That is being done with the help of the working group. Then the Government will consider the response to what comes forward from the release of that discussion paper before it makes a final decision on those COAG reforms. That should be introduced in the second half of the 1996-97 financial year.

Mr MITCHELL: I refer to the very next dot point on page 8 of the MPS. Could the Minister outline what is envisaged in developing the protocol with the LGAQ?

Mrs McCAULEY: This protocol is really to address all areas of State and local government activity. While there have been protocols signed with the LGAQ in the past about various areas, there has not been a protocol that covers all areas. So this protocol is intended to address the whole lot. It will set out broadly the key roles and responsibilities of the State and local governments. We hope it will lead to greater consistency for local governments in dealing with the wide variety and diversity of issues that are promulgated by State Government agencies. It will not be overly prescriptive, but it will focus on providing a flexible foundation. We feel that it is probably a whole-of-Government approach that we need to organise with the LGAQ.

The CHAIRMAN: The time for Government questions has expired for the time being.

Mr MACKENROTH: We might go through some of the items in the Program Statements. I refer to page 3 under "Planning" in "Program Outlays". The reduction by \$20m from \$37.4m to \$17.4m—could you outline what those changes are?

Mrs McCAULEY: This is a net position resulting from reductions from the State and Commonwealth.

Mr MACKENROTH: I appreciate that. I just wondered if you could outline what they are.

Mrs McCAULEY: Base cuts include winding down the Better Cities Program, reduced Forward Estimates for the regional planning expansion initiative, completion of the Cairns Hillslopes Protection Strategy—

Mr MACKENROTH: How much reduction in regional planning?

Mrs McCAULEY: \$170,000. The completion of the Cairns Hillslopes Protection Strategy—again \$0.17m; the termination of ROSS, community renewal and community parks.

Mr MACKENROTH: So the majority of it must be Building Better Cities then?

Mrs McCAULEY: The majority of it was Building Better Cities—\$13.26m.

Mr MACKENROTH: Under "Key Inputs", the Intra Public Account Transfer of \$58.8m—can you outline what that is?

Mrs McCAULEY: They are virtually carryovers in unspent balances—current grants and subsidies, non-labour operating costs, plus moneys paid under ROSS disbursements to other departments.

Mr MACKENROTH: Can you outline exactly what the amounts are for that \$58m?

Mrs McCAULEY: Yes. Capital grants and subsidies, \$52.799m—

Mr MACKENROTH: Do you have a breakdown for that?

Mr PEDDIE: The \$52m comprises \$44.768m from local government, which comprises local government infrastructure and support, \$3.840m; RLIP, \$7.598m; Showground Capital Works Subsidy Scheme, \$0.983; ARCWSSS, \$8.801m; Aurukun and Mornington roads and drains, \$3.738m; National Landcare, \$2.8m; Palm Island Dam, \$11.438m; State assistance to Torres Strait Islanders, \$1.5m; QNIP, \$1.917m; and ATSI infrastructure, \$2.154m. The base carryover is not included in that because it is not capital. The other amount comprising the \$52m is \$8.031m from planning. That's the Community Parks Program, \$5.680m, and Community Renewal, \$2.351m.

Mr MACKENROTH: The Community Parks Program—is that carried over or is that abolished?

Mr PEDDIE: That was unexpended at 30 June.

Mr MACKENROTH: It was unexpended, but was that not abolished by the present Government?

Mr PEDDIE: Yes.

Mr MACKENROTH: Was that money actually allocated to the department?

Mr PEDDIE: No, it has been taken in savings.

Mr MACKENROTH: Sorry?

Mr PEDDIE: It is included in the savings.

Mr MACKENROTH: No—was the money allocated? If you have allowed that money, was it allocated to the department from Treasury?

Mr PEDDIE: No.

Mr MACKENROTH: How can you take it out if it was not allocated? How much did you say it was for the Community Parks Program?

Mr PEDDIE: \$5.680m.

Mr MACKENROTH: So it was actually on the books of Local Government Services.

Mr PEDDIE: It was unexpended as at 30 June.

Mr MACKENROTH: I appreciate that. Was it actually allocated to the department?

Mr PEDDIE: As at 30 June.

Mr MACKENROTH: It was allocated to the department?

Mr PEDDIE: As at 30 June, yes.

Mr MACKENROTH: Yes, it was allocated to the department?

Mr PEDDIE: Yes.

Mr MACKENROTH: That puts a lie to the claim that that money was never allocated to the department in terms of new initiatives by the previous Government after the election last year.

Mr PEDDIE: It was allocated during 1995-96; but not 1996-97.

Mr MACKENROTH: I understand that. The Treasurer always says that that money was never allocated.

Mrs McCAULEY: There was no forward funding. There was no funding in 1996-97.

Mr MACKENROTH: I am asking whether it was there before.

Mr PEDDIE: Yes.

Mr MACKENROTH: On page 5 of the MPS, in relation to the actual money collected last year for the Kuranda rail levy, is Sky Rail and/or the buses making a contribution to that levy now?

Mr TUCKER: As at last information we had in the department, Sky Rail was not making a contribution. It was still coming from the levy on the train.

Mr MACKENROTH: So the \$444,000 is totally from Queensland Rail?

Mr TUCKER: I do not know the exact split—if there's been any money from the buses. I can only say that it was, in my understanding, coming from the rail.

Mr MACKENROTH: It is bigger than was anticipated then. I take you to page 10 of the MPS, the key outputs for local government, and the agreed legislation program delivered. The actual delivery for 1995-96 is measured as 100 per cent. I draw you back now to page 6 where you state that the 1995-96 performance was that issue papers were prepared on legislation to disclose donations in local government. That is the fourth dot point. The fifth dot point states that work continued on the preparation of the City of Brisbane Act. If you go back to last year's program statement, which you claim to have implemented 100 per cent, under "Planned Performance" of the department was the development of legislation for disclosure of donations and also complete review of the City of Brisbane Act. Was it 100 per cent completed or wasn't it 100 per cent completed?

Mrs McCAULEY: Not if you take those two things into account, obviously. I think that the disclosure provisions for local government—as long as that is in place by the election next year—could be considered to add up to 100 per cent.

Mr MACKENROTH: If you get it into place by next year, it can be considered to be 100 per cent complete last year?

Mrs McCAULEY: Maurie might be able to enlarge on that for you.

Mr MACKENROTH: I just want to let you know that I actually did read this document.

Mrs McCAULEY: I'm sure you did. I believe you.

Mr TUCKER: Government priorities changed during the course of the year and we have delivered what was on the Government priorities. They were 100 per cent—

Mr MACKENROTH: Yes, Minister. It was not 100 per cent complete. We will agree to that.

On page 6, under Program Performance Assessment, 1995-96 Performance, it is stated that legislation was developed to enable the possible deamalgamation of seven local government areas. What was the cost involved with that?

Mrs McCAULEY: The costs were for the Gold Coast—printing and stationery, \$110,000; wages, \$100,000; postage, \$200,000; lease of premises, \$7,500; utilities, \$4,600; advertising, \$5,040; office furniture, equipment, \$9,180; security, \$3,000; returning officer and assistant returning officer fees, \$40,000; sundry, \$2,000. I have not got a total there.

Mr MACKENROTH: Were all those costs met by local government?

Mrs McCAULEY: That's for Gold Coast. Do you want the others? Warwick—printing and stationery, \$6,300; wages, \$9,500; postage, \$10,200; returning officer and assistant returning officer fees, \$23,000. Burnett—printing and stationery, \$23,000; wages, \$9,700; postage, \$16,500; lease of premises, \$1,100; utilities, \$1,400; advertising, \$1,200; office furniture and equipment, \$2,370; returning officer and assistant returning officer fees \$30,700; sundries, \$250. The department has incurred costs of approximately \$300,000 overall in this process. Of these costs, \$270,000 are directly attributable to the referendums on the Gold Coast, Warwick and Burnett, which will be recovered in full from those local governments. A balance of \$30,000 will be met directly from the department's budget.

Mr MACKENROTH: That is the figure I was looking for.

The last dot point on page 6 states that work commenced on initiatives to better coordinate State policies affecting local government. What are those State policies?

Mrs McCAULEY: I might get Maurie to answer that. He will give you a more comprehensive answer.

Mr TUCKER: There are a number of reviews that the Government has under way, or has had in the past, looking at legislation that might impact on local government. An example would be some of the work in the area of the Department of Environment. The Department of Natural Resources also has reviews under way in the area of valuations. The issue we were looking at was the effect of those reviews overall. If they were dealt with individually, a council might be able to handle the changes, but collectively, looking across-the-board, it could create problems. So it was a way of trying to coordinate across the Public Service input by the department from a local government perspective into the reviews.

Mr MACKENROTH: At page 8, the first dot point states—

"Develop legislation for changing local government external boundaries and electoral arrangements."

What process do you plan to put in place, Minister?

Mrs McCAULEY: We have not worked that out in its entirety yet so it would be probably quite remiss of me if I commented on it. At this stage, we are still working through it.

Mr MACKENROTH: So in getting rid of the Local Government Commissioner you have put the cart before the horse?

Mrs McCAULEY: No, not at all.

Mr MACKENROTH: The second last dot point under "Legislation and Strategic Co-ordination" states—

"Develop legislative proposals for codes of conduct for councillors."

What do you envisage to have in place for that? And good luck!

Mrs McCAULEY: It is causing problems in a lot of councils where there is one or more persons who continually disrupt council meetings. So it is important—and you would be aware that there has been a code of conduct set in place for council staff and it seems appropriate that council staff have a code of conduct—councillors themselves, the elected officials, also have a code of conduct. You would also be aware that the parliamentary committee that is chaired by Ms Warwick is looking at a code of conduct for State members. So it seems that the net is closing and there needs to be a code of conduct for councillors.

Some councils, indeed, have their own code of conduct for their particular council. It would stop occurrences where, in some cases, when councils meet the disruptive person or persons causes such problems that they call the police, have them thrown out and then get on with their meeting. So it seems to me that a code of conduct is probably something that should be a standard one across the State, and that is what we are looking at.

Mr MACKENROTH: And what type of punitive measures would you have in that legislation for people who break the code?

Mrs McCAULEY: Codes of conduct are always voluntary, are they not? You could hardly cart people off to gaol for breaking a code of conduct. It just sets the standard and, I guess, it gives the mayor who controls the meetings something on which to base his decisions if he decides—

Mr MACKENROTH: Or hers.

Mrs McCAULEY: Or hers. If he or she decides that they do not feel that a person is adhering to that code of conduct, then they can take appropriate action which probably would only be removal from the meeting.

Mr MACKENROTH: The first dot point under "Financial Assistance and Advice" states—

"Implement a new 10 year funding program of around \$600M."

Were not the initial costings for this program \$800m?

Mrs McCAULEY: No, it was \$500m, actually.

Mr MACKENROTH: No, that was your promise. Were not the initial costings for this program \$800m?

Mrs McCAULEY: I do not know; Maurie may. I do not think so. It is news to me.

Mr TUCKER: I cannot recall anything off the top of my head.

Mr MACKENROTH: Can you provide the Committee with that information if the original costings were \$800m? If that is so, where do you intend to shave the \$200m off the program?

Mrs McCAULEY: I do not think there were any such figures, to be quite honest.

Mr MACKENROTH: No, I am asking you: would you have a look and advise the Committee if there was or there was not?

Mrs McCAULEY: I certainly will do that.

The CHAIRMAN: Thank you very much, Mr Mackenroth. Minister, I move on to planning services. I refer to page 14 of the MPS, "Program Goal". How does the planning program promote and ensure ecologically sustainable development?

Mrs McCAULEY: The planning program currently promotes ecologically sustainable development by ensuring State concerns are reflected in local and regional plans, by promoting best practice in State and local government planning, by supporting regional planning and growth management strategies—and we did that in a major way in this budget—and managing the environmental impact assessment process under our legislative responsibilities.

The new Integrated Planning Act will strengthen the ESD further by promoting sustainable land use and management practices, by balancing the protection of the environment, economic development and the social and physical wellbeing of people in the planning and decision-making processes, by integrating State interests in local government planning schemes and decision-making processes—which they are not at the moment—by making specific reference to ecological sustainability and by drawing upon the intergovernmental agreement on ecologically sustainable development as a base document in drafting the objectives of that legislation.

The CHAIRMAN: I wonder if you could tell the hearing the examples you can provide that demonstrate that the planning program provides tangible benefits to the community?

Mrs McCAULEY: I might ask Kevin to answer that question.

Mr YEARBURY: The planning program attempts to keep in close contact with the key stakeholders involved in planning and land use development, such as the Local Government Association, the land development industry, the

business sector and professional associations in an attempt to have a client focus to what it does.

The examples of the tangible benefits which come from the program include under the proposed Integrated Planning Act potential savings to the private and public sectors of something in the order of \$630m over the next 10 years coming from essentially a reduction in the approval times for development applications, the introduction of private certification for building and plumbing approvals and infrastructure coordination and the more efficient delivery of infrastructure in terms of land development programs.

Specifically, in terms of savings in Government infrastructure costs, there have already been major savings achieved through the emerging regional and strategic planning system. In particular, the ability to secure contributions for bringing forward State infrastructure to service specific developments that would otherwise not be needed has saved the taxpayer some millions of dollars in terms of outlays, or premature outlays at least. With the implementation of the new integrated planning system, savings will also accrue in other projects around the State from improved efficiency in the provision of infrastructure.

Another example of where the planning program has developed tangible benefits is that Queensland got the greatest share of the Commonwealth Building Better Cities funding and outdid other States partly because of the regional and strategic context the planning program was able to provide to support applications for funding, in particular, the Gold Coast railway, the Ipswich corridor and the inner north-east urban renewal area. Just by way of comparison, New South Wales received \$1.8m of Building Better Cities funds compared to over \$60m which was given to Queensland for the same period of time.

The SEQ 2001 regional growth management framework will deliver an estimated savings of some \$4 billion in transport costs and some \$54m in water supply augmentation as a result of coordinating infrastructure programs with settlement patterns. Similar levels of savings are expected through the FNQ 2010 process and the Wide Bay 2020 regional planning processes.

The CHAIRMAN: Page 15 of the MPS states that progress was made to incorporate up to 80 per cent of separate development approval processes into an integrated framework. What happened to the other 20 per cent?

Mrs McCAULEY: They are the ones that at the moment are really in the too-hard basket. They include the complex approval systems, for which major policy and mechanical issues have to be resolved, for example, the Liquor Act which imposes its own controls on the location of licensed premises. It also includes a minor approval system for which there are few development applications, for example, an additional approval is required under the Fossicking Act for a related commercial activity. We believe that in picking up 80 per cent, we are pushing very hard to reform and streamline the development approval process. The other 20 per

cent, which is either too complex or too simple, will eventually be picked up, but certainly not at the moment.

Mr MITCHELL: Also in reference to page 15, what reductions in processing time were achieved under LARP? Have these benefits been cost effective when compared with the cost of the reviews?

Mrs McCAULEY: LARP aims to assist councils with the structural and organisational reforms needed to enable coordinated, comprehensive and integrated assessment of development applications and, therefore, a faster approval system. Indications to the department demonstrate that LARP has achieved significant savings in approval processing time for participating councils. For example, in the Redland Shire I understand that the time taken to determine planning consent and subdivision applications has halved since council undertook their last review. In the case of town planning consent applications without objections and where determination is made through delegated powers, the turnaround time from lodgment is less than 30 days. This includes the two-week public notification period.

Another significant area of time saving has been in the case of minor amendments of approvals and extensions of permits—things like that. In the past there were significant delays through the standing committee structure. Such requests now have a turnaround of less than 14 days, where previously time periods of up to 30 to 40 days were not uncommon. In the Cooloola Shire, there has been a 30 per cent reduction in the time taken to process rezoning applications—30 per cent for consent applications, 35 per cent for subdivision applications and 67 per cent for house-building applications—as a direct result of LARP funding. The cost of this review for Cooloola was approximately \$12,500, of which the council contributed \$5,000 and LARP contributed \$7,500. As this is an area which has a high growth rate, and thus a large number of development applications, it is considered that the savings for local developers would be very substantial, particularly as many are reliant on external borrowings to complete their projects. It is really a very tangible benefit.

Mr MITCHELL: It has been a big turnaround.

Mrs McCAULEY: No formal cost-benefit analysis has been undertaken across the whole program, but Cooloola and Redland Shires are probably fairly representative of the time saving achieved in other councils as well.

Mr MITCHELL: Referring to page 15, the fourth dot point, what role has your department played in the review of the State planning policy entitled Conservation of Koalas in the Koala Coast? Do you envisage any changes to the policy as a result of the review?

Mrs McCAULEY: The policy took effect on 19 January this year. It was approved subject to a review by the Government following a period of public consultation. That consultation period closed

on 20 June this year and the technical part of the review should be completed by today.

The review involves analysing and responding to some 2,500 submissions that were put in, preparing and consulting on amendments to the policy and planning guidelines and finalising the policy for Cabinet consideration, gazettal and publication. The planning program is providing staff to help with the review and amendments to the policy and planning guidelines. In 1996-97, this assistance is the equivalent of one person for five months. The costs for printing and so on will be met from the budget assigned to the Koala Coast Protection Plan, which is administered by the Department of Environment, and recommendations are expected to go to Cabinet in early November.

I cannot pre-empt what those recommendations will be or what the decision of Cabinet will be, but I simply say that I have been having, and will continue to have, lengthy discussions with the Minister for Environment on this matter as we work our way through it. There are a lot of submissions and we are sorting out a whole lot of issues. I am pleased with how it is progressing.

Mr ROWELL: On page 15, the sixth dot point refers to the Geographic Information System. What is the GIS and why is the department involved in this activity? How does it support the regional planning process identified in the MPS?

Mr BARKER: A GIS is basically just an information system that graphically displays information for planning purposes. It can relate to information on land parcels, to population information, to environmental information. It is critical information to enable regional planning to be undertaken. It is used extensively in the SEQ 2001 process, the FNQ 2010 process and the Wide Bay-Burnett 2020 study. As well, we use it in determining the suitability and availability of land for residential development in south-east Queensland. Do you want any more details?

Mr ROWELL: I think that is sufficient to cover the situation. Minister, referring to the fifth dot point on page 15, given that three of the strategic planning projects under the Better Cities Program Mark II were precursors to the three area strategies, is there any point in continuing with these strategic planning projects?

Mrs McCAULEY: Yes, there is. The area strategies are in draft form and it was recognised by all stakeholders that far more detail was required to be included in them before further commitment of capital funds could be made. The strategic planning projects will provide that necessary level of detail, including relevant performance indicators, bench marks and time lines for proposed capital projects to achieve outcomes. Whilst capital funds from the Commonwealth have now been lost to these area strategies, the strategic planning projects provide a valuable opportunity for stakeholders to identify the intended land use and infrastructure requirements for these areas and to reach agreement on the most efficient and effective means of implementing these plans, including, where appropriate, funding.

The strategic planning projects will also provide the basis for future State Government decisions on funding for infrastructure projects in these areas. This is particularly the case in respect of the southern Gold Coast/Tweed corridor project, given the recent Premier's announcement that the State Government will provide funding of \$45m for the completion of rail infrastructure in the Brisbane to Gold Coast corridor.

Mr ROWELL: Turning to page 16 and the last dot point, in what ways has or will the SEQ 2001 Regional Framework for Growth Management improve land using planning decisions in south-east Queensland?

Mr SCHMIDT: I understand the question was: in what ways will SEQ 2001 improve decision making in land use planning? Is that correct?

Mr ROWELL: That is correct.

Mr SCHMIDT: The SEQ 2001 regional framework for growth management has been endorsed by all spheres of government and provides a pattern of settlement for the south-east Queensland region which utilises land efficiently and in accordance with the agreed social and environmental objectives of the framework. Local government has agreed to the nominated population figures in the SEQ 2001 regional framework for their local government areas, which support a range of social, economic and environmental benefits for the region. Local governments are currently adopting these figures and supporting policies in their planning scheme reviews. In addition to that, the regional framework provides a range of measures, including the regional centres policy, industrial land location and transport initiatives to improve the relationship between employment location, transport and the resident population to ensure that the environmental quality of land, air and water is protected and people's social and economic needs are met. Finally, in terms of the process, the SEQ 2001 Regional Coordination Committee, which includes the Minister for Local Government and Planning, the Minister for Transport and the chairs of the four local government subregional organisation of councils, provides a forum for resolving regional policy issues.

The CHAIRMAN: I refer to the first dot point on page 16 and the FNQ 2010. Minister, why did you change the composition of the FNQR PAC, and what benefit has that delivered?

Mrs McCAULEY: When I went to Cairns, it was put to me that representation on RPAC by the urban development industry in northern Queensland would be beneficial, because they play a major role in development in that area. They were not represented on that RPAC, and I was quite happy for them to come in under that umbrella. The representative of the NDIA came in, and I believe that he has made a worthwhile contribution. I thought that balanced it more.

The CHAIRMAN: Yes, I have to agree. I refer to the second dot point on page 16, and I ask: what value has the department added to the EDROC regional planning project?

Mrs McCAULEY: The department has contributed \$50,000 in cash. That is a dollar-for-dollar contribution with the local governments involved to assist in payment of consultancies. A senior departmental officer is on the steering committee for the project. The department has held a number of workshops for Government agencies to gain a coordinated Government input into the project. An officer was assigned to collect and collate all Government and university studies in the area. Officers from the department have also attended all community and council meetings run by the project consultants to discuss Government service delivery options. The department also supplied \$5,000 worth of electronic mapping products to the project. But, most importantly, the department will be heavily involved in the implementation of the project by assisting in the amendment of the local government planning schemes to accord with the strategy, and will undertake work in areas that the strategy determines is essential for the long-term planning of the region. For example, issues such as the possible relocation of the Toowoomba Airport need considerable investigation.

The CHAIRMAN: The time for questions from Government members has elapsed.

Mr MACKENROTH: I noted the comments you made in relation to page 15 about the LARP program, how good it was and what can be achieved by having local governments involved in that. I note from page 19 that there has been a reduction in funds for LARP from the Commonwealth Government. Are any funds available this year for the LARP program and, if so, what are they and from what source?

Mr PEDDIE: For LARP A, a total of \$118,000 has been allocated for 1996-97. For LARP B, there is \$143,000. Of this, for LARP A \$16,000 is the estimate for 1996-97, with a carryover of \$102,000. For LARP B the estimate is \$94,000, with a carryover of \$49,000, making it \$143,000.

Mr MACKENROTH: How much money has been made available this year?

Mr PEDDIE: For LARP A, a total of \$118,000.

Mr MACKENROTH: How much is carried over?

Mr PEDDIE: An amount of \$102,000.

Mr MACKENROTH: How much money is there?

Mr PEDDIE: There is \$16,000.

Mr MACKENROTH: From what fund has that money come?

Mrs McCAULEY: A lot of that funding came from the Commonwealth.

Mr MACKENROTH: I appreciate that.

Mr PEDDIE: From the Commonwealth.

Mr MACKENROTH: You said there is LARP fund B, is there?

Mr PEDDIE: Yes.

Mr MACKENROTH: Which is?

Mr PEDDIE: LARP B has a carryover of \$49,000 and \$94,000 in new money.

Mr MACKENROTH: So that is a new \$110,000 for this year. Minister, I was going to refer to PEDA, but we will go to the son or daughter of PEDA, that is, IPA. I also refer to the dot point which states that the services provided under "Planning" include reducing costs to business.

Mrs McCAULEY: What page are you on?

Mr MACKENROTH: It does not really matter, does it? I am referring to IPA and reduced costs to business. What cost benefits do you see coming from IPA, both to Government and business?

Mrs McCAULEY: Elements of the new Bill that are likely to be retained because of the cost savings include: an enhanced local government planning and development framework to provide a more effective mechanism for coordinating State and local government plans and infrastructure programs; a single integrated impact assessment and development approval system which will streamline the decision-making processes and reduce the cost of compliance to business; the integration of 60 separate approval processes in 30 statutes; including the licensing and approval requirements relating to development under the Environmental Protection Act 1994 into the planning framework; introducing private certification for building and plumbing works; and the establishment of a reasonable, open and equitable mechanism for local government to secure contributions for basic community infrastructure, such as water supply and local parks.

The new features include changes to the development approval process to rationalise assessment categories and remove fussy terminology; the introduction of an enhanced impact assessment process compatible with other State-level processes; the explicit protection of existing use rights and clarification of other community and applicant rights; a genuinely simple and easily understood planning decision-making process; and coordination of the State Government capital works program with land use planning through local government planning schemes to ensure the most efficient delivery of infrastructure and services to the community; plus a modified certification system for subdivision works. That is expected to deliver substantial economic benefits to the State, local government, business and the community, in particular: \$4m to \$10m per year to the State Government arising from improved coordination between the provision of infrastructure and development; \$25m to business through streamlining the development approval system by cutting delays in red tape; and \$8m per year to business from private certification by enabling competitive forces to provide cost savings in the development approval process.

Mr MACKENROTH: What about the \$5m to local government? Is there a saving to local government?

Mrs McCAULEY: I would expect there would be.

Mr MACKENROTH: It is exactly the same as it was last year. I wondered whether you had actually made any new savings other than the \$636m over 10 years.

Mrs McCAULEY: You are making a point.

Mr MACKENROTH: No, I am asking whether the new proposals will generate increased or less savings to business and Government with respect to the \$636m that was projected under the cost-benefit analysis.

Mrs McCAULEY: They may not generate increased savings, but they will be easier to operate and understand and work under.

Mr MACKENROTH: If we can go now to regional and local planning, page 15, the SEQ 2001 project. I note in the document you talk about implementing that and working with councils. What measures will you have in place to deal with Pine Rivers to make them understand that they are a part of south-east Queensland?

Mrs McCAULEY: Is this relevant to the budget?

Mr MACKENROTH: Well, part of your planned performance for this year—

Mrs McCAULEY: I have had talks with—

Mr MACKENROTH:—is the amendment of local government planning schemes to implement the SEQ 2001 regional framework for growth management. My understanding was that 17 of the 18 councils in south-east Queensland have signed to deliver the outcomes of SEQ 2001. Pine Rivers has not. So the question is relative to that section in your Program Statements.

Mrs McCAULEY: I have had lots of talks with the Mayor and councillors from Pine Rivers and will continue to do that. They are involved with SEQROC. They will be very involved with the Mango Hill project. They are very interested and keen to play a role there. But I respect the rights of councils to be autonomous, and if they do not wish to be involved in those SEQ strategies, it is not my place to tell them that they have to. I think they should be, but it is not for me to tell them that they have to, and I do not know that it is any major drawback that they are not.

Mr MACKENROTH: Well, no, it is not, until such time as their strategic plan is reviewed. When that is reviewed, will you take the role that you have under the legislation as the Minister to ensure that the State policy to which the State has agreed, which is SEQ 2001, is implemented in that council?

Mrs McCAULEY: We would try to reach a mutually satisfactory arrangement, I guess, with Pine Rivers. But we are committed to the processes of SEQ 2001. When their town plan comes up or their strategic plan comes up, we will look at it in that light.

Mr MACKENROTH: You would ensure, then, that the State elements of SEQ 2001 are put into their strategic plan.

Mrs McCAULEY: We have a responsibility to ensure that the State elements of any policy that we have enacted, yes.

Mr MACKENROTH: I am pleased that I wasn't as heavy-handed as that! I am only joking. Go to page 19 under planning. Because these documents are not so easy to understand, some of these may have already been outlined under other figures, but under current grants and subsidies, the amount of money there from actuals of \$12.7m has decreased to \$4.6m. Could you outline what those reductions are?

Mr PEDDIE: Part of the variation or a large part of the variation is due to a reclassification of the grants from current grants and subsidies into non-labour operating costs, which reflect the use that the department puts some of those moneys towards. In the current grants and subsidies, in 1995-96 actuals, for Building Better Cities the actual was \$12.119m; the Estimate for 1996-97 is \$1.595m LARP B was \$37,000; it is \$20,000. Other discretionary grants have moved from current grants and subsidies into non-labour operating costs. The actual in 1995-96 for ROSS was \$0.331m and in 1996-97 it is \$0.847m.

Mr MACKENROTH: How much was it in ROSS in 1995-96?

Mr PEDDIE: \$331,000 actual.

Mr MACKENROTH: 331.

Mr PEDDIE: That is in current grants and subsidies.

Mr MACKENROTH: That is for the Regional Open Space System.

Mr PEDDIE: Yes. Some of ROSS is included under salaries and wages. There is \$230,000 included under actuals for 1995-96, and there is \$66,000 included under non-labour operating costs in 1995-96 as well.

Mr MACKENROTH: At page 20, the line under regional and local planning states that there is a slight increase—\$900,000—due to new initiative funding for this function. What is the new initiative funding for regional and local planning?

Mr PEDDIE: The main variation is in the Regional Planning Program, which has increased from actuals of \$799,000 to \$1.031m. Cairns Hillslopes has increased from \$50,000 to \$125,000. There has been a slight increase in FNQ 2010 from \$175,000 to \$179,000. SANPR has increased from \$25,000 to \$117,000.

Mr MACKENROTH: So the new initiative funding is funding that I put in the budget?

Mr PEDDIE: Sorry?

Mr MACKENROTH: There is no new initiative budget increase since February this year.

Mr PEDDIE: No.

Mr MACKENROTH: Is that correct?

Mr PEDDIE: Yes.

Mr MACKENROTH: The line underneath that, the Regional Open Space System, the \$847,000—I think we talked a bit about that before. Can you just outline the breakdown on that \$847,000? Before, I was basically told that it was going to be abolished but there was some funding needed for it this year.

Mrs McCAULEY: It is to meet existing commitments.

Mr MACKENROTH: Yes, but of the \$847,000, what are those commitments? How does it break down? Is any of that money earmarked for purchase of land that has already been committed?

Mrs McCAULEY: Cashes Crossing and trail in the Pine Rivers Shire Council, \$22,500; Nathan Road wetlands, Redcliffe City Council, \$72,000; Yellow Finch camping area in Beaudesert, \$174,000; Pine Rivers Park, \$65,000; Springbrook property publicity in the Gold Coast City Council, \$15,000; Mount Tamborine Outdoor Experience, \$15,000; Glen Rock, \$159,000; Mount Barney, \$50,000; The Settlement, Springbrook, \$100,000; salaries for support, including GIS, \$354,250, giving a total of \$847,000.

Mr MACKENROTH: So what is planned for that program in the future besides paying people wages?

Mrs McCAULEY: We are looking at that; we have formed a committee to review it. There was so much bad odour about the whole name of ROSS, Regional Open Space System, that we have got a committee with input from the State Government, local government and the community, which was lacking previously, to have a look at it, because I believe the Regional Open Space System is a good one and I believe in the concept of regional open space, I felt it was necessary to look at how that bad publicity and the upset that the people were caused in the past could be overcome without throwing the baby out with the bath water.

Mr MACKENROTH: I think there was a lot of input from local communities, it is just that the people who did not agree with it said that there was no input.

Mrs McCAULEY: I disagree.

Mr MACKENROTH: That concludes my time, thank you very much.

The CHAIRMAN: Minister, I would like to move on to Rural Communities and talk about the Women's Budget Statement. At page 6, reference is made to your department encouraging women in a range of decision making activities such as an assessment of the feasibility of establishing a Rural and Country Women's Council. How will this council differ from the Women's Consultative Council, which includes rural representation, and will it duplicate work that has already been undertaken?

Mrs McCAULEY: The Queensland Women's Consultative Council, which reports to the Deputy Premier, Mrs Sheldon, has completed its term and a new one will be appointed. The proposed council for rural and country women in Queensland will build on the work previously undertaken by the consultative council. It will have a broader term of reference to examine issues of relevance to rural women across the State, and I understand that they met for the first time early this week and I have not yet had any feedback on the sorts of issues that will come out of that. The future relationship of the Council for Rural and Country Women in Queensland to the new Queensland Women's Consultative Council will be a

matter for that steering group, which has about 15 members on it, from memory.

The CHAIRMAN: They are right across the State, are they?

Mrs McCAULEY: Yes, there are. We have had to limit the numbers, but there is one from each area, if you like—each region. It is chaired by Jan Joyce and I think it is going to be an excellent committee.

Mr MITCHELL: On rural communities again, Minister, I refer you to page 29, the seventh dot point. What are the likely anticipated costs of running the Rural Communities Committee and how will the rural communities benefit from the activities of the RCC?

Mrs McCAULEY: The cost of running the Rural Communities Committee will be minimal and they will be met from within the budget of the Office of Rural Communities. The cost will be a small percentage of a salary of an ORC officer, who will also undertake a range of other duties. Potential benefits from such a committee as this include: identifying opportunities to improve the delivery of particular services to rural communities, such as the closure of banks that we have seen throughout—that is an issue that has to be addressed—ensuring a coordinated interdepartmental response and approach to the various issues; providing a point of reference, again for interdepartmental working groups, to ensure that there is a whole-of-Government perspective; and providing opportunities for departments to share information and work together to develop solutions to rural community issues, which issues are many and broad ranging.

Mr MITCHELL: I know it well.

Mrs McCAULEY: Membership of that Rural Communities Committee will consist of a group of CEOs of departments that focus of the social and economic developments of rural and regional Queensland.

Mr ROWELL: I refer to the second dot point on page 35. What legislation in your portfolio needs to be reviewed under the National Competition Policy's Legislative Review Program, and why?

Mrs McCAULEY: The Acts and instruments which will be subject to review and the time frame for completion of reviews are as follows: the Local Government (Harbour Town Zoning) Act 1990, the

time frame for that is 1998-99; Local Government (Planning and Environment) Act 1990, which will be dealt with as part of the new planning legislation; Local Government Act 1993; City of Brisbane Act 1924 and Local Government Finance Standard 1994, the time frame for that is 1997-99; local laws and model local laws, again 1997-99; the Building Act 1975, the time frame is 1998-99; and the Sewerage and Water Supply Act 1949, the time frame for that is 1997-98. All reasonable documented and verified costs incurred by the department in the conduct of these reviews will be reimbursed by Treasury from the competition payments received from the State.

The CHAIRMAN: In the couple of minutes remaining, I want to go back to rural communities and talk about the Women's Budget Statement again. On page 10, there is a reference to up to \$10,000 being provided to rural enterprise workshops. What specific benefits will this provide for rural women?

Mrs McCAULEY: Funding for the rural enterprise workshops has been provided to encourage the emergence of cottage based industries throughout rural Queensland such as Tambo Teddies, I guess. That is a rural cottage based industry that has been a remarkable success. Those rural enterprise workshops are encouraging that sort of cottage based industry. In fact in Tambo, I believe that every employable woman who is left in the town without a job has been employed by Tambo Teddies. So they are the sort of cottage based industries. They provide flexible workable arrangements for women in rural areas where jobs are not readily available and they enable them to participate as well in community activities.

Some of the other successful ventures include Goondiwindi Cotton, Country Harvest, which is a production of native fruit, jams and cosmetics, Barambah Emus, which is a range of emu products, and Tarn Pots, and there was an exhibition of various country crafts and country industries last year, I believe, over at the Convention Centre.

The CHAIRMAN: The time allotted for the consideration of the estimates of expenditure for the Minister for Local Government and Planning has now expired. I would like to thank the Minister and also her portfolio officers for their attendance. We will now suspend the hearing for afternoon tea and we will resume at 4.15.

Sitting suspended from 4 to 4.15 p.m.

MINISTER FOR TOURISM, SMALL BUSINESS AND INDUSTRY**IN ATTENDANCE**

Hon. B. W. Davidson, Minister for Tourism,
Small Business and Industry

Mr L. Harris, Director-General

Mr M. Bermingham, Executive Manager,
Corporate Development and Finance

Mr D. Williams, A/Chief Executive Officer, QEC

Mr R. Pulsford, Manager, Finance

Mr R. Boyle, Chief Executive Officer, Office of
Business and Industry

Mr S. Gregg, Chief Executive Officer, QTTC

Mr D. Ronai, Director of Finance and
Administration, QTTC

Mr M. Peters, Executive Director, Office of
Tourism

Mr G. Cooke, Executive Director, Industry and
Technology

Mr L. Longland, Executive Director, Liquor
Licensing

The CHAIRMAN: The hearings of Estimates Committee D have now resumed. The next item for consideration is the Department of Tourism, Small Business and Industry and the time allotted is three hours. For the information of the Minister and new witnesses, the time limit for questions is one minute and for answers it is three minutes. A single chime will give a 15-second warning, and a double chime will sound at the expiration of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound after an extension of time has been given. As set out in the sessional orders, at least half the time is to be allotted to non-Government members. For the benefit of Hansard, I ask departmental officers to identify themselves before they answer a question. I now declare the proposed expenditure for the Minister for Tourism, Small Business and Industry be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, is it your wish to make a short introductory statement in relation to the elements within your portfolio, or do you wish to proceed directly to questioning?

Mr DAVIDSON: I would like to advise that I have from my department today, my Director-General, Loftus Harris; Mark Bermingham; Ray Pulsford; David Ronai; Mark Peters and David Williams. I would like to place on record the efforts that all the staff in my department have made to ensure that we are able, hopefully, to answer all questions that we are asked here today. I do really appreciate the efforts of my staff in preparing for today's Estimates.

The CHAIRMAN: So you do not wish to make any further statement? We will go directly to

questions. We will commence with non-Government members. I would like to acknowledge Lorraine Bird, who is Opposition spokesman for Tourism and the member for Whitsunday.

Mrs BIRD: Minister, I will direct my questions to you, but by all means flick them onto one of your advisers if you feel so inclined. I direct you to Budget Paper No. 2, page 189, where it details savings of \$16.742m to be realised by efficiencies and removal of duplication, which will be redirected to high priority areas of tourism and business. What are these efficiencies specifically and the savings to be achieved?

Mr DAVIDSON: We were asked to make savings of \$16m—\$14m, I think it is. I think there is an amount of money that will come back over time as required. We went through all initiatives in the department and reviewed all initiatives. Obviously, you are aware of the integration of the Queensland Small Business Corporation in my department, with first-year savings of \$500,000 and second and third years, \$1.75m. We gave up QRIG, which had a requirement of \$2m this year; we replaced that with Innovative Queensland, which has a budget the first year of \$500,000. I think there are many other savings. I might just get one of my staff—Mark Bermingham.

Mr BERMINGHAM: The savings were dealt with on two occasions. On the first occasion savings of \$6.195m were identified. They generally related to special projects which the department had funded and the Government—

Mrs BIRD: What sort of projects?

Mr BERMINGHAM: Special projects—they were projects that were funded from what's called Special Funds.

Mrs BIRD: Can you elaborate on that? What are they?

Mr BERMINGHAM: Do you want the definition of "Special Funds" or do you want the actual elements?

Mrs BIRD: I want to know what the actual elements are.

Mr BERMINGHAM: We can go through those. The Round 1 savings related to \$4m savings in terms of the Major Project Incentives Scheme; QTTC conventions marketing, \$1.5m; SEQ 2001, \$120,000; business advice to rural areas, \$125,000; the Main Street Program, \$100,000; Small Business Ombudsman Project, \$100,000; QTTC Korean office, \$200,000; QTTC promotion funding, \$1m; giving up of carryovers which were reinstated to the old department of DBIRD, \$2.225m; a carryover relating to Queensland Research and Development Project, \$400,000; and a carryover related to the Cooperative Research Centre of \$425,000.

There was a Round 2, which related to a savings associated with the Industry Location Scheme of \$886,000; the Queensland Industry Information Service, \$130,000; savings from the Strategic Planning and Policy Branch, \$306,000; savings from the Quality Development and Purchasing Unit, \$97,000; a head office savings

target in the Corporate Services area of \$727,000; savings in the regional area of \$360,000; savings in the Liquor Licensing Program of \$535,000; savings in the Queensland Events Corporation of \$106,000; savings within the Queensland Tourist and Travel Corporation of \$2.5m; and savings within the Queensland Small Business Corporation of \$500,000.

Mrs BIRD: Were there any job losses involved in this?

Mr BERMINGHAM: Yes, there were. Positions have been identified as being affected by these savings. At this point in time, there are no job losses. The director-general might talk about the strategy of how that worked out.

Mr HARRIS: The total job losses will be around 48 within the department. We do not envisage at the moment any involuntary redundancies at all. Envisaging that we would be going through this process we put a freeze in place in relation to staffing numbers, and we will probably effectively save most of those positions through the freeze that we have had in place over the last six months.

Mrs BIRD: So no job losses?

Mr HARRIS: There will be 48 positions, yes, that are lost to the department but, because we have followed a process of attrition over the past six months, the number of job losses that will effectively occur—there may be, say, up to a dozen voluntary early retirements, but that will be the only effect on the department.

Mrs BIRD: Mr Bermingham, I wonder if I could take you back to the \$1.5m figure relating to conventions and marketing. Was that a cut, was it?

Mr BERMINGHAM: Yes. That did represent a cut to the QTTC, but it needs to be put in context that there was money which was reinstated to the QTTC in the order of \$7m, which was available to the QTTC to apply moneys to priorities and initiatives as they decided.

Mr HARRIS: I might be able to throw a little more light on that. The \$1.5m that was identified was in fact a special funding allocation. It was specifically targeted at that activity. Funding has been reinstated but as base funding for the QTTC, which actually gives that organisation greater flexibility in terms of using that money.

Mrs BIRD: Page 5 of the MPS indicates that there has been an increase of 50 per cent in administration staff in tourism from 26 to 38. In view of the Government's back to basics propaganda, would not the funding for this resource be better spent in direct tourist promotion activities? What will this extra 50 per cent of staff do?

Mr DAVIDSON: I think you will find that in the Office of Tourism there are 11 appointed staff. We have increased that to 26. We took that decision to give us the ability to establish a few new divisions within the Office of Tourism—there is an Ecotourism Division; there is a Business Division. I was of the opinion when I was appointed as the Minister that the Office of Tourism was understaffed and needed

some more professional people involved in the office so that the Government could formulate strategies for future tourism needs such as ecotourism and business tourism. So the reason for the expansion of the Office of Tourism was to be able to give it a stronger, more professional approach to tourism in Queensland.

Mrs BIRD: So the Queensland Small Business Corporation has been scrapped?

Mr DAVIDSON: Yes.

Mrs BIRD: Twenty-two staff have been transferred to the department?

Mr HARRIS: Twenty-one positions from the Small Business Corporation have been transferred to the department. Staff who formerly worked for the corporation were able to apply for those positions. Sixteen staff actually applied for those; 13 have actually won positions within the organisation. Yes, the figure is 21 positions transferred to the department.

Mrs BIRD: I move to Corporate Services. Administrative staff has been reduced by 17—122 to 105. A note on page 36 of the Budget paper says that this is owing to efficiency savings to be achieved in 1996-97. What are these savings? What are these efficiencies specifically? What specific efficiencies are you referring to?

Mr HARRIS: The number of positions that were in the Corporate Services area included corporate service positions that were transferred from the former Department of Tourism, Sport and Youth. It is simply, I suppose, the efficiencies of having a larger organisation administered by a single corporate services unit. For example, you will note that the number of human resource management staff will decrease. Whereas there were two HRM cells before, this will actually decrease to a cell that provides services for the combined department.

Mrs BIRD: So what tasks are unnecessary? What do you classify as unnecessary tasks? Just the human resources?

Mr HARRIS: I think that when there are two organisations, there is actually a degree of replication when you are administering all of the functions of a single HRM function in two separate locations. By bringing these together, there are simply savings that can be obtained by having individual staff members who specialise in any particular area of HRM, for example, being able to provide that service for the whole of the department.

Mr BIRD: Will the reduction of administrative staff mean that professional staff will now do more administrative work? If so, will this affect their production and efficiency? Will that mean that they will be doing lesser jobs?

Mr HARRIS: I understand. No, I do not believe that is so. I believe that the savings occur primarily in the administrative area and in the administrative area of those programs.

Mrs BIRD: What specific time and motion studies or other management tools have you used to measure anticipated savings? Can these be

calculated? Can these calculations be tabled? Have you done any studies to support those?

Mr HARRIS: The process that has been used has been to ask each of the individual managers in the Corporate Services area to determine their own business plan for the managing of each of their operational areas and to determine the staffing levels that they require to undertake those activities.

Mrs BIRD: Can I have those? Can I have those plans? Can I see those calculations?

Mr HARRIS: I am sure we could look at the working documents that we have got and supply those to you. I would have to take that on notice.

Mrs BIRD: But are they the only calculations that you have? Is that the only way in which you have done it? By a business plan from each area of management?

Mr HARRIS: Yes.

Mrs BIRD: As stated previously, administration staff in Corporate Services are down 17. That means administration for regional projects is down one from 47 to 46. Industry and technology is down six from 107.

Mr HARRIS: Can you refer me to the table you are reading from? Is it still on page 36?

Mrs BIRD: No. You have just responded to those questions.

Mr HARRIS: Sorry, okay.

Mrs BIRD: This is at page 5. Business has lost two—that is without the QSBC transfers. Liquor Licensing is minus one, from 56 to 55. Tourism has an increase of 12. In view of the staff numbers being neutral, where do the efficiency savings occur?

Mr BERMINGHAM: The system in which the MPS is prepared set certain perimeters as regards how you record staff. The 1995-96 actual is a head count at a point in time which deals with full-time people. It fails to take into account vacancies and people on long-term absences from the department, whereas the estimate for 1996-97 is an exception in that this is reasonably close to full complement. Therefore, the comparison of those two columns makes it very difficult. However, there is a briefing note we can go through for each of the relevant areas where the pluses and minuses are, which is probably more realistic.

Mrs BIRD: But have you not just moved people around?

Mr BERMINGHAM: There have been cases where resources have been moved to new priorities. There have been cases where positions have been declared surplus at this point in time, but our hope is to strike them against vacancies to areas where they are still required. Obviously, the QSBC people coming in are new people coming through. There will be 15 new positions created in the Tourism Program.

Mrs BIRD: Where are the efficiencies?

Mr BERMINGHAM: The efficiencies come from a number of areas and respective executive directors may talk to these. There has been a duplication between the functions of what was known as QINDIS and ISO. We had rationalisation

there so there is only one organisation concerned with the product match and services of the Queensland Government. Other efficiencies come in terms of combining the critical functions between what was known as our strategic plan and policy branch with the business regulation review. Other efficiencies have come with the determination of the Quality Development Unit, because the basic functions of that unit have been met now. There are efficiencies also with the amalgamation of the QSBC functions with the department, so our clients now receive a seamless delivery in terms of business assistance. Other efficiencies, as indicated previously, are within Corporate Services when the transition occurred between the two departments. We found that with the new size of the department, it was possible to get some economies of scale in some of those areas and positions have been saved there.

Mrs BIRD: Can I have some calculations there?

Mr BERMINGHAM: The employment levels for the department are expected to rise in round figures from 456 to 477. The main increases will be due to the QSBC officers coming over, the initiatives from tourism, and the Innovative Queensland Project. Program by program, the Regional and Project Development Program will have a net increase of 2.4; the Business Program will have a net increase of 20.4; Industry and Technology will have a net increase of 6.6; Regional Operations will have a net negative change of 7; Corporate Services will have a net negative change of 16; Liquor Licensing will have an addition of one; and Tourism will have an addition of 14.

Mrs BIRD: How much were the machinery of Government transition costs on the formulation of the new department?

Mr HARRIS: The major relocation cost with the amalgamation was within the Corporate Services units of the two departments brought together. This involved the relocation of officers to and from the Capital Hill building and 111 George Street. Some minor refurbishment was undertaken in both buildings to enable the amalgamation, and costs associated with the relocation are being met from the department's Office Accommodation Program held at the Department of Works. The total expenditure on all relocations associated with the amalgamation was \$93,494.

Mrs BIRD: What was the \$2.5m cut to QTTC for?

Mr HARRIS: The \$2.5m cut was one of the first round savings which was reinstated within the \$7m that came back to tourism within the Budget.

Mrs BIRD: It came back?

Mr HARRIS: As part of the \$7m allocated to tourism within the Budget.

Mrs BIRD: So it was a return?

Mr HARRIS: Yes.

Mrs BIRD: I have mentioned to the Minister that I will be asking some questions about tourism, and I turn to those now. Minister, in view of the

anticipated increase in tourism of 9 per cent per annum over the next decade, as stated—almost 100 per cent in 10 years, that is, 10 per cent each year—why is the program outlay for 1996-97 for tourism the same as the 1995-96 actual?

Mr DAVIDSON: I think you need to appreciate that the base funding for the QTTC—is that what you are talking about?

Mrs BIRD: The whole of the increase in tourism, yes.

Mr DAVIDSON: I think you need to appreciate that the QTTC and the Office of Tourism are very different, as is the Queensland Events Corporation. The overall funding at the base level for tourism has increased from \$27.5m to about \$29.8m. There is a couple of million dollars increase in base funding. That was part of the Government's overall election promise to increase funding for tourism.

Mrs BIRD: No. I deliberately said "1996-97". Why was the program outlay for 1996-97 for tourism the same as the 1995-96 actual?

Mr DAVIDSON: What figures are you quoting?

Mrs BIRD: It is on page 2.

Mr WILLIAMS: I think the comparison there is that the budget last year for tourism was \$38m.

Mrs BIRD: That was the estimated budget.

Mr WILLIAMS: Yes, that was the budget. A number of specials came in during the year; that took it to \$45m. But the actual increase between the approved budget last year and this year was \$7m. I can indicate to you from where those increases came, if you would like.

Mrs BIRD: No. The program outlay for 1996-97 is the same as the 1995-96 actuals. Given that there is an increase in tourism anticipated for the next decade of 100 per cent, or a doubling, why was there not an increase on the actuals?

Mr WILLIAMS: There was. A number of specials occurred between the budget being brought down last year and what was actually spent on it ultimately. So the budget approved was \$38m. The \$48m came in because of some exceptional circumstances, such as the Government provided an extra \$1.5m to the QTTC during the year—

Mrs BIRD: I am aware of that. But the budget still did not increase on the actuals, it remained the same; is that not true?

Mr WILLIAMS: Yes, that is true. The budget this year is the same as the actual—

Mrs BIRD: And you did not think it necessary to increase it?

Mr DAVIDSON: No, I think you have to appreciate that the base funding has increased. As the Minister, I have the ability to go back to Cabinet or Treasury at any time and request funding for specials. Specials are quite different from base funding.

Mrs BIRD: But, philosophically, you did not see any need to increase on the actuals?

Mr DAVIDSON: I think you will find the actuals have increased. The base funding actuals have increased, as I said to you when I first answered your question. The special funding last year for the QTTC was about \$6m, and those funds were required during the year for special needs, such as convention marketing, Early Bird—

Mrs BIRD: I am aware of what the increase was for. What I am asking is: given the anticipated growth, why did you still not see any need to increase on the actuals?

Mr DAVIDSON: I do not know that you would be able to make that statement—

Mrs BIRD: We are just going around in circles, Minister.

Mr DAVIDSON:—until next budget. As I said to you, I have the ability at any time to go back to Cabinet or to Treasury and present a submission for special funding.

Mrs BIRD: So for your next budget you are able to say that you have an increase because you give a very low estimated budget this time?

Mr DAVIDSON: No, I think you need to appreciate that there is a difference between base funding and special funding. I think Mr Birmingham was prepared to identify that difference to you earlier on.

Mrs BIRD: I know the differences. I know what occurred. We are just going around in a circle. The simple truth of the matter is that you did not increase on last year's actuals. You increased on the estimates. Next year, you will be able to say, "Look what we did from the estimates last year."

Mr DAVIDSON: It may well be that I will be able to say that next month. As I said to you, at any one time I am able to go back to Cabinet or to Treasury—and there is a mid-year review—to request extra funding. I think you will find that is the case. So you will just have to wait until the next budget to make that comparison.

Mrs BIRD: I will make it now, thank you, Minister.

Mr DAVIDSON: As to the special funding in the 1994-95 budget—the base funding in the 1994-95 budget was \$27.6m, and special funding was acquired through the year.

Mrs BIRD: I am aware of that.

Mr WILLIAMS: As I mentioned before, the additional funding to the QTTC was \$1.54m on a domestic and intrastate campaign.

Mrs BIRD: I am aware of the funding to the QTTC.

Mr WILLIAMS: There was an extra \$5m for Indy as a special one-off.

Mrs BIRD: But the point still is that you have not increased on the actuals?

Mr WILLIAMS: Could I just refer back to the Minister's point? For example, he talked about going back to the mid-year budget review. If the Queensland Tourism Strategy, which the Minister will consider shortly, is accepted by him and the

Government, there will be funding issues in relation to that which the Minister may go back to Cabinet on. So at the moment it depends on the acceptance of the strategy by the Government as to whether the Minister goes back.

Mr DAVIDSON: If you look at the actuals for last year, there is \$5m for Indy.

Mrs BIRD: I am aware of that, Minister. I am quite aware of what made it up.

The CHAIRMAN: The time for questions from non-Government members has expired. We will move on to questions from Government members. Minister, you have recently made changes to the board of the QTTC and you have appointed a new chief executive officer. Would you give us further details of the future plans for the QTTC?

Mr DAVIDSON: As everyone knows, before the Government took office, as shadow Minister, I heard from many people within the industry who raised concerns about the board of the QTTC and the future direction of the QTTC itself. I believe I moved quickly and appointed a new board to the QTTC. The Chairman, Mr Frank Burnett, was retained. Six new board members were appointed. There is a person, Robyn Toohey, from Townsville who is a member of the board. We are waiting for the change to the QTTC Act to be passed by Parliament before she can be appointed. At that time, I will also appoint another three members. I will be expanding the board from 6 to 10.

Three months ago, the QTTC identified Mr Stephen Gregg as a new CEO for the QTTC. It took some time for Mr Gregg to be appointed as CEO, because he was employed in the Northern Territory at the time. He took office three weeks ago. From the feedback I have from the industry right throughout Queensland, there is an enormous amount of respect and confidence in Mr Gregg as the CEO of the QTTC. At the moment, we are advertising for a director of marketing. Mr Gregg obviously wants to put his own stamp on the QTTC. We would hope that in the next month or so a director of marketing would be appointed. Let me just say that the feedback I have had from all parts of Queensland and from all people at all levels of the industry has been absolutely enormous in terms of the confidence they now have in Mr Gregg as the CEO of the QTTC and the QTTC board.

I think most people realise and appreciate that Queensland has been under some pressure for the last two or three years from competition from southern States, particularly Victoria. We were hoping to have released a new marketing and promotional campaign, but we have had to delay that. In the interim, we released "Beautiful Queensland Days". At the moment, I think we are in the process of formulating another summer commercial. We would hope to launch a new Queensland promotional commercial in February/March next year. One of the reasons for the delays in that commercial is that the QTTC research division was gutted from 10 to 2 in 1992. We found it difficult to appoint an advertising agency to develop a commercial for Queensland without supporting it with the research that we thought was

required. Hopefully, in the next two or three months we will be able to achieve, through our discussions and meetings with the advertising agency and some research that is becoming available to us, a whole new commercial for Queensland.

The CHAIRMAN: I wish to ask you a question about the Queensland Events Corporation. It was the focus of criticism under the previous Government due to its lack of achievements in attracting major international and national events to Queensland and for its low level of support for regional Queensland. Would you please tell the Committee of the future direction that the QEC will take?

Mr DAVIDSON: Absolutely. The QEC, I think, is an integral part of tourism in Queensland. Over the last month or so, I have had many meetings with people from all over Queensland but, more importantly, from corporate Brisbane to identify what the Queensland Events Corporation—QEC—should be all about. I am in the process at the moment of having Machinery of Government approve a new board for the Queensland Events Corporation. In my meetings and discussions, I believe that we really need to take a look at the bigger picture of event tourism in Queensland. We have already identified some enormous opportunities. In my short time, we have signed up for the Johnnie Walker Golf Classic, which will be played on the Gold Coast at Hope Island on 20 and 21 January. We are also negotiating with other event organisers. The other day, the Premier announced the ecotourism expo on the Gold Coast. At the moment, we are negotiating with Rotary International for a 2003 convention. I think 24,000 or 30,000 delegates will attend that convention in Brisbane. We are negotiating for the World Masters Championships, the 2000 International Air Show and Aerospace Expo, the Extreme Games, the 2000 World Polo Cup and the 1999-2000 Golden Oldies.

I took the view that the Queensland Events Corporation had lost its way. As I reported to the Parliament a month or so ago, the expenses of the Queensland Events Corporation were about \$1.269m out of a budget of \$1.74m, and there did not seem to be a whole lot of funding left over for events. I have a special arrangement with the other members of Government and Cabinet that, for major event funding, I am able to take a submission to Cabinet at any time. We increased this year's budget for the Queensland Events Corporation by \$714,000—I think there are a couple of hundred thousand in carryovers, but in real terms \$700,000.

There are lessons to be learned from Victoria and Jeff Kennett's very aggressive approach to event tourism. He has stated publicly that he wants to have a major event in Victoria every month. The Queensland Government has taken the view that we are going to go out and compete with him. We are not going to allow him to promote all the major events in Australia. Once I have appointed it, I hope that in a very short period the new board will identify major events for Queensland to hang its hat on. As you all know, we are presently involved in bidding for the 2006 Commonwealth Games. We have done

everything we possibly can. We had the Commonwealth Games Association Committee of Australia in Brisbane two weeks ago and—

The CHAIRMAN: Thank you, Minister. I will now hand over to Mr Mitchell.

Mr MITCHELL: Minister, could you please inform the Committee why the Asia Pacific Racing Forum, which was managed by the Queensland Events Corporation, was cancelled only weeks before it was due to be held, resulting in a loss of some \$480,000?

Mr DAVIDSON: Certainly. Thank you for the question. Under the previous Government, \$400,000 from the Racing Development Fund was committed to this event by the Office of Racing. While the forum was acknowledged as a high-risk event, insufficient measures were put in place by Queensland Events Corporation to adequately manage an extremely complex industry event that was being staged for the first time in Australia and only the second time anywhere in the world. Travel expenditure for the Asia Pacific Racing Forum was \$45,804 or 10 per cent of the budget. The committee also incurred a further \$10,429 in travel expenses. One member was based in Sydney, another in Melbourne. There were just so many expenses attached to this event, and in the end \$480,000 was lost.

It came to my attention about two weeks before the forum was to be held at the Convention Centre at South Bank that there were only 30 delegates signed up for the forum itself. I believe the organisers were hoping for 1,500 delegates to attend that forum, but only 20 or 30 delegates were signed. At that time, I had to take a decision as the Minister as to whether we should proceed with it or not. I believed it could have been a major embarrassment to the Queensland Government and to the racing industry in this State, so the decision was taken to pull the event. But I believe it cost the Racing Development Fund \$400,000, and the Queensland Events Corporation lost \$80,000 on the event. I think it was a bit of a pie in the sky—it was a dream of a few people—but I do not think the necessary research had been done to ensure that the event would be successful for Queensland and return—

Mr MITCHELL: It could have lost a lot more if it continued, by the sounds of it.

Mr DAVIDSON: Absolutely. You have to understand and appreciate that these events must return enormous economic benefit to the State or to Brisbane City. We would have lost a hell of a lot more money, not to mention the embarrassment to the Government and to Queensland Events Corporation. I had to take the decision as the Minister to pull the event.

Mr MITCHELL: I appreciate that. Just staying on sport, Minister—with the 2000 Olympic Games only four years away, there is a growing interest in this event. Could you please detail how all of Queensland will benefit from Sydney hosting these Games?

Mr DAVIDSON: Certainly. The State Government established a Queensland Olympic 2000

Task Force in January 1994 to maximise the returns to Queensland from the Games being held in Sydney in the year 2000. Areas of expected benefit include business, tourism, sport, special events and the arts. Major benefits will be in tourism, not just during the Games but over the next 10 years due to raised international awareness of Australia. Any increase in tourism to Australia should lead to an increase in Queensland numbers. This is provided the State maintains or improves on the current percentage of overseas tourists through additional marketing campaigns.

Rural communities will benefit from heightened media attention generated through Queensland's Olympic tourism media strategy. The strategy will place a heavy emphasis on promoting the rural attractions of Queensland as tourism destinations. Initiatives put in place by the task force will reach all sections of the community, including school-aged children through the Pierre de Courbetin awards and the Network of Friendship Program. I recently launched the Pierre de Courbetin awards on the fourth level of Parliament House. It was fantastic. We had over 100 students from all over Queensland, some from as far away as Mareeba and Atherton. There were a couple from Charters Towers, I believe.

Mr MITCHELL: There were—there were two.

Mr DAVIDSON: There was a young female student from Charters Towers. They were not necessarily elite sports people; they were people who excel in a number of sports. The support there on Wednesday was fantastic. It was really great to see all those students involve themselves in the Pierre de Courbetin awards. I was delighted to be able to present them with certificates for their involvement.

Liaison with a cross-section of the State's sporting bodies, sporting facility operators and convention and tourism operators has ensured increased involvement in the promotion of Queensland as an ideal pre-Olympic and Paralympic Games training destination. The State looks to host at least six international Olympic teams and a number of Paralympic teams. A number of sports and organisations will be seeking to hold their events and conventions in Australia over the next four years. These activities provide a bonus in tourism and related industries. Queensland will bid to host one of the rounds of the Olympic soccer in Brisbane. Major events being held in Queensland will also provide benefits to the State. For example, approximately 1,000 competitors and 200 officials from 40 countries are involved in the 1996 World Mountain Bike Championships being held in Cairns from 12 to 22 September.

Business opportunities are being sourced and advised to Queensland businesses through new and established networks. Some Queensland companies have already obtained Olympic business. A business hotline has been set up to assist Queenslanders. We established a hotline within the department about three months ago. We had many calls in the first week. As I understand it, thus far two or three companies have been successful. An architecture

company has won a contract for Homebush for the Sydney 2000 Olympics. I believe that the contract for the lane ropes for the swimming pool has also been won by a Queensland company. As I said, a number of contracts have been won by Queensland companies for the 2000 Olympics.

Mr ROWELL: Page 6 of the Program Statements for the Tourism program under the program performance assessment for 1995-96 states at the second dot point—

"The draft *Queensland Ecotourism Plan* was released for public comment in October 1995. The final plan will set out a framework for planning, developing, managing, operating, and marketing ecotourism."

On page 7, the ninth dot point under the 1996-97 planned performance talks about completing the Queensland ecotourism plan. I ask the Minister: will he please advise the Committee how the Office of Tourism is addressing the environmental tourism aspects of our State?

Mr DAVIDSON: Thank you, Mr Rowell. I believe that last September/October the first draft release of the Queensland ecotourism strategy was canned by Morgans Stockbroking. The document had to go back to be reworked. The Queensland Ecotourism Plan has been formulated to facilitate the development of Queensland's ecotourism industry. The draft Queensland Ecotourism Plan was released for public comment in September of 1995 and 73 submissions were received. The department undertook targeted consultation with 14 groups representing the tourism industry, the conservation movement and Government departments. The draft Queensland Ecotourism Plan has been revamped to incorporate feedback received through the public and targeted consultation processes and to align it with the new Government's policies. It has also been streamlined to make it more readable and an accessible document. It contains four key objectives: environmental protection and management, ecotourism industry development, infrastructure development and community development. These key objectives will be delivered through seven strategies and 36 actions.

The Queensland Ecotourism Plan is being finalised and should be released in October 1996. I have a copy of the Queensland Ecotourism Plan on my desk at the moment, Mr Rowell; I have read it. I would be hoping to take that document to Cabinet within the next month or so and once Cabinet has endorsed the Ecotourism Plan, we will release it for public comment. Shortly after I was appointed as Minister for Tourism, Small Business and Industry, through the media and in the Parliament and in Cabinet I made some very strong recommendations to my colleagues in Government that we need to capitalise on the enormous opportunities that exist for us with ecotourism. I think when you look at Queensland, our national parks, Wet Tropics areas and World Heritage areas—I believe we can sell all those destinations to the world. There obviously needs to be a whole lot of work done on how we provide the infrastructure and the management of those areas to preserve them for all time, but in my

travels in my short time as Minister to other countries, I am consistently reminded or advised by tourism operators and people involved in the tourism industry in the Asian countries that ecotourism is one of the fastest growing destinational tourism requirements of people from all across the world. I believe that Queensland is really well placed to capitalise on that market. As I said, I am in the process at the moment of working with the Minister for Environment, Mr Littleproud, to ensure that we devise a plan that enables us to provide the necessary infrastructure and the management of all those ecotourism destinations.

Mr ROWELL: To maintain a viable tourist industry, can you inform the Committee how you are addressing the needs for the work force and business improvements in the tourist industry?

Mr DAVIDSON: Industry representatives have told me there is a need for Government to become involved in work force and business improvement in the tourism industry. Despite the obvious needs, small business, including tourism, has not responded well to training and business improvement programs in the past. Small-business people are often too busy to take up opportunities that they perceive as irrelevant or low priority. I think we all need to appreciate that most people in the tourism industry in small business are working, in lots of cases, seven days a week and 12, 14 hour days. As a former small-business person working those sorts of hours, I really do appreciate that many small-business people throughout Queensland at the end of the day prefer to go home, turn the news on and have dinner with their families. Because of their inability through their staffing arrangements in their small business, they often find it difficult to get away during the day. I really do believe that we need to appreciate that, that small-business people are just not able to close the door of the shop and go to a meeting or attend a seminar or workshops. We have taken that on board and, hopefully, we will be able to devise a program that will suit small-business people who find themselves in those situations.

The Government recognises the importance of this issue and will establish a specific section within the Tourism Division with a specific goal of better managed and viable businesses which meet tourist expectations and thereby enhance Queensland's reputation as a tourism destination. The Tourism Division will be creative in establishing strategies to get tourism businesses involved. Areas needing attention are tourism and business management, skills and professionalism in training, business advisory services, enterprise bargaining assistance and business networking in the exchange of benchmark data. To help business realise the advantage of getting involved, the Tourism Division will provide comparative data from other businesses, establish peer networks and facilitate access to small-business counselling and planning services.

In my short time, as I said before, with the integration of the QSBC into the Department of Tourism, the Business Division within the Department of Tourism, we will be placing a major focus on small-business people and the role they have to play

in the tourism industry and we will do everything we possibly can to facilitate for their needs and also their ability to be able to receive the information that we produce. Given, as I said to you before, that many people involved in the industry are working seven days a week and 10, 12 hour days, we will hopefully develop a strategy that will enable all those sorts of people to benefit from the programs that we introduce.

The CHAIRMAN: Coming as I do from Cairns, obviously reef tourism is very important to my area. I wonder if you could explain to the hearing the relationship between the Great Barrier Reef Marine Park Authority, tourism operators and the Office of Tourism?

Mr DAVIDSON: The Great Barrier Reef Marine Park Authority is a statutory authority charged with managing the sustainable use of the Great Barrier Reef Marine Park. The Great Barrier Reef Marine Park Authority is partly funded through the environmental management charge—the EMC—and when the EMC was introduced in 1992, it was set at a \$1 per person per day charge and the funds raised were applied to reef research. In this year's Federal Budget, the EMC was increased to \$6 and the Great Barrier Reef Marine Park Authority appropriation was reduced by an amount equal to the estimate of the extra revenue the EMC would raise. The proportion of the Great Barrier Reef Marine Park Authority's budget derived from the EMC will rise from 6 per cent to nearly 40 per cent.

As you know, in response to a question without notice that you asked me last week, Ms Warwick, I wrote to the Federal Minister for the Environment, Senator Hill, and the Federal Minister for Science, Industry and Tourism, John Moore, on 30 August stating my concerns on this issue. Marine operators had expressed their concerns to me about the short time frame for the fee increase of the EMC—the environmental management charge—rising on 1 January 1997. Operators who have already sold bookings at the old rate will be forced to make up the difference. This may cause problems for those operating on tight margins, especially smaller operators.

Tourism is the biggest user of the marine park. The Great Barrier Reef Ministerial Council has directed the Great Barrier Reef Marine Park Authority to review tourism. This review has not been undertaken and the tourism industry, the Commonwealth Department of Industry, Science and Tourism and the Office of Tourism want to see it progressed. The Great Barrier Reef Marine Park Authority has confirmed it is committed to the review. The Great Barrier Reef Marine Park Authority is moving from a management system based on permitting and zoning to one based on the whole of reef management planning. The permitting system is under review due to a number of issues, chief of which is the fact that only 15 per cent of permitted use actually occurs and 47 per cent of permittees have never used their permits—known as the latency issue. New permits have been declared in Cairns and the Whitsundays until the review is completed. The Great Barrier Reef Marine Park Authority is

committed to enhanced consultation and liaison with the Office of Tourism. The office will work on the focus groups established by the Great Barrier Reef Marine Park Authority to represent responsible and sustainable tourism interests.

As I said in response to your question without notice last week, Ms Warwick, I also met with the Prime Minister three weeks ago when he was at a luncheon in Brisbane and raised the concerns on the increase in charges with him. I hopefully will be seeing him again over the weekend at the Liberal Party State Conference. From the reports in today's paper, the Deputy Prime Minister, Mr Fischer, has hinted that the Government is softening its position. I do appreciate the efforts that you have made in ensuring that the Government is totally aware of the concerns raised with you by tourism operators in your electorate or in the Cairns area. Those concerns have also been raised by many other members, both State and Federal. I am just hoping the Government will review the increase in the charge.

The CHAIRMAN: Question time for Government members is over for the moment. We will go back to non-Government members.

Mrs BIRD: I am pleased you raised the reef tax. How do you see that entry fee plus the camping fees on national parks impacting on the ecotourism market generally and on tour operators specialising in the area? How do you see that impacting, given the recent impost of the national park levy—the national park tax—the camping fees, the levy for RAMF and the Great Barrier Reef tax? How do you see that affecting tourism, particularly in the coastal regions of north Queensland?

Mr DAVIDSON: I think you were in the Parliament at the time I answered Ms Warwick's question. At the time this announcement was made, I was overseas. It took us two or three days to respond to the increase in the EMC charge—or the reef tax, as you might like to call it. We took immediate action. I really do appreciate the impact on business people—both small and large tourism operators—who benefit from the Great Barrier Reef in the tourist numbers that they take to see the reef. As I said, I immediately raised those concerns with both Federal Ministers and the Prime Minister. I am hoping that the Federal Government is sensitive to the impacts on all businesses concerned. As you know, one of the major concerns is that, because of brochures, many companies and many operators are committed to fixed prices 12 or 18 months out. The increase in this charge—the reef tax—will impact on their profitability.

As the Minister for Small Business and a former small-business person, I have enormous concerns for those operators. As I said, I think I have done everything I possibly can to highlight to the Federal Government that this is a major issue for business to deal with. I am hoping, as I said, that they will soften their position.

On the research that I have done on the national park charge right up and down the coast of Queensland—in my electorate of Noosa, we are very fortunate to have the Noosa National Park right in the middle of our town—we believe that there will be an

impact on both local residents and tourists with this charge. The feedback that I have had from tourism operators up and down the State is that they are comfortable with the national park visitor charge because they believe it applies to all people. One of the major concerns they originally raised with me with the reef charge was that it was only business and tourist operators who were paying that charge on behalf of the tourists they were taking to the reef, whereas individuals were not paying the charge at all. From my discussions, and from talking with people in the tourism industry, I have found that they believe the national park charge is reasonable because it applies to all people who visit national parks.

Mrs BIRD: I differ with you on that. I attended a meeting last night with 110 people. What you are saying is 100 per cent wrong in terms of that meeting last evening. Are you aware that the national park levy, for instance, will in some cases, on some cruises, cost people \$9 to \$12 per trip per person per day?

Mr DAVIDSON: The national park charge?

Mrs BIRD: Yes.

Mr DAVIDSON: As I understand it, the national park charge is \$3 per day for the adult rate. People under 18 are free. There is a concession of \$2 per day. For a holiday, there is an adult rate of \$10 per month or a concession of \$5 per month. There is also an annual rate of \$20 and a concession of \$10. I do not know where you get the figure of \$9 per person per day. You are talking only about the national park charge?

Mrs BIRD: Yes, certainly. If you have a fly/cruise, for instance, you have a doubling up. If that fly/cruise happens to take you in and out of national parks, you have a further triple charge on your national parks charge.

Mr DAVIDSON: I do not believe so.

Mrs BIRD: My operators will be really thrilled to hear that, because they have been advised that, with their fly/cruises, they will now pay a double charge.

Mr DAVIDSON: My understanding on this issue is that one charge entitles you to visit many national parks. I make that statement on the annual fee. The \$20 fee or the concession of \$10 enables you to visit any national park in Queensland on that one pass. I believe that the same would apply on the daily fee. But as I am not the Minister responsible, you would respect that I will have to discuss that issue with Mr Littleproud. It is my understanding that the daily fee, the annual fee or the monthly fee entitles you to enter as many national parks on a daily, monthly or annual basis as you wish.

The CHAIRMAN: Mr Beattie, before you ask any questions I just want to inform witnesses that Mr Beattie is a non-Committee member. However, the Committee has previously agreed to automatically grant leave to anyone else who wanted to ask questions, so hence his appearance.

Mr BEATTIE: Minister, I wonder if I can refer you to a number of specific parts of your

expenditure lines. I notice that the line item for salaries in the Industry and Technology subprogram on page 24 increases by about 10 per cent over last year's budget. One of the reasons given in note (6) is an increase in activity for Olympic business opportunities. I believe that Queensland has to work hard to capture the opportunities that Sydney 2000 presents. I wonder if you can tell me what activities your department will undertake towards this end in terms of that notation.

Mr DAVIDSON: I do appreciate your interest in business opportunities for the Sydney Olympics. I do appreciate that you visited America post-Atlanta to identify opportunities in, I think, neighbouring cities to Atlanta—obviously on behalf of the Queensland Opposition—business opportunities for Queensland business. We have seen the enormous commercial benefits that the 1996 Olympics brought to Atlanta and the surrounding areas. There have been numerous media statements to the effect that the Sydney 2000 Olympics will provide business opportunities worth \$8 billion. It is regularly mentioned that Queensland is well placed to take advantage of many of these business opportunities. What does the Government plan to do for Queensland firms to help them realise these Olympic business opportunities? This is what we plan to do.

On 10 June 1996, this Government established a specific unit to facilitate Queensland firms to access Olympic business activities. The focus of the unit's activities will be: identifying areas where Queensland firms, products and services have a comparative or unique advantage. I have already answered parts of this question in response to a question from Mr Mitchell. The focus of the unit will also be: implementing an effective system for collection, management and dissemination of information and opportunities. We have an 1800 number, Internet, media releases, advertising, and industry associations. The focus will also be: coordinating business seminars which showcase key sectors, products and firms and promote major successes; providing business capability statements on these firms to major Olympic contractors; ensuring Queensland's capabilities are promoted to prime contractors, Multiplex, etc., Sydney Organising Committee, Olympic Games, Olympic Business Information Service, industrial supplies offices, both in New South Wales and Queensland, the Olympic Round Table and the Olympic Construction Authority; and facilitating the development of industry networks and consortia to bid for contracts and subcontract opportunities.

As I said before, I think Queensland has already won two or three contracts. I think there was a major architectural contract won for part of the Homebush complex. We have won some swimming lane ropes contracts. I think there may have been a landscaping contract that was won by a Queensland company. So Queensland companies have been very successful. I did say before that, when we first introduced the hotline, we had many calls in the first week from businesses in Queensland inquiring about tenders for providing services and goods for the Olympics.

The unit will provide the following project management services: maintaining a portfolio of endorsed projects within selected areas based upon an evaluation of capabilities through the use of business intelligence; referring opportunities to relevant industry associations; briefing key firms on opportunities; managing selected projects; assisting with the formation of joint ventures or commercial alliances, where appropriate, to achieve commercial outcomes; communication with our clients has been established through the 1800 hotline, receiving an average of 18 calls per week; an advertising campaign; industry associations; ministerial press releases and presentations; Queensland Olympic 2000 newsletter; maintaining a list of all inquiries and including QINDIS information on the respective firms; responding to inquiries through—

Mr BEATTIE: I am happy to leave the issue there. Time is against me today, as you know. I am concerned about making certain that we do more than just attract teams here, that we actually take up the opportunity. As other people in your department will know from previous experience, there are big opportunities in a very direct way for construction and other business opportunities. You have mentioned some of the professions, but there are more professions than that. Time does not allow me to proceed with that any further.

I refer you to the decision to introduce the bank account debits tax, which impacts more heavily on small business than larger corporations. What are you doing as Minister to minimise the impact that that 35 per cent increase in that tax will have on small business. As you and I both know, small business is such a big employer in this State, and they will feel that impact more than other sections of community. Have you made any representations to the Treasurer to minimise the impact on small business? Is an assessment being conducted of what will be the impact on small business? What are we doing to help small business deal with the increases in that tax?

Mr DAVIDSON: I have had discussions with the Treasurer on the introduction of this debits tax. I have been known always to fight for small business. When the previous Government introduced the Environmental Protection Act last year, with imposts of \$200, \$300, \$400 and \$800 licence fees on businesses in my electorate, I also took up their fight. I don't believe that the impact of the debits tax will be significant for small business. What I have done in recent times is establish the Queensland Small Business Council. I think you would be aware of that through the press. Their first meeting will be on 27 September in my office. I am hoping that they will be able to deal with those sorts of issues. Obviously this is a decision of the Treasurer and Government. As I understand it, the impacts aren't major on small business through the introduction of debits tax.

Mr BEATTIE: I move onto the issue of the Queensland Small Business Corporation. You have closed the Queensland Small Business Corporation down and incorporated some of its functions into your department. What is not clear to me is how the proposed relationship with the QCCI will maintain or

improve the levels of service provided to small business. For example, is there an allocation within this budget for contract payments to the QCCI to undertake the skills development programs for small business previously provided by the QSBC? If so, how much? What will be the full-year cost?

Mr DAVIDSON: At this stage, the Queensland Small Business Corporation's integration into the Department of Tourism, Small Business and Industry has meant—as I'm sure you are aware—enormous cost savings. In the first year I think we saved about \$500,000. In the second year about \$1.7m. I think you need to take the view that, when I was first appointed as the Minister for Tourism, Small Business and Industry, on my travels around Queensland, in lots of cases, particularly at Cairns, we had a Department of DBIRD office on one corner of the street and a Queensland Small Business Corporation on the other side of street. In Toowoomba we had an office where we had a partition running down the middle of a building that divided DBIRD and the Queensland Small Business Corporation. On the Gold Coast we had one floor of a building occupied by DBIRD and one floor occupied by the Queensland Small Business Corporation. I took the view at the time that there were many duplications of administrative costs and we should be able to make some savings in those areas.

We all need to appreciate—and I've stated publicly many, many times since this decision was taken—that all services provided for by the Queensland Small Business Corporation will continue to be serviced by the Department of Tourism, Small Business and Industry. We are going through the process at the moment. I think we have appointed 13 specialist business providers for small business, providing a wide-ranging number of services that were provided previously by QSBC.

The discussions we have had with the Queensland Chamber of Commerce and Industry have only been on the basis of a pilot program. I think we have had discussions with them on budgets of \$75,000 to \$100,000. Those discussions are ongoing. They are not required to provide our Government services to small business, but we are looking at ways where they may be able to provide a service that maybe the Government's not good at providing. Senior officers of my department and I recently met with Mr Bubb from the Queensland Chamber of Commerce and Industry. We are still working our way through some of those sorts of initiatives. I wouldn't like to state today what those services will be, because they still have not been agreed to. But it is only a pilot program at this stage. We commenced negotiations at about \$60,000. We have got up to about \$75,000 to \$100,000 for some private services. By and large the Department of Tourism, Small Business and Industry will maintain and provide all services to Queensland small business.

Mr BEATTIE: In that process, why was the QCCI chosen exclusively over other industry organisations such as the MTIA?

Mr DAVIDSON: I have had meetings and discussions with Mr Fenley from the MTIA. Actually, both Mr Fenley and Mr Bubb from QCCI were appointed to my Red Tape Reduction Task Force last week. So they are involved with me and working with me to help reduce the regulatory impacts on business. The Queensland Chamber of Commerce and Industry has a Statewide network. I think it might have five or six regional offices around Queensland. Mr Bubb has been involved with me over many months advising me of some of the services he can provide. We haven't agreed to any of those sorts of services. Basically, because they have a network throughout the State, they may be able to assist us in providing services that the Government is not good at.

Mr BEATTIE: I refer you to a few anomalies that I noticed when I read the Ministerial Program Statements. For example, the non-labour operating costs in the Industry and Technology subprogram on page 24 increased by a substantial 39 per cent, yet the only reason provided is "Increase in general activity". I wonder whether you could be a little more specific than just "general activity", because it is a substantial 39 per cent increase.

Mr DAVIDSON: I call Mr Cooke to the table.

Mr COOKE: Geoff Cooke, Executive Director, Industry and Technology. The primary reason for the increase relates to a number of special initiatives which have advented since the coming of this Government. It also relates to the fact that there had been, compared with the previous year, a slowdown in services because of changes in Government at both the Federal and State levels.

Mr BEATTIE: I would be interested in those special initiatives, which is the basis of the question.

Mr COOKE: Essentially, if we take into account expenditures across-the-board in non-labour operating costs—the Innovative Queensland initiative, is amounting to \$440,000; there is an increase now of \$2m in particular in the NIES subsidies. That basically relates again to a wind back up of services as a result of the previous slowdown as a result of changes in Government. As a result of changes in Government, and also because we do operate a number of programs in conjunction with the Commonwealth Government—

Mr BEATTIE: Would you mind just putting the microphone a bit closer?

Mr COOKE: We do in the program run a number of separate schemes with the Commonwealth Government. So what had happened is as a result of the changes and the unknown items in terms of Budgets at the Commonwealth level, there was a significant slowdown in that level of activity.

Mr BEATTIE: I see that at the end of the notation. Mr Minister, I am happy to direct this question to Mr Cooke. One of the items of great concern to me appears on page 24, and that is the \$9.2m underspent in industry and technology grants last year. Only 40 per cent of the budget was spent. The reason offered in the notes was savings in grants schemes. My questions is: as most of the

expenditure in these schemes involves transfers to Queensland businesses or research institutions, do not these savings actually represent a freeze on those programs—where Queensland companies have missed out on support they would otherwise have expected? If that is true, how many Queensland companies did miss out? Why is this year's budget for these grants schemes 40 per cent less than last year's budget? Does not this represent a major withdrawal of funds from industry and research support?

Mr COOKE: If I could take some of those as you have put them? Again, I would have to relate back to the fact that a number of these schemes relate to Commonwealth programs and, therefore, they relate to a slowing down in levels of activity. They also relate to a slowdown in the take up of programs on the basis that we believe that there was reduced business confidence as a result of upcoming elections. That tends to—and I think it is acknowledged nowadays—reduce the uptake of programs and reduce investment decisions. The investment decision then is whether a company decides to proceed with a better business practice improvement, or a research grant and so on. It means that in terms of risk management, they tend to put off the decision. So generically, I think a lot of the reason can be summarised because of the slowdown as a result of upcoming elections—and those not being known and the exact timing, particularly in the Federal sphere—and related to that a reduction in the business confidence, a reduction in terms of the take up of programs.

Mr BEATTIE: I have another issue that I want to raise and I have one last question. Can I ask a supplementary question on that matter? To some extent, that would explain last year but it does not explain the 40 per cent reduction in the budget for the coming year.

Mr COOKE: Part of the answer, again, lies in the fact that at the Commonwealth level—

Mr BEATTIE: So we lost Commonwealth money.

Mr COOKE: We lost Commonwealth money: we lost \$2m out of \$4m compared with last year in Commonwealth money for AusIndustry, for example. There has been a reduction in terms of Commonwealth moneys across-the-board.

Mr BEATTIE: Could I take the last question, then? I direct your attention also—and I will direct this question to you, Minister, if I can and you can direct it as you see fit—to the fixed capital expenditure line item for regional and project development on page 29 where \$15.5m was budgeted in 1995-96 but only \$4.7m was spent. In this year's budget, it springs back to \$15.3m. So it is fairly clear, is it not, that this \$11m in capital works was not used or it was frozen for this year. I am just trying to clarify what your response is to that. I mean, it is different from your last answer because this time the budget has gone back. So it could not be a cut.

Mr DAVIDSON: As I am advised, Mr Beattie, the expenditure target for the department's 1995-96 capital works program was \$16.2m, of which

approximately \$5m was spent. The variations between the 1995-96 budget and the actual expenditure is due to the following: Queensland Clunies Ross centre—the tender from Barclay Mowlem Construction Limited was accepted in April 1996 and the construction of the facility is due for completion in February 1997. Commencement of this project was delayed by difficulties in finalising commercial agreements between the Department of Tourism, Small Business and Industry and the Ian Clunies Memorial Foundation. The Brisbane technology park—provision of services: construction of a connection road from McKechnie Drive to Miles Platting Road and associated services has been included in the tender for the construction of the Queensland Clunies Ross centre. Provision for the completion of the combined projects has been made in the capital works program for 1996-97.

The Brisbane technology park—design documentation: a delay occurred in engaging consultants for the design and documentation for the development of Stage 2 of the Brisbane Technology Park. This has resulted due to discussions with the Department of Main Roads regarding suitable access to Logan Road and the need to undertake a traffic study of the park. Provision of the design consultancy has been made in the capital works program for 1996-97.

Hamilton industrial estate—the design and construction of the Hamilton industrial estate development project was delayed at the rezoning stage. Data for a rezoning application, which includes the preparation of an environmental impact study, is presently being compiled.

The Yatala industrial estate—further development of the estate to provide nine additional industrial sites was delayed due to negotiations with the Gold Coast City Council regarding headworks contributions. Tenders for construction work closed on 12 February 1996. Construction was completed in July 1996. Special assistance—no applications of sufficient merit were received to warrant payment from the special assistance contingency.

Mr BEATTIE: They are a lot of delays. Was anybody doing anything?

Mr DAVIDSON: I think some of those delays were experienced when you were in Government.

Mr BEATTIE: That is not the issue. It is the case of these projects. Anyway, I think that is the end of my time.

The CHAIRMAN: We will now move back to Government questions. I will ask Mr Mitchell to address the first one.

Mr MITCHELL: Minister, could you please advise the Committee what this budget actually means to small business and outline any specific measures to assist in this vital sector?

Mr DAVIDSON: I know that—

Mr MITCHELL: We might get it all out in one hit so we can stop any more questions.

Mr DAVIDSON: Having been in your electorate on Sunday, Monday and Tuesday of this week, Mr Mitchell, I am very much aware of the

importance you place on the Government's support for small-business people in the Charters Towers electorate. I was delighted to actually visit and meet with many of those people and discuss some of the future initiatives that we will be implementing to assist them in the running of their businesses.

This budget offers programs and assistance and provides support to those engaged in or proposing to establish a small business and specific support for established small to medium enterprises. The strength of Queensland's small business sector is inseparable from the good health of the economy. A prosperous small-business sector provides a platform for initiative and expansion of the economy.

Having been in small business for more than 20 years myself, I know that small business success, in turn, leads to personal, corporate and community growth. This Government recognises the value of Queensland's 140,000 small businesses and, through this budget, is committed to helping them to advance, develop and diversify. Specifically, this is what we are doing for small businesses, Mr Mitchell.

Mr MITCHELL: Thank you.

Mr DAVIDSON: The Queensland Small Business Council has been established to provide advice to the Government on a broad range of small-business issues and will hold its inaugural meeting later this month—as I said before, about 27 September, I believe. The council will allow small businesses to have their opinions and concerns heard by Government.

We have established the Red Tape Reduction Task Force to review the compliance burden placed on business and to make recommendations to the Government to reduce the burden. The task force is made up of industry representatives and business people and conducted its first meeting this week. I actually opened and chaired the first part of that meeting and I was delighted to see the number of people who were present and who were invited to attend. As I said to Mr Beattie before, we have peak organisation representatives on that task force and I believe that in the next 12 months or so they will achieve some great outcomes for small business. The Gateway project will be introduced to streamline business licensing by providing a single business licence application form covering the most common State and Commonwealth Government licences required by business, primarily workers' compensation, business names and work place registration.

The Government is also initiating a licence form redesign program this financial year to make forms more user friendly for business. By June 1997, 200 licence application forms will have been professionally redesigned under this program. To ensure the Government's commitment to reduce red tape and create a business environment conducive to business success, a new branch will be established within the department. The business environment branch will be formed by amalgamating the existing Strategic Planning and Policy Branch with the Business Regulation Review Unit. The branch will focus on the compliance and administration burden on business, economic

analysis of trends and will support the Queensland Small Business Council and the Red Tape Reduction Task Force. The Queensland Small Business Corporation will be integrated—

Mr ROWELL: Page 17 of the Program Statements states that the Business Regulation Review Unit will be closed and its function absorbed, along with the Strategic Planning and Policy Branch, into a new business environmental program. Can the Minister please explain this change and identify the reasons why the Business Regulation Review Unit is being closed down?

Mr DAVIDSON: As members of the Committee would be aware, the previous Government's main policy in regulatory reform was a systematic review of legislation. The main role of the Business Regulation Review Unit in my department was to undertake this systematic review which, I might point out, did not consider the issues of local regulations.

The systematic review process left it to the relevant regulatory agencies to be responsible for conducting reviews. When I had the opportunity to really look into this issue, I just thought that it was a case of Caesar judging Caesar. It was also difficult to demonstrate that the outcomes were a significant reduction to the regulatory burden of small business. Therefore, the Government made the decision to concentrate on reviewing the compliance and administrative burden placed on small business by State Government and local government regulations.

The new branch will support the activities and work closely with the Red Tape Reduction Task Force, which had its inaugural meeting on Wednesday this week. As I said, the establishment of the Red Tape Reduction Task Force is, I believe, an enormous step forward for business—small medium and large—in ensuring that the Government does review regulatory impacts on business. As a result of the first meeting—and Mr Harris chaired the second part of that meeting—I think the reaction from the people on the task force and people in attendance was very supportive of this initiative. While we do not believe that the task force will change the world for business, we are hopeful that it will be able to achieve some very positive outcomes in the first 12 months.

The CHAIRMAN: We will suspend the hearing and resume at 6 o'clock.

Sitting suspended from 5.42 till 6 p.m.

The CHAIRMAN: The hearing of Estimates Committee D is now resumed.

Mr ROWELL: Minister, your Ministerial Program Statements include a reference to a major study undertaken this year into the impact on small business of the cost of compliance with Government regulations, licences, taxes and charges. Over the past five years, there has been strong anecdotal evidence that the growth of the small-business sector has been constrained by red tape burdens imposed by Governments at the local, State and Commonwealth levels. As the Minister responsible for small business, can you inform the Committee of the outcome of this study and what you propose to

do to improve the plight of small business in this regard?

Mr DAVIDSON: I would like to inform the Committee that the results of this study would come as no surprise to anyone who has ever owned their own business. Put simply, compliance costs are becoming an increasingly unbearable burden. For example, the study showed that the ongoing costs of complying with Government requirements represents between 1.9 and 3.5 per cent of firms' turnover, and between 14.6 and 35.5 per cent of net profit. The three main areas of compliance burden were taxation requirements, employment regulations and quality assurance. The study also showed that many small firms were ignoring opportunities to expand or diversify their businesses because of a belief that profits would be eaten up by having to comply with a whole new set of Government regulations.

Cleaning up this mess will not be easy, but this Government is committed to reducing the burden. I must stress that smoothing the path for small business will require cooperation between all levels of Government. Copies of the study have already been sent to both the Federal Treasurer, Mr Costello, and the Small Business Minister, Mr Prosser, as well as my Cabinet colleagues and other Government members. The Commonwealth Deregulation Task Force has also received a copy. As well, my department is in the process of putting a full copy of the study onto the Internet to enable easy access for businesses and individuals.

I have taken steps to address a number of the issues raised by the study. We are developing a single application form for the majority of business licences in Queensland, and we are endeavouring to include selected Federal information requirements on the form. As I said before, we have established a Red Tape Reduction Task Force to review regulations and how public servants administer them. This task force had its first meeting on Wednesday of this week. I have also asked that all regional small-business advisers appointed as a result of the QSBC integration into the department be trained to provide customers with advice on compliance issues.

I see that small business is the backbone of the Queensland economy, and this Government is listening to the concerns of small-business people right across the State. We will do all in our power to create the right environment for business success. My director-general had a meeting with Charlie Bell, who is heading up the Prime Minister's small-business task force.

Mr HARRIS: Mr Bell's task force will report on 1 November. They have conducted meetings throughout Australia. When they came to Queensland, the department assisted them in arranging meetings with peak industry bodies as well as arranging meetings with ranges of small-business people. These meetings were held not only in the centre of Brisbane but also in suburban areas. The purpose of that was to allow Mr Bell's task force to have access to people who not only were involved in traditional areas of small business, such as retail,

but also in areas that are of particular concern in Queensland, including tourism.

Mr MITCHELL: I wish to ask about the Liquor Licensing Division. As a former publican, I have a bit of an interest in this area.

Mr BEATTIE: This is not a personal interest, is it?

Mr MITCHELL: No, not at this stage; not any longer, anyway. Previously, getting a liquor licence has often been an involved and lengthy process. Can you please inform the Committee what is being done to reduce this time frame and how we compare with the other States?

Mr DAVIDSON: I thank you for that question, Mr Mitchell. I know you have a very special interest in licensing matters, having been the manager and frequenter of many hotels, I believe. I understand your interest in this matter. I understand your wife has also managed many licensed premises in her working life.

The Government is keenly aware that the time taken to process an application is of paramount importance to establishing a new business, and the value of a liquor licence can add to an existing venture. In the few months we have been in Government, we have ensured that applications for premises which already have town planning approval are considered at the first opportunity. Although a premises may not be complete, where it is appropriate that a licence be granted subject to the submission of any outstanding certificates, the application is considered and the applicant notified of the outcome of their application. This process provides a degree of certainty for applicants prior to final fit-out of their premises and can be completed within three to four months.

The Liquor Licensing Division—and Mr Longland is here today—is also reviewing the possible impact of giving consideration to an application for a liquor licence subject to the appropriate zoning being obtained at a later date. Additional efficiency measures being undertaken in 1996-97 are as follows. The delegations for approvals of some types of applications have recently been lowered to improve efficiency, and this matter is again under review. The workload in the Licensing Administration Unit has been reorganised into specialist areas to improve consistency and efficiency. Plans are on track to regionalise the issue of wine permits, restricted club permits and one-off extended hours permits from 1 October 1996. All information brochures and application forms will be systematically reviewed in an endeavour to reduce the amount of follow-up work required due to incomplete applications being lodged. Finally, a business re-engineering project has been sponsored by the Queensland Treasury and my department which will identify technological and operational initiatives which will further reduce the turnaround time for applications.

However, liquor licensing is social legislation which takes account of more than just planning issues. A broader assessment than the suitability of the applicant and the zoning of the premises is

required. Therefore, whilst every effort will be made to reduce unnecessary delays in processing applications, careful consideration will be given to wider views of public, police, council and public need for additional liquor outlets and the impact on the community of additional liquor outlets. Whilst our system can and will be improved over the coming months, it is seen by other States as the way of the future. Due to the protracted licensing court system which exists elsewhere, businesses can wait for up to three years for approval, and I believe several of my southern counterparts are considering remodelling their existing processes to resemble the Queensland system.

Mr MITCHELL: I would like either the Minister or Mr Longland to inform the Committee of what strategies are in place to ensure that the community, particularly the younger persons who were mentioned a while ago who tend to frequent late-night licensed entertainment venues, are aware of their obligations under the current Liquor Act?

I have another part to that question. Could either you or Mr Longland touch on the age of the young people actually working in these establishments?

Mr DAVIDSON: Certainly. Following the establishment of the Industry Development Unit of the Liquor Licensing Division, campaigns to raise industry, consumer and community awareness of liquor licensing issues have had a major priority. This complements the objects of the Liquor Act, which emphasise the minimisation of harm from the use and misuse of alcohol. The major priorities for community awareness campaigns have been the responsible service and consumption of alcohol, acceptable patron behaviour, under-age drinking, Card 18+, consumption of liquor in public places and BYO liquor at licensed restaurants.

Following the introduction of the responsible hospitality regulations in June 1995, the Industry Development Unit implemented an awareness campaign under the slogan "No more, it's the law" involving television, radio and print media advertising to raise community awareness. The video and the accompanying posters target younger patrons, and its message is fairly self-explanatory: there is a law in place which makes it illegal for bar staff to sell to you if you have had a few too many. The message seeks to impress upon the patron that there is some self-responsibility for their actions. This campaign will continue in 1996-97.

To further raise community awareness of the issues surrounding intoxication and responsible service of alcohol, the Liquor Licensing Division made available the "No more, it's the law" video to licensees to play to patrons in licensed venues through their in-house entertainment systems. A second video, "Have a good time, just don't step over the line", will become available in 1996-97. This video is also for the patrons of licensed venues and is aimed at reducing the incidence of adverse patron behaviour in and around licensed venues.

In January 1996, Liquor Licensing convened a meeting of representatives of all industry associations, private and TAFE hospitality training

providers and other key stakeholders including union and police representation. The purpose of the meeting was to ensure that the direction that the program was considering was in line with the stakeholders' expectations and requirements. The group endorsed Liquor Licensing's strategy, which basically included: the development of a Queensland-specific supplementary resource package to complement the existing nationally approved patron care training module; the development of a self-paced learning module on responsible service of alcohol for access by industry personnel, particularly those in remote areas; and the continuance of training by divisional officers on both responsible service issues and Liquor Act-specific matters.

To enhance accessibility to training, \$50,000 has been approved as a carryover from 1995-96 to produce a remote area package containing a workbook and video based on the division's approved short courses. This package will provide hospitality employees in remote areas of Queensland with the same information that is provided by the divisional staff in training sessions. The division is also active in developing and producing resources for use by licensees in training their own staff to comply with the Liquor Act. The latest innovation distributed to licensees was the guide to responsible service of alcohol, which provides strategies and tips on responsible service.

Mr MITCHELL: Just to follow up on that—and maybe Mr Longland can respond—I have a few concerns about the age of some of the young ones who are allowed to actually serve in the hospitality industry. I am mainly talking about bars. I understand that some 15-year-olds may be employed in this capacity. Can you give us an outline of what the ruling is on this?

Mr LONGLAND: Laurie Longland, Executive Director of Liquor Licensing. Section 155 of the Liquor Act actually outlines what an exempt minor is, and amongst those exemptions it does indicate that minors who are performing duties on a licensed premises in terms of employment or in terms of being trained for such employment are exempt. However, they are not allowed to consume alcohol whilst on those premises, albeit they are allowed to handle alcohol as part of that employment or training. Indeed, it is an issue which liquor licensing investigators in the course of their duties do check from time to time, in so far as we have had in the past examples of where people are on those premises supposedly working, and licensees have indeed been taken to task for that. So I can assure you that liquor licensing investigators do keep a close eye on that.

The CHAIRMAN: Thank you very much. We will now swap over to non-Government questions. Mr Beattie, you have some questions.

Mr BEATTIE: Thank you, Madam Chair. Minister, as you know, I have the great honour of being the shadow Minister for Small Business. I have been intrigued by this Red Tape Reduction Task Force that you have established. Small business says to me what it says to you and what it said to you

when you were the Opposition spokesperson: they want to get rid of red tape. All political parties have promised it over many years and, frankly, none of us has delivered. I am really keen to know whether this is more than just a political exercise that you are going through, and I say that with the deepest respect. I wonder if you can give me some idea about what is the time line, who is on it, what it will actually do and what you are going to do with the recommendations. If you are actually doing something, then I am keen to give you bipartisan support to get an outcome. When it rolls off the tongue—"Red Tape Reduction Task Force"—it brings back a lot of *deja vu* from many of our political predecessors. So in a tangible sense, can you give us some answers about what it is actually going to do, what is the time line, who is on it, what are the objectives and when we are going to get a report?

Mr DAVIDSON: Mr Beattie, I thank you for that question. I am very happy to see that you are prepared to give bipartisan support to the Red Tape Reduction Task Force, because as a previous—

Mr BEATTIE: Depending on what it does.

Mr DAVIDSON: I see; you are prepared to do so based on my answer. As a previous small-business person and from the points you raise in your question, it is obvious that we both appreciate that many, many small-business people raise their concerns about red tape and so on. The first thing we need to appreciate about the formation of this task force is that I didn't just go out and get six of my mates to sit on a task force that I could run around making press statements or media statements about and making speeches in Parliament—

Mr BEATTIE: I take it these are not your enemies, though.

Mr DAVIDSON: They may well be in time, Mr Beattie! I didn't take that approach to the appointments to this task force. As I stated to you earlier, the Queensland Chamber of Commerce and Industry is represented on the task force. I believe that Mr Bubb will be its representative. The Queensland Farmers Federation is represented.

Do we have a list of names here?

Mr HARRIS: It's the Farmers Federation, the MTIA—

Mr DAVIDSON: I got those. The MTIA, the Australian Society of Certified Practising Accountants, the Queensland Retail Traders and Shopkeepers Association and the Tourism Council of Australia. Mr Angel is the representative of the Tourism Council of Australia.

Mr BEATTIE: Any consumers?

Mr DAVIDSON: We had our first meeting the other day. Along the way as we meet, we will consider further appointments to the task force. I take your point on consumers. I will even note it on this briefing paper.

Mr BEATTIE: I am always helpful; you know that, Davo.

Mr DAVIDSON: Good on you, mate!

Mr BEATTIE: Just acknowledge it in the report, that's all.

Mr DAVIDSON: I will. You are quite right: many political parties and many politicians apart from you and I have in the past made statements about reducing red tape, helping small business, getting off the back of small business and all those sorts of throwaway lines that, as you quite rightly said, have never amounted to any benefits—or not too many benefits—to small business. We have taken the view—and I think you would appreciate this—that Mr Bubb and Mr Fennelly and one or two other representatives on this task force are fairly high-profile, outspoken people against Governments of both political flavours. That is the one thing that I really believe gives small business confidence in the appointments of these people to the task force, simply because I don't believe they will put up with any bulldust. They are people who will want to achieve on behalf of business. They are independent from me.

A business person will chair this task force. In my statements the other day at the first meeting of the task force, I said to them, "I don't believe this is about changing the world. I believe this task force is about identifying six or eight priorities that my department and the Government should view as priority areas of concern which we should work on and address." If we go out there and take on the small-business world, we will end up, as you quite rightly said in your question, sitting around after 12 months having not achieved a whole lot.

Mr BEATTIE: There is one problem that you have or that anyone would have in this position. It just seems to me from my former days of being an honourable lawyer, before I became an honourable politician—

Mr DAVIDSON: Small-business person.

Mr BEATTIE: That is exactly right: lawyers are small-business people, as you appreciate.

Mr DAVIDSON: You advised me of that a couple of months ago in Parliament.

Mr BEATTIE: I did advise you of that indeed. I am delighted that the message was conveyed to our mutual satisfaction. One of the issues that occurs to me is that a lot of the regulation is in fact Federal law—Federal problems—so how do we as a State Government overcome that problem? I appreciate your targets, but how do you get into the ear of the Federal Government to try to reduce that level of red tape?

Mr DAVIDSON: As Mr Harris pointed out before in answer to another question—he stated that Charlie Bell, who is the Managing Director of McDonald's Australia, has been appointed to the Prime Minister's Small Business Task Force. We actually attended a Small Business Summit in Sydney in June of this year. Mr Bell addressed that summit and he has, I believe, a fairly representative group of small business people to report back to the Prime Minister, as Mr Harris said, on 1 November this year. I would be very hopeful—and I hope you can take confidence from the fact—that with our representative in Queensland and with someone of

Mr Bell's calibre chairing the Prime Minister's task force, through the chairperson of our task force and Mr Bell as chairman of the Federal task force, there may be some gains made.

I do believe that Mr Bell is one of the better credentialled people in Australia to perform this role for the Prime Minister. I know he is very keen to achieve outcomes on behalf of small business and I take support and comfort from the fact that he is that type of person and, hopefully, my chair and my task force members will be able to work with him through some of the more major issues. If we can identify those five or six major issues, then hopefully with the Prime Minister's commitment in his election campaigning before the Federal election, we are hopeful that we will be able to achieve that.

Mr BEATTIE: Will this task force look at any increase in red tape that will result from these new charges or taxes, whatever you want to call them—the tyre tax, the oil tax, the park tax and cigarette tax? That is where small business ends up with the red tape nightmare; they have to fill out another form for the oil tax or the park charges or the tyre tax. That is what they say to me about Government charges. Where do they fit into your scheme? I am not having a cheap shot at the new taxes, but as the Minister for Small Business, how are you going to try to ensure that small business does not end up with a lot more red tape because of these new charges?

Mr DAVIDSON: That is another good question, and I can see that you are making representations on behalf of small business; I applaud you for that. Obviously, the establishment of the Small Business Council and the Red Tape Reduction Task Force, on behalf of myself as the Minister, I would hope plays that role. I have raised these matters in Cabinet through the process of our Budget deliberations. I am very hopeful that one of the major functions of both the Small Business Council and the Red Tape Reduction Task Force will be able to view legislation or regulation before it is introduced into the Parliament to ensure that the impacts on small business are minimal. I have made this statement in Cabinet several times. It is pointless us trying to reduce red tape when other Ministers out there are introducing it. For every one we might achieve in reducing, we have Ministers introducing, as you say in this case, four or five other issues for business to deal with in a month; it seems pointless to me. I would be hoping, once this task force—and I said we had our first meeting the other day, I think they are reporting back in about six weeks time. I would be quite happy for you to attend one of their meetings, Mr Beattie, on behalf of the Opposition.

Mr BEATTIE: I appreciate that.

Mr DAVIDSON: I would hope that we would have in place some sort of a situation where any legislation or regulation being considered by other Ministers—part of the process would be considered by the Red Tape Reduction Task Force or maybe the Small Business Council. I think that is essential.

Mr BEATTIE: In terms of regional headquarters—does your department play a role in encouraging regional headquarters here for the Asia

Pacific Rim for non-resident corporations? Do you have a role in that or is it Doug Slack who does that? I know you wear a dual hat there. Do you have a role in that? I am just trying to understand where that role will be portrayed.

Mr HARRIS: I will answer that question. Mr Slack's department does have a role in recruitment; they have the primary role in terms of searching the marketplace, seeking out companies that are located or are looking to locate in Australia and trying to convince them to locate in Queensland. We have a role once those companies actually cross the threshold, if I can describe it in that way. We have a responsibility for industrial development; we have a responsibility for business establishment and support. So we provide support to those companies. If they are either recruited through those agencies or should they simply find their own way to us, then we provide them with technical, industrial and financial support and advice.

Mr BEATTIE: Could I go then to the next stage? Bearing in mind that we are trying to attract these regional headquarters here—and you try to make it as presentable as possible—bearing in mind that we are the only nation in the world that directly taxes financial transactions—bank account debits tax, for example—what are we going to do in that exercise to minimise the impact of the increases in that tax, because that makes us less attractive?

Mr DAVIDSON: There is a famous old statement, Mr Beattie, I am sure you will recall it—there are two things you can be sure of in life, mate, death and taxes.

Mr BEATTIE: Death I am a bit worried about.

Mr DAVIDSON: As I said to you before in a response to one of your earlier questions, I do not believe the impact from the debit tax is an enormous impact on business, small, medium or large. Obviously, the Treasurer sees it as a revenue raising means. I think it is part of the ongoing—

Mr BEATTIE: So you do not think it will make us less attractive to overseas business or regional headquarters moving here?

Mr DAVIDSON: No, I do not believe so. I think one thing we all need to appreciate from Queensland's point of view—in the short time I have been Minister, whether we are talking IT & T—information technology and telecommunication—whether you are talking about technology in manufacturing, one thing that really we have going for us more so than many other parts of the world is that, with IT & T, for example, why have a computer and modem sitting in the back streets of Sydney when you could be sitting on the top of Noosa Hill in Queensland? I think one of the things that really has great offerings for companies from not just Australia but all over the world is the lifestyle that Queensland has to offer.

Yesterday, I had the pleasure of opening the Sealright factory out at Virginia. They are an American company which located here early this year and they are now producing all the plastic labels for Coca-Cola. They are making the ice-cream containers for Peter's Ice-cream. They are making

other labels for other soft drink companies—one Singaporean company. It is American owned; it is an American company, Sealright US Incorporated. When they were looking around this part of the world, obviously you would have thought that a company such as them may have located into Asia, but because of the technology they are able to use in the production of the goods that they make, they have identified Queensland, because of lifestyle and with technology—a low number work force; I think 22, 23 people. As we go on and we make improvements in technology for business and industry and plants such as that, Queensland is well placed because of the lifestyle component of attracting business here. Sealright, for example, have located in Brisbane as opposed to Asia but they are now negotiating with major contracts for the Asian packaging companies, soft drink manufacturers and so on. I really believe at the end of the day business in the longer term will be attracted to Queensland because of the lifestyle we offer.

Mr BEATTIE: Let me ask you a dorothy dixer question then. I noticed when I was reading this document of yours that the Industry and Technology subprogram, which is on page 22, foreshadows the establishment of the Silicon Studio Training Centre and the Silicon Works Centre, and there are quite a number of references on that page to them. Presumably, these facilities are aimed at providing support to the development of the film and multimedia industries in this State, which must be a good thing, I accept that. I just wonder whether you can provide more details on the location, the structure, the operations and the costs of these facilities? I am just genuinely interested in their future.

Mr DAVIDSON: I and officers from my department were instrumental in winning the Silicon Graphics training centre for Queensland. I would like to place on the public record the appreciation that I, as the Minister, and the Government have for the hard work and all the efforts of my staff in winning the contract. I will ask Mr Cooke to come forward.

Mr BEATTIE: I just want to get some details. It is not a trick question.

Mr COOKE: The common theme in both initiatives is Silicon Graphics, which is one of the premier companies in the world in terms of computer modelling and visualisation. The Silicon Studio Training Centre is essentially state-of-the-art hardware from Silicon Graphics—the sort of things that are used and have been used to create modern movies, in terms of *Jurassic Park*, *Independence Day* and so forth.

Mr BEATTIE: A great movie.

Mr COOKE: It is. I liked it.

Mr BEATTIE: It terrified the hell out of my kids, but I loved it.

Mr COOKE: I think that most people now know that a big portion of the media and the entertainment and film industry is now driven by computer-based industry. So the Silicon Studio is essentially a flagship operation for Australia. It is the only one in Australia. It will provide high-level training to skill up people to take advantage of increases in

that industry and essentially to provide us with a capacity to keep post-production work in Queensland. We have an increasing film industry in terms of turnover, but a lot of the post-production work is still going interstate or overseas. So the Silicon Studio will allow us to keep more of that work.

The Silicon Works Centre is again Silicon Graphics technology. The works centre is a combination of about 10 of their state-of-the-art computer modelling and visualisation workstations, which will supplement equipment that is already at the Queensland Manufacturing Institute. What it will do for the manufacturing industry is similar to what the SSTC will be doing for the film and entertainment industry, that is, providing us with a technological capacity on behalf of mainly small and medium enterprise firms to access and use technology which will assist them in getting products to market and competing internationally. The cost of the technology is such that no small or medium-sized firm individually would be able to access it. So the nature of it is for Government to step in and provide some market facilitation assistance there.

Mr BEATTIE: Thanks for that. Good luck with that.

Mrs BIRD: I note in the annual reports in relation to Business, Industry and Regional Development and Tourism that very few of the senior staff are female. What programs are in place to improve gender equity and improve equity to perhaps disadvantaged groups? Why are these programs not detailed in the annual report?

Mr DAVIDSON: On 2 July this year, my department conducted an equal employment opportunity census which revealed the following results: out of a total staff of 533, 47.5 per cent are female. Female representation is strongest in the lower and middle levels of my department. However, I am pleased to advise the Committee that, under this Government, there has been a modest increase in the number of females in the AO7 and AO8 executive feeder group. There are 13 females who hold AO7 and AO8 positions who would no doubt feed into the SES positions. So in response to your question—47.5 per cent of the staff are female.

Mrs BIRD: But in the senior staff, how many female AO6s do you have? It is more obvious in the business sector that there are not very many senior women.

Mr DAVIDSON: There are 68 AO6 staff in the department, and 20 of those 68 are female.

Mrs BIRD: Are any from disadvantaged groups?

Mr DAVIDSON: I can give you a total figure for the department.

Mrs BIRD: I could put that question on notice.

Mr DAVIDSON: I have got it here. We have 2.8 per cent of the staff in the department from non-English-speaking backgrounds—migrants to Australia whose first language is not English; non-English-speaking background, 4.5 per cent; children born in Australia of migrants whose first language is

not English, 4.5 per cent; Aboriginal and Torres Strait Islanders, 0.09 per cent; and people with disabilities, 7.1 per cent.

Mrs BIRD: I refer you to one of your answers to a question on notice. You refer in there to your BARA officers. I respect that. I think they are great. Stuart Lovell, who is in Bowen, is just a champion. He has the respect of the community. You talk about Tully, Cape York, the Atherton Tableland and Charters Towers all having BARA officers. Then you refer to service agreements for Mackay. How is that going?

Mr DAVIDSON: Thanks for your support for that officer. We do not have a BARA officer in Mackay, and there never has been.

Mrs BIRD: In your answer you say, "In addition, my department has developed service agreements with the Australian Taxation Office in Mackay for visiting services."

Mr DAVIDSON: Mr Harris has the details of that.

Mr HARRIS: The arrangement we have reached with the Australian Taxation Office—as they closed offices we felt that there was an opportunity for us to provide further services to the business community, not through a regulatory or enforcement process of the ATO but simply in providing advice to small business. We spoke with the Australian Taxation Office, and they were very pleased to have the opportunity to place ATO officers on a one-day-a-week basis in several locations that we have. We have agreed to that now, and that has actually started in Townsville, Mackay and, I think, Gladstone. The ATO provides taxation advice through our offices on a cost-recovery basis to us. It is cost neutral, but it provides them with the opportunity to provide a service and it allows us to be a single point of entry for the information that is required by our clients.

Mrs BIRD: Could you advise my office where I can refer people to?

Mr HARRIS: I certainly will.

Mrs BIRD: I noticed that in there, and I just wondered who it was and where it was.

Mr DAVIDSON: In Mackay that office would be at the Department of Tourism, Small Business and Industry office. We will tell you the day of the week.

The CHAIRMAN: We move now to Government questions. I would like to talk about information technology. I have recently become involved to a very small extent with the IT&T awards and I have become quite interested in the information technology industry. Given that the information technology industry is one of the fastest growing in the world, and I understand Queensland is well up there in the top of the market, can you explain how committed you are to this sector?

Mr DAVIDSON: I hope that you noticed your photo in *Connecting Queensland* magazine, the IT&T magazine that is distributed right throughout Queensland, as a result of your attendance with myself at the launch of the IT&T awards in Cairns, which I understand you appreciate was a major event

for IT&T industry people in Cairns. I was very pleased to launch that night for them up there. It was great to see you there, too.

Queensland's IT&T industry employs over 10,000 people, and exports now total over \$100m annually. The IT&T industry is worth over \$2 billion annually, making it one of Queensland's largest industries. However, the benefits of the industry go far beyond its own earnings. Further to its own revenue and export capacity, the IT&T industry plays a crucial role in boosting the efficiency, and, in turn, productivity of many other industry sectors as they employ high-technology practices. That is why I have put my support behind funding the Government's Information Industries Board.

The IIB is a unique private and public sector partnership established to develop the industry. It provides valuable advice to Government on priorities, strategies and tactics for the industry. Particular emphasis will be placed on critical emerging issues in the industry, such as the Internet and multi-media, and encouraging small and medium-sized business to take advantage of information technology. This Government has also secured a major IT&T development with the establishment of the Silicon Studio Training Centre and Silicon Works Centre. These key initiatives of this Government will help generate smart infrastructure for the development of industries for the twenty-first century. Specifically, the training centre will provide world-class training in multi-media for up to 1,400 students each year to specialise in the film and television industry.

The Works Centre will make advanced computing and multi-media technology available to the manufacturing sector through rapid prototyping, computer aided design, as well as testing in simulation which will help to expand Queensland's multi-media industry. So I am delighted to inform the Committee that this Government is right behind the success of the industry.

I would just like to say that there were some rumours around at one time that we would decrease funding to the IIB by \$400,000. My director-general and myself and officers from my department took up the fight for IIB. We were able to maintain the funding at \$2.4m this year, and I was delighted to be able to do that. I would also like to say that we will be making another major announcement in the coming weeks of an initiative that Mr Geoff Cooke from the department has been very, very successful in securing funding for from the Federal Government. Our commitment to IT&T and the Information Industries Board will be ongoing. While their budget is \$2.4m, as has been seen with securing funding for the STC, I am able at any time to go to Cabinet or Treasury with a submission on behalf of the industry for further funding.

The CHAIRMAN: I must say that I am very pleased to note that the funding was not cut, because I have had approaches from companies in Cairns who were concerned. It was good to be able to reassure them that you are totally committed to the IT & T industry. I note with interest that you have announced a new initiative to help innovative

Queensland companies undertake projects. Could you outline this scheme to the Committee?

Mr DAVIDSON: Absolutely. I believe that Mr Boyle, who has been sitting here for last hour or so waiting for a question, might like to answer this question. He will be heading up the Innovative Queensland Division in my department, assisted by Mr Cooke and some very other senior and professional officers in the department. I know he is quite excited of this new initiative of the Government. I would ask Mr Boyle to outline to the Committee what he intends to do with Innovative Queensland.

Mr BOYLE: Ron Boyle, CEO of the Office of Business and Industry within the department. The program Innovative Queensland will adopt a more integrated approach to innovation, science and technology than has been seen previously. In the Governor's Speech at the opening of Parliament, Her Excellency referred to this integrated approach. The program will have two major thrusts: firstly, to help business access advanced technology infrastructure not otherwise available in the market place to enhance the ability to be more innovative; and, secondly, to foster greater innovation through collaboration within Queensland's industry sectors and clusters and strengthening linkages with the research community.

In contrast with some of the previous approaches, assistance provided under this program will be more coordinated, targeted and designated to complement rather than duplicate other innovative assistance programs, particularly those at the Commonwealth Government level which, in themselves, have been changing. I think that gives a snapshot of the program. The sum of \$500,000 has been allocated in the first year. We are hopeful of having it launched by the beginning of calendar 1997.

Mr ROWELL: I refer to the Industry and Technology program statements, specifically on page 23 of the Ministerial Program Statements, where it states that the department will deliver AusIndustry services to Queensland firms. Can the Minister please explain the details of AusIndustry services that will be provided?

Mr DAVIDSON: I would like to inform you that the Queensland Government remains firmly committed to helping individual firms become internationally competitive through adoption of better business practices. At the Commonwealth level, AusIndustry has had to make a significant contribution to the Howard Government's savings objectives. My department has had discussions with the Commonwealth to ensure Queensland receives its fair share of the national pie. Until we finalise our negotiations with the Commonwealth, we will not know exactly how much of the pie we will receive, but the Commonwealth decision to reduce funding requires us to re-examine the current methods of delivery of Government services.

I am committed to ensuring that there is no reduction in outcomes achieved by firms in Queensland. In this regard, you can rest assured that this Government is firmly committed to the concept

of assisting Queensland firms to become internationally competitive. In particular, AusIndustry programs will be delivered to firms to help them participate in low-cost workshops, undertake specific development programs and identify new innovative approaches. Experience and research shows that there is a significant gap in the marketplace for effective, low-cost alternatives for business to improve, particularly in small regional centres. So while we felt the impact of the Commonwealth Government cuts this year to AusIndustry, my department is committed to ensuring that we continue to deliver the programs to business.

Mr ROWELL: I refer to page 22 of the Ministerial Program Statements, where it states that this Government will create significant investment, jobs and infrastructure to support the State's food processing sector. Could the Minister provide details of what he specifically intends to do for the food industry through the Queensland food project?

Mr DAVIDSON: The coalition Government recognises the benefits of the Queensland Food Project concept and has continued funding of this in a tight budget situation, but with an important change. That change involves a need to focus on the needs of small business through a series of Statewide workshops relevant to their development needs. These workshops will play a key role in developing new ideas and in creating employment, which will sustain the food industry into the future.

Other initiatives by the Government relating to food include setting up a forum of CEOs from leading food processing firms chaired by me as Industry Minister, so leaders can have their input into Government programs, funding for the Centre for Cleaner Food Production to help food processors become more competitive by reducing waste, and continuing the review of hygiene inspections. I have been very impressed by the activities of that unit of my department, which is made up of externally appointed specialists with extensive knowledge and private sector experience.

By the end of its first year of operation, the unit had helped eight new projects establish in Queensland resulting in a commitment of \$20.6m in capital expenditure, which resulted in 300 new jobs and an additional \$95m turnover in the sector. The unit's project plan in this year's budget commits to achieving a \$50m increase in capital expenditure, a \$300m increase in turnover, and 1,000 new jobs within two years. We are hopeful we will achieve this goal.

I might just expand on that a little. Earlier this year, I was fortunate enough—about three or four months ago—to visit Australian Meat Holdings out at Ipswich. Through the Queensland Food Project, they have been able to invest in the technology required to manufacture pizza toppings for Pizza Hut in Australia. They have renovated part of their old abattoir into a new world-class food manufacturing plant with the technology that they have been able to purchase. I believe a lot of the work in facilitating for them to achieve that outcome and their discussions and contracts with Pizza Hut were as a

result of many meetings with senior officers from my Queensland Food Project. So that was one instance this year that I was involved in myself to see first-hand the enormous benefits that the Food Project is offering business in Queensland.

That business also is looking at exporting into Asia. I believe in the first year they will have sales of \$17m worth of food and pizza toppings. I also believe that they have identified \$30m or \$40m worth of markets in the Asian region. So I was pleased to represent the department, but more so with the senior officers who are present to see first-hand some of the gains that have been made by the Food Project team.

Mr ROWELL: Minister, I will not so much ask you a question but make a statement that, I think, backs up a lot of what you are saying. There are excellent opportunities in the fruit industry where second-grade fruit that is probably not suitable for market use certainly could be used in a manufacturing process, whether it is dried mangoes, dried pawpaws or dried bananas—that sort of thing. It is probably better to take a lot of those goods off the fresh food market. Certainly, it would be benefit if they could be put into a manufacturing type of situation. Of course, very often it needs the technological backing to find a process that is not labour intensive. I think it is essential that a lot of work is done in that area because I believe that we can reap quite a harvest in that particular situation.

Mr DAVIDSON: I can appreciate that, Marc. Knowing that you are an exporter of lychees to Japan—

Mr ROWELL: Not Japan—Hong Kong, Tahiti and a lot of countries in the western hemisphere.

Mr DAVIDSON: Is much of the product second-rate fruit?

Mr ROWELL: Yes, from time to time there is, certainly—no, none of it as far as the opposition is concerned because I know they will take advantage of the situation. I know these fellows very well. The point I am making is that with the banana industry, the pawpaw industry and the mango industry in north Queensland, which is probably worth something like \$300m to the economy, I believe that there is ample room for the upgrading of a manufacturing-type process for a lot of those fruits that are not at the top of the range and do not, and should not, find their way on to the fresh food markets. Manufacturing would be an excellent process for them to be involved in.

Mr DAVIDSON: I appreciate the point you are making and I hope you do appreciate that, through the Queensland Food Project, through all sectors of the industry and all parts of Queensland, we will be looking for those sorts of opportunities to capitalise on and offer, hopefully, further investment into food production in this State to maybe Queensland companies, Australian or international companies. So I would be happy for someone from the department to contact you at some time and discuss that with you.

Mr ROWELL: Right, thank you.

The CHAIRMAN: Thank you, Mr Rowell. Minister, I take you back to your recent trade mission to Japan, Korea and Hong Kong. I wonder if you would tell the Committee the objectives and the outcomes of that trade mission?

Mr DAVIDSON: Thank you very much, Ms Warwick. It was a very, very successful trade mission. I have never been so busy and worked so hard in all my life. I believe it was very successful. I think you would all appreciate that between Japan, Korea and Hong Kong, they represent almost 50 per cent of Queensland's international tourists. They are also three of Queensland's fastest-growing international tourist markets making continued strong relations between the countries and Queensland crucial for the future success of the State's tourism industry.

The purpose of my visit to these countries was to meet with industry representatives in each of the countries, to encourage continued strengthened relations and closer working relationships, to learn first-hand the issues affecting the tourism industry in these countries and how they may be affecting Queensland's tourism industry and to determine how Queensland can better compete for a greater market share. During my eight-day trip, I attended more than 20 meetings with industry representatives from all sectors, including airlines, wholesalers, travel authorities and agents. I was accompanied by Queensland Tourist and Travel Corporation Chairman, Mr Frank Burnett; Gold Coast Tourism Bureau General Manager, Mr Bob Brett; Hamilton Island Managing Director, Wayne Kirkpatrick; and my department's director-general, Mr Loftus Harris.

The response at all these meetings was very positive and in each country representatives stressed a keen interest in strengthening current relationships. They also stressed the need for Queensland to continue supplying high-quality tourism product at value-for-money prices. Japanese representatives particularly highlighted the need for new tourism infrastructure in terms of attractions, hotels and shopping facilities.

I was fortunate to be able to promote many of the State's new infrastructure facilities in Cairns, including Tjabukai, Cairns Reef Casino, Convention Centre, Skyrail and the news that three new hotels will be built on the Gold Coast within the next 12 months. Japanese representatives were also keen to share their ideas of how Queensland could be further promoted to better compete against Hawaii and Guam. They particularly highlighted the attraction of Queensland's activities, such as golf, horse riding and scuba diving. The Queensland Tourist and Travel Corporation's Japan office is liaising with those representatives to build on these opportunities.

My visit to Korea also highlighted many opportunities for Queensland as well as some hurdles which need to be overcome. Undoubtedly the major concern is that some Korean travellers are being sold budget Queensland holidays resulting in disappointing experiences. Queensland's tourism operators must be diligent in promoting quality, value-for-money produce and we need to work with

Korean operators in educating them about this product. The QTTC will encourage and nurture this education process by working with inbound operators in Queensland and, through its Korean office, operate as agents in Korea. As a new and rapidly developing tourist market, Korea also provides Queensland with enormous opportunities, particularly in the areas of special interest tourist markets, for example, golfers and scuba divers. Korea has in excess of 250,000 people keenly interested in each of these activities.

Similar opportunities exist in Hong Kong. No-one can predict what benefits may stem following changeover day on 1 July 1997. However, the Hong Kong business and tourism communities are confident of positive results.

I believe during my trip I was successful in achieving all of the objectives I mentioned earlier and gained a better understanding of these important Asian tourist markets as our largest neighbour, Asia, offers enormous potential for the Queensland tourism industry. I am confident that, with the right management, this potential can be realised.

The CHAIRMAN: Minister, I wonder if we could talk about the Main Street Program for a while. I have a particular interest in this because Kuranda, which is part of my electorate, has a program at present. There has been some recent speculation that the program is being reviewed and that funding has been reduced. I wonder if you could please outline for the Committee the current situation in relation to the Main Street Program and advise the Committee what is being done to assist these communities?

Mr DAVIDSON: Thank you, Ms Warwick. I might just point out to you that when I was first appointed Minister for Tourism, Small Business and Industry, I think in the first maybe two or maybe three weeks I had many phone calls and letters from people who were keen to see funding maintained for the Main Street Program.

I believe one of the first major issues that the Director-General, Mr Loftus Harris, and I had to deal with was to commit funding for the next 12 months and for the 1996-97 financial year, which we did. The Main Street Program is designed to enhance business performance in the centre of cities, towns and other localities in most need throughout Queensland. This is achieved by bringing business people, local government and community representatives together to establish a coordinated method of managing the Main Street area. I have received feedback from some communities that there have been difficulties in achieving outcomes, but the philosophy of the program is commendable.

In this Budget, there are five locations in their third and final year of funding, and they are Hervey Bay, St George, Proserpine, Gordonvale and South Burnett. The program was extended by the previous Government to include 12 new locations and, as part of this Budget, all 12 locations will receive their second-year funding.

I have asked my department to focus on creating local business groups able to improve their

own trading success without continued reliance on the staged Government funding assistance. As part of this Government's funding cuts, my department has given up some money used in the past to provide additional training and specialist support for the Main Street groups. To answer the member's question, communities will continue to receive their grants this financial year, which will enable them to continue to employ a coordinator and obtain specialist support to improve their local economic development.

Mr MITCHELL: Further to your answer to our question on notice on Business Advice for Rural Areas, or the BARA Program, can you outline what the BARA Program is? What implications does the withdrawal of Commonwealth funds have on the delivery of this service? It is a very important service and it has been in my area for a few years.

Mr DAVIDSON: Unfortunately, BARA is another regional activity from which the Commonwealth is withdrawing funding. BARA is a joint Commonwealth and State funded scheme, administered in Queensland by my department. Commonwealth funding has been withdrawn for eight BARA positions for this financial year. The Commonwealth Government has also announced that it will withdraw funding for another nine BARA positions on 30 June 1997. This Government considers BARA to be one of the most important, cost-effective advice programs available to small business in rural and remote areas of Queensland.

Mr MITCHELL: True.

Mr DAVIDSON: With this in mind, my department will provide \$350,000 for this financial year to fund a number of these positions together with the existing State BARA positions and will consolidate BARA into a smaller service delivery program. This will allow the State to fund nine positions for the remainder of this financial year out of a total of 18. The result will be a more focused but smaller team of BARA advisers with, in some cases, broader service areas. Add this to my department's other Small Business Program activities and services to small business, and overall the department's services in regional Queensland have been largely maintained.

To answer the member's question—communities will continue to receive their grants this financial year, which will enable them to continue to employ a coordinator and obtain specialist support to improve their local economic development. The department will work to continuously improve the program and make it simpler and more user friendly. In addition, a senior officer of the department will provide a focus for dealing with emergent issues and networking coordinators and committees to other sources of assistance. Progressively, the department's regional officers will become more involved in the delivery of the program. This is already the case in southern Queensland.

Mr ROWELL: Minister, I refer you to the recent press coverage regarding the shortage of suitable land for business and industry. What is your department doing to ensure that there are future stocks of land available for this vital sector?

Mr DAVIDSON: Mr Boyle actually raised this question on the Gold Coast a couple of months ago. It got enormous runs in the media in south-East Queensland, and I suppose it would have got a few runs in north Queensland.

We consider it of paramount importance that economic development and employment opportunities are not lost because of a lack of suitable sites for business and industry. Suitable land needs to be at locations that are efficient for business, cost effectively provided with services, environmentally sustainable, acceptable to the community and appropriately zoned. It is also very important to identify land of regional and local significance for business and industry. This Government is committed to ensuring that such land is not squandered on uses that have many more locational opportunities than business and industry. Appropriately prepared planning schemes can prevent this from happening and encourage investment, enabling economic development and employment strategies to work.

The window of opportunity for attracting investment is short. Business opportunities are fleeting and, therefore, business is far less able than in the past to wait for land to be zoned "service" and developed to meet its needs. My department is now placing considerable effort on working with local government and other agencies to ensure effective land use, planning for industry and adequate infrastructure.

It is my view that this is a far more effective way to ensure that the supply of land is available for business and industry than the previous Industrial Estates Program. Although planning cannot create jobs, the lack of planning can certainly prevent the private sector from providing them. My department will continue to control strategic land and will develop industrial land to overcome marked gaps which will not be met by private developers. In this, the Government is seeking to ensure that economic development is not constrained by lack of land for business and industry.

The CHAIRMAN: That ends the Government questions.

Mrs BIRD: I refer the Minister to his Government's abolition of the Small Business Advisory Corporation. How many redundancy packages are you having to offer to achieve your stated aims and how much is this going to cost? Is it true that the cost of those redundancies due to investments will negate any cost savings you intended to make from the move—or under estimates, I beg your pardon?

Mr BOYLE: As the Minister mentioned earlier, 13 QSBC officers have been successful in gaining positions within the Department of Tourism, Small Business and Industry to deliver full former QSBC programs. The balance of the QSBC staff will be offered redundancies. The actual figure is available from Mr Birmingham, but provision was made within the allocation which was provided for the QSBC this year to cover redundancies. Notwithstanding that, the savings will still be realised in terms of that which was identified in the documentation.

Mrs BIRD: Do you have some figures?

Mr DAVIDSON: We will get the actuals for you.

Mr BERMINGHAM: The confirmed figures for the redundancy at this point in time, where determined, is \$520,000 for 26 existing staff as of 27 September. There are potentially another eight officers' payments amounting to \$241,000.

Mrs BIRD: Were these on contracts?

Mr BERMINGHAM: There is a combination of tenures within the QSBC. They are public sector employees as distinct from public servants. Yes, there were a number of casual staff and contract staff there, but the majority of them were public sector employees.

Mrs BIRD: Do you have any idea how many contracts there were?

Mr BERMINGHAM: Three contract staff.

Mrs BIRD: Minister, can you tell me what the promotional budget for QTTC is and how will it be spent? Can I also have a breakdown for some of the regions, please?

Mr RONAI: The budget for the QTTC in 1996-97 is \$29,885,000. Approximately \$21.8m of that allocation will be spent on marketing. These amounts are purely for marketing and promotion and exclude all labour costs and all operations costs.

Mrs BIRD: Do you have a regional breakdown? I can put that question on notice.

Mr RONAI: I do not have a regional breakdown for the following reason. We are reviewing our budget at this point in time, because the new CEO, Steve Gregg, commenced with us on 2 September. Whilst I have general categories here in terms of regional expenditure, we are in the process of making sure we can optimise that budget in relation to our new marketing strategy that we are in the process of implementing.

Mrs BIRD: So the appointment has in fact delayed the regional budgets going out?

Mr RONAI: Not at all. Not in terms of the grants to the regional tourism associations as such, and that represents approximately \$2.6m in 1996-97.

Mrs BIRD: I wish to ask about the ad. I thought I heard you say a little earlier that the closing down of a section of the QTTC was the reason for the delay in the ad?

Mr DAVIDSON: The Research Division of the QTTC was reduced from approximately 10 people to 2 people in 1992. We had obviously negotiated with one major advertising company to formulate some concepts for a new promotional commercial for Queensland. At a meeting that I had on the Gold Coast with major industry representatives, it was raised with me as a major concern by those industry representatives that we were formulating or designing a new promotional campaign for Queensland without really having researched what the tourists are after from Queensland. Most of us would accept that it is probably the theme parks and the Gold Coast itself; Brisbane as a city destination; the Sunshine Coast as an environmental destination;

the Whitsundays, your own area, as a magnificent environmental and marine destination; and Cairns as a marine and environmental destination.

We took the view that we needed to further research what the Australian and southern markets—Victoria, New South Wales, South Australia and so on—and maybe international markets were wanting from a holiday in Queensland. At that stage, because we had progressed somewhat in developing a new commercial, we decided to launch the "Beautiful Winter Days" campaign into the southern markets—New South Wales, Victoria and South Australia. That was only intended to run for a period of three or four months. Mr Gregg and I had a meeting a couple of weeks ago. We are now developing another interim commercial to get us through until probably February next year, when we will launch a new Queensland commercial. I believe our next commercial, the interim commercial, will be launched in the next month or so. It is a destination-based commercial—Gold Coast, Brisbane, Sunshine Coast, Whitsundays and Cairns. I made the point to you in respect of the reduction of the Research Division at the QTTC that many senior people in the tourism industry believe we should be developing a promotional campaign on research that is available from our marketplaces.

Mrs BIRD: I remind you of the Kennedy report, which recommended that the R&D unit be abolished because of corruption. Do you not agree with that?

Mr DAVIDSON: I have read the Kennedy report, and I respect Mr Kennedy's thoughts and opinions. He is well respected and highly regarded within the tourism industry throughout Australia. But I think that the Kennedy report was produced in about 1991 or 1992. Maybe as a result of his recommendations that division was reduced from 10 to 2. There were many other recommendations of the Kennedy report that were not implemented.

As I said to you, I met with senior industry people. On the Gold Coast I met with one of the most senior marketing management companies in this country. It develops campaigns for major companies. I and the Chairman of the QTTC, Mr Frank Burnett, were at the meeting. We were both convinced that we should take more time to ensure that we develop a promotional campaign, given the enormous cost. In one process we went through, we were looking at a cost of well over \$1.2m to \$1.3m to develop a new commercial. Some other figures have been thrown around of \$800,000 to \$1m. But given the enormous cost of this new commercial, if it was to be \$1.2m or \$1.3m, and given that a new commercial with those costs associated with it would have to be out there for two years—and "Live It Up" has been out there for two and a half to three years now—we thought it was appropriate. The Chairman of the QTTC and I believe the board members of the QTTC took the decision themselves that we would take a bit more time and have a look at the research available to us from southern and maybe Asian and European markets, and that is why the decision was taken.

Mrs BIRD: So you consider that this audit is not applicable to you?

Mr DAVIDSON: The?

Mrs BIRD: The Kennedy report?

Mr DAVIDSON: As I said, I respect Mr Kennedy as a foremost person in the tourism industry in Australia. He is well regarded all over this country and probably in other parts of the world. I believe that Mr Kennedy may have been right. The "Live It Up" commercial that was produced under the previous Government by the QTTC was a fantastic success. There is no doubt about that. No-one would deny that. It has done a great job for Queensland. An opinion has been around for the last eight or nine months that it has got a bit tired. I am saying that from the Kennedy report in 1992 to May or June of this year, 1996, there may be a change in formulating new professional commercials. I really believe consideration should be given to developing those commercials on research into what the consumers—the holiday-makers and tourists—are really looking for from a holiday in Queensland. I think things have changed a little. I think you would find that most major companies develop their promotional campaigns on research.

Mrs BIRD: So Kennedy's recommendations about R&D in the QTTC are not applicable, in your view?

Mr DAVIDSON: As Mr Gregg quite rightly says, the market has changed dramatically. While I respect the Kennedy report and the recommendation on the R&D division of the QTTC, I believe we would be looking towards expanding the Research Division. The coalition does have a policy and a commitment to increase the Research Division of the QTTC. I believe we are working towards those ends, as Mr Gregg settles into his role as CEO.

Mrs BIRD: I refer you to suggestions coming from the Federal Government representatives in north Queensland that the Great Barrier Reef Marineland, the renowned aquarium and major Townsville tourist attraction, should be sold to fund the Federal Government's reef tax. In the interests of north Queensland tourism, will the Minister oppose such a sell-off?

Mr DAVIDSON: Major tourist attraction? Sorry? I did not quite hear that.

Mrs BIRD: Marineland in Townsville.

Mr DAVIDSON: Who is suggesting that it should be sold?

Mrs BIRD: There are suggestions that the Federal Government should sell it off to pay for the reef tax.

Mr DAVIDSON: I am not really aware of that issue. I do not know whom the suggestions are coming from. Without consulting with the people involved in that issue, it would be very, very hard to make a statement. No-one has contacted me on this issue. I have had no correspondence either by phone or by letter. Without being a bit more up to pace with this issue, I would rather not comment, but I am prepared to give you a written response.

Mrs BIRD: You talked a little earlier about your trip to Asia and how successful it was. What damage do you believe the anti-Asian comments made

recently by the Federal member for Oxley, Pauline Hanson, has done to Queensland's relationship with Asia?

Mr DAVIDSON: Like you, I have major concerns with the statements expressed by the Federal member for Oxley. I really do believe that she needs to consider what the tourism industry means to Queensland and Australia, and the Asian market more particularly. I have not as yet done so, but following the point that you have raised here today, I will take it upon myself to write to her and express those concerns.

Mrs BIRD: Will you be doing something publicly on that?

Mr DAVIDSON: Well, yes. I think we need to put to rest the fears and concerns this creates and the impact this has not just on our Asian tourists but also our Asian residents. She just needs to appreciate and realise how important the total Asian tourism market is to Queensland. Yes, I will address that.

Mrs BIRD: A little earlier you talked about ecotourism, and you talked a little bit about cultural tourism and Aboriginal tourism. You have not made any comment about some other specialised markets, namely, the physically disabled—which is a niche tourism market—and gay tourism in particular. Are there any plans for any promotion or is any consideration being given to promoting those areas?

Mr DAVIDSON: Stephen is probably the best one to answer that.

Mr GREGG: Stephen Gregg, CEO of the Queensland Tourist and Travel Corporation.

Mrs BIRD: Welcome.

Mr GREGG: Thank you, Lorraine; good to see you. The whole issue of special interest marketing is very important. I suppose it is really about priorities of markets. At the moment, the whole focus is to get our destinational marketing going well and getting the destinations of Queensland back on the consumer's buying list, certainly in the domestic marketplace primarily and then, as we move through, into the international marketplaces. Following through from that, there will be a range of special interest strategies developed for the whole of the State that will talk about the motoring market or nature-based tourism or cultural tourism, and those other special interest segments you have mentioned will feature in that. It will just be a priority of resources. I couldn't give you a straight answer right now on exactly when strategies for those would emerge, but I expect over the next 12 months there will be a whole range of destinational strategies firstly, followed by special interest strategies which overarch the whole of the State and, I suppose, those markets which show the most potential. That is one of the reasons why research is very important to us. The research that is going on at the moment is about the domestic marketplace, and we are researching people who are coming to Queensland and those who are not coming to Queensland to understand the reasons why. We will be looking at those market segments that do have the greatest potential to travel. If we have not convinced them

just yet, that is where the strategies will be in the future.

Mrs BIRD: Have you done any studies in terms of the impact that gay tourism has on the Queensland market?

Mr GREGG: To my knowledge, the QTTC has not done any independent studies, but there are studies available in that area. I know that was one of the major themes of last year's ITOA seminar—the value of gay tourism worldwide. It is certainly a market segment that does have a great propensity to travel and also a freedom to travel.

Mrs BIRD: Specifically inbound, I suspect.

Mr GREGG: Yes, international.

Mrs BIRD: I refer the Minister to the revelations of this morning's Environment Estimates debate that the fee to enter the three recreational management areas in Queensland—and I name them: Moreton Island, Green Island off Cairns and Fraser Island—will raise to the tune of \$900,000 in the coming financial year. As Green Island is in the Great Barrier Reef Marine Park, it will incur the \$6 per person per day reef tax and increase in the RAM fee, and as there is a national park on the island, any tourist walking onto the park will incur the national park entry fee, set at \$3 per person per day. I ask: do you agree that these two State fees now exceed the Federal Government's reef tax? As you have criticised the Federal Government for increasing the reef tax to \$6, are you going to similarly criticise the Environment Minister for these new or increased State charges and vigorously oppose them in the interests of the Cairns tourism industry?

Mr DAVIDSON: Let me just say that it was very unfortunate that when the Minister for Environment, Mr Littleproud, took the submission for the national park user-pays fee to Cabinet, it was at the same time that I was overseas on my Asian delegation. It was just unfortunate that I was not at Cabinet that day. I would like to say, before we make any statements in the press, that I am working through some of those issues with Mr Littleproud. As I said to you before—and I do appreciate your raising them here—there are other instances: Burleigh National Park, Noosa National Park, Magnetic Island. There are three or four instances around the State. I take your point: Green Island is another of them. I will continue to raise that issue with Mr Littleproud and my Cabinet colleagues. Obviously the ministerial responsibility rests with Mr Littleproud, but I am hopeful that we might be able to advance some of those issues.

Mrs BIRD: I want to ask Mr Longland a question. You know for some years we have had lower liquor licence fees than other States on high-alcohol-based liquors. On low-alcohol liquors in Queensland the fee has always been a little bit higher than elsewhere. But now that the others have gone

even lower, why do you suppose we have not dropped ours?

Mr LONGLAND: I suppose that, in some respects, that is a matter of policy, which I understand I am not to comment on in these proceedings. However, I can indicate to you that the 10 per cent licence fee is still the lowest licence fee per se across Australia. We do not have a differential in licence fee with respect to low-alcohol product, but we do have the highest sales of low-alcohol product already throughout Australia, and that is without the differential fee.

Mr DAVIDSON: I might reinforce that with you. This issue has been raised with me by people from within the industry in Queensland. I have had these discussions with Mr Longland. We are going through a process at the moment of reviewing sections of the Liquor Act. As I said, this issue has been raised with us. Mr Longland has quite rightly stated that our sales of low-alcohol beer are higher than anywhere else in Australia. I believe that, through the course of our review of sections of the Act, we will consider this. But at this stage we do not believe that it would increase the sales of low-alcohol beer.

Mrs BIRD: Could you give me the figures of the situation for the tourist industry to date—the inbound international figures and the domestic figures? Would you have those?

Mr DAVIDSON: We certainly would.

Mr RONAI: Could I qualify that? The inbound?

Mrs BIRD: Yes, inbound.

Mr RONAI: The visitors?

Mrs BIRD: Yes, and intrastate and interstate as well.

Mr RONAI: The latest figures in terms of visitors for overseas arrivals for the 1995 calendar year would be: 1,281,000 into Queensland; interstate is 2,261,000; and intrastate is 3,374,000.

Mr DAVIDSON: I have it here. I am quite happy to give this to the member.

The CHAIRMAN: You are going to provide Mrs Bird with that, are you?

Mr DAVIDSON: Yes.

Mrs BIRD: Could I have that tabled?

The CHAIRMAN: The time allotted for the consideration of the Estimates for the Minister for Tourism, Small Business and Industry has expired. I thank the Minister and the portfolio officers for their attendance. That also concludes the Committee's consideration of the matters referred to it by the Parliament on 3 September 1996. I therefore declare this public hearing closed.

The Committee adjourned at 7.30 p.m.