

ESTIMATES COMMITTEE E

Mr J. A. Elliott (Chair)	Hon. T. McGrady
Hon. R. J. Gibbs	Mr H. Palaszczuk
Mr G. E. Malone	Miss F. S. Simpson

MINISTER FOR PRIMARY INDUSTRIES, FISHERIES AND FORESTRY**IN ATTENDANCE**

Hon. T. J. Perrett, Minister for Primary Industries, Fisheries and Forestry
 Mr R. Nieper, Director-General
 Mr T. Johnston, Deputy Director-General
 Dr W. Hoey, Executive Director (Agriculture)
 Mr J. Skinner, Executive Director (Corporate Performance)
 Mr S. Sanderson, Acting Manager, Corporate Management Accounting
 Dr G. Bacon, Acting Executive Director (Forestry)
 Dr K. Dunn, Acting Executive Director, Animal and Plant Health Service
 Mr J. Pollock, Acting Executive Director (Fisheries)
 Dr P. White, Executive Director, Drought and Rural Development
 Mr J. Childs, Executive Director, Research Information and Extension

The Committee commenced at 8.30 a.m.

The CHAIRMAN: The time being 8.30, I declare the meeting of Estimates Committee E 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 Order. The organisational units will be examined in the following order: (1) Minister for Primary Industries, Fisheries and Forestry from 8.30 a.m. to 11.20 a.m.; (2) Minister for Natural Resources from 11.30 a.m. to 3.40 p.m.; Minister for Mines and Energy from 4 p.m. to 7 p.m.

I remind members of the Committee and the Minister 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 elements. An extension of time may be given with the consent of the questioner. A double chime will also ring two minutes after an extension of time has been given. Three chimes will ring at the conclusion of each 20 minute block. The Sessional Orders require that at least half the time is to be allotted to non-Government members. The Committee has agreed that the first 20 minutes of questions will be from non-Government members.

For the benefit of Hansard, I ask witnesses to identify themselves before they answer a question. A resolution to grant leave to members other than Committee members to ask questions has been made by the Committee.

I now declare the proposed expenditure for the Minister for Primary Industries, Fisheries and Forestry open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, would you like to make a brief introductory statement? If so, the Committee requests that the length of the statement be a maximum of two minutes.

Mr PERRETT: Thank you, and good morning to members of the Committee. Firstly, I would like to introduce the people at the front table with me. On my left is the Director-General of the Department of Primary Industries, Mr Roley Nieper. Immediately to his left is Dr Warren Hoey, the Executive Director, Agriculture. On my right is Mr Terry Johnston, the Deputy Director-General. On his right is Mr John Skinner, Executive Director, Corporate Performance. On the end of the table is Mr Stuart Sanderson, Finance.

Chairman, the major feature of the DPI budget is an increase of \$17m, bringing it to \$360.5m. This increase will provide a significant boost to the research and extension activities managed by this department and support the key industry priorities which are farm viability, industry competitiveness, market access and quality systems, and timely and effective information services. The additional funding will also allow the department to reinvest qualified staff in rural areas and reverse the trend over the last few years which has been to the detriment of services needed by primary industries. We have replaced the vicious purges of the Labor years with a program of recruitment and rebuilding.

This investment in the primary industry sector is part of the commitment made by this Government in its back to basics policy direction and its reinforcement of this Government's message that Government and industry need to work together as partners to address the concerns of the primary industry sector and to provide the services that are valued and demanded by primary producers.

New initiative expenditure for 1996-97 totals \$17m and comprises \$5.1m for rural industry research and development, \$3.7m for industry institutes and enhanced information services, \$3.06m for drought and farm viability programs, \$2.6m for fisheries management and protection and \$2.5m for the papaya fruit fly. A further boost to the resources of this department has been made by savings achieved through more efficient corporate services management and this provides additional money to be expended in core business areas.

The CHAIRMAN: Thank you, Minister. The first period of questions will start with non-Government members. I acknowledge the Honourable Bob Gibbs, MLA.

Mr GIBBS: Thank you. At the outset, Mr Chairman, I hope you are able to control the throng in the public gallery!

Minister, could you outline the cost of absenteeism in the DPI in 1996-97? Has this

absenteeism increased since 1995-96 and what are the reasons for this absenteeism?

Mr PERRETT: Certainly. It is very important that we do have a work force that is attuned to delivering services and, of course, we need to ensure that people are happy in what they are doing and create a good work environment. To that end, I would ask the Director of Corporate Services, Mr John Skinner, to provide those figures for you.

Mr SKINNER: We do not have here the detailed figures about absenteeism. Certainly, one of the key elements of enterprise bargaining was to reduce absenteeism and to reduce, for example, workers' compensation claims and introduce provisions relating to work and family responsibilities, including permanent part-time employment. Those initiatives were designed to assist in the reduction of absenteeism.

Mr GIBBS: In light of the fact that you cannot provide those figures, could I ask that the question go on notice and that those figures be provided, please?

Mr SKINNER: Yes.

The CHAIRMAN: I inform the Committee that at our previous meeting a resolution was passed that the questions that are put on notice will be required to be answered within 24 hours.

Mr GIBBS: I place that on notice.

Mr PERRETT: We will provide that information, Mr Chairman.

Mr GIBBS: Minister, could you advise me of the number of officers on secondment from other State Government departments, the reason for the secondments, the levels of the officers concerned and the cost to the DPI?

Mr PERRETT: Once again, I think this is a practice that has been used by previous Governments as well. We have endeavoured to stabilise our work force as much as we possibly can. Once again, I refer that question to Mr Skinner.

Mr SKINNER: Again, secondments vary from time to time, and certainly there would be some officers on secondment. Secondments and mobility between departments is not uncommon. We do not have detailed names—

Mr GIBBS: I will put that on notice and you can provide that information to me. Minister, can you advise me of the cost of the Corporate Services Agency? Were there any consultants or officers on secondment from other Government departments who had any involvement in its establishment? What is the number of DPI officers in the CSA and will any officers be redeployed due to the establishment of the CSA?

Mr PERRETT: The cost of running the corporate sector of the department was quite a concern to me when I became the Minister. Therefore, we looked at ways and means by which we could try to reduce those costs and thereby save some dollars which could be used to put service delivery staff back into the areas where they were so sadly needed. I think that probably the best way to give you the answer that you are looking for is to

refer the question to one of my officers. I will ask Mr Terry Johnston, Deputy Director-General, to answer that question.

Mr JOHNSTON: Thank you, Minister. As the Committee may be aware, the setting up of the Corporate Services Agency is an initiative with some level of innovation in Government in that it is designed to ensure that significant economies of scale are achieved through utilising the combined resources which sat in the old Lands Department as well as those which sat in the previous Department of Primary Industries.

The total number of people in the CSA at this stage is 268. There is a target of a 5 per cent reduction in those numbers over the coming year. We had a secondment into the agency to help set it up in the acting director, Mike Burnheim, who has been ably shaping the nature of the Corporate Services Agency. That position has now been advertised and will be filled. However, the agency itself is expected not only to service the corporate service, that is, the transaction type of corporate service requirements of both the Department of Primary Industries and the Department of Natural Resources, but it is hoped that it will also provide a model which will attract interest from other agencies and perhaps be a model right across the public sector.

Mr GIBBS: I did ask you for the cost of the Corporate Services Agency. Is that cost available?

Mr JOHNSTON: Yes. The actual budget allocated to the agency this year is \$13m. That has been split between the two departments—Natural Resources and DPI. So \$6.5m each is being contributed by the two departments.

Mr GIBBS: Minister, I understand that approximately 29 officers were recently transferred from the DPI to the Department of Natural Resources and were given redeployment letters. Would you advise whether this exercise was a deliberate strategy to transfer the cost to the Department of Natural Resources and, accordingly, to transfer the political fallout.

Mr PERRETT: No, that was not the intention at all. Certainly, with the restructure we developed two departments which are more focused on the job at hand. In other words, the DPI now focuses on the production of food and fibre, while DNR is more focused on natural resource issues. While we believe that some changes have been made by DNR, certainly it did not happen before these people left the Department of Primary Industries. Once again, I will ask Terry Johnston to comment on that.

Mr JOHNSTON: In fact, a very large number of people were obviously moved across to the Department of Natural Resources, both in the technical area and in the corporate services-type area. The fact that some people ended up on a redeployment list has nothing to do with the Department of Primary Industries or that portfolio. In fact, the process of selecting people to move across to the Department of Natural Resources was a very extensive one which involved a joint committee of the two departments. The intent was to make sure

that people matched the dollars which went across to the other department so that at the end of the day there would be adequate resources to ensure that everybody had a job. In the event, after some people moved to the other department, due to rearrangements within that department there were some people, we understand, put on a redeployment list, but that was after they left the Department of Primary Industries.

Mr GIBBS: Minister, could you advise me of the cost of the corporate legal consultant, or corporate counsel, the function of that position, the number of officers employed in the legal group of the DPI and the associated costs?

Mr PERRETT: I do not have those figures right here at my fingertips. I will refer the question to Mr Skinner.

Mr SKINNER: I think we would need to take that one on notice.

Mr GIBBS: What is the estimated cost of the services of Crown law, and how is this figure justified given the in-house legal group within DPI?

Mr PERRETT: Once again, Mr Gibbs, it would be difficult for us to provide those figures here, but if you are happy for us to take it on notice we will get the answer to you.

Mr GIBBS: The administrative review functions, including FOI and JR functions, have been downsized. What was the level of officers prior to that downsizing? What are the levels of the officers for 1996-97? What are the costs of this function? What level of revenue is estimated from FOI application photocopying fees?

Mr PERRETT: Thank you for that question. Once again, I will refer it to the Executive Director, Corporate Performance, Mr Skinner.

Mr SKINNER: The current staffing of the FOI and JR units consists of two officers—a level AO6 and an AO5—who are oversighted by an AO8 officer who has other responsibilities as well. The unit was downsized. An assessment study was done of the work levels in terms of where the majority of requests were coming from. It was assessed that a substantial number of those requests received were about issues related to resource management and water resources, so a number of those staff were transferred across to the Department of Natural Resources. Since that time, the statistics have indicated that the workload has reduced, and so the staffing level is sufficient. There is an AO2 there providing some administrative support. In relation to the last part in terms of revenue, again we would not have that information here at the moment.

Mr GIBBS: I will put the second part of that question on notice as well. How many corporate cards are on issue in the DPI? How many American Express or other cards are in use? What are the estimated costs of the cards to the DPI? Have there been any investigations into the misuse of those cards?

Mr PERRETT: Thank you for that question. Once again, I will refer it to Mr Skinner.

Mr SKINNER: The department had approximately 530 corporate cards in use at the end of 1995-96. These cards were used to procure approximately \$4.1m worth of goods and services. The use of the corporate card, we believe, improves client service, simplifies purchasing, reduces both supplier and department paperwork and delivers on-time payments. To ensure appropriate control, it is issued only to officers who have undergone general procurement training and special training in the use and control of corporate cards. A reconciliation process and certification by the cardholder's supervisor provides further confidence that the card is used correctly. To restrict the main area of potential misuse also, DPI's policy is that the corporate card cannot be used for travel and accommodation purposes. The corporate card was also the subject of a recent Public Accounts Committee inquiry. The DPI has provided detail to that committee relating to a potential breach which is currently being investigated at the moment.

Mr GIBBS: A potential breach? One? Minister, could you advise whether there have been, or whether there are plans for, any changes to the regional structures of the DPI and the associated costs?

Mr PERRETT: The regional structure of the DPI has certainly given us the opportunity to take away some levels of management in order to provide extra funding that could be used to provide services out in the bush to assist primary producers. The structure, I believe, was an experiment that in Queensland, like other States, did not work as it was hoped to have worked. In my experience and from talking to people within industry, it had created five smaller departments within one department, which certainly gave the opportunity for bureaucracy to thrive. So we have taken the opportunity to downsize that regionalisation and, once again, have become a meaner and leaner organisation. Once again, I ask Deputy Director-General Terry Johnston to comment on that.

Mr JOHNSTON: The move to change our regional structures has been a particularly successful one, I believe. We have actually removed two layers of management from the regions. Rather than costing us money, we have in fact made savings of around \$1m per year by taking out the line of regional directors and their support staff. To ensure that we have coordination across our regions, we have actually taken positions which previously related to a management line function in the regions in the Agribusiness Group of the organisation and moved them into a position called Rural Service Coordinators. They will not have line responsibility but will be the representatives of the director-general in the regions. They will ensure that there is coordination of client services out there in the regions and that all of the delivery functions of the organisation actually target the clients out there. The net impact of the actions we have taken in the regions, as I said before, will result in savings of around \$1m per year. Those savings have been applied to service the key clients of the department.

Mr GIBBS: In terms of the fees and charges review—what fees and charges have been increased, and what is the expected impact on the revenue of DPI?

Mr PERRETT: I would refer this area to Mr Sanderson.

Mr SANDERSON: The fees and charges have been reviewed as at the end of June 1996. They are generally increased in line with CPI movements. I cannot give you the answer as to the exact revenue increase expected from these fees.

Mr GIBBS: I will put it on notice and you can provide it to me.

Mr SANDERSON: Thank you.

Mr GIBBS: Minister, in the *Government Gazette* dated 13 September 1996 several positions were advertised in the Corporate Services Agency, including the positions of director and general manager of human resource services, administrative services and business development. Could you outline for me, please, whether any officers have been acting in these positions, the names of these officers, whether these officers have been through a merit selection process and, if not, the reasons that no merit selection was made, and the date that each officer commenced duty in the acting position?

Mr PERRETT: Once again, that is a fairly detailed sort of question. I am not too sure whether John Skinner can handle it here, but I will pass it over to John for comment. If he cannot provide that information, once again we will take it on notice.

Mr SKINNER: The acting director of the Corporate Services Agency is Mr Mike Burnheim. The acting general manager, administration, is Dudley Mackintosh. The acting general manager, finance, is David McGrath, and the acting general manager, human resources is Kate Callaghan. The Corporate Services Agency commenced operations on 1 July 1996. Accordingly, it was moved to advertise those positions as soon as possible to comply with the merit process in order that they could be open to the wider field of candidates; hence they were advertised nationally. Those persons therefore have only been acting since the commencement of the agency, which was 1 July, and the merit process obviously will apply in terms of selections. There was a need to get people into those positions as soon as possible so that the agency could start effectively operating given its service in both departments, DPI and DNR. As to the position in business development—there has been no-one acting in that position.

Mr GIBBS: Minister, how many SES officers are employed in DPI? What are their levels and what is the cost to DPI, including on-costs?

Mr PERRETT: Once again, I would refer that question to Mr Skinner.

Mr SKINNER: With the restructuring of Government, the machinery of Government changes, some functions of the department became part of the Department of Natural Resources. This resulted in a transfer of 25 SES positions to the Department of Natural Resources. Of the remaining, the department

has assessed that it is essential in terms of the remaining SES positions in terms of its core business, the clients. The current number of SES positions is 44, which equates to 1 per cent of the department's staff. This percentage has therefore remained constant in terms of the prior machinery of Government and post machinery of Government changes, and that is unlikely to change for the near future.

The CHAIRMAN: Thank you very much, Mr Gibbs. The time allocated for questions by non-Government members has expired. I will now start from the Government side, and we will follow on down the table.

Minister, in regard to new extension positions for the beef industry—the Agriculture Program provides services as stated on page 7, paragraph 2, of the 1996-97 Ministerial Program Statements—

"To develop good farming practices, accelerate new technology adoption and to enable the successful development of sustainable production enterprises."

What new positions have been developed to enhance service delivery to beef producers?

Mr PERRETT: Three new extension officer positions have been created as part of a \$502,000 new initiative to boost the front-line services to industry. Officers are being appointed to Mount Isa, Bowen and Rockhampton. These locations were chosen to increase the level of service to rural areas where the need was greatest and there was the greatest opportunity for benefit. The officer at Mount Isa will overcome the problem of irregular service to the more remote areas in far-western Queensland such as Camooweal and Boulia. The Bowen district will have a new officer with skills in business management and financial planning to meet the high demand for this expertise in that area, and a new officer at Rockhampton based at the Tropical Beef Centre will improve the quality and timeliness of information delivery to central Queensland producers. It is widely recognised by industry that it is crucial to ensure that there are sufficient front-line staff to ensure that the results of research and development are quickly made widely available and used by producers. It is part of a new initiative involving 12 new positions with an investment of \$502,000. These positions were advertised on 27 July last, and interviews are now being conducted.

Mr MALONE: Minister, in the area of animal and plant health—disease surveillance is given emphasis in your 1996-97 Ministerial Program Statements, particularly on page 10 in paragraph 3. A critical area is the front-line contact with producers, in which stock inspectors play a very important role. How are you planning to provide more stock inspectors to the industry?

Mr PERRETT: My Government has actively moved to turn around the decline in animal health resources, including stock inspector numbers, that has occurred in recent years. Already this year, the following new stock inspector positions have been created. We have created a position at Charters Towers to implement a new tick clearance service to

support the live export trade. Three additional positions have been created at Cloncurry also to service live exports. We have put one in Winton to provide animal health services for the far west and in Moura to service the tick eradication program.

The CHAIRMAN: Is that one at Moura?

Mr PERRETT: One at Moura. Planned new positions include: Chinchilla, to provide animal health services to the Miles/Chinchilla area; Georgetown, to provide services to the southern peninsula; a senior inspector in Brisbane to support Statewide regulatory programs; traineeships in north, central and southern Queensland to address the current problem of an ageing work force; and additional inspectors in southern Queensland to support the tick eradication scheme. During 1996-97 an additional \$330,000 will be provided through the improving market access and energy preparedness new initiative. These additional resources do not include what will be required to service the proposed animal welfare role for stock inspectors. Maintenance of an effective animal health service is essential to meet key responsibilities required for market assurance and market access and maintenance as well as the exotic emergency animal disease preparedness and management. Stock inspectors, of course, are a vital part of this service. I think we should remember that stock inspectors perform a variety of functions throughout Queensland, including the regulatory duties of cattle ticks, BTEC, chemical residues, drought subsidy and administration, and exotic disease/disease surveillance. There were 89 inspector positions at the beginning of 1996—some were temporary—compared with 141 in 1989. Twenty-three centres have been closed; 56 remain.

Miss SIMPSON: Further on from your comments about live cattle export—I know it is mentioned on page 23 with regard to female cattle into the Philippines, but I was wondering how sustainable these live cattle markets are and what your market research has shown in that regard.

Mr PERRETT: The live cattle export market is certainly a bright shining light on the horizon for our northern cattle producers in particular. Our Government is totally committed to ongoing development of the live cattle export industry, which is providing this increasingly important diversification for the beef industry. In recognition of this, we have adopted several strategies aimed at enhancing the trade with a view to ensuring that it remains in its currently healthy growth for the longer term. We recently approved the formation of the Live Cattle Advisory Council, which comprises producer, exporter and departmental representatives, and the role of the council is to provide advice to me on important issues affecting trade and development and to address these issues. It is also charged with the responsibility of assisting the development of the industry and ensuring good communication between its various sectors.

I am also pleased to advise that a funding commitment to the project Live Cattle Market Enhancement in South East Asia will be maintained during the 1996-97 year. This project, with its strong emphasis on producers' skills development, strategic

market development, market research, networking and benchmarking in the live cattle trade has very strong support from all sectors within the industry and is vital to the ongoing development of the industry in northern Australia. I would just like to perhaps invite Peter White to comment. Peter has been vital in assisting the development of this program.

Dr WHITE: I think it is useful to offer some background to this project. This live cattle export type of project came about after discussions with the North Queensland Beef Research Committee and the Queensland Live Exporters Association. So we are very heavily involved with industry in this particular matter. This started off in 1995, and the meeting with those people reinforced the need for a planned approach to export. Officers of my group, the Drought and Rural Development Group, work with other parts of the department to develop strategies to enhance live cattle export trade. We sought project funding from the Federal Rural Development Program and, in addition, funds were committed to this from the Queensland Agribusiness Export Strategy. This was \$700,000 over three years. Subsequent to that the Commonwealth money has been withdrawn, but we intend to honour our commitment to industry in enhancing exports of live cattle, particularly out of north Queensland.

The CHAIRMAN: Veterinary laboratories play a key role in animal health surveillance and other activities to ensure the efficient production of our animal industries and access to overseas markets. On page 7, paragraph 5 of the 1996-97 Ministerial Program Statements you mention a review of animal health services. What are the implications of the findings of this particular review?

Mr PERRETT: My Government is considering the report of the review of the DPI's animal health laboratory services. This was commissioned to ensure an appropriate level of Government servicing in this area in future. The report recommends continuing Government involvement in core animal health surveillance, major disease investigation and control activities. Some activities would be reshaped, others transferred to the private sector. A major recommendation is a proposal to amalgamate DPI animal health laboratories at Yeerongpilly and Toowoomba with the University of Queensland's vet school at a new major laboratory site to be developed on the Darling Downs. This is a project on a 5 to 10 year time horizon. It is estimated that a \$17m to \$22m capital program will be recommended, to be partly funded through existing asset realisation by my department and the University of Queensland.

Restructuring of animal health laboratory services and animal health policy generally would be overseen by the future Queensland Animal Health Council. My Government is currently analysing public and industry comments on the recommendations before determining future action. I would just like to invite Dr Kevin Dunn, Acting Executive Director of Animal and Plant Health, to elaborate on the answer.

Dr DUNN: The review the Minister referred to took place earlier this year. Its main focus was the

four veterinary laboratories currently administered by the Department of Primary Industries, those laboratories being Yeerongpilly Veterinary Laboratory, Toowoomba Veterinary Laboratory, Rockhampton Veterinary Laboratory and the Oonoonba Veterinary Laboratory in Townsville. A major recommendation, as the Minister has referred to, was to amalgamate Yeerongpilly and Toowoomba with the University Veterinary School at a new location which would be a major animal health laboratory service in Queensland and capture some efficiencies in so doing. That proposal clearly has fairly major implications and requires a good deal of consideration not just within the department but also with the university and with the industries of Queensland.

The other projection is for the Oonoonba Veterinary Laboratory in Townsville to become a major satellite laboratory of a main central laboratory which would arise from the amalgamation I just referred to. The Oonoonba Veterinary Laboratory is changing its focus. It is servicing to a very large extent the growing aquaculture industry in north Queensland and the many fish health problems that do arise with development of aquaculture on an intensive scale. That has been seen to be the case in other countries where aquaculture has been developing very largely, that is, animal health or fish health becomes a major consideration in that process.

Mr MALONE: Minister, my question relates to plant health, particularly surveillance enhancement. You mention on page 10, paragraph 4 of the 1996-97 Ministerial Program Statements that surveillance of plant health pests and chemicals is a vital component of measures to maintain market access. How will the new innovative initiative funding provided for the improvement of markets access be utilised?

Mr PERRETT: My Government has provided funding for the employment of additional inspection staff in regional offices to enhance the level of surveillance over the use of ag vet chemicals and plant health pests. The Government is providing \$384,000 in this area in response to a rise in public concerns over adverse impacts of the use of chemicals and the lack of resources to respond to emergency situations. An additional eight plant health inspectors and technical officers will be located in major agricultural and horticultural production centres throughout the State such as Bundaberg, Bowen, Innisfail, Nambour and Toowoomba. These officers will enhance the existing surveillance activities over the sale and use of agricultural chemicals, supervise the movement of plant produce in accordance with quarantine protocols and assist in the implementation of certification insurance as an alternative to import inspections. Once again, I would like to invite Dr Dunn to comment.

Dr DUNN: The proposed enhancement of plant health surveillance will take place across the State from the several centres the Minister has just mentioned. The growing issue of chemicals and appropriate chemical use in agriculture is one which is becoming more important to the client markets of our agricultural industries and we find that there is a

need for an enhanced number of inspectors to ensure that investigations are put in place where there may be suggestions of inappropriate use of chemicals. The other area where most of the enhancement will have an impact is the surveillance for the general spectrum of plant pests. There are possibly in the order of 1,000 to 1,500 plant pests and diseases which either do not occur in Queensland or are exotic to Australia, and particularly following the papaya fruit fly incursion in 1995, the awareness that surveillance and monitoring and early detection is very important in the ability to control plant pests and diseases has prompted the additional resources. Their role will specifically help to enhance the surveillance capacity of the department across the spectrum of plant pests and diseases.

Miss SIMPSON: Minister, I have another question regarding surveillance enhancement. On page 10, paragraph 5, you mention pest surveillance and monitoring systems to reduce the impact of plant diseases. What funding has the Government provided for monitoring surveillance for exotic pests and diseases to ensure that there is not a re-occurrence of the papaya fruit fly outbreak?

Mr PERRETT: To ensure that Queensland's horticultural industries can maintain access to national and international markets, the Government has provided additional funding this year to implement a comprehensive monitoring system for exotic fruit flies. An intensive trapping grid targeting papaya fruit fly and other fruit flies has been put in place in all major horticultural areas across the State. The fruit fly monitoring activity will provide employment for more than 13 full-time staff equivalents engaged in the placement and servicing of the traps throughout the State and the identification of the pests detected. The surveillance program will provide an early warning of any exotic fruit fly or other pest incursion and ensure that a timely response to any detection will be possible.

The CHAIRMAN: The papaya fruit fly outbreak was obviously a serious setback to north Queensland horticulture. I note that, on page 7, paragraph 3, of your Ministerial Program Statements, quarantine, eradication and monitoring measures were implemented to control the outbreak. What has been the result of that expenditure on the papaya fruit fly programs to date?

Mr PERRETT: Over \$8m was spent in 1995-96 on the papaya fruit fly activities in north Queensland. Of this, approximately \$5m was provided by Queensland, the Commonwealth and other States for the eradication program, monitoring and quarantine management. The remaining \$3m was provided by Queensland to assist growers by meeting the cost of the supervision and quarantine treatments. There has also been a substantial cost to industry as a result of the outbreak. The response to the pest incursion has contributed positively to the labour market in north Queensland. A total of 75 full-time staff have been employed on the eradication, monitoring and quarantine surveillance, and a further 309 have been employed on a casual basis to assist with the eradication and quarantine activities. The eradication

program has achieved outstanding success to date, and the probability of complete eradication of the pest is now very high. The lack of detection of the papaya fruit fly in other States is also a measure of the success of the quarantine restrictions imposed on the movement of the fruit.

Mr MALONE: Minister, in the area of international competitiveness and integrated pest management—according to page 10, paragraph 1, of the 1996-97 Ministerial Program Statements, I note that increased work in integrated pest management in horticulture will be established. What contribution will developing integrated pest management strategies make to improving export potential for horticulture? Which industries will be worked on? What staff are to be appointed, and where will they be located?

Mr PERRETT: The IPM new initiative for horticulture will provide \$1.35m over four years to enhance development of new elements of integrated pest management in vegetables, particularly those with export potential, like leaf vegetables—onions, melons, tomatoes, capsicums, sweet corn, and so on—and tropical fruits, such as bananas, pawpaws and mangoes. The new initiative will fund five staff working on integrated pest management activities. These staff will be based in north Queensland at the Centre for Wet Tropics Agriculture, South Johnstone, and in south-east Queensland at Gatton and Applethorpe. I would like to invite the Executive Director (Agriculture), Warren Hoey, to elaborate.

Dr HOEY: As the honourable member would know, pest and disease control not only in horticultural crops but also in other crops and animal industries is a very critical issue, not only from the point of view of minimising the problems associated with the incursion of pest diseases but also in order to reduce the risk of chemical residues and responsibly handle those chemicals. So integrated pest management becomes a very crucial part of our control. It is necessary to improve both the sustainability as well as the economics of production. In future years it is planned to expand this new initiative from horticulture to focus on other field crops and then move into the animal industries, for example, in the sheep area, to minimise the use of chemicals used in the control of lice and blowfly and to ensure responsible use of chemicals for the control of cattle tick. So this IPM approach is fundamental across a number of industries to what we regard as some achievable but very important objectives of ensuring sustainability and managing responsibly the very dangerous chemicals that we use in agriculture.

Mr GIBBS: Minister, is Forestry Commercial still earmarked for privatisation as outlined in the FitzGerald Commission of Audit? If so, when will it take place? What price do you expect to get for the unit? What effect is privatisation likely to have on timber prices, timber allocations and staff numbers? What regulations are in place to ensure a privatised forestry would not lead to exploitation and environmental degradation?

Mr PERRETT: The forest industry is a very important one to this State, and this Government is

committed to ensuring the ongoing health of that industry—whatever it takes. I would like to go on the record by emphasising that we cannot afford to allow any changes in the industry to take place that are going to be detrimental to that industry and all those people who rely on it for their living. With any changes that do take place, certainly the socioeconomic factors will be taken into consideration. In fact, it is my desire to enhance the forest industries of this State. Certainly extra funding has been provided in the budget to assist in the development of the forest industry. I believe that we can do that. I would like to invite the Acting Executive Director (Forestry), Dr Gary Bacon, to elaborate on the answer.

Dr BACON: A number of options exist for the management of the Crown's commercial forestry operations in Queensland. They range from commercialisation within DPI, which stage we reached as from 1 July 1995, to corporatisation under a Government Owned Corporations Act to full privatisation. The experience in other States and in New Zealand suggests that privatisation of forestry operations is a difficult exercise, particularly with native forest property rights involved. No other State Government in Australia has yet followed this course of action to date. An implementation office is about to explore the recommendations of the report, and we will be inputting into those deliberations.

Mr GIBBS: I note from the Program Outlays on page 29 that the commercialisation of forestry has reduced its debt servicing repayments by nearly \$10m, debt restructuring has cancelled another \$19.5m, and that a \$25m performance payment has been deferred. Just how much does Forestry Commercial owe to Treasury? What makes the Government think that you can basically give it away, let alone sell it for a profit, given those figures?

Mr PERRETT: I refer this question to Dr Bacon.

Dr BACON: Approximately 80 per cent of the variation between budget and actual expenditure can be explained from altered financial arrangements which accompanied the implementation of the commercial capital structure at 1 July 1995. Commercial debt restructuring cancelled the need for the Consolidated Fund to meet interest and redemption payments on the forestry debt, which were budgeted at \$19.5m. Negotiations prior to commercialisation identified the need for a performance dividend of \$25.482m. No payment was paid in 1995-96, however an adjusted dividend of \$8.632m based on DPI Forestry's profit after interest and tax is scheduled for payment in 1996-97. The restructuring of forestry debt resulted in a substantial reduction in interest and redemptions commitment from the \$19.5m budgeted to \$9.354m. That is an interest of \$6.117m and a redemption of \$3.237m. I might add that the operating surplus last year—our first year of trading as a commercial enterprise—approximated \$17m. That is on a throughput of revenue of \$85m.

Mr GIBBS: Will the scoping agreement between Queensland and the Commonwealth be signed? Will it include any reference to a 15 per cent

reserve criteria? I note that, on page 28 of the Program Statements, the estimated output from native forests is to increase by 15,000 cubic metres this year. How much of this is to come from non-plantation native forests, and how can any estimate be made without having a scoping agreement in place? With reference to the scoping agreement—will it include a total scientific assessment of Queensland's native forests to determine their conservation value? What level of off-funding has been provided for this process?

Mr PERRETT: The Department of Natural Resources has the responsibility for managing the regional assessments of forests and also has the overall budget responsibility; however, DPI Forestry is a major stakeholder in the exercise and will make a considerable contribution to the planning process, concentrating on the resource and economic data to support an industry position. No special funding has been provided in the budget. All costs will be met as operational items under the Forestry Trust Fund. Estimates of receipts from marketing of native forest log timber make no assumptions about outcome of the regional assessment process, and sawlog allocations have been held at their existing level until the conclusion of the comprehensive regional assessment process. The CRA of Queensland forests will identify the need for any further addition of forests' ecosystems to the State's conservation reserve system. CRA has the potential to seriously impact on revenues to DPI Forestry derived from the native sawlog production business. The identification of socioeconomic impacts is critical to a balanced outcome of the CRA process. I would now invite Dr Bacon to elaborate on that answer.

Dr BACON: One part of the question related to an increase in native forest removals from 1995-96 to 1996-97 predicted. Last year was a difficult trading year in the timber industry because of the downturn in building starts and approvals, so the allocation was met only to 94 per cent in terms of hardwood and 74 per cent in terms of cypress pine. We have an expectation that with some pick-up in growth and demand, at least in the last two quarters of this financial year, we would be able to rise those allocation uptakes, but certainly no rise in the allocation per se.

Mr PERRETT: Regarding the 15 per cent, it has always been our belief in the Government that we will fight to the bitter end for a fair go for the timberworkers in this State. Of course, we have to go through the process to ensure the future sale of Queensland timber because, if we don't adhere to what other States in the Commonwealth are doing, we might find that Queensland timber is somewhere along the line black-banned. However, all assessments will be based—

Mr GIBBS: So you would be almost prepared to go one out, would you?

Mr PERRETT: Is that a supplementary question? Do I get another three minutes to answer?

Mr GIBBS: I refer to Mrs Sheldon's answer in Estimates Committee A when she said that questions related to ministerial staff should be referred to the appropriate Minister. I ask: is Mr Chris Nicholls a

member of your ministerial staff? What is his position in your office and what is his level of pay? In appointing Mr Nicholls, what was the selection process undertaken? How many applicants were interviewed? Who was on the selection panel? What role did you play in the selection of Mr Nicholls? Did any other Government member play a role in the appointment of Mr Nicholls?

Mr PERRETT: Mr Nicholls is employed as a policy adviser with specific responsibility for fisheries. I have decided to employ such a specialist adviser after all the trouble you got into yourself when you made a political decision to close Pumicestone Passage to commercial fishing without compensation.

Mr GIBBS: We were prepared to do it on a sensible basis. You paid corruption money, almost.

The CHAIRMAN: These questions have to have some direction. We cannot have crossfire.

Mr GIBBS: Absolutely, I respect your position, Mr Chair.

Mr PERRETT: Mr Nicholls has quickly gained the respect and cooperation of all stakeholders in the State's fisheries. I am sure he will help me avoid the kind of blunders that have taken place in the industry before. He has come with a respected background as a journalist and a member of staff of a senator. I regard him as being well qualified for the position that I offered him. Once again, all ministerial staff are employed by the Premier's Department under the system which your Government set up. I think that you would have well been advised to put those questions in the appropriate Estimates.

Mr GIBBS: Are you aware that Mr Nicholls forged signatures and falsified documents in order to misappropriate \$3,800 in overtime payments from his former employer? Is Mr Nicholls eligible for overtime payments for work performed in your office? Does he have access to Government credit cards?

The CHAIRMAN: Order! Is there some suggestion that this is a proceeding against that officer? You are asking particular questions. You might perhaps think about the direction you are going with this one.

Mr GIBBS: I was under the impression that this is a pretty democratic process. I am endeavouring to establish whether or not Mr Nicholls is a correct person to occupy a position at a ministerial staff level. I would have thought that, in debating the Estimates of the DPI, it would be highly appropriate that the public and the Parliament be aware of this gentleman's qualifications—or lack of—or integrity.

The CHAIRMAN: Are you suggesting—

Mr GIBBS: I am not suggesting anything; you seem to be suggesting, not me.

The CHAIRMAN: You are asking a question in respect of an amount of money that you are indicating. Are you saying that what you just said about this particular officer in respect of moneys is fact, or are you suggesting that that is to be examined by a court or some other body?

Mr GIBBS: No. In order to ensure that moneys that are appropriated to DPI out of the Budget—so we can be comfortable as members of Parliament, and the public can be assured that Mr Nicholls' integrity will be beyond question—I am simply endeavouring to find out, for example, what procedures will be in place to protect public moneys.

The CHAIRMAN: Well, you could ask that question.

Mr GIBBS: What forms is Mr Nicholls required to sign to claim overtime payments in your office? What procedures are in place to protect public moneys by ensuring that Mr Nicholls' expenditure has been actually signed by you as Minister? What steps are in place to verify the authenticity of signatures on overtime claim forms and credit card expenses and other expenses?

The CHAIRMAN: Mr Minister, with due respect to the question, I have allowed the question to be asked. It is up to you whether you wish to answer it or not. I do not want to be seen to be trying to hold up the process or make it difficult, particularly for the Opposition. Having been in Opposition, we have been through some of these processes in which we wished to ask questions. However, I remind the Committee that the questions have to be relevant to the Estimates. If I wanted to be pedantic, I could perhaps suggest that you would have to refer to a line in the Estimates. I have not done that to date. I have allowed quite free travel in respect of the questions that have been asked. I think that we have to be reasonable. I would rule that you do not have to answer that question. A question in relation to the process within the audit of your department and the way in which you would audit or you would examine particular officers' expenditure is in order in respect of the budget, but—

Mr GIBBS: I am endeavouring to be very gentle here.

Mr PERRETT: I am quite happy to give an answer. Mr Nicholls came to me with excellent references. He is employed at an AO6 level. As a member of ministerial staff he does not get overtime. Let me say that accountability for such things as allowances are a matter for the Ministerial Services Branch of Treasury. I believe that questions of that nature should have been put to the Treasurer. We employ all our ministerial staff on Treasury guidelines and audits do apply.

The CHAIRMAN: I think we should move to the next question.

Mr GIBBS: Given your position in relationship to Mr Nicholls—I will simply get to some factual situation—are you aware that Mr Nicholls was singled out for condemnation by the Australian Federal Police in a 1994 Senate report and has been found guilty of breaches of journalistic ethics?

The CHAIRMAN: Order! Mr Minister, if we are going to pursue this, I think that perhaps the Committee should adjourn for five minutes and discuss this matter. We are really supposed to be examining the Estimates.

Mr GIBBS: Mr Chairman, with respect to yourself and given the numbers on this Committee, I

would respectfully suggest that a five-minute adjournment would probably be a waste of time. So I shall move on to further questioning.

Minister, what are the expected savings or enhancements of the enterprise bargaining process in 1996-97? What processes are in place to support the process?

Mr PERRETT: I will refer that question to Mr Skinner.

Mr SKINNER: The current enterprise agreement expires on 10 October, but it may be extended further in terms of its application until the new enterprise agreement is established. Under the current agreement, savings and initiatives total some \$7.6m, which included sector-wide savings of some \$1.5m, maximisation of use of technology of \$2.7m, a range of other initiatives including such things as accommodation—\$1m—and \$2.4m in Forest Service initiatives.

Mr GIBBS: What is the 1996-97 departmental allocation to equal employment opportunity issues? How does that figure compare with the 1995-1996 allocation? How many officers are employed on EEO matters?

Mr PERRETT: Once again, I will ask Mr Skinner to answer that question.

Mr SKINNER: The 1996-97 budget allocation for EEO is \$123,640. Two officers are employed in EEO—an AO7 full-time officer and an AO5 part-time officer. Last year's EEO budget was \$81,524, but expenditure, in fact, exceeded that; it was \$113,747.

Mr PERRETT: I would just like to add that the department has been commended by the Commissioner for Public Sector Equity on the mature outcomes and focused approach demonstrated in the EEO annual report. Good corporate linkages have been established and the use of critical self-evaluation has been used to direct the priorities of the EEO management plan. Of high priority in the new plan are strategies to address the representation of women and Aboriginal and Torres Strait Islander people in the DPI. Other strategies include such things as improvements to enterprise bargaining, consultative processes for target group members, maintenance of the sexual harassment prevention program, the pilot implementation of work and family strategies, the ongoing review of EEO policies and practices, ensuring all DPI decision-making bodies have appropriately experienced female representation and integrating EEO priorities in corporate management planning processes to ensure a high departmental visibility for EEO.

Mr GIBBS: Minister, is the officer of the DPI substantially appointed as the EEO officer at the level of AO7 currently working in the ministerial office? Was the former EEO officer of the DPI redeployed to the Department of Natural Resources and then accepted a voluntary early retirement as the position of an EEO officer was no longer needed? Was the position resurrected for the deliberate purpose of taking this ministerial staffer to an AO7 level in the Public Service? Is the current ministerial staffer a former junior ministerial staffer of Minister Clauson, or Minister Clauson's press officer in the previous National Party Government?

The CHAIRMAN: Order! I think that we are really going into the same sort of area. Are you able to relate this to a line item?

Mr GIBBS: I am asking a very simple question.

Mr PERRETT: Can you indicate a line in the Ministerial Program Statements that we can refer to?

Mr GIBBS: Pages 4 and 31 of the Ministerial Program Statements.

Mr PERRETT: I will refer this one to Mr Skinner.

Mr SKINNER: Thank you, Minister. With the change of the machinery of Government, the human resource management function in DPI was restructured in the sense that a number of functions—some 30 per cent of resources—were transferred to the Department of Natural Resources from the corporate area. Also, a corporate services agency was being established to look after the operational aspects of it.

As part of that 30 per cent of resources going to DNR, a number of staff were transferred with that function, including the person who was, among other duties, undertaking the EEO function. That person requested that transfer as part of that shift. A number of those positions which were shifted, particularly in the HR area, were able to perform a range of functions due to the nature of that work. Following that split, there was the necessity to advertise a number of positions, including a position which would have a role of both EEO and equity, which meant that the position also had some responsibilities in relation to looking after external women's issues, particularly in relation to rural women. The position was advertised and filled on merit. The successful applicant for the position is currently seconded as part of the ministerial liaison role.

Mr GIBBS: Thank you.

The CHAIRMAN: Miss Simpson?

Miss SIMPSON: Mr Minister, with regard to the drought recovery package, I notice in the Key Outputs table on page 23 of the Ministerial Program Statements the fourth drought item refers to a submission to the Commonwealth for the continuation of Exceptional Circumstances Drought Assistance. What is the purpose of this submission if the drought is pretty much over in most areas?

Mr PERRETT: The Commonwealth Government's vote is for drought exceptional circumstances declaration in northern and south-eastern Queensland from 11 June 1996. Drought relief payments, or DRP, and Austudy special assessment provisions will continue in the revoked areas until December 1996 and in the remainder of the State until six months following the eventual revocation.

The coalition Government is committed to stand by Queensland's rural sector and particularly its primary producers during drought and in the post-drought recovery process. The range of assistance measures provided by the Queensland Government generally applies for 12 to 24 months after revocations of drought declarations under State

processes. There is an ongoing need to support producers in drought recovery until reasonable cash flows are achieved. This will not happen overnight and certainly not within the six months provided by the Commonwealth Government.

It is proposed that the Premier and Ministers, together with senior industry officials, comprise a delegation to go to Canberra seeking longer-term drought recovery assistance for Queensland's primary producers.

The DEC revocation in large areas of Queensland will result in producers being progressively moved from Commonwealth drought assistance programs. The recovery process following this long drought will make the rebuilding process longer and more difficult for some producers than it will for others. Recovery times may range from six months for cropping to six years in some beef enterprises. The Prime Minister and Minister for Primary Industries and Energy were presented with a brief on Queensland's drought and a copy of the submission—a drought recovery strategy for Queensland—during the recent visit to Queensland. That is that document there. So it is well worth having a look at. If you are interested, we could certainly make one available to you.

The submission has been progressed through Cabinet with the intent that it be carried to Canberra seeking such things as supplementary funding for the utilisation of Rural Adjustment Schemes, productivity enhancement schemes and drought recovery, the continuation of the DRP and Austudy provisions for two years instead of the current six months, the extension of the availability of RAS drought exceptional circumstances interest subsidies for two years rather than for six months and the establishment of a new scheme of subsidy of up to three percentage points on interest charged for up to five years to encourage banks to restructure existing debts into longer-term loans.

Miss SIMPSON: That is the basis of the submission you are taking to the Commonwealth. When would you look at having some sort of reply from the Commonwealth in that regard?

Mr PERRETT: Obviously, we would like to get some sort of a firm answer out of Canberra as soon as possible and I believe that Canberra owes that to Queensland's primary producers. As we well know, the drought situation in Queensland has been far worse than in any other State of Australia. The Commonwealth Government, through the Minister for Primary Industries and Energy, Mr Anderson, has recently announced a review of the Rural Adjustment Scheme and certainly Queensland will be endeavouring to have an input into that.

The ARMCANZ meeting is later this week and Mr Anderson will be at that meeting, as he chairs it. I will be using that opportunity to try to get a quick meeting with both him and the Prime Minister to resolve the Queensland situation.

The CHAIRMAN: On page 8 of the MPS, there is a reference to the establishment of plantations on freehold land. In view of the community interest in farm forestry, what is the Government doing to promote farm forestry?

Mr PERRETT: The Government recognises the potential for expanding timber plantations on private lands and will provide an additional \$1.5m in the Budget in 1996-97 to support this development. These funds will support an expanded program of research and development, the establishment of 300 hectares of commercial hardwood plantations on private lands for demonstration purposes and an expansion of extension and advisory services to landholders and investors. Two regionally based private forestry officers will be appointed at Gympie and Atherton to coordinate farm forestry services in these regions. The State will also provide matching funding for support for grants approved under the Commonwealth Government's farm forestry program.

Total Commonwealth and State funding will be \$580,000, to be channelled into projects aimed at expanding research and extension services in south-east Queensland in semi-humid regions in the 700 to 1,000 millimetre rainfall belt and in the Mackay and Whitsunday region. The State will continue to support the community rainforest afforestation program in far-north Queensland to the extent of \$1m in 1996-97, shared equally between the Department of Natural Resources and the Department of Primary Industries. This funding attracts a matching contribution from the Commonwealth.

Recently, I led a study tour to New Zealand to look at what that country has done in farm forestry. Included in that particular delegation was the Director-General, Mr Nieper, and also the Director of Forestry, Dr Bacon. Dr Bacon may like to elaborate on what we actually saw there last week.

Dr BACON: Thank you, Minister. New Zealand, with a land area of one-sixth that of Queensland, is planting some 70,000 hectares of new forest each year, about three times the Australian average. New Zealand has developed a culture of private sector investment in commercial forestry plantations at both the corporate level and individual farm forestry level. Queensland can learn from this experience in the promotion of farm forestry via farmer investment, joint ventures, afforestation trusts, and forest partnership perspectives is predicated over there on practical security of access and compliance legislation and taxation incentives.

The CHAIRMAN: I find this a very interesting area. Do you see any potential for drier areas, or do you think that this is only applicable to the higher rainfall areas?

Mr PERRETT: Obviously, if there are varieties of timber that can be produced commercially, and certainly taking into consideration the viability factor, I think that it would certainly be an added boost to other agricultural production. The New Zealanders are doing it very well. Visiting a farm recently, it was pointed out that when the bank manager visits that particular farm, he usually asks how many acres of trees have been planted and when will they be coming into production before he asks questions about the sheep, the cattle, the dairy production and so on. It is an area that is being taken very seriously.

We will continue to look at suitable varieties for different climatic conditions. As you know, traditionally the best timber production areas in this State are east of the Great Divide, but the Queensland Forest Service will continue to look at areas that could be of assistance to some of the more arid areas of the State, if we can find species that will prove to be viable.

Mr MALONE: Minister, you have touched on this before in another question, and I refer to the Corporate Services Agency mentioned on the last paragraph of page 32 of the Ministerial Program Statements. What action has the DPI taken to reduce the costs of corporate services?

Mr PERRETT: The Corporate Services Agency commenced operations on 1 July 1996. The agency was formed from a pooling of DPI and DNR corporate services resources. It currently has approximately 268 staff, including wages and temporary staff, delivering a range of human resources and financial and administrative resources to in excess of 7,000 clients in both the DPI and DNR.

The Corporate Services Agency has a clear agenda to develop a more commercial approach to its operations. This will involve a fundamental reorganisation of the way corporate services are currently delivered and will be characterised by better definition of the products and services to be delivered, more commercial rates charged for the effective delivery of these services, benchmarking of performance against alternative suppliers in the marketplace and the eventual freedom of clients of the Corporate Services Agency to choose alternative suppliers if they better meet their needs.

There has been no net increase in corporate services staffing numbers with the establishment of the Corporate Services Agency. The CSA has been formed from existing resources, housed in existing accommodation provided by the client departments and has been provided with an operating budget for 1996-97 that delivers significant savings on the 1995-96 expenditure levels. The anticipated savings to be delivered through the Corporate Services Agency model are significant. Furthermore, the direction that the Corporate Services Agency has set itself is consistent with the conclusions and recommendations contained in the Queensland Commission of Audit report of June 1996. It progresses the concept of the purchaser provided separation by working towards corporate services being purchased by Government departments at market competitive rates.

Miss SIMPSON: Minister, with regard to aquaculture development, I noted with interest mention made before about some health issues in the industry. What is the growth potential of aquaculture in Queensland and how will this benefit Queensland? On page 19, the second table lists some of the funds that have been spent on aquaculture and industry development.

Mr PERRETT: The Government's policy of making aquaculture development a priority has been supported by recent departmental forecasts which indicate that the value of aquaculture product in

Queensland may increase from \$36m in 1994-95 to over \$120m by the year 2000, and some \$225m by the year 2005. The greatest contributor to the value of aquaculture is the marine prawn sector, with black tiger and kuruma prawns accounting for \$21.77m of the current gross value estimates and \$156m of the gross value forecasts for the year 2005. Pearl oyster, barramundi and red claw crayfish are also significant contributors to the value of production accounting for \$13m in 1994-95 and \$51.3m of the expected gross value by the year 2005. The industry is expected to also expand through the development of production of technologies for new species such as eels, marine fin fish and fresh water species. By the year 2005, aquaculture is likely to be considered as an important primary industry, employing a significant number of Queenslanders in regional areas. I invite the Executive Director of Fisheries, Mr John Pollock, to comment.

Mr POLLOCK: I will just add to the response to the first part of that question. Aquaculture expansion is creating a lot of attention from investors. We are carrying out collaborative work with investors in the area of aquaculture development and also with respect to some research into aspects of new species, nutrition and health. The second part of the honourable member's question, I believe, dealt with some aspects of health and disease control. It is pretty important for the Government to continue to provide those services for a fledgling industry. There is some new initiative funding aimed at that area coming up this year. We intend to appoint four additional positions in the area of fish health. The first of those positions is a veterinary officer to look at fish diseases. That position will be based at the Oonoonba Veterinary Laboratory. There will be two additional technical officers at Oonoonba and an additional veterinary officer at the animal research facility at Yeerongpilly. Probably the most significant example of fish health issues has been the mid-crop prawn mortality with farmed prawns in north Queensland. We jumped into that pretty quickly during 1995-96. I think we spent about \$70,000 to \$73,000 at Oonoonba investigating the causes and management responses to that.

The CHAIRMAN: On page 16 at paragraph 7, on page 17 at paragraphs 2 and 3, and on page 18 at table 2 of your Ministerial Program Statements there is reference to enhanced aquaculture services and industry development. Also, on page 19 table 3 refers to an increase in funding for accelerating aquaculture industry development. What action is planned to encourage the development of that industry? I am interested to hear where you see it going and what you will do about it.

Mr PERRETT: As we said, the coalition came to Government with a policy of encouraging the development of aquaculture and mariculture. The Government is delivering on that policy. The Government has funded a new initiative on aquaculture titled Accelerating Aquaculture Development. The funding for this initiative will be \$812,500 in 1996-97. This funding will be in addition to the \$2,279,000 of consolidated revenue base funds in 1996-97. The initiative will include strengthening aquaculture veterinary services,

providing additional support to prawn farming, rationalising licensing, researching opportunities to farm marine and freshwater species, eel stock assessment and grow-out trials, technology transfer to pearl farms, and appropriate marketing and post-harvest studies. We can provide you with more information on that, if you would like that. We have also got a document outlining the future of aquaculture in Queensland. Once again, I ask Mr Pollock to elaborate on the answer.

Mr POLLOCK: The only elaboration I can give you is probably a little more detail on the amounts to be spent on each of those initiatives. I can quickly run through those. In the first area of veterinary services, as I said, we are going to spend \$182,500, with three professional staff being appointed, plus technical. Expenditure on research into new freshwater species is \$140,000, with two staff. On the development of mariculture through some further fin-fish research it is estimated that we will spend \$125,000, with two new staff. On eel farming and the assessment of wild seed stocks and grow-out trials we will spend \$130,000, with two additional people. There will be additional support for developing the farmed prawn sector. That is mainly in the area of managing farm prawning. There will be \$65,000 spent, with one extra person. There is a small amount of money going into the development of pearl farming—about \$5,000. On the marketing and post-harvest studies that the Minister referred to, we expect to spend about \$60,000. Importantly, in respect of the rationalisation and streamlining of our licensing processes, we are putting on an extra staff member. But upgrading the computer system will cost us \$105,000.

Mr MALONE: Minister, on page 17 at paragraph 2 of your Ministerial Program Statements there is reference to changing licensing arrangements for aquaculture. What changes will be made and what benefits can be expected to flow on from those changes?

Mr PERRETT: On 11 June 1996, I approved in principle that all sectors of aquaculture be issued with licenses for 15 years unless a shorter period is dictated by special circumstances. Feedback from industry is highly favourable and indicates that the advantages of these longer term licenses include such things as more certainty for investors in public waters or on private land, increased individual and corporate preparedness to invest in the industry, increased ability for investors to gain loan funds from financial institutions, and a greater period for commercial ventures to develop profitable operations. Fifteen-year licences are currently being issued as the previous 12-month permits expire.

This initiative delivers on coalition policy that aquaculture and mariculture development be a priority in that there be 15-year licenses for the oyster industry. As part of the consultation associated with the new fisheries Act and regulations, the department had advised industry that it proposed six-year aquaculture licenses with the right of renewal for the second six-year term subject to compliance with licence conditions and development plans. After departmental consideration

of the new Government policy of 15-year oyster licenses, it was also recommended that the longer period should apply to all aquaculture sectors, such as prawns, barramundi, red claw crayfish, pearls, eels and so on. The initiative is being accepted extremely well by industry and certainly does make it easier for them to operate and plan their investment in the longer term.

The CHAIRMAN: The time for this block of questioning by Government members has expired.

Mr GIBBS: Minister, could you outline for me the names of officers who have accumulated frequent flier points, the number of points accumulated by each officer, travel for which these frequent flier points have been allocated for official purposes, travel which has been allocated for unofficial purposes—for example, holidays for officers and spouses—and the expected savings in the use of frequent flier points in 1996-97?

Mr PERRETT: Once again, I will refer that one to Mr John Skinner. I am not sure whether he has all of that information here with him. I would be surprised if he does.

Mr GIBBS: If it is not readily available or at your fingertips, I will put it on notice.

Mr PERRETT: Certainly, I will be interested in that information myself, Mr Gibbs.

Mr GIBBS: That is why I asked it; I knew you would be. What is the DPI funding for the Public Relations Branch in 1996-97? How many positions are vacant in this branch? Has any funding been transferred from vacant establishment positions for the employment of a consultant on PR matters since the Government changed in February 1996? If so, who is the consultant, how long is the consultancy, and what costs are associated with it?

Mr PERRETT: Actually, I will refer that one to Mr Childs. Perhaps Mr Skinner might pick up where Mr Childs leaves off.

Mr CHILDS: In relation to the Public Relations Branch, the activities of that whole area were moved from corporate services to the Special Information Services Unit, which included the public affairs officers, the library and other areas. In relation to the specific aspects of the public affairs area, a consultant has been appointed to investigate the production and marketing of products and services in that area. That consultancy started on 22 July and goes for three months. It will be completed at the end of that three-month period.

Mr GIBBS: I asked: what are the costs and who is the consultant?

Mr CHILDS: The consultant is a Mr Ian McLean, and the cost of the consultancy is not to exceed \$15,000.

Mr GIBBS: Minister, what has been the cost of the physical shifting of officers internally within DPI, including costs associated with offices, furniture and equipment being moved from building to building and floor to floor?

Mr PERRETT: I do not have the answer but I will certainly ask Mr Skinner if he has it; otherwise we will take it on notice.

Mr SKINNER: That was floor 4 you were referring to, was it?

Mr GIBBS: No. I asked how many have been moved from building to building and floor to floor.

Mr SKINNER: Floor to floor; sorry. With the machinery of Government changes, because we have established a Corporate Services Agency, in the main staff to date have remained where they are. In other words, the corporate staff undertaking the current tasks in corporate services are still located in the areas where they were located prior to the machinery of Government changes, except they are essentially coming under different supervision in the concept of an agency director. So there have not been major organisational shifts of staff, because the advantage we saw with a body such as a Corporate Services Agency was that it could operate and minimise effects of machinery of Government changes. There are plans for accommodation changes in bringing some of those staff together to increase the effectiveness of the unit, but those have not been put in place yet because obtaining accommodation in one centre in the central business district is a problem. So, until that occurs, there have not been major accommodation changes from the machinery of Government changes.

Mr GIBBS: Minister, I will preface my remarks to this question by saying that I would understand that this would probably not be available to you, and if it is not I shall place it on notice. Could you tell me which senior officers and family members, if any, of your department have been offered and have taken complimentary travel to interstate and international destinations through the DPI travel agency, understood to be Zenith Travel?

Mr PERRETT: I am not aware of any, but we will certainly take the question on notice and—

Mr GIBBS: I will place it on notice, Mr Chairman. There was a supplementary to that. I take it that it would be in order for me to have the supplementary on notice as well?

The CHAIRMAN: I do not see a problem with that.

Mr GIBBS: Thank you.

The CHAIRMAN: I think we should hear it, if you just give a brief outline of it.

Mr GIBBS: Okay. The supplementary would have been: what was the purpose of the trips, who gave permission for the trips to take place, did the officers declare the trips as a gift, and will the Minister refer any of these admissions, if any of them happen to be correct, to the CJC to investigate any official misconduct on the part of any officer concerned?

Mr PERRETT: I think we should—

Mr GIBBS: That is on notice.

Mr PERRETT: It is on notice; okay. We will certainly include that answer with the other one.

Mr GIBBS: Minister, how many staff have been redeployed, how many staff have taken voluntary early retirements, and what is the estimated cost in 1996-97 of these officers? Could you confirm

if any of them were named on the coalition hit list document?

Mr PERRETT: I will refer that question to Mr Skinner or Mr Johnston.

Mr GIBBS: If you do not have a copy of the hit list, we could probably get one for you.

Mr JOHNSTON: For the period 1 July 1995 to 30 June 1996, 62 staff members took voluntary early retirement at a cost of approximately \$4.137m. In terms of a functional breakdown of that—there were three Senior Executive Service Members, 17 professional people, 10 administrative, 25 technical and 7 operational. Nineteen of these staff members were affected by the transfer of the quarantine function to the Commonwealth, which paid the cost of their voluntary early retirements, totalling approximately \$936,500. No forced redundancies occurred during the 1995-96 financial year. There are currently 27 staff participating in redeployment processes, and DPI has an excellent record over the years of being able to redeploy people within the organisation who are surplus to requirements in one area but who are able then to be fed into other areas which have a high priority need. Since March 1996, six staff have been placed through that redeployment process, resulting in savings of around \$350,000. Since March 1996, 11 staff members have taken voluntary early retirement at a cost of approximately \$881,000. Once again, a functional breakdown of that is: two Senior Executive Service staff, two professional, four administrative, two technical and one operational. Seven VERs were paid out of the Treasury recoverable loan at a cost of \$707,000.

Mr PERRETT: I would like to add to that. In 1994-95 there were 50; in 1995-96 there were 63; and up to March this year, as Mr Johnston said, there were 11. This Government is still paying off the loan which the previous Government took out to fund VERs. The total loan was \$7.7m, which commenced in 1992-93.

Mr GIBBS: That is an awfully cheap shot, Minister.

Mr PERRETT: Accumulated payments to 31 August 1996 are \$1.2m in interest and \$7.2m in principal. Still to be paid are \$18,000 in interest and \$503,000 in principal. Hopefully, our Government will not incur those sorts of costs.

Mr GIBBS: How many officers have made claims for workers' compensation? Of these claims, how many are stress related? What is the estimated cost of workers' compensation to the department in 1996-97? Has there been an increase in stress claims over the previous year? What is the DPI premium to the Workers Compensation Board of Queensland for 1996-97?

Mr PERRETT: I would refer that question to Mr Skinner.

Mr SKINNER: The number of claims for 1995-96 was 260 at a cost of \$289,602. In relation to Forestry—in 1995-96 the number of claims was 161.

Mr GIBBS: How many?

Mr SKINNER: One hundred and sixty one in DPI Forestry at a cost of \$252,546. The number of claims in Forestry for 1994-95 was 180 at a cost of \$190,933. Our policy is to contain and reduce injuries to workers, and we will actively pursue minimisation and reduction of workers' compensation claims. It is difficult to make an accurate comparison for 1994-95 to 1995-96 costs because of the introduction of an all-up premium base system in 1995-96 which also includes that issue of common law claims. But prior to this, the charges were based on actual costs not including common law claims plus a 12.5 per cent surcharge.

Mr GIBBS: Minister, how many motor vehicles are in current use in DPI? What are the makes and models of these vehicles? How many are garaged at DPI offices in the evenings? How many SES officer vehicles are available for use by officers in normal working hours? What is the estimated cost of vehicles in 1996-97?

Mr PERRETT: I will once again refer that to Mr Skinner.

Mr SKINNER: The department replaces in the vicinity of 440 light vehicles each year. Of these, there are approximately 40 Senior Executive Service vehicles. In terms of replacement, the department follows the Q-Fleet guidelines in terms of mileage and years of usage.

Mr GIBBS: What is the funding for quality management for 1996-97? How many officers and what level are employed on quality management in 1996-97? What progress is expected to be made by the conclusion of 1996-97?

Mr PERRETT: Could you just elaborate a bit more on what you mean?

Mr GIBBS: I refer you to page 32 of the Ministerial Program Statements in relation to quality management.

Mr PERRETT: I will hand over to Mr Johnston.

Mr JOHNSTON: The department has a very good record in terms of quality management, and it certainly has a range of systems which are moving to look at compliance with international quality standards. There are already areas of the department which are certified under international standards for quality management. Certainly, the development of formal quality assurance systems will continue to be used within the department where such systems add value to external service delivery and internal operations.

Internal management has been enhanced through the implementation and certification of the administration information systems and finance functions with quality management systems. Ongoing organisational improvements will continue to be sought using quality assurance and other contemporary management tools. Comprehensive internal quality management training programs have been successfully adapted to assist north Queensland fruit producers affected by papaya fruit fly to implement certification insurance. Another major area of the organisation that is moving to quality management is our forestry group, which is looking to comply with international standards in

terms of forest management. They see that as not only a very desirable environmental initiative but also one which will help their commercial business directions in terms of being able to demonstrate to the people who they market their products to that they are in fact quality assured in terms of sustainability of operations.

Mr PERRETT: I might just add to that. I think it is very important to the primary producers of this State that we do assist them in maintaining or accepting higher levels in their quality management programs so that it enables us to compete internationally. We are up against a lot of pressure from certain countries that are always out there to steal our markets.

Mr GIBBS: Minister, could you advise of the estimated expenditure associated with misconduct investigations of departmental officers for 1996-97? This would include investigations referred by the Criminal Justice Commission to DPI for investigation and reporting.

Mr PERRETT: I think we would have to take that one on notice.

Mr GIBBS: What resources have been allocated in the departmental budget for liaison with the Criminal Justice Commission and which officer is the CJC liaison officer?

Mr PERRETT: I will refer that question to Mr Johnston.

Mr JOHNSTON: I am the departmental liaison officer with the CJC. There is no formal budget allocated for dealings with the CJC because obviously we have no idea how extensive or how little those dealings will be over the coming 12 months. However, we have a very well established system within the organisation which ensures that matters which may need to be referred to the CJC are picked up in a timely way and transmitted to that body, and there is a committee which operates within the organisation which meets regularly to talk about progress with CJC issues and whether the department needs to take further action in terms of any of those particular issues.

Mr GIBBS: Will the Minister advise the sale price of the ship Wauri, the name of the organisation that purchased the ship and whether DPI has any expenditure allocation to purchase another ship in 1996-97?

Mr PERRETT: I would like to refer that question to the Executive Director of Fisheries, Mr Pollock.

Mr POLLOCK: The patrol vessel the Wauri was operated by the Boating and Fisheries Patrol on behalf of the Protected Zone Joint Authority, which comprises both Commonwealth and Queensland Ministers, and it was obviously to undertake fisheries enforcement in the Torres Strait. However, the vessel was owned by the Australian Fish Management Authority, and on 19 August this year, the AFMA sold the Wauri to the Australian Customs Service. This was done whilst the joint authority had a task force investigating cost savings and other efficiencies in the compliance and enforcement arrangements in the Torres Strait. However, the

decision was taken unilaterally by AFMA to enforce that sale.

The new arrangements will be that the Protected Zone Joint Authority will lease the vessel back from the Australian Customs Service, and the current indications are that we will lease it back for about 110 days a year and the projected cost is in the order of \$4,200 per day. We do not intend to replace the vessel within Queensland, as we can carry out the Queensland enforcement activities with the current vessel fleet. The Wauri, as I said, was used primarily for enforcement in the PZJA in the Torres Strait.

Mr GIBBS: Has an allocation of \$1m been made for the employment of 15 inspectors to police the logging and milling industries as promised by the then Opposition spokesman on Environment in the lead up to last year's election?

Mr PERRETT: I will invite Dr Bacon to comment.

Dr BACON: I am not aware of the \$1m for logging inspection per se. However, the range of staff that we have distributed through our 12 districts are employed to oversee selection logging practices in all State forests and Crown lands.

Mr GIBBS: No, that was not the question I asked. The question I asked specifically was: has \$1m been made for the employment of 15 inspectors to police the logging and milling industries as promised by the then Opposition spokesman in the lead up to last year's election?

The CHAIRMAN: I think you are asking an officer a policy question; you can ask the Minister maybe.

Mr GIBBS: I am getting confused here because he has come in a number of times, Mr Chairman, and answered policy issues on behalf of the Minister. We cannot have this both ways. I am quite happy to direct this to the Minister and have him answer it. I guess I am looking for guidance from you, Mr Chairman.

The CHAIRMAN: I will look for guidance from the Minister. It is up to the Minister.

Mr PERRETT: I am quite happy to say that I never promised that initiative. If you are referring to the Minister for Natural Resources, then maybe that question should go to him at a later stage.

Mr GIBBS: So there has been no allocation made within DPI?

Mr PERRETT: Not from within DPI, no.

The CHAIRMAN: We will now break for 10 minutes.

Sitting suspended from 10.17 to 10.30 a.m.

The CHAIRMAN: We will start again with Miss Simpson.

Miss SIMPSON: Minister, on page 10, the last paragraph, of the 1996-97 Ministerial Program Statements, I note the reference to Agrilink and the initial focus on horticulture. What will happen through the Agrilink project to provide services to horticultural growers, and for which industries and at

what cost to growers? What staff are to be appointed?

Mr PERRETT: The DPI is addressing the information needs of horticultural producers through the development of Agrilink, a comprehensive ready-reference system of technical information for horticultural crops. The Agrilink new initiative, with projected funding of \$740,000 over three years, is designed to put Agrilink into the hands of producers. The new initiative will employ four staff in 1996-97, with a further two added by 1998-99. It is proposed that Agrilink information will be released initially in book kit form with modules covering citrus, strawberry, potato, low-chill stone fruit and onions planned to be available for sale by the end of 1996. Other kits will be released progressively as they are developed for the broad range of horticultural crops, with the progressive release of about 40 kits planned over the next two years.

Further enhancements planned for the Agrilink system include the production of computerised kits utilising compact disc and multimedia technology with extension to industries other than horticulture. Of course, up-to-date information is very important for primary producers right across the State no matter what they are actually producing. It is our intention to make available to them the best information that we possibly can. I invite Mr Warren Hoey to elaborate on that answer.

Dr HOEY: Agrilink is the modern way of delivering information to our clients. Initially, this is going to be targeted at horticultural producers. But in the future, we envisage that being spread to other industries as their needs grow. Initially we'll be producing in kit form kits covering roughly 18 fruit and 18 vegetable crops. These are specifically tailored to the needs of the horticulture producers, so they contain very practical information as well as some of the more complex information that growers may need on subjects such as marketing. The concept has been developed in prototype form over the last 12 to 18 months. It is a little early to answer your question about the cost. Sufficient to say at this stage that it is our intention to make it self-funding; however, we would not want the cost to preclude purchase. I cannot give you a definite answer on that, but if you require further detail, I will take that section on notice.

Miss SIMPSON: How you apportion the cost of the service is still to be established. I note that page 10 of the Program Statements refers to extending Agrilink through the World Wide Web. Is it possible that, in putting that onto the web, you would look at some fee for service for accessing that data?

Dr HOEY: That's correct. Initially it will be hard copy. Already, we have some versions trialling as compact disk. Ultimately, of course, the World Wide Web is going to be the avenue of choice as people gain access. That will be determined by industry's familiarity with that route. That opens up a whole range of possibilities, including not only static text but also video display to really emphasise it. That is where we are heading with that.

The CHAIRMAN: The second point on the key outputs table on page 33 of the Ministerial Program Statements refers to the enhancement of client information services. How will that service enhancement be funded? How many positions will be funded under that enhancement?

Mr PERRETT: The coalition is boosting information extension services for primary producers—\$2.815m for 1996-97, \$3.555m for 1997-98 and \$4.35m for 1998-99. New initiative funding has been earmarked in the budget to conduct the Enhanced Client Information Services Project. The equivalent of 19 staff will be employed under that new initiative project in 1996-97. The project provides an integrated approach to enhanced information services for clients, in particular primary producers in the rural community. It will provide more information extension officers in country areas, produce more information products, such as newsletters and farm facts, establish a 13 phone number call centre to access information and a World Wide Web service on the Internet. The project will also improve the efficiency and effectiveness of the development and the delivery of services and information products. The project will deliver an immediate enhancement of services and continued improvement of responsiveness by providing for future requirements utilising new and developing communications technologies. I invite John Childs to comment further.

Mr CHILDS: As you have already said, there are three major portions of the project. In particular, the provision of specific services, either in people's homes or in their district, will be enhanced. There will be eight staff as part of that enhancement in the coming year. This will involve project submissions from around the State, and a selection of those that will deliver the most effective services. The call centre will also be established in this year to provide a single point of entry into the department for people making phone calls who want information from the department. The World Wide Web service is something that, while it is relevant now, is also an expansion for the future and a development for the future. The department already has a respected home page on the web. What we are looking at is advancing and developing that service further.

Mr MALONE: In regard to the Rural Leadership and Business Development Program, page 20 of the Ministerial Program Statements mentions an initiative to build rural business and leaders. How does that initiative support Government strategies and how effective will it be?

Mr PERRETT: The Rural Leadership and Business Development Program provides critical skills and strategic economic leverage to rural businesses, communities, industry bodies and local governments to achieve their economic and regional goals. The initiative increases the business management and interpersonal skills of rural producers and business operators by encouraging them to be more strategic, pro-active leaders in their businesses, industries and communities. Projects include diversification into various things like herbs, irrigated cotton, agritourism, agritraining and so on;

value adding, such as cypress pine development; improving communications in remote areas by computer networking; quantifying savings of Landcare strategies; and moves into businesses. The Government recognises the rate of change to rural businesses and the increasingly competitive international trading environment.

To create better businesses and achieve substantial rural community viability, it is imperative to foster the skills of current and future grassroots leaders. DPI is uniquely based to implement that initiative bringing together Government and industry in partnership to increase of the profitability of primary industries-based businesses. DPI has an extensive regional staffing base to assist with the implementation of programs as well as to support further post-program strategies. To date over 200 people have benefited from the program. They are primary producers, agribusiness operators, shire councillors and staff, and men and women of all ages and all walks of life who aspire to leadership positions. Programs have been completed or are under way in Rockhampton, Charters Towers, Charleville, Mareeba, Dalby and Longreach. Further programs are in the planning stage for Roma and Kingaroy. Participants have requested an advanced program to be developed to tackle more strategic projects. I would like to invite Dr Peter White to make some comments.

Dr WHITE: Rural Leadership is certainly a very important part of this department's activities. We have secured a total \$819,500 to look at some new programs for this financial year. This revolves around a three-tiered approach to Rural Leadership. As my Minister has pointed out, the importance of this is building leaders of the future from the grassroots. So our first course is building a foundation of skills where we invite rural leaders to come together, and we give them pretty basic training in conflict resolution, business planning and things like that. We expose them to some of the international trade issues as well. Then we have the Advanced Rural Leaders Program and then finally we have the Rural Leadership in Local Government Program. All in all, we think that they are going to be very powerful programs for primary producers.

Miss SIMPSON: On page 32 at paragraph 6 of the Ministerial Program Statements you talk about developing a skilled, flexibly structured and productive work force. Could you please explain what strategies and initiatives you have put in place to meet this goal, particularly with respect to professional and technical staff?

Mr PERRETT: Soon after the coalition Government came to power, an audit was commissioned of the DPI's capacity to service its clients. This audit revealed a strong need to improve career paths and access to training and reskilling for its staff, particularly professional and technical staff. It also revealed the need to improve the conditions of employment and rewards for DPI professional and technical staff. These were seen to be strong contributors to the loss of professional and technical staff suffered by the DPI over the last five years and

the difficulty the department has in attracting staff to the department.

The department has moved quickly to develop a progression scheme for research and extension professional staff that seeks to provide appropriate rewards and recognition. This scheme is due to be implemented by January 1997 and this will go a long way towards aligning the careers paths of DPI professionals to those of other research and extension organisations. Work has also commenced on strategies to improve the career paths of technical staff.

The development of institutes in conjunction with industry, which is well under way, will also serve to provide enhanced career prospects and development for professional and technical staff. Key training and development initiatives include comprehensive induction programs for new staff; mentoring programs for professional and technical staff, particularly targeting women; improved management development opportunities; the commitment of a minimum 3 per cent of salary budgets to training and development; and programs to develop writing-for-publications skills for professional staff.

Other activities under way include the review and enforcement of incentives for staff in remote locations. Enhanced training in professional and project leadership is also planned. DPI has finalised its code of conduct, which was signed in August this year, and this will assist staff in their management of challenging ethical issues.

The CHAIRMAN: I note on page 22 at paragraph 3 of the Ministerial Program Statements it is stated that the Property Management Planning program will be refocused. Could you explain to me what you really mean by that and perhaps explain what action is going to be taken?

Mr PERRETT: Property Management Planning focuses at the property level and aims to assist producers to improve profitability and achieve more sustainable resource use by promoting and facilitating the adoption of whole systems planning, providing access to relevant information and increasing motivation for continuous enterprise improvement.

The PMP program is being focused in Queensland to enable improved decision making by farmers, graziers and their families. The refocusing of the PMP campaign will involve greater focus on financial viability as a critical success factor to achieving personal production and resource management goals and increased private sector participation in the development and delivery of PMP. I would like to invite Dr Peter White, once again, to elaborate.

Dr WHITE: Thank you, Minister. The Department of Primary Industries is the lead agency for PMP in Queensland. Since September 1992, 4,500 properties have been involved in the campaign. In 1995, there was a national review of PMP conducted by the land management task force. It recommended the continuation of PMP. There is

significant enhanced funding from the Commonwealth to do this.

I guess the main issue with refocusing PMP in Queensland is that, over the last few years, there have been a couple of negative issues, or perceptions, associated with it in terms of poor perceptions of what it was doing and how it was doing. So what we are going to do is to refocus PMP. We have already achieved some significant outcomes in that regard. For example, PMP marketing workshops have resulted in the Warrego beef project, where we are looking at developing options for beef producers, and we have also been instrumental in the first live cattle export from Weipa as a result of the PMP activities. We also did an evaluation of workshop participants in central Queensland. It was interesting to note that there was a 75 per cent utilisation of the skills that primary producers were learning in PMP, indicating to us that the message that we were sending across to the primary producers was being accepted and acted upon.

I have mentioned before about the evaluation of the workshop series by the land management task force. That indicated areas of benefit—the process of learning from and sharing with others and becoming more aware of areas of personal and family development. We believe that the PMP program will offer some very strategic rewards for the primary producers of Queensland.

Mr MALONE: Mr Minister, I would like to ask a question in relation to the investigation of new industries and markets. I notice on page 22 of the Ministerial Program Statements in the first paragraph that one of the key targets for drought management and regional development is to conduct new industry and value-adding studies. What plans are there to investigate new industries? What chance does that offer for diversification for producers?

Mr PERRETT: The Government has allocated resources in the State Budget to assist producers to identify any new industry and market opportunities. The focus will be on emerging markets to meet the growth in demand for quality food and fibre products from our Asian neighbours as well as import replacement. Opportunities will be commercially assessed in consultation with potential growers. New industries will emerge from this initiative and the State's production base will be broadened. This work will be undertaken by the new drought and rural development group, which I have established to focus resources where they are most needed.

The new initiatives announced in the Budget include additional expenditure of \$5m over three years on building rural businesses. A new industries project officer will be appointed in the near future to specialise in assessing new industry opportunities. The new industries project officer will work with industry, rural industry groups and individual producers to carry out an initial assessment of commercial prospects for a range of potential new crops and other enterprises. This will be followed by a detailed assessment of whether the market and technical data points to profitable opportunities for

Queensland producers. Once again, I would invite Dr White to make a comment.

Dr WHITE: This particular activity has been kick-started within our department. We did some little while ago look at aquaculture and, more recently, we have looked at processing sugar to add value to our sugar crop in Queensland.

Perhaps the best example I can give is a report that we have just finalised—and we developed this in collaboration with my colleague Mr Pollock and his staff—about the establishment of an aquaculture industry in north Queensland looking at barramundi and cod. Basically, we needed to have a look at the markets, which we did. We looked at the trends of markets in south-east Asia—what the demand was—then we looked at the environmental issues associated with the program and we have come up with a proposal that is about to be forwarded to the senior members of the department of the Minister outlining that there is an opportunity for investment in aquaculture in north Queensland. The methodology of that needs to be determined, but certainly there are a whole raft of these industries—some are old industries that we are putting a new twist to and some are new industries—and we have been fortunate to get resources this year to be able to put some energy into developing these for the primary producers of Queensland.

Miss SIMPSON: Minister, further to what was said about confectionary or value adding to sugar industries, could you outline what other opportunities or major investments you have been working on in regard to this value adding?

Mr PERRETT: Dr White can carry on with the answer he was giving to the last question, because it ties in with that.

Dr WHITE: Thank you very much, Minister. There is no doubt that the sugar industry has a very good track record of export development out of the State. A lot of the development has been based on raw sugar and we are working very closely with the sugar industry in Queensland to see whether we can add value to some of those products.

Confectionary offers a very logical downstream opportunity for sugar, and confectionary markets are growing enormously with economic development in the prosperous—what they call—Asian tiger economies to our north. International confectionary companies are building new companies in the Asia Pacific region. Queensland, with its very high quality sugar, political stability and pro-business Government is attractive to this investment, which in turn will create prosperity and new employment in regional areas. I think a particularly important issue is the employment in regional Queensland. Success with this project will introduce new buyers for sugar and market diversification.

The issue is that the Japanese confectionary manufacturers are finding their costs prohibitive in terms of manufacturing in Japan due to the import duty on sugar. Some of the figures we have done indicate that the Japanese companies could well invest in Queensland in the sugar-growing areas, and provide employment and also exports out of

Queensland. They could land their product cheaper into Japan than they could do by manufacturing in Japan. Basically, in terms of confectionary, for example, if you developed a 20,000 tonne confectionary industry—which is not unrealistic—it would employ 500 people and generate export sales of around \$3.50 per kilogram of mixed confectionary and chocolates, as opposed to white sugar prices of 60c a kilogram. This is one of the brochures we have produced. This is the sort of thing that the sugar industry is getting very excited about and we are working very closely with them.

The CHAIRMAN: We have 28 minutes left, so non-Government members will have 14 minutes and Government members will have approximately 14 minutes. Mr Gibbs?

Mr GIBBS: Before I ask my question, I preface it with a reference to Estimates Committee A, held on 17 September 1996, at which Mr Hamill asked a question of the Treasurer, Mrs Sheldon. Her reply was, "I think the appropriate Minister to ask that of is the Minister for Primary Industries." She further said, "I suggest also to you, Mr Hamill, that the details of those ministerial staff costs are the responsibility of the Minister." In relation to Mr Chris Nicholls, will you please provide a full list of all Government payments made to Mr Nicholls other than his base salary payments? This list should include overtime payments, meal allowances, entertainment expenses, telephone expenses, accommodation expenses, travel expenses and any other expense. I put that on notice because I appreciate that you would not have it readily at hand.

Mr PERRETT: I would like to comment that Ministers are given guidelines by the Ministerial Services Branch from Treasury, and I do not want to overstep the guidelines under which I have to operate as a Minister. Therefore, I believe that I would be overstepping my responsibility by providing that information, which is truly the responsibility of the Treasurer.

Mr GIBBS: I do not accept that. The Treasurer has made it very clear that you are the appropriate Minister of whom to ask the question.

The CHAIRMAN: With due respect, this hearing is a separate hearing. It is up to us to decide what the—

Mr McGRADY: I think we should adjourn, Mr Chairman.

Mr GIBBS: It is a totally appropriate question.

The CHAIRMAN: You are quite in order to ask questions in respect to amounts expended and things of that nature. It just depends on where you wish to draw the line and how far you are prepared to go.

Mr GIBBS: I think that it is totally appropriate and the public is entitled to know what money is being paid for a person on the Minister's staff and if that payment is totally in line with public expectations. I could ask a further question—

The CHAIRMAN: Do you have a budget line item to refer it to?

Mr GIBBS: I could refer to page 36, under "Staffing Resource—Corporate Performance & Strategies", but obviously that does not cover spot-on the Minister's department. I think that there are vital issues here. I shall ask the Minister a further question. I refer you to the selection criteria covering the appointment of all ministerial staff. Point three states, "A candidate should possess 'a demonstrated professional integrity with respect to confidentiality'." Therefore, I ask: how can a person charged with various offences, including false pretences, impersonation and forgery—

The CHAIRMAN: Order! As I have said, if you wish to ask questions in respect of the guidelines and suchlike you may do so, but as soon as you move into an area which is of a personal nature in respect to an officer I do not believe that it is the business of this Committee today to involve itself in those matters. We can adjourn for five minutes and discuss that.

Mr GIBBS: I disagree, Chairman.

The CHAIRMAN: If you disagree, then we should adjourn.

Mr GIBBS: How can you possibly defend a situation where a person who was forced to repay nearly \$4,000 in false overtime payments has possibly fulfilled the selection criteria?

The CHAIRMAN: We will adjourn.

Sitting suspended from 10.56 to 10.59 a.m.

The CHAIRMAN: We will recommence.

Mr GIBBS: Will the Minister tell the Committee whether there has been a reintroduction of the forward agistment drought freight subsidy and what expenditure is planned for 1996-97.

Mr PERRETT: There has been a reintroduction of the forward freight subsidy to agistment from drought affected properties. It was agreed to by Cabinet on a trial basis for six months, after which it was to be reassessed and audited. I will invite Dr Peter White to comment on the current situation.

Dr WHITE: As stated, from 1 May 1996 the freight subsidies were reintroduced. They were reintroduced for a number of reasons: as an incentive to reduce stock numbers; to enable stock to be in a stronger condition to travel; to reduce stock losses on property and in transit; and to reduce the further degradation of natural resources on the home property. It is anticipated that the subsidy expenditure will not increase. The only change will be the distribution pattern of expenditure, which will assist and encourage producers to destock properties earlier.

I think it is important in these particular programs to ensure that there is no potential misuse of the system, and we have put in place several mechanisms to deal with that. Evidence of a minimum of four months' agistment must be produced before payment will be made. Ad hoc procedural audits of the scheme are undertaken on an ongoing basis. Enhanced monitoring procedures at field and central processing levels occur. We have upgraded and have more advanced computerised processing facilities which cover additional fields, including

stock movement records and agistment times. Finally, a formal audit of the arrangement is planned to assess the scheme's effectiveness and administration following the six-month trial period. We are in the process at the moment of getting together some people to have a look at the audit, and we are working very closely with industry to ensure that happens efficiently and effectively.

Mr PERRETT: I think it is important to note that the reintroduction of the 50 per cent freight subsidy on forward movement of livestock to agistment will certainly cost no more. It is simply 50 per cent on the away journey and 50 per cent on the return. So the current arrangements have just changed. It means that people are able to get stock off their properties earlier, which is better for the stock and also better for the properties.

Mr GIBBS: Minister, has the Government made \$5m available to review commercial fishing licenses and to fund any necessary buybacks? If not, has any funding at all been allocated to this program as promised by the coalition?

Mr PERRETT: Yes, that initiative is in the process of being implemented. It will be worked through in conjunction with industry. It is important that we do have the support of industry on this one to ensure that the right people are encouraged to leave the industry and also to look at the areas where there may be some overfishing taking place so that we can target those areas first. It is all about looking after the fish stocks of the future. I invite Mr Pollock to elaborate on that answer.

Mr POLLOCK: The package is being worked on right now. There are three avenues we can explore for adjustment in the fishing industry. One is to quickly restructure fisheries that are uneconomical. To attack the issue of sustainability would be the second plank to it. Thirdly, we are looking at accommodating resource-sharing arrangements. This year, we have initially allocated \$150,000 to the process, and that is to undertake the analysis and data gathering that is a necessary precursor to any adjustment scheme. That analysis of the scheme is being done with the full collaboration of the commercial and recreational sector. Within the department we have formed a working group that comprises departmental staff, people from the Queensland Fish Management Authority, and commercial and recreational fishermen. They are acting as a steering group to progress this analysis and to assist us in putting together any restructuring packages. So to reiterate, there is \$150,000 this year and that is targeted mainly at analysis and data gathering.

Mr GIBBS: In 1996-97, does the Queensland Fish Management Authority plan to stop the increase of driftnet fishing in the gulf? This financial year, does the QFMA plan to undertake an examination of the impact of driftnet fishing? How many permanent and temporary fisheries inspectors are available on a full-time basis in the gulf area to ensure that sustainable stocks of fish are maintained?

Mr PERRETT: Let me just say that when this Government was in Opposition it supported your initiative to restructure the fisheries industry in

introducing the MACs and ZACs process. We are adhering to that quite vehemently, because I believe it is a good process. It is one that I think is working. For the first time it gives those people who are affected the opportunity to have some say as to what determines their future in the industry.

Mr GIBBS: Do you realise it has taken until the last question from me for the day for us to find common ground?

Mr PERRETT: I thought that you had had a bit of a rough time and that I had better give you some credit before the Committee adjourns. I refer to Mr Pollock to elaborate on the answer.

Mr POLLOCK: There are two parts to the question. Firstly, to my knowledge the authority is not planning to undertake any in-depth study of driftnet fishing. However, at the moment a whole raft of regulations aimed at the sustainability of the fisheries in the gulf are being processed. They primarily focus on a closure of the barramundi fishery that is more aligned with lunar phases, which has biological significance to the spawning of the fish. Secondly, it has to do with increases in net mesh sizes, which shifts the catch rate of certain sizes of barramundi. Thirdly, it has to do with introducing bag limits on grunter, which is a pretty popular recreational fishery and one that is under increasing pressure.

In answer to the second part of your question about the resources available for inspection—we do have two patrol members permanently based at Karumba. We have increased expenditure by the tune of some \$70,000 this year for increased operations out of Weipa. Our original intention—and it is still our intention—is to open a base at Weipa, but accommodation is a bit of a problem because we cannot just go onto the company site and start building houses. We have also allocated a sum of money—I believe about a \$40,000 increase—this year for aerial surveillance, which in a remote area like the gulf is proving, and will prove to be, a very effective way of enforcement and inspection. Aerial surveillance is proving to be quite significant in that area.

The CHAIRMAN: Minister, the CHOICES project on the Atherton Tableland appears to have been quite successful. I refer you to page 21 at paragraph 7 of the Ministerial Program Statements. What outcomes from the project will enhance the development and sustainability of new markets?

Mr PERRETT: Producers are increasingly recognising the benefits of working together in addressing changes in the marketplace. Departmental marketing officers, as part of the CHOICES project, are now working with six marketing groups who are actively trading under their own brand names. The groups are across a range of industries, including horticulture, aquaculture and beef. Other groups are in the process of being formed. Being in groups helps individual producers to achieve better prices and to develop new markets. For example, the citrus group is now exporting mandarins to Indonesia and Singapore, whereas it had previously sold only on the domestic market. Also, the tea-tree oil group has achieved \$1.8m in sales in the last 12 months. The

groups help to prevent fragmentation of new industries by avoiding individual farmers competing with each other and driving prices down. By cooperating together the industries are able to supply better quality products on a more consistent basis.

Departmental officers provide the groups with professional marketing skills and assistance in learning how to work together, especially during the early formative period. In time, the groups should become registered business entities in their own management structures. The CHOICES project is dedicated to establishing new industries on the Atherton Tableland. The catalyst for the project was the restructuring of the tobacco industry. In February of this year, the marketing staff was increased from one to three to better service the requirements of new, emerging industries. Federal Government cutbacks to regional development programs may hinder future development of the marketing groups.

Mr MALONE: I note that on page 32 paragraph 5 of the 1996-97 Ministerial Program Statements reference is made to reviews of legislation that will identify restrictions to further development of the sugar industry. Sugar is a major export earner for Queensland. What action has the Government taken to facilitate expansion of the sugar industry to secure its long-term future on international markets?

Mr PERRETT: The department has given high priority to amending legislation which limited commercially negotiated arrangements and restricted industry expansion and economic growth. The Sugar Industry Act 1991 has been amended to allow the establishment of new sugar mills, to enable millers and growers to negotiate awards at the local level, to clarify the operations of the bulk sugar terminals and to enable greater flexibility in the contractual period between millers and growers. This department is continuing to consult with the sugar industry on the Atherton Tableland regarding the construction of the proposed mill. Subordinate legislation will be prepared to enable the new mill to be declared and to extend the period of the contracts between the miller and growers. Longer contracts will provide greater certainty of sugarcane supplies in the early development years of the new mill. The department will also prepare a guideline for the implementation of local area negotiation and dispute resolution procedures. These processes are more commercially attuned and will foster improved productivity and cost-reduction measures by both millers and growers.

Regarding bulk sugar terminals—their efficient operation is critical in maintaining the industry's international competitiveness. The legislation clarifies the Queensland Sugar Corporation's arrangements for operating the terminals. This action was necessary to enable the department to continue the negotiations for the transfer of the ownership of the assets to the industry. I would like to invite Warren Hoey now to elaborate further.

Dr HOEY: There are some other initiatives that the department undertakes in order to facilitate the expansion and growth of the industry. For example,

the department is a significant investor in research and development, contributing around \$3.8m annually by way of a grant to the Bureau of Sugar Experiment Stations. The department works closely with BSES to undertake research into farming systems and nematology. DPI is also a joint venture partner with BSES and CSIRO in a sugarcane yield decline project. The department also collaborates with other R & D providers and is a partner in a cooperative research centre for sustainable sugar production.

Miss SIMPSON: I have a question with regard to equine morbillivirus, which is a matter of serious public health concern and obviously a threat to the racing and equine industries. At page 7 paragraph 4 of the 1996-97 Ministerial Program Statements, you state that the outbreaks of that virus have been contained and that investigations into this disease are continuing. What are you doing about research into this little-understood disease to ensure that any future outbreaks can be more effectively controlled?

Mr PERRETT: It is a very important issue, and I am glad that you raised it. To counter threats posed to the racing and equine industries and to public health by future outbreaks of equine morbillivirus, this Government has set aside funds for vital research into this new serious disease. The Government has set aside \$571,362 over three years. Negotiations for a substantial racing industry contribution are also under way. The Queensland Government contribution will enable a comprehensive study on the source of the virus, its distribution and the factors influencing its spread to horses and humans. Industry funding will allow research into the disease's process and transmission in horses. This knowledge will hopefully allow less disruptive and more focused controls in response to future outbreaks. It will also assist in allaying public concerns. The research will be done over the next three years at the DPI's animal research institute in the University of Queensland. Transmission studies will be restricted to the high-security facilities at the Australian Animal Health Laboratory at Geelong. I would like to invite Dr Kevin Dunn, Director of the Animal and Plant Health Service, to make some comments on that question.

Dr DUNN: The proposed research into equine morbillivirus will be focused in four major areas. The first is the development of new testing methodologies to better detect and more accurately detect animals which may have been exposed to the virus or animals that have died which are suspected of having had this disease. The second area of research will focus largely on trying to determine the source of the virus—where this hitherto unknown virus anywhere in the world came from and how it got into those horses and humans, resulting in outbreaks in Hendra here in Brisbane in 1994 as well as in Mackay in 1994. That outbreak, just to remind members of the panel, was responsible for the death of 16 thoroughbred horses and two humans. Seven other thoroughbred horses had to be destroyed as a disease-control measure in 1994 following that outbreak. The third area for funding research into equine morbillivirus is to gain better knowledge of the process by which the virus infects horses, by

which the virus transmits from infected horses to people or transmits from infected horse to infected horse.

The CHAIRMAN: Order! I am sorry, but we have a little problem here that we are trying to work out. Earlier, the Opposition spokesman actually stopped short. Under the Sessional Order, the Opposition must have an opportunity to have at least half as much time, and they will not if we continue. So I would ask Mr Palaszczuk if he would like to ask that question that he wanted to ask.

Mr PALASZCZUK: Thank you, Mr Chairman. I would like to pursue the line of questioning commenced by the Honourable Robert Gibbs in relation to the sale of the Wauri. Could the officer who was answering those questions previously please step forward? I would like to know: what was the sale price of the Wauri?

Mr POLLOCK: That is a good question. That was a figure that was negotiated between the Australian Fish Management Authority and the Australian Customs Service. I cannot tell you exactly. I think it was in the order of \$1m, but I would stand corrected on that figure.

Mr PALASZCZUK: I think it was about \$800,000, which also included the wharf.

Mr POLLOCK: A wharf? I wasn't aware of that.

Mr PALASZCZUK: Right. You also stated that the number of days of surveillance that the Wauri will now perform in the north will be 110 days; is that correct?

Mr POLLOCK: That's correct, yes—that is projected, yes.

Mr PALASZCZUK: Under the previous arrangements, how many days of surveillance was the Wauri engaged in?

Mr POLLOCK: I believe it was in the order of about 140 days.

Mr PALASZCZUK: Not 220 days?

Mr POLLOCK: If you have 220, I will stand corrected on that and I will give you the information. I would not like 140 to be quoted as gospel.

Mr PERRETT: I think it would probably be wise that we take those questions on notice and get you the information.

Mr PALASZCZUK: I think they were quite simple questions—the sale price of the Wauri and the number of days of surveillance.

Mr PERRETT: It wasn't the Department of Primary Industries. We are talking about the Australian Fish Management Authority and the Australian Customs Service, so it is probably a little bit out of our area.

Mr PALASZCZUK: Okay. Minister, seeing that you have slipped in yourself now, could I ask you this question: do you agree that the sale of the Wauri was the right decision?

Mr PERRETT: I believe that only time will tell. Obviously, we are committed to proper surveillance in the State, and I will do everything that I can possibly do to ensure that we do get proper surveillance, particularly in northern waters, particularly the gulf waters. I will take that up with the Federal Minister if I believe that we are being sold short.

Mr PALASZCZUK: But do you agree that the sale of the Wauri was the right decision; that was the question I asked you. Do you agree—yes or no?

Mr PERRETT: Only time will tell.

The CHAIRMAN: I think we are just about out of time. What I would like to ask—perhaps of you, Minister—before you go is: originally we suggested that the questions on notice would be answered within 24 hours. There have been a lot of questions on notice, and the Committee proposes to meet again at lunch time to discuss that. Do you feel you can answer the questions that have been put on notice within 24 hours, or do you need a little more time?

Mr PERRETT: I think in fairness, considering that there were quite a lot of questions put on notice and the nature of the questions, we would prefer a bit more time than 24 hours.

The CHAIRMAN: Right. The Committee will discuss that at lunch time and notify you. I felt I should raise that now.

Mr PERRETT: We would suggest 48 hours.

The CHAIRMAN: We will notify you. There being no further questions, that concludes the examination of the Estimates of the Minister for Primary Industries, Fisheries and Forestry. I thank the Minister and the portfolio officers for their attendance. The hearing will now adjourn until 11.30 a.m., when the Committee will examine the portfolio of the Minister for Natural Resources.

Sitting suspended from 11.19 to 11.28 a.m.

Mr J. A. Elliott (Chair)	Mr T. S. Mulherin
Hon. T. McGrady	Mr H. Palaszczuk
Mr G. E. Malone	Miss F. S. Simpson

MINISTER FOR NATURAL RESOURCES**IN ATTENDANCE**

Hon. H. W. T. Hobbs, Minister for Natural Resources

Mr P. Bevin, Acting Director-General

Mr J. Varghese, Deputy Director-General, Corporate Development and Services

Mr P. Philipson, Acting Director, Business Services

Mr R. Freeman, Executive Director, Land Administration

Mr P. Noonan, Executive Director, Resource Management

Dr N. Divett, Executive Director, Land Information

The CHAIRMAN: The hearing of Estimates Committee E is now resumed. The next portfolio to be examined relates to the Minister for Natural Resources. I remind members of the Committee and the Minister 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 ring two minutes after an extension of time has been given. Three chimes will ring at the conclusion of each 20-minute block. The sessional orders require that at least half the time is to be allocated to the non-Government members. The Committee has agreed that the first 20 minutes of questions will be from non-Government members.

For the benefit of Hansard, I ask witnesses to identify themselves before they answer a question. A resolution to grant leave to members other than Committee members to ask questions has been made by the Committee. I now declare the proposed expenditure of the Minister for Natural Resources to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, would you like to make a brief introductory statement? If so, the Committee requests that the length of the statement be a maximum of two minutes.

Mr HOBBS: The Department of Natural Resources—DNR—was formed in February 1996. DNR is an amalgamation of the Department of Lands with the Resource Management and Water Services Group from the Department of Primary Industries. My new department is focused on improved integration and information for clients and offering a faster response time in delivering service. DNR emphasises innovation and continuous improvement. This means

rethinking work practices and processes, reviewing policies and driving outcomes to improve client service. This philosophy is reiterated in my department's vision, that is, sustainable land, water and native vegetation, with DNR providing quality products and services to building a prosperous Queensland in partnership with clients.

My department will have a budget of \$496.092m in 1996-97—an increase of \$61m. This is almost 14 per cent over last year's expenditure. This funding will be used to develop new initiatives for the community, including a Water Infrastructure Capital Works Program, unprecedented in terms of financial and long-term commitment by Queensland Government—this will be developed following recommendations from the Water Infrastructure Task Force, due 30 December 1996—research, development and the significant enhancement of pest weed and animal control programs; tree clearing policies, guidelines and accurate base line data in consultation with industry and the community; and the completion of the automation of the land titling process, which will allow title documents to be scanned at the point of lodgement. Ongoing support will continue for existing land management initiatives, including Landcare, Integrated Water Catchment Management, Waterwise and SWEEP. I look forward to the opportunity to answer any questions that might arise out of my department's Estimates for 1996-97.

The CHAIRMAN: The first period of questions will start with non-Government members. I call Mr Palaszczuk.

Mr PALASZCZUK: I refer to page 179 of the Budget Overview, Budget Paper No. 2 in relation to the Water Infrastructure Task Force—it is the first sentence in paragraph two. I would like to refer the first question to the acting director-general. This is in relation to the question on notice No. 19 that was answered by the Minister's office where the list of submissions to the Water Infrastructure Task Force were provided to the Committee. I would like to know whether the list provided is a complete and accurate record?

Mr HOBBS: Actually, I might start off that one, if you do not mind. Yes, it is an accurate record of the submissions to the task force. What has happened, obviously, as many people would realise, is that there is an enormous need out there for water throughout the State. We were very keen to find out exactly what that water need was in the community, and it has come through in no uncertain terms—and there is a figure somewhere in the vicinity of \$8 billion worth of programs here. There are a few more still to come in—about 20 or 30 that will come in—that will make a difference to that amount.

Mr PALASZCZUK: I am aware of that, but I did ask the acting director-general whether it is a true and accurate record.

Mr BEVIN: My understanding is that it is such.

Mr PALASZCZUK: Minister, I have the list here. Your press release states that there were 570 submissions made for water projects. My list

contains 344. Could you please explain the discrepancy there?

Mr HOBBS: What we are talking about there are the expressions of interest—what first came in. What actually happened is that the task force was formed. It had to travel around. Basically, it was calling for expressions of interest. That is what we were basically referring to. Those expressions of interest came in. People were requesting documentation in relation to what the task force was about and how they went about trying to put together submissions to the task force. On that basis, that is how the calculation was made. It was after that that the hardcore-type projects came in to the department and basically the task force. The baseline figures are what you have there.

Mr PALASZCZUK: Minister, in relation to the recommendations of the infrastructure task force, how can you guarantee that Government expenditure will be allocated on a meritorious basis rather than a political basis? If there is a process involved, will the Minister please detail that process?

Mr HOBBS: We have a process involved. We have seen what has happened in the past. I recall, for instance, the Comet Dam. It was my view that that decision was made by the previous Government by throwing a dart at a map, perhaps for a little bit of political gain. We have learnt the lessons from that; I think all sides of politics have. We have found that there has been enormous upheaval within the community when they read in the paper that, in fact, a dam will be built on their property. That is not on. We believe that we have to go through a very detailed process. So what we are putting in place is a procedure along these lines.

A dam site may be identified as a preferred site. It will then go through a vigorous procedure of assessment. Then there will be reference groups formed in those areas. We will then be able to go through and detail any problems that that particular community may have. We go even further again beyond that. In some instances we will be checking our figures with outside companies perhaps to look at some of the finer hydrological details or environmental-type reports so that the best figures are available. I do not believe in this day and age that we can go out and build dams without being socially conscious of our obligations to the community. That is the principle of what we will be working on. We will be working as hard as we can with the community. We know that, at the end of the day, we have to build water storages. We have the driest continent on earth. We have to make the best mix we can of that.

Mr PALASZCZUK: This question still relates to water. I refer to the FitzGerald Commission of Audit. Do you support the report's recommendations to privatise or corporatise urban water providers, introduce tradeable water entitlements and implement a regime of full cost recovery?

Mr HOBBS: That is quite a handful of questions. In a general sense, we do support the concept of the audit report. There is a lot of merit in it in so far as we have to manage our water much

better than we have in the past. I think there is room to move there, particularly in relation to local management of a lot of schemes. In the urban areas we have to do an assessment of the whole area. In many instances now there are already quite large organisations, I suppose you would call them—water boards and so forth—that do that, and they do quite a good job. We have to make sure that that is operating to its best and most efficient capacity for the people of Queensland. If that means that, down the track, there is some element of commercialisation, some element of corporatisation or some element of privatisation, we should move into those areas. But what I emphasise by saying that is that we must also ensure that we do that in consultation with the community.

It is not my intention that the price of water should rise through this process. In fact, what we are trying to do is hold the price of water down for the future. If we can put in place efficiencies now that will allow us to use less water for the same job as we are doing now, at the end of the day we will find that that will be a huge benefit to us in the long run.

Mr PALASZCZUK: What assurances can you give that urban and rural water prices will not rise as a result of private investment in water infrastructure? I will qualify that by my understanding that rural water users account for 75 per cent of Queensland's total water consumption.

Mr HOBBS: That is a very important question. Expanding on what I said before—one of the most important things is that a scheme-by-scheme assessment will be done in relation to assessment of the viability of most of the schemes. It would only be on a recommendation from Cabinet that the price for water increased above the CPI. So we do have safeguards in there. It is our intention, as I mentioned before, to keep the price of water down—not so much down, but not let it get ahead. If private investment does want to come in—and it appears as if private investment is very, very keen to invest in Queensland—well, we welcome them with open arms. But procedures will also be put in place to make sure that it does not get out of hand. We want to make sure that we can keep water pricing at a level that is acceptable to the whole community.

Mr PALASZCZUK: Which private firms have indicated to you that they are interested in investing in water infrastructure in Queensland?

Mr HOBBS: There has been a general run of telephone calls through to my media people, to my office, to the department. I don't think it would be appropriate if I actually mentioned those at the present moment, but there are quite a few companies that have expressed interest—right through from insurance companies, private companies, people involved with water-type schemes to just general run of the mill. Even brokering-type people are interested. There is a general awareness out there now. We have alerted Australia to the fact that there is an opportunity in Queensland and people are inquiring.

Mr PALASZCZUK: Have you excited any foreign water providers as well?

Mr HOBBS: We have not really excited any foreign water providers that we are aware of at this stage. Obviously, I think it is pretty important to make the point that I am very keen to have Queensland and Australian money in Australia. That is the bottom line. However, down the track if an opportunity did arise and there was no other way of doing it, we would probably look at it very, very closely. You couldn't rule it out, but certainly we have no intention at this stage.

Mr PALASZCZUK: Your Government has committed \$1 billion over 15 years to expanding Queensland's water infrastructure. Could you detail exactly where that \$1 billion is coming from and, in particular, whether any of it is coming from QIFF?

Mr HOBBS: No, it is not coming from QIFF. QIFF is—

Mr PALASZCZUK: Gone?

Mr HOBBS: It is gone.

Mr PALASZCZUK: I thought that was the case.

Mr HOBBS: That is the bottom line. In relation to our Water Task Force funding—we are talking about \$1 billion over the next 15 years. That relates to about \$70m a year for the next 15 years. We are building up over the next couple of years to that \$70m per year to roll it out. The particular funds that are shown in the figures this year will indicate that there is a figure over and above last year's allocation that brings it up to that amount.

Mr PALASZCZUK: Page 7 of the Ministerial Program Statements refers to the body corporate and community management legislation. I refer the Minister to that statement at page 7, dot point 4. When does the Minister plan to introduce the legislation into the Parliament? Do you have a timetable?

Mr HOBBS: Yes. We have been working very hard. The previous Government as well put a lot of time into this—I guess with mixed successes. We have decided that the only way to do this is to do it properly. So we have gone through a very vigorous working of the particular legislation and it is obviously not simple. It addresses four main regulatory areas of considerable complexity. These relate to predominantly residential owner-occupied developments, holiday letting, hotels, serviced apartments and similar developments, commercial and industrial developments of six lots or less. The legislation will allow more flexible use of community titles and provide for improved dispute resolution. The existing Building Units and Group Titles Act 1980 does not meet present community expectations, nor the legitimate needs of the development industry. The previous Government's attempt to streamline that legislation failed. The release of a Green Paper in 1990 ultimately resulted in the new Act being passed in 1994. However, owing to industry and community concerns, that Act was repealed in November 1995, before it commenced.

The proposed new legislation is completely different from anything else that exists in Australia. It revisits practices and procedures that have been in

place in this country for 35 years. It is important to get the new legislation right, as I mentioned before. Public consultation will be a very, very important part of that process to make sure that we have successful legislation. I am concerned about the limited time available in the current timetable that we have. Consequently, I have decided to extend the timetable to allow more time for public consultation. Owing to the urgency of some aspects of legislation, particularly staged development, I intend to shorten the time between when the Act is passed and when it commences. There have been difficulties, however, in getting it drafted within the Office of Parliamentary Counsel due to competing priorities there. I plan to introduce the legislation into Parliament early in 1997, with a view to it commencing within the first half of 1997.

I will again stress, however, that it is more important to get it right than to have it rushed. As part of the legislation development process, I intend to have exposure drafts of the Bill released during December to give to all Queenslanders. Extensive public consultation is necessary to give the various stakeholders the opportunity to become aware of the substantial differences between the new legislation and the existing 1980 Act. I am organising awareness seminars in consultation with relevant industry bodies, including, for example, unit owners, associations and the Body Corporate Managers Institute.

Mr PALASZCZUK: So the draft legislation will be available in December. When did you plan to introduce it into the Parliament?

Mr HOBBS: Originally we had planned that it would go in at the end of this year.

Mr PALASZCZUK: I understand that.

Mr HOBBS: We just can't do that. It needs to be done right.

Mr PALASZCZUK: Which month—February, March?

Mr HOBBS: In the very early parliamentary sittings.

Mr PALASZCZUK: Will that give enough consultation time for the people concerned?

Mr HOBBS: We believe it will. There has to be at least a couple of months there.

Mr PALASZCZUK: A couple of months?

Mr HOBBS: That is what we are planning to do. That should give people enough time to go through it. We would like to have that exposed to the public to let them walk through it, because it is very complex legislation. It is really new ground being ploughed. It has not happened anywhere in Australia before, so we have to make sure that people are fully aware of exactly how it is going to affect them. In the past, when it was first talked about, we had people with some concerns about it. I think we can allay those fears, because even now it has been through quite a lengthy process, so that we have been able to, through various working groups, pull it together. I believe that this legislation will be some of Australia's first, some of Australia's best.

Mr PALASZCZUK: In your press release in the June edition of *Resort News* you state that a draft Bill should be available for public comment by the end of July this year and new provisions in place by the end of the year. Could you explain why there has been the delay between your statement there and what you are proposing now?

Mr HOBBS: It just takes time; that is the bottom line. As I mentioned before, there have also been a lot of delays in getting legislation drafted up. I took the view virtually that we have to get it right. We could perhaps have met those deadlines. But then we would be going through the same old thing that the previous Government went through; we'd end up going back to the Parliament. I think you people ended up with about 60 amendments to the legislation.

Mr PALASZCZUK: 69 amendments.

Mr HOBBS: Well, I stand corrected. We were hoping that we didn't have to go through that and revisit that area. I am sure you would agree that it is better to get it right and take a bit longer.

Mr PALASZCZUK: Will that legislation also be retrospective to that earlier Cabinet meeting of the previous Government?

Mr HOBBS: I think you really should wait until the legislation comes out. At the end of the day, we are very keen to meet the statements that were made by the two previous Lands Ministers and myself, which have indicated that the 10-year contract will be in place.

Mr PALASZCZUK: The 10-year contract will be in place?

Mr HOBBS: That is right, yes. I see no reason to vary from that provisional statement.

Mr PALASZCZUK: So you will not answer whether the legislation will be retrospective? We have just got to wait and see.

Mr HOBBS: All good things come to those who wait.

Mr PALASZCZUK: Especially in this place. I ask the acting director-general: how many cases of land title fraud do you have before your department? Is anyone able to answer that question?

Mr HOBBS: I think the best thing I can do is hand it over to Rob Freeman down the end. In the meantime, what I would like to do is talk a little bit about land titles. It is very important. This is an area that was particularly very, very dear to my heart. In fact, if I recall it, at the last Estimates Committee I was on that side—

Mr PALASZCZUK: Minister, with respect, the question was how many cases of land title fraud are there before the department and not a general discussion on land titles.

Mr HOBBS: No. Sorry, land titling you are talking about?

Mr PALASZCZUK: How many cases of land title fraud?

Mr HOBBS: That is what we are talking about—the same thing. It is in relation to that legislation that was put in. The concept of the

automated titling system has certainly gone very well. We think that the vetting-in period that was there a couple of years ago, or a year or so ago now, has basically been resolved and the issue is going pretty well. I will ask Rob Freeman to answer that question.

Mr FREEMAN: Thank you, Minister. There are zero cases of fraud that remain unresolved at this stage.

Mr PALASZCZUK: Zero cases?

Mr FREEMAN: Zero cases of known fraud within the Titles Office at this stage. There are, however, previous cases: Denise Maw is one of those that certainly received quite a lot of airplay and another significant case, the Emmerton/Barbi case. Both of those have now been proven and been resolved.

Mr PALASZCZUK: Now that you have mentioned the case of Denise Maw, was she the person who was in danger of losing her home because of a conveyance fraud? Could I ask: have any funds been paid to Mrs Maw for the supposed fraud?

Mr HOBBS: Yes, I can answer that. \$140,000 and \$99,000 were paid by way of compensation and associated legal costs as a result of fraudulent registrations relating to Maw and Emmerton/Barbi respectively—\$140,000, sorry.

Mr PALASZCZUK: When was that paid to Mrs Maw?

Mr HOBBS: April 1995.

Mr PALASZCZUK: Thank you.

The CHAIRMAN: Minister, at page 17, dot point 8 of your Ministerial Program Statements, you mention an agreement between the State and local governments regarding land information matters. I am aware that local governments as well as State Governments collect different, and at times overlapping, information about land. It seems logical to me that local governments should work closely with the State to make the most of resources and provide Queenslanders with the best land information possible so that everyone will benefit. Could you explain what joint activities are occurring between the State and local governments in the land information area?

Mr HOBBS: Yes. That is a good question. My department is involved and is working jointly with local government in a number of land information activities. I will briefly outline three areas that demonstrate that relationship.

Firstly, an agreement in principle between the Queensland Land Information Council and the Local Government Association of Queensland was signed in September 1995. This agreement provides a framework for further agreements between State Government agencies and local government to participate in the Queensland land information strategy and confirms local government's commitment to these policies and standards. The agreement will allow better access, integration and subsequent use of land information for the business of State and local government. It is expected that

this will occur through the operation of four principles: A, coordinated management; B, liability; C, ownership and custodianship; and D, financial benefit. Individual agreements between State and local agencies will be established under these principles.

Secondly, both the department and some local governments release bulk data to brokers for distribution to end users. Useful discussions are progressing regarding the commercial applications of copyright data by both parties to the mutual benefit of both those parties.

Thirdly, a joint project on data integrity commenced in 1995-96 and is continuing in 1996-97. The project aims to ensure the correctness and consistency of land information held by both the department and local government. This information is used by the department for valuation purposes and by local government for rating and other purposes.

The main attributes being checked include: one, lot on plan reference number; two, street or property address; three, service or mail address; four, zoning category; and five, land use category and services to lots, that is, sewerage and water. The first major activity of this project is validating the lot on plan reference in local government databases. This will assist local governments in their day-to-day operations. A process of information exchange is being implemented to ensure the integrity of databases is maintained for both the department and local government. This will provide benefits to users of valuation and related information such as the real estate industry through the timely provision of reliable information.

The CHAIRMAN: Thank you.

Mr MALONE: Minister, page 5, dot point 1 of the MPS refers to improvements in the delivery of title services with the automatic titling system. You will recall that, during the months after the proclamation of the Land Title Act in April 1994, the media directed considerable attention to the discontinuation of automatically issuing a duplicate certificate of title at the time of the transaction when freehold land is registered. This came about because property owners were expressing concerns for the continued security of their titles in the absence of a physical title document, such as deeds that used to be issued. Could you explain what you have done to address their concerns at this time?

Mr HOBBS: That is a good question. Following on even with what the shadow Minister mentioned before, the media did give considerable attention to certificates of title during the months after the Land Title Act 1994 was introduced. The attention was generally woven around the fact that certificates of title were no longer issued automatically on the registration of a transaction and, particularly, that section 42 of the Act stopped the Registrar of Titles from issuing if the land was subject to mortgage.

The section also required the owner of freehold land that was not mortgaged to make a request in writing if a certificate was required. As a result, members of the community who mortgaged their

freehold land between April 1994 and May 1996 could not have a certificate of title issued.

As we progress into the information age, we must not lose sight of the fact that there are many Queenslanders who have grown up in a paper environment and feel more comfortable with traditional certificates of title. They have grown up believing that certificates of title were reliable evidence to prove ownership of their homes and investment properties. Apart from solicitors, financiers and other professionals in the real estate industry, few are aware that it is our Torrens titling system that has provided security of title since it was introduced in 1861. Some who have known that their security comes from our titling system feel that holding a certificate of title gives added security. Owners of mortgaged land could be forgiven for thinking the previous Government deliberately set out to discriminate against them. Any perception of discrimination by Government had to be removed and the needs of people from all walks of life had to be catered for.

Soon after taking office, I moved to have section 42 of the Land Title Act 1994 amended to require the Registrar of Titles to issue a certificate of title for mortgaged land if one is requested by the registered owner and the registered mortgagee consents to the issue of the certificate of title. These amendments have reduced the concerns of those who were previously unable to request a certificate of title because their land was mortgaged. This initiative has been introduced without imposing any new fees and, apart from the minimal cost of paper supplies and computer processing time, there is also no additional expense to my department.

Miss SIMPSON: Mr Minister, on page 23 of the Ministerial Program Statements titled Regional Infrastructure Development, the 1996-97 planned performance indicates that Queensland will respond to the water industry reform agenda as outlined in the 1994 COAG intergovernmental agreement. Could you please indicate how your department will respond to proposals to commercialise State water projects?

Mr HOBBS: Cabinet recently approved my submission on a broad spread of water industry reforms in Queensland, which includes commercialisation of the Government service delivery. My department is progressing the reforms in consultation with all stakeholders, including water users, local authorities and Government departments. The Queensland Commission of Audit has supported the reforms and has further recommended corporatisation of the water service supply currently being delivered by the State Water Projects Unit in my department. As an interim step, Cabinet has agreed that the management of the department's water service delivery will be in a fully commercial organisational structure within DNR by July 1997. Commercialisation is aimed at improving services to clients while improving budget outcomes through the introduction of best business practice. Progress is being made on developing performance indicators and developing accounting systems for asset management replacement. Accrual accounting practice is being applied this financial year.

A detailed Cabinet submission on the option of a State water corporation is being prepared in consultation with the relevant stakeholders. There have been extensive negotiations with industry on the various water industry reform issues before the release of the policy paper, Rural Water Pricing and Management. The Queensland Government is committed to delivering water to those who need it in the most efficient and effective way possible. Adequate and reliable water supply has been identified as one of the major drawbacks to regional economic growth and the Government believes the best way to do this is to run our water operations based on commercial principles as spelt out in the Rural Water Pricing and Water Management Policy.

The CHAIRMAN: On page 22, dot point 1, under the planned performance for the Regional Infrastructure Development Program, you indicate that you are giving consideration to the local management of irrigation schemes. Could you detail those possibilities? It is obviously of great interest to a lot of people. How will local users be involved?

Mr HOBBS: This is a very important question. This will see a great difference in the administration and, I guess, the inter-running of most of those water projects. We are currently looking at opportunities for the management of irrigation and reticulation schemes by local organisations of users as one way of reducing the cost of the management of each scheme.

I recently discussed this possibility with a new group established in Ayr to see how the Burdekin project could move in that direction. A detailed framework for the negotiation and implementation of local management arrangements for irrigation and reticulation schemes will be developed in consultation with water users by 1 June 1997. Negotiations will then take place with interested scheme users to negotiate the exact detail of local management arrangements. Issues include what they will manage, how they will maintain the assets, what price they will pay for bulk water and whether they will be a board, a company or a cooperative. The aim is to complete negotiations by 1 October 1998. If users do not wish to pursue the option of local management, those schemes will remain under Government management. Where local management is not adopted, other forms of participation by local users will be encouraged. There will be extensive consultation on issues relating to local management arrangements. Representatives from all water-using sectors will be involved in discussions to explore opportunities for local management.

In addition, a project team made up of irrigator, union and Government representatives will be formed to oversee the negotiation and implementation of local management arrangements. The department is concerned about the welfare of employees currently working on the scheme. In negotiating local management arrangements, I expect that existing staff will be offered the opportunity to continue employment in the schemes with the following options: local management organisations; contractors who may manage schemes on behalf of local management

organisations; and agencies which may manage schemes on behalf of the Queensland Government. Local management is about establishing more efficient structures, that is, water boards and cooperatives, so that those who use the reticulation system assume greater responsibility for their operation. It is not about selling State-owned assets to foreign companies or business interests.

Mr MALONE: At dot point 1, page 12, reference is made to strategies for the rehabilitation and sustainable management of desert uplands that will be developed. Minister, can you inform the Committee in more detail of the types of strategies proposed for the desert uplands?

Mr HOBBS: This is also very important and it follows on from the success of the South West Strategy, which is doing very well, based on Charleville. It is well known throughout Federal Government circles as one of the best strategies within Australia.

The Desert Uplands Build-up Development Committee has been established as a community-based committee supported by officers from a number of Government departments. The committee is developing options for restructuring to address social, economic and environmental issues facing that region. I welcome this positive approach, having been actively involved in Queensland's South West Strategy, which is now progressing well. Funds have been obtained through the National Landcare Program for the employment of a research officer to assist the committee in coordinating data and developing strategies. It is intended that submissions will be put to the Rural Partnership Program for funds to undertake the various relevant studies and this is being developed via a position paper.

My department, the Department of Primary Industries and the Department of Environment have assisted the committee to prepare a submission to Treasury in order that the desert uplands can become a designated area for the purpose of the PIPES land care property build-up scheme. I am pleased to note that the submission has been accepted by Treasury and will be a strong morale boost for the committee. It will strengthen its support for the community in general.

This designation will allow the issue of small property size, combined with degradation, to be addressed voluntarily by affected landholders. Further studies need to be undertaken to gather data so that strategies can be developed to fully address the social, environmental and economic issues in the area. The outcome is anticipated to be a scheme based on the South West Strategy but modified to suit the desert uplands. A position paper is being developed by the committee so that the nature and extent of the studies, together with the necessary funds, can be defined.

Miss SIMPSON: On page 26, the Regional Infrastructure Development table provides a schedule of major capital works projects. Could you inform the Committee of the Government's future commitment to water infrastructure development and indicate the involvement of the Water Infrastructure

Task Force in the selection of projects for this schedule?

Mr HOBBS: The Government is committed to spending \$1 billion over the next 15 years on major programs for water infrastructure development to provide additional water supplies to underpin Queensland's economic development. A comprehensive forward Capital Works Program will be developed following the recommendations of the Water Infrastructure Task Force that was set up in May of this year. For 1996-97, a total of \$87m of capital funding is provided for water development activities. This figure reflects additional funding of \$14m provided to make a start on the new projects once the recommendations of the task force are considered and detailed assessments carried out.

Major projects for 1996-97 include: the Burdekin River irrigation project, \$23m; Teemburra Dam and reticulation works at Pioneer Valley, \$13m; the Bedford Weir Stage 2 near Emerald, \$4.2m; the expansion of the Mareeba Dimbulah irrigation area, \$3m; the Moretonvale reticulation scheme in the Lockyer Valley, \$2.6m; the Borumba Dam Stage 2 near Gympie, \$2.5m; Dumbleton Weir Stage 3 near Mackay, \$1.9m; Walla Weir near Bundaberg, \$13m. Projects recommended to me by the task force will be required to meet full environmental and economic assessment criteria. Total funds are provided from several funding sources which include consolidated funds, sugar package funding, retained capital revenues, approved borrowings and industry contributions. There is no doubt that more emphasis has to be given to our water infrastructure if we want Queensland to continue to develop. The ravages of the recent drought only serve to show how important water is for our industries and our people.

The CHAIRMAN: On page 28 of the MPS, dot point 4 states that the department has established focus groups for four equal employment opportunity groups to identify common issues of concern to members of the various groups. Please provide details of the various outcomes resulting from consultation with these groups.

Mr HOBBS: The department's 1995-96 equal employment opportunity management plan includes initiatives for the four target groups—women, people with a disability, indigenous people and members of ethnic communities. Reference groups for women, those people with a disability, and members of ethnic communities were established to advise management about any special needs. Those consultations led to a number of key equal employment opportunity initiatives, such as the introduction of the first department-wide mentoring program to assist in developing officers from all target groups and in all parts of the State. The responses and achievements of the participants have led to the department continuing this program during 1996-97 at a cost of \$10,000.

A cultural awareness program in accordance with Aboriginal deaths in custody recommendations was developed and delivered through the State to over 70 staff whose clients often include indigenous people. The department's Equal Employment Opportunity Management Plan has resulted in a more

diverse work force that is better able to manage and understand the needs of our clients. The initiatives cost \$24,000 in 1995-96 and a similar amount—\$24,500—has been provided in 1996-97. This includes the sponsorship of five employees through the Women in Management Program, which is designed to support the transition from professional officer to senior manager.

Mr MALONE: The table on page 7 of the MPS indicates that some lease rental accounts are in arrears. The rural sector is suffering from the effects of many years of severe drought. Even with good seasons, it appears that it will take some years to recover. Minister, what actions have you taken to offset the increases in valuations in some parts of the State which result in lessees having to pay increased rents? Can you provide some details of this activity?

Mr HOBBS: As you are aware, the annual rentals of State leases are calculated on a percentage of the rental valuation of land. Substantial increases in rural lease rental valuations occurred in 1996 which had the potential to cause significant increases in leasehold rentals for the 1996-97 annual rental period. The estimated increase for the 7,900 grazing and agricultural leases amounted to nearly \$1.4m. I was aware of the adverse effect of any substantial rental increases on lessees in rural industries who continue to suffer from the effect of drought and downturns in commodity prices. Therefore, in April this year I introduced amending legislation in the House which, following its passage, gave me as the responsible Minister the ability to fix lease rentals at an amount of the previous rental period. This amending legislation is sufficiently flexible to allow its application to leases within a category of a lease—a local government area, a class of land use, or any combination of those factors. To avoid the identified serious impact of increased rentals on rural lessees, I have applied this amendment legislation to all leases in category 1—grazing and agriculture—for the 1996 rental period.

In effect, this rental pause means that, if the 1995-96 annual rental for a category 1 lease was determined at, say, \$1,500 using the normal calculation process, the amount of \$1,500 would be determined as the annual rent for the 1996-97 annual rental period. I acknowledge that the rental pause for category 1 leases has resulted in a reduction of potential revenue of nearly \$1.4m for the 1996-97 annual rental period. However, the anticipated additional revenue for 1996-97 which results from increases to the minimum concessional rate in categories 4, 5 and 9 and the cumulative effect of increases in rental valuations on non-rural leases across the State will offset the revenue reduction from the rental pause for category 1 leases.

Mr PALASZCZUK: I wish to pursue a little further the funds paid to Mrs Maw in April 1995 of \$140,000. Mr Freeman, I think you are the right officer to ask that question of.

Mr FREEMAN: Yes.

Mr PALASZCZUK: Is this the full amount that Mrs Maw was seeking?

Mr FREEMAN: No. I believe Mrs Maw sought at that earlier stage a higher amount than the \$140,000 which was authorised by the previous Government. Since that date, she has also sought further compensation, but that has not been granted.

Mr PALASZCZUK: Could the acting director-general please table the correspondence and all the advice he has tendered in this case? Is it possible to have that tabled for the benefit of the Committee?

Mr HOBBS: I do not know. Perhaps I might explain a little more about it, because obviously I was very involved. This occurred at the changeover of Government. Mrs Maw had put in a claim for costs. Those costs, as with anybody else who puts a claim against the Government, have to be substantiated. Basically, the situation was this: Mrs Maw was informed by my department, on the advice of Crown law, that she had to substantiate the particular costs that she had. On that basis, she has not come back to us with any updated figures. I can go through the figures now. She made a claim for a further \$118,000 on 4 March.

Mr PALASZCZUK: Was that \$118,000 or \$180,000?

Mr HOBBS: It was \$118,600. She claimed that amount as compensation for pain, suffering and business loss as a result of the fraud.

Mr PALASZCZUK: Was that 4 March of this year?

Mr HOBBS: That is correct.

Mr PALASZCZUK: I still want to know whether the correspondence and all of the advice tendered in this case will be made available for the Committee's benefit?

The CHAIRMAN: You can ask the questions that you have been asking. We are looking at the orders now. I am not sure that you can ask for correspondence. It is a private matter between the Minister of the day—

Mr PALASZCZUK: I will try FOI. Therefore, Minister, I refer you to your statement on 4BC on 30 June 1995. And I heard you on 4BC that morning as well. You stated—

"I will give a commitment that an incoming coalition Government will pay Mrs Maw any entitlement due to her."

Do you now concede, Minister, that you were bone ignorant on this issue and that the previous Government acted with complete probity on this issue?

Mr HOBBS: No. The words used were "what she was entitled to", and that is exactly what we will be doing for Mrs Maw. Any costs that she can substantiate she will be paid in relation to this particular issue. There are procedures set down under Crown law for all Queenslanders to use. Mrs Maw is no different from anybody else. I was quite correct in the statements that I made. I believe the previous Government treated Mrs Maw very, very shabbily. I am quite convinced that what we have done was correct. The actual payment was made in June/July 1995 during the term of the previous Government. The money was paid towards the end.

Mr PALASZCZUK: What you are basically saying is that your Government has not given her a single cent in compensation? You have just relied on what the previous Government gave her?

Mr HOBBS: Not necessarily. I think that we played a pretty important part in making you guys pay it.

Mr PALASZCZUK: That is not the point. The point is your commitment to Mrs Maw.

Mr HOBBS: No, I fulfilled my commitment to Mrs Maw. The offer is still open for her to come back.

Mr PALASZCZUK: I would like to pass the line of questioning to my colleague the honourable member for Mackay.

The CHAIRMAN: Before we do that, under the amendment to the Sessional Orders the Leader of the Opposition is able to appoint additional members. I think Mr Mulherin would have to seek leave of this Committee. Alternatively, if you so desire, through the Honourable Tony McGrady, you can substitute Mr Mulherin for Mr Gibbs. That would make him formally part of this Committee. Is it your desire to do that?

Mr McGRADY: Yes.

Mr MULHERIN: I refer the acting director-general to dot point 6 on page 21 of the Ministerial Program Statements, which is in relation to dam safety. Approximately how many dams in Queensland are subject to dam safety standards?

Mr BEVIN: All referable dams in Queensland. By that, I mean that dams of a certain height or hazard category are required to be safe under the legislation. There are over 700 in that category.

Mr MULHERIN: Is there an operation manual which covers a procedure for dam safety inspections?

Mr BEVIN: Yes, there is.

Mr MULHERIN: What do the dam safety inspections consist of? Is there an ongoing program to ensure that dams are safe?

Mr BEVIN: The State has an ongoing program for its own dams to make sure that the State-built dams are safe. There is an onus on the owners of other dams—those not owned by the State—to make sure that they remain safe, too. We have a monitoring program in that respect. We run an education program to advise the private sector on what is required. We assist in every way that we can. We run workshops to make sure that this very critical element of Queensland's assets stays safe.

Mr MULHERIN: What is the budget allocation for dam inspection for 1996-97 compared with 1995-96?

Mr BEVIN: I don't have that detailed information, but—

Mr MULHERIN: We will put it on notice.

Mr BEVIN: It is around \$600,000 to \$700,000, from memory. It is of that order. But I can't tell you what it was in 1995-96 and 1996-97.

Mr MULHERIN: I will put it on notice if it will make it easier. Following on the same point, my questions are now directed to the Minister. At what heights do plans for dams need to be approved by his department and a licence required?

Mr HOBBS: What heights are required for dams?

Mr MULHERIN: To be approved by the department.

The CHAIRMAN: A referable dam, I think he is talking about.

Mr HOBBS: That is an issue that I will pass over to some of the experts in the field. But one of the main things we are going to do—and I mentioned it before—is that in relation to any new structures we are really looking to the future with all the water infrastructure development we are going to do. We will be looking at the most modern techniques that are available throughout the world and making sure that we implement those here in Queensland. I will call on Peter Bevin, the acting director-general, to answer the question.

Mr BEVIN: Any dam in Queensland can be classified as a referable dam. Whilst there are certain threshold levels for height, you can still have dams of less than that height that pose a hazard to property or life that can be declared by the director-general to be referable and therefore go through all the requirements of dam safety.

Mr MULHERIN: What is the height?

Mr BEVIN: There is no real height. There are height thresholds related to 5 metres and 10 metres according to volume, but as I am saying, you can have less than that height and if it was built very close to a house or a property and it posed a hazard to that property—it might only be 3 metres high—we would have the ability to declare that a referable dam and then require the owner to make sure it was safe.

Mr MULHERIN: I suppose I will direct this back to the acting director-general. Is the acting director-general aware of any of these water storages failing with a resultant loss of water?

Mr BEVIN: I am not aware of any referable dams that have failed. I cannot recall any. I could ask our Dam Safety Unit, but I think I would be aware of that because that is a fairly critical sort of a thing that we look after. I cannot recall any.

Mr MULHERIN: Is it a fact that a dam near St George failed twice and in January washed out a public road?

Mr BEVIN: Was it a referable dam?

Mr MULHERIN: A private dam.

Mr BEVIN: A private dam, but I am just wondering if it is a referable dam because we are talking about the dam safety legislation here. I would like to take that on notice, if I could, because I don't have that detail.

Mr MULHERIN: That is okay.

Mr BEVIN: I could come back after lunch if you wish, because I could ask our dam safety people during the lunch break.

Mr HOBBS: It didn't make the papers, anyway, Tim.

Mr PALASZCZUK: Mr Len Ardill, the member for Archerfield, by leave of the Committee, would like to ask a question.

The CHAIRMAN: Is leave granted? Leave is granted.

Mr ARDILL: Minister, you would probably be aware that I have been advocating tertiary treatment of sewage effluent since before I came into Parliament and certainly during the 10 years I have been in Parliament, so you will not have any argument on that score; you have been talking about that as late as yesterday. I have a series of questions to ask you about it. I have principally been interested in treating sewage effluent as an improvement to the environment but also to reduce the amount of raw water that has to be first trapped and then stored. What means will you use to encourage and enforce the introduction of tertiary treatment of sewage effluent by local councils in this budget?

Mr HOBBS: This is a very interesting aspect. I believe that we have not done as much as we can over the years to use the waste water that we have. I recognise that the member has also been keen on this issue for a long time. There is a very long community consultation/education program involved with all waste water issues, particularly in relation to sewage water. I understand that overseas—I think it is in Nevada—one particular town has perfected potable water. So it is virtually purer and is better to drink than the other water you normally would have, but they still cannot get the people over there to drink it. So it is an education type thing. We have to first of all work our way through schemes such as Eli Creek, which is a good example, where sewage water from Hervey Bay City Council was previously going down the creek, in a sense. It is now being used to irrigate cane, and there are about 350 hectares there that will be grown. All the water that is used on that cane is actually controlled with dams on the place and it is tested to make sure that there is no problem there. That is the type of thing we have to do for a start. We can progress along the line to get better uses. A lot of golf courses are now irrigated by sewerage works. We have to increase that onto sporting fields, onto all sorts of parks and gardens, and even people's own backyards in some instances, if we can get particular schemes. There is a private company that is using particular plant now in a mobile sense. It is able to go in and treat water. If that can be used successfully, maybe we can expand that throughout the rest of the State.

Mr ARDILL: But you have no means of enforcing it on councils at this stage?

Mr HOBBS: Oh, no. There is no way in the world we would be enforcing it on councils at all. But I think we have to do some more in relation to alerting people to it. We are going to put some real money into these types of schemes in the future to see what potential exists. We will work with local government to see what can happen. A good example is Toowoomba, up on top of the range. In years to come they are going to be very short of

water. We really have to make better use of the resource we have.

Mr ARDILL: You would be aware of public disquiet about the problem of viruses being able to get through tertiary treatment and a problem that has occurred in England. There is general opposition to using it for potable water. The real use of this type of water would be for industrial use and, as you say, for agricultural and recreational areas. What do you intend to do to encourage councils to reuse the water? For instance, in Brisbane about one-third is used in the sewerage system and one-third is used in the industries at the river mouth, and yet the two are not married together. This would be the case in other council areas. Do you intend to take action to require councils to look at this aspect of it—providing tertiary treatment so that it can be reused for industrial purposes?

Mr HOBBS: I do not think we are going to put in place any requirements for councils at this stage. It would really be a matter of encouraging them, as I mentioned before, through an education program.

Mr ARDILL: And subsidising them?

Mr HOBBS: We will be able to put some funds into the development of some of these schemes in various ways—through expertise, through various projects. I think that we would be able to give some assistance to get some schemes off the ground. If we can have some schemes that operate successfully, then it will be a matter of promoting that particular scheme throughout the cities of Queensland or the country or whatever it may be. There are numerous areas where we can benefit from the use of waste water.

Mr ARDILL: It would be difficult to put a dual system of water into an existing established area. Some councils have looked at putting it into subdivisions, but they would have to have the power to require that. Would you look at that aspect of it—providing the wherewithal for councils to do that?

Mr HOBBS: Yes. There are a lot of local authorities now that have a dual system, particularly in rural areas. They have basically raw water from the creek or whatever the case may be, and they may also then have bore water. In many instances the bore water is not suitable for gardens, so that is why they do that. I see no reason why down the track we couldn't in some instances have some dual systems, but I guess it will be limited to what water is available. There is a bit of a perception out there that there is an enormous amount of waste water that will solve all our problems. While there is a lot, at the end of the day there is no substitute for dams. We will need a good raw water supply, and all we can do is hold off the evil day when we are going to be running short of water by using the existing resources we have.

Mr ARDILL: But there is no money in this budget for any of those projects?

Mr HOBBS: Well, there is funding within local government in relation to the subsidy scheme there, but there is funding that we do have and I think it is along the line—the study of water and waste water infrastructure in Queensland is an example of sound

forward planning. Basically, there is funding put together for planning for this at the present moment.

Mr ARDILL: You would not expect to see pressure coming on for the Wolffdene dam again while there is still that opportunity to explore, then?

Mr HOBBS: I do not think we will be looking at Wolffdene dam.

Mr PALASZCZUK: I refer the Minister to page 12, dot point 2 of the Ministerial Program Statements, where it says that the State's stock route network will be maintained in a safe condition. What is the breakdown of the budget allocation for the maintenance of stock routes in relation to watering facilities, fodder management, fencing and signage?

Mr HOBBS: That is a pretty big ask, actually. We will do what we can to pull those figures together. Basically, the stock routes system was in need of some attention. I suppose over recent years it has deteriorated to a certain degree, simply because of the use of road trains and it has only been in the drought in the last few years that people have finally realised that they really had to do a lot more with stock routes to maintain it for the long-term. The type of works that are proposed include subartesian bore reconstruction, equipping of water facilities, installation of signage on routes and facilities, strategic fencing for holding yards and traffic black spots and a new system of fodder monitoring points. So there is no actual break-up of that, just a matter of a general funding for those particular programs.

Mr PALASZCZUK: How much has been allocated for 1996-97 for that process?

Mr HOBBS: It is part of the initiatives of the Government to spend \$2.5m over three years to upgrade the State's stock routes. An additional \$800,000 will be provided this financial year for this work.

The CHAIRMAN: The hearing will now adjourn for lunch and resume at 2 p.m.

Sitting suspended from 12.33 to 2 p.m.

The CHAIRMAN: I call Miss Simpson.

Miss SIMPSON: Mr Minister, before the break in the Government question time we were referring to the lease rental system. At page 7 of the program statements, dot point five, you refer to a review of the lease rental system. There have been a number of concerns raised by industry about the adequacy of the State's present leasehold rental system, so it is understandable that one of your first actions as Minister was to address those concerns. Could you explain what is the scope of the review and, broadly, how will the review operate?

Mr HOBBS: Yes, following industry concern about the responsiveness of my department's existing leasehold rental system, I initiated a review to improve the effectiveness and the responsiveness of that system. I appointed Peter Lund, a grazier from Clermont, to chair the review and asked that he submit his report and recommendations on the terms of reference within four months of the committee's inaugural meeting on 21 August 1996. The other

members of the committee are Andrew Martin, a grazier from Charleville, who will represent rural industry, Allan Matson, a valuer from Allora, who will represent non-rural industry, Paul Woodward, a senior officer from my department, and Bill Dodt from the Budget Division of Queensland Treasury.

The review will focus on whether the method used to calculate current rentals is sufficiently flexible to cater for variations in the economic health of the wide range of industries conducted by lessees throughout Queensland. The review will also consider whether there should be a 1 per cent differential between the rental rates for island and mainland tourism leases and the relationship between the rental rates for charitable and sporting organisations. The timing of the review will ensure that the review committee can consider the impact on the rental system of the outcomes from the departmental review of valuations.

The review committee has sought submissions on matters relevant to the terms of reference from 86 key stakeholders, including all State Government departments, eight departments from interstate and New Zealand which administer their Governments' leasehold rental systems, representatives of industry, charitable and sporting peak bodies and telecommunication carriers. Submissions have also been sought from the relevant business areas and regional staff within the Department of Natural Resources. The closing date for the receipt of submissions is 30 September 1996.

The CHAIRMAN: I note that on page 11, at the fifth dot point, the department will be implementing improved biological control measures as part of an increased effort to control plague pests. Could you inform the Committee of what particular steps will be undertaken this financial year to achieve this? I know there is a lot of concern about plague locusts and various other problems, certainly in areas adjacent to my electorate.

Mr HOBBS: This is a very important one and very dear to my heart. The Government strongly supports biological controls as an economically viable technique of management of weeds and pest animals, particularly in extensive grazing and nature conservation areas throughout the whole State. Funding for biological control has been increased by \$2.5m over three years and funding will thus increase from a total of \$1.1m in 1995-96 to \$1.7m in 1996-97. An overseas field station will be established in South Africa as the basis for surveying and collecting insects for prickly acacia and mother of millions.

Research on pathogens for lantana will be recommenced through the International Institute of Biological Control. Research on parthenium will be maintained, with two new insects to be introduced from Mexico and tested. Three other insects will be distributed throughout the major parthenium areas. Research on the impact and field ecology of the rubber vine rust and moth will be increased to provide information for maximising their effort. Queensland will fund its share of a national monitoring and surveillance program on the rabbit calicivirus. An additional three staff in Queensland will gather information that will enable us to maximise

the input of the rabbit calicivirus. This program honours the Government's commitment to increase biological control and re-establish those stations overseas that were closed down by the previous Government.

Mr MALONE: On page 13 of the MPS on the first footnote it says that \$2.561m was outlaid in plague locust control. What additional resources have been allocated this financial year to control potential plague pests like mice and locusts?

Mr HOBBS: My department has already commenced the control of spur throated locust swarms in south-west Queensland to prevent their migration into the State's cropping areas. Approximately \$900,000 will be made available for swarm control during the 1996-97 year. Mice populations have started to collapse in some areas of the Darling Downs and there is still potential for significant damage to crops in that area. No suitable rodenticide is available for in-crop baiting and the Queensland Graingrowers Association has already advised land-holders that it would not be possible to conduct another strychnine baiting operation. Land-holders are being advised to undertake precautionary measures to prevent a rapid build up in mice numbers. Additional research staff will be appointed to develop a suitable rodenticide and long-term integrated methods for limiting the potential for mice plagues. Some \$150,000 will be allocated each year for the next five years. A Plague Pest Advisory Committee has been established with representation from industry and local government. The committee will be responsible for ensuring that the needs are identified and adequately addressed.

Miss SIMPSON: Minister, I note on page 12 of the program statements that the initial on-ground strategic control of critical weeds will be completed by June 2000. Can you outline the resources you intend to put in place to combat the devastating impact of weed infestations?

Mr HOBBS: In keeping with our election commitment, the Government will allocate in excess of \$3.5m to the continuation of the Strategic Weed Eradication and Education Program—that is SWEEP—for 1996-97. The program has given the Department of Natural Resources for the first time the capacity to prevent the establishment of newly introduced weeds and to reduce the area of infestation of well established weeds in major catchments. The funding allocation will provide for the employment of at least 80 officers involved in hands-on control of economic and environmental weeds. Projects are being directed at the eradication of relatively new and confined weed infestations such as alligator weed, senegal tea and Siam weed, and the removal of isolated infestations of some of the State's most established weeds such as rubber vine, prickly acacia and mesquite.

During 1996-97, particular attention will be given to consolidating and enhancing the benefits of work already undertaken. There is a need for follow-up treatment of control areas if the full benefits of the program are to be realised. Control projects are resourced as part of a collaborative arrangement with land-holders and local government. There is potential

for complementary additional funding as part of the National Weed Strategy. The support of industry and local government has been integral to the success of the program. The program will be reviewed by the Rural Lands Protection Board to ensure that it meets the needs of all stakeholders.

The CHAIRMAN: On page 11 of the MPS, dot point six, that is, planned performance 1996-97, it refers to weed and animal pest management plans covering 75 per cent of the State. Could you inform the Committee as to what financial incentive there is for local government to participate in this overall pest management plan? Also, I wonder at the same time whether you might touch on the parthenium control, because it appears that there have been outbreaks in various areas. I would be interested to know where we are heading with the parthenium, particularly when it has come over the range and down into the more southern areas.

Mr HOBBS: The major initiative is that an additional \$1.5m will be allocated over a five-year period for the development and implementation of local government pest management plans. That will be one of the main targets, because they are the people who are on the ground in those areas. The funding will provide for the appointment of a project manager or a facilitator to assist local governments in the development of plans and to ensure that they are adequately resourced.

The existing Local Government Assistance Program will be supplemented so that local governments are better equipped to achieve pest management objectives. This initiative has strong support from local government and industry and will build on planning already undertaken by many of the local governments throughout the State. Emphasis will be given to making better use of the resources already available for pest management. There will be strong links to the Strategic Weed Eradication and Education Program and other resource management projects. SWEEP seeks to strategically control serious weed threats within catchments and remove newly established infestations of declared pest plants.

Particularly with the parthenium, there are a lot of areas where we were trying to particularly target where the outbreaks have occurred outside the main regions. If we can try to hit those and control those, then we will be able to push it back and at the end of the day, when we get the biological control measures that we need, we will be able to really hit those areas where there is very heavy infestations.

Mr MALONE: Up-to-date maps are critical to this State for recreational development and other programs, such as environmental management and planning, and emergency services in particular. There is a real need for good maps if we are to encourage investment in this State from the tourist to the resort builder. In the table of outputs on page 18 of the Ministerial Program Statements, you refer to the production of maps, with 61 maps produced in 1995-96 and 88 proposed in 1996-97. How can you do this with no increase in staff or dollars? What advances in technology are you using in order to make this number possible?

Mr HOBBS: Topographic maps have been widely used for many years in a diverse range of activities, which include land development and management, navigation and bushwalking. The traditional form of topographic map is referred to as a line map. A new product has been introduced to replace the topographic line maps. The new maps, known as image maps, were developed by departmental officers. They have received acclaim worldwide, particularly in the US. Image maps have an aerial photograph incorporated into them, and this provides the basis of the map. In many instances this photograph conveys information much better than would be possible on the old line-type maps. I would be happy to show any member the quality of these maps. If they wish to see me they can arrange to look at those at any time.

The demand for topographic mapping is growing rapidly in all parts of the State. To meet this demand, new technology and work procedures have been introduced to replace traditional manual methods. The image map product was developed after extensive discussion with community map user groups. Image maps can be produced much more quickly and less expensively than line maps. Topographic line maps took up to 10 months to produce manually, and each map could cost up to \$60,000. On the other hand, the new image maps can be produced by computerised methods at a cost of only \$7,000 in less than two months. So there are huge savings there.

Map production has increased from seven maps a year using manual methods to 61 maps a year using the new methods. A significant advantage of these new products is that they are available in electronic form. This allows them to be used in information systems of organisations such as local governments. This in turn supports sound decision making regarding the use and development of land.

There has been considerable positive feedback regarding the new form of map. While some map users have expressed a preference for the traditional style of map, they generally acknowledge that it is preferable to have a greater number of up-to-date maps available than was possible with the traditional style. I am confident that acceptance of this new form of map will continue to grow. I will ask Neil Divett to add a bit to that, because it is a particularly important section within our department.

Dr DIVETT: In the past 12 months we have been able to effect another 17 per cent increase in productivity, so the figure of \$7,000 a map is the final figure we have just about got it to. From what we can find out, that is about at world level; it is as good as anybody does. There are three types of maps, including the topographic map the Minister referred to. We also do a lot of specialised purpose mapping. This is done for Government departments. The special purpose mapping is done on a full cost-recovery basis. Last year, we produced 306 products and services. In addition to that we have tourist mapping. The demand for tourist mapping continues to remain high. This year, five existing tourist maps were published and completely revised. All tourist mapping is done on a fee-for-service basis.

Miss SIMPSON: Minister, I have a further question about mapping. It is quite interesting how far it has come in a short period so far as cutting costs. On page 18, in the table of outputs, I notice that you intend to complete the 100-kilometre density geodetic network in 1996-97. Could you explain something about this project and its importance to furthering advances in mapping?

Mr HOBBS: Yes. This year will see the completion of a five-year project to establish a high-quality geodetic network across the entire State. This network consists of a number of strategic survey points established across the State with very accurately known positions—coordinates and height. They are used to control mapping and to facilitate the coordination of surveys. The network also forms the basic spatial reference system for all land information in the State. It provides a precise framework for location anywhere in the State and supports the planning and control of major development projects. The measurements have been carried out using the satellite-based GPS—global positioning system—which provides much higher precision than has been possible to achieve using other surveying techniques.

The project commenced in 1992-93 and will be completed this year, with Cape York being the final project area. The project has involved joint surveys with both New South Wales and Northern Territory Governments. This will form Queensland's contribution to a national geodetic network, which in turn forms part of the global network. The geodetic network is invaluable to local governments and utility authorities who are using it to support data capture for their asset management systems.

The network also incorporates two super tide gauges, which are used for the precise monitoring of sea level. These gauges are able to be used to identify any changes in sea level due to the greenhouse effect. These and other tide gauges are used to define the reference system for height measurements in Queensland. As with any other infrastructure, the geodetic network needs to be maintained in order to continue to be useful and so that the investment in it is not lost. Annual maintenance of the network occurs on an opportunity basis when departmental officers are in the vicinity of marks on other activities. Consequently, it requires no budget allocation. It is intended that all marks in the 100-kilometre network be visited at least once every 10 years. This has been found to be sufficient to ensure the continued value of the network. Because the network provides significant benefits to the activities of local government, many local governments also assist with its establishment and maintenance.

The CHAIRMAN: On page 21 of your MPS is a statement about the ongoing development of the Haughton and Selkirk areas of the Burdekin River Irrigation Area. I wonder if you are aware of the slowdown in farm development in that area. Perhaps you might be able to give the Committee some details of the development and what is actually going on there.

Mr HOBBS: Of course, as many people would know, the Burdekin River irrigation project has been one of the State's great successes. Since the start of the land releases in 1988, sugarcane production has increased from 4.4 million tonnes to almost eight million tonnes in that area. A total of 159 farms have been released by public auction and ballot to date. A further 26 farms have been taken up by prior landholders. In addition, a total of 113 existing farms with an area of 12,000 hectares have been served with channel water supplies. There are potentially another 46 farms available for release to complete the current approved stage of the project which, when completed, will result in an area of about 25,000 hectares totally being released. The Queensland Government supports the finalisation of the Burdekin River Irrigation Area as quickly as possible. For 1996-97, an expenditure of \$23m is planned for this project. The main activities this year will be to continue with works in the Millaroo and Haughton areas to complete services to farms as well as making payments on land acquisitions once a number of negotiations are finalised.

I have agreed to a slowdown in the Farm Release Program as a result of the differences between CSR and growers in relation to the length of the crushing season. I have discussed resolution of the problem, which relates to either expanding the milling capacity, which is resisted by CSR, or lengthening the crushing period, which of course is resisted by the growers. We have tried to negotiate with them both in Brisbane and the Burdekin. I am hopeful that they can come to a satisfactory arrangement in the forthcoming months. While some staff have been redeployed to other high-priority projects as a result of the slowdown, my department will move quickly to renew the Farm Release Program once those major issues have been resolved.

Mr MALONE: On page 22 of the Regional Infrastructure Development Program statement, you indicate that investigations on a proposal for water augmentation on the Atherton Tableland are continuing to take place. Could you please elaborate on the details of what is happening in that area?

Mr HOBBS: Yes, the investigations of possible ways to address industry restructuring on the tableland have been going on for some time. I guess we have been recognising a few things—the area's potential for further development and the potential for enhanced use of the area's land and water resources, including the existing water infrastructure, that is, the Tinaroo Falls Dam, the declining viability of tobacco production in the area, increasing interest in sugarcane production, and the development of the sugar mill in that particular area.

Following extensive technical and economic analysis and consultation with industry groups, Government has approved a program of water infrastructure development. Stage 1 involves expenditure of \$8.8m over three years to provide some 38,000 megalitres of additional supply to the Mareeba Dimbulah Irrigation Area. A \$3m allocation has been made for the 1996-97. Stage 2 work involves expenditure of \$10.5m to raise Tinaroo Falls Dam and construct a new weir near Bilwon on the

Barwon River. Implementation of Stage 2 works will be dependent on demonstrated demand for additional supplies and satisfactory outcomes of environmental studies.

The Government also supports development of a sugar mill on the tablelands, but that is a matter for the industry up there. The department is now proceeding with Stage 1 works, which include water efficiency improvements and is about to commence impact assessment studies for the raising of Tinaroo Falls Dam and Bilwon weir. I would expect the first option of some 10,000 megalitres of that water obtained from our new efficiency system to take place in October or November. In addition to the above commitments on the Atherton Tableland, the department has recently offered allocation of supply to the Cairns City Council to meet their short-term, medium-term needs. In the longer term, a regional planning approach will be used to examine the future water supply options for the regions, including Flaggy Creek Dam.

The CHAIRMAN: The time has expired for questions from Government members. I now call the Opposition.

Mr PALASZCZUK: Going back to the issue we raised just before the luncheon break in relation to stock routes, have any parcels of land from existing stock routes been sold to land-holders whose properties adjoin the stock routes?

Mr HOBBS: Over the years—and I can recall from the time that I was chairman of a local authority out there—there were quite a lot reserves and corners sold off to land-holders. It basically got to a stage at which—and that was at the time, don't forget, when a lot of stock routes out there weren't being used because road trains had just come in and people thought it was always going to rain—stock routes were not the flavour of the month. Since then, and even for the last four or five years—probably even longer than that—there has been quite a strong emphasis within the department that no more areas of stock route should go off unless it is very, very necessary. So I am not aware of any areas that have gone off in my area. Certainly none would have gone off in the six months that I have been Minister that I am aware of.

Mr PALASZCZUK: I return to an another issue I raised earlier, that is, the Mrs Maw case. I am advised that Mrs Maw's financial situation is such that she has been forced to place her house—the house that she fought so long and hard to protect—on the market for urgent sale. Have you as Minister refused to talk or meet with Mrs Maw?

Mr HOBBS: No, this is quite incorrect. I think we should cover some of this ground again so it is quite clear to all Committee members here today. Mrs Maw had the opportunity when we took over Government—and don't forget that the previous Government virtually had refused to pay her anything more than what the original payment was; I think it was—

Mr PALASZCZUK: \$140,000.

Mr HOBBS: \$140,000. We made it quite clear that, if Mrs Maw could put up a justified case for

expenses, she would get that paid. Now Mrs Maw did come back with a figure—I think it was \$118,000 as I mentioned before—and Crown law made it quite clear that that was not acceptable under the particular documentation that she provided. All she had to do was justify that expenditure under the normal conditions that you, I or anyone else would be entitled to under Government regulations, and she would receive that compensation. She has not come back to us. We have spoken to her quite a lot. My ministerial people have been speaking with her, departmental people have been talking with her and we have had no response. The last I can recall of it was that she was going to come back to us, and no response has been received to date. The Director-General of the Department of Natural Resources wrote to Mrs Maw in April 1996 advising her that a further claim would be considered on receipt of substantiating evidence, and no response—so the ball is completely in Mrs Maw's court.

Mr PALASZCZUK: Is it possible for you now to make a commitment to sit down with Mrs Maw to discuss her situation and outline for her exactly what your department requires for her to substantiate her claim for compensation or even for an ex gratia payment?

Mr HOBBS: That is what we are talking about: an ex gratia payment. She can get an ex gratia payment in relation to—it is not actually an ex gratia payment. She has already had her payment in relation to ex gratia.

Mr PALASZCZUK: That is the \$140,000?

Mr HOBBS: She is really now talking about expenses and that is what we are dealing with. We would have no problem in giving Mrs Maw any more advice that she may require in relation to putting this together. She has to do that. She has to provide the receipts; she has to justify the particular figures she puts up. I don't think we can do much more than that.

Mr PALASZCZUK: As Minister, are you prepared to sit down with her and discuss her situation with her?

Mr HOBBS: Always happy—very happy.

Mr PALASZCZUK: You would be very happy to do that?

Mr HOBBS: Yes.

Mr PALASZCZUK: I turn now to a topic very dear to both our hearts, that is, the issue of the cotton proposal at Windorah. I understand that legislation is being drafted. According to the Ministerial Program Statements, that should be operational by June next year. What do you understand of the principle of implementing water property rights that are separable from land title?

Mr HOBBS: That is a commitment that this Government has made. Throughout the whole of Australia, under the COAG agreement, water property rights will be separated from the land. In fact, even valuations will be adjusted as such. We have made a commitment to do that. We intend to do our very best within two years to bring water property rights into Queensland.

A well-developed system of tradeable property rights of water will provide a framework for a more efficient and effective use of our limited water. It is intended that property rights will apply to all water users. However, before a system of water rights can be introduced, a number of measures must be put in place. One is to provide a comprehensive planning base for the allocation of water resources in a water catchment, that is, a Water Allocation Management Plan. A WAMP initiative has to be commenced. We have money allocated there for this year—half a million dollars last year, and \$2.5m for this year—so we have increased the funding there quite considerably.

Through that planning process, environmental requirements, clear and secure specification of entitlements for all users and the arrangements for transfer in water entitlement within a catchment will be established in consultation with users and other members of the community. Trade in water property rights will involve untying water entitlements from land title. Consultation with local government and other interested bodies will be held before any changes are made. That is basically what we are doing in relation to property rights. It is a process that around the world has been used for quite some time.

Mr PALASZCZUK: To the acting director-general: have any water property rights ever been withdrawn from any land-holder in Queensland.

Mr BEVIN: Water property rights being withdrawn? You could say "existing licences"—

Mr PALASZCZUK: Existing licences, yes.

Mr BEVIN: There would have been cases under beneficial review where a land-holder has not been using an existing licence and has been asked to show cause why it should not be taken back. He would have had that period to respond and, if a decision has been made to take it back, then that was subject to appeal to the Land Court. There would be cases where that has happened. Whether they have been appealed in the Land Court, I'm not sure. I wouldn't have the numbers, but there would have been cases in the last decade or so.

Mr PALASZCZUK: So there is a precedent?

Mr BEVIN: Yes, it is in the Water Resources Act—

Mr PALASZCZUK: I understand that.

Mr BEVIN:—you must use water beneficially. If you just take a licence and don't install a pump and other people are wanting that water, then the process is for the department to ask that licensee to show that he needs that water. There is a reasonable time given for them to respond.

Mr PALASZCZUK: Minister, I refer you to the Cooper Catchment Advisory Party formed by the department in December 1995 to advise on the preparation of a flow management plan. Has the CCAP produced a report yet?

Mr HOBBS: No. We are looking to probably within the next—well, it is sort of the end of this year that we are hoping to have the report finalised. It is very comprehensive. A lot of data has to be pulled

together. One of the very interesting things about the Cooper Creek area is that there is so much data available in that area. In fact, there is more information available on Cooper Creek than there was when we built most of the infrastructure around the State, for example, the Fairbairn Dam. People might not realise it, but the oil companies have surveyed every inch of that country out there. We have got survey maps that go from Windorah right to the border. In fact, they go over as well into South Australia, because Moomba over there is a very big oil and gas region. So with trying to put together the flow management plan, we are using all this data—the survey plans—plus the fact that 50 years of flows are recorded going down through the Cooper at Windorah and at Nappamerry, Innamincka. So we virtually know exactly how much water is used up in the flood plain between Windorah and, say, the border.

We also have satellite photographs of every flood since satellites have been in the air. They can virtually do that on a daily basis, although it is basically every 17 days when the satellite gets exactly to the top again. As well as that, there is additional information right back from 1947 when the RAAF flew up Mosquitoes and they photographed the floods in the Cooper. They did a very intensive study at that time. I think in the fifties they sent up counter-bombers and also did more photography. So there is enormous data and we are putting it all together into this computer model. The computer model itself has been run and it has been compared with exact runs in the river. It is very compatible with that.

So what we are doing now is that we are at the stage where we are going to use an extraction method. Say, for instance, we pull off a certain number of megalitres—30,000 or 40,000 megs—at the back of the flow, perhaps at Windorah, to see what happens and to see what effect it has downstream. There are all different mixes you can use. The model we are putting together is a very sophisticated model of world standard. So we are at that stage now, and it will be into the year before we have that final figure, and then the group will have something to work on.

Mr PALASZCZUK: So 50 years of hydrological records is a time span that, in your opinion, is okay to make a recommendation on the proposal?

Mr HOBBS: I think that what we are doing is using the best data we have got when you consider a lot of the systems around Queensland—around Australia—use a lot less data than that. So I think that 50 years is certainly some good indication. There is a lot of other data that we can pull together as well.

Mr PALASZCZUK: In relation to the terms of reference of the advisory party, is this advisory party to prepare a catchment management strategy?

Mr HOBBS: What we are doing, basically, is getting through Stage 1 first. Stage 1 is the flow management plan. Once we get to that, we will then know whether we have to go further. There is a long-term plan and that is that Queensland and South Australia are putting together a modern-type border

rivers agreement. In fact, we will be looking at the catchment of the Lake Eyre Basin. So, in fact, we are putting in place procedures for that to happen down the track. I will ask Peter Noonan to cover a bit more of the areas in relation to that.

Mr NOONAN: Thank you, Minister. Just for the clarification of the Committee, I think there is a difference between the two groups that you are referring to.

Mr PALASZCZUK: Exactly. Yes, I know that.

Mr NOONAN: The advisory party that you are referring to is to advise the department in the preparation of the flow management plan and what is an appropriate set of conditions for any potential licensing in that area, or whether that should not occur. The catchment management plan that you are referring to—there is a steering committee that has been established as a joint arrangement between Queensland and South Australia to look towards establishing in due course a catchment management committee to develop catchment plans for effectively the Lake Eyre Basin in Queensland.

Mr PALASZCZUK: Minister, if this catchment management strategy is put in place, what worth would you as Minister put on such a strategy?

Mr HOBBS: I think it is very important. We have always maintained that if we want to go out and build future water storages throughout this State, we have got a lot of things to take into consideration. The whole catchment and water quality is very important. We do not want to overload catchments. We want to make sure that we have environmental flows that will be able to go through. So the whole process is very, very important, I think, and yes, I would guess that it would be quite a strong part.

Mr PALASZCZUK: In relation to the recommendations of the catchment management plan or strategy, who would have the final decision on the outcomes of that catchment management strategy or plan?

Mr HOBBS: Do you mean the final outcome?

Mr PALASZCZUK: The final outcome. The final recommendations from that catchment strategy plan. Who would have the final decision as to whether the recommendations are accepted or not?

Mr HOBBS: In relation to the management plan itself?

Mr PALASZCZUK: Yes.

Mr HOBBS: I guess it is a matter of a Government decision. At the end of the day, all the facts are taken into account. It is like if a report is done on any region throughout the State, whether that be the Lockyer Valley, the Burdekin or the Dawson; it is a really a matter for the whole of Government. So at the end of the day, Cabinet would make the final decision.

Mr PALASZCZUK: Could you perceive that such a document would be a regulatory document?

Mr HOBBS: Not necessarily. It would be a study that would be done, and it would be done in conjunction with another State. For instance, South Australia at the present moment are quite happy—in

fact, they are very happy—with the process that we are taking. We have their support in this process. I will just ask Peter Noonan if there is anything else that he might like to add to that.

Mr NOONAN: The integrated catchment management plans that have been developed and are being developed around Queensland are not meant to be regulatory documents; they are meant to be advisory documents to assist a whole range of people in making decisions. They are to assist State Government, they are to assist local government and they are to assist land-holders in making their decisions. There is no proposal to establish them as another level of regulatory decision making but they are meant to be a cooperative working-together process to allow all of those groups to make better decisions in natural resource management.

Mr PALASZCZUK: Right. I will just go on to something else now. Minister, the core objectives of ecologically sustainable development are to enhance individual and community wellbeing and welfare by following a path of economic development that safeguards the welfare of future generations, to provide for equity within and between generations, to protect biological diversity and maintain essential ecological processes and life support systems; would you agree with this?

Mr HOBBS: What area in the MPS is that? I mean, obviously you are talking about a philosophical thing, but perhaps there is something in the dot points.

Mr PALASZCZUK: The dot point I am referring to is in relation to the proposed Bill that is going to be introduced into the Parliament next year.

Mr HOBBS: It is legislation that I guess we have not put together at this stage. It is still in the drafting area. It is a bit like I said before—all good things come to those who wait.

Mr PALASZCZUK: I come back to the CCAP strategy report—actually, it is not a report; it is an advisory committee, as you said, Mr Noonan. Is that right? The Cooper Catchment Advisory Committee?

Mr HOBBS: Yes. It is a local group.

Mr PALASZCZUK: The question I was going to ask was in relation to your previous answer. Obviously, you have not answered my previous question, so I suppose there is no use asking this question. However, I will persevere anyway. If their report satisfies these objectives, will the Minister then move on revoking the water property rights attached to the land title for Currareva?

Mr HOBBS: You are looking at a couple of different things there. We are not talking about the irrigation licences that presently exist; we are really talking about a new application.

Mr PALASZCZUK: There are eight of them, yes.

Mr HOBBS: That is what the digital terrain model will really show. As you would be well aware, if an application for water harvesting does come in, the Minister—whoever it may be—must accept it under our legislation, our water resources legislation, that we have now. In fact, Bob Gibbs was the

Minister at the time, and he accepted the application and the process of investigation was under way. What happens is that you go through a stage. You go through acceptance, advertising, assessment, decision making and perhaps appeal. We are going down the line with that particular process now and we cannot deviate from it. It would not matter who was the Minister. Approval by the Barcoo Shire is also required for the Currareva proposal because of the changes in land use to irrigation from agriculture. There are checks and balances all the way along the line in relation to this particular issue.

Mr PALASZCZUK: Lastly on this issue, in the proposed natural management Bill, would you establish the Government's powers to reject a project's licence application and to deal with any litigation?

Mr HOBBS: I think that there is a need for the State Government to have some flexibility in relation to the receipt of applications in these sensitive types of issues. One of the most important things is that a Government has to have some reason for doing that. I do not think it would be right that we have legislation that the Minister can just reject an application out of hand without some justification. We need to have some checks and balances there so that people can have their fair day in court, so to speak, and that the normal procedures of fair treatment are given to all. I think there is a need for some changes there and we are progressing along those lines.

Mr PALASZCZUK: Along the lines that I proposed?

Mr HOBBS: Yes.

The CHAIRMAN: The time for Opposition members has now expired.

Miss SIMPSON: Minister, page 28 of the Ministerial Program Statements, the second dot point from the top of the page, states that the department was granted the first Government-wide exemption from appeal for a multiple recruitment and selection process. What does this mean? What is the relevance of this to the appointment process in your department?

Mr HOBBS: As indicated on page 28 of my Ministerial Program Statements, the department is credited with being the first to be awarded exemption from appeals after a complete appointment audit and has now received two such exemptions. These relate to the recruitment to the Aboriginal and Torres Strait Islander function and the restructured and decentralised titling functions of the organisation. The application for exemption by the department was supported by independent and rigorous audits by the Public Sector Management Commission which established that merit and equity were protected through the department's application of professional, meritorious and equitable recruitment and selection strategies which ensure the appointment of the best applicants.

The exemption was granted by the PSMC following public hearings which gave the department, employees, unions and other interested parties the opportunity to express their views in

relation to the exemption applications. These exemptions allow the department to focus immediately on business at the conclusion of the selection and appointment exercise, rather than on resource-intensive appeal processes. Exemptions for recruitment and selection activities between 1996 and 1997 will only be considered where the number of vacancies and potential applicants warrant the resources that are required to formulate necessary strategies to achieve exemption.

The CHAIRMAN: On page 34 of the MPS, you state that the Land Court will implement revised arrangements and procedures to reduce case loads to a manageable level. Will you outline what progress has been made to date? Whether this is a good time or not, maybe you could touch on valuations or anything of that nature where they might come in?

Mr HOBBS: In March 1996, I announced the Government's intention to retain the Land Court as a separate entity and to address the backlog in cases awaiting hearing and determination. The backlog of cases as at 30 June 1995 was 726, which rose to 1,018 at 31 December 1996. In April 1996, an additional member, making three members, was appointed to the court and some use has been made of part-time members since then. The backlog of cases as at 30 June 1996 stood at 844, so we were able to really do some work and tackle that backlog, which is the only thing we could do.

The Land Court is focusing on a reduction of the case backlog by initiating the review of its powers, procedures and rules to facilitate court-supervised case management while retaining flexibility of procedures. It is expected that the review will be completed and recommendations available for my consideration in the near future. Following the approval and implementation of the review, the issue of additional resources to the court will be considered with the increased use of part-time members of the court. Costs associated with these actions include a review of the Land Court procedures, and detailed costings will not be known until the review is completed and legislative changes put in place; the appointment of additional resources, that is, the annual cost of the additional member which is approximately \$220,000, which includes salary, allowances and other administrative costs; and the increased costs of part-time members as opposed to the appointment of a full-time member which would result in increased flexibility and some potential savings in administrative costs. We have the options to look at it in relation to what we do with the Land Court or, rather, how we improve that process. There have been, as you would be well aware, quite a lot of areas of concern in the valuation section. No doubt, we will get a few more cases before the court this year. We have had a review evaluation process put in place and I believe that we will be able to put that evaluation process back on track in the very near future.

The CHAIRMAN: Is there someone in your group who is right up to scratch on valuations?

Mr HOBBS: In relation to the review?

The CHAIRMAN: In relation to the overall valuation process as it stands today?

Mr HOBBS: What is actually happening is that we put together a review of the valuation system. As you would be well aware, valuation virtually came into being not long after we came into Government. Therefore, what had to be done was approve those valuations at the time. Since then, we have put together a review team headed by Len Evans, who was able to travel throughout Queensland. He has formal meetings. He has put together a report that is about to be released. I do not know exactly what is going to be in the report, but at the end of the day the terms of reference that were given to Mr Evans were sufficient to address most of the problems that we had.

It appeared to me quite clearly that over previous years the valuation system had run down quite dramatically. Site inspections virtually had not been done. There needed to be a more coordinated approach to valuations across-the-board and we needed to be able to have some more relativity in there and put some resources back into the system. It is certainly my intention to do that. I guess the pressure was on Government as well, because annual valuations were part of the procedure at the time. Quite frankly, I think that annual valuations in areas where there is no great dramatic increase, particularly rural areas, is not necessarily the way to go. I think we need more flexibility throughout that whole area. I am looking forward to the report which should be brought down in the next few weeks and we will have valuations back on track.

The CHAIRMAN: For argument's sake, take the flood conditions we have had in recent times. A property may not have had anyone on it, in a physical sense, to actually inspect it for some time. Then heavy flood rains might come along and create some adverse situations, for example, the erosion or cutback of creeks or the changing of river courses and so on. It seemed to me that, prior to our coming back to Government, we were unable to ask for someone to go onto that property and actually reassess it. There seemed to be a perception in the mind of the public that people would not look at the property and reassess it. Is that being looked at?

Mr HOBBS: Yes, that is the type of thing that we really want to look at. Neil Divett can say something about that.

The CHAIRMAN: I do not want to tie up the time of the Committee.

Mr HOBBS: No, it is a good question.

The CHAIRMAN: It is something that was brought up in our area recently.

Mr HOBBS: It is very relevant.

Dr DIVETT: The review of valuations will actually be handed to you next Monday formally. It is completed and being printed. The matters that the Committee has raised are certainly very important in relation to the review. As the Minister highlighted, the inability over the last six or seven years to actually visit sites, do a site inspection and look at the matters that the member has raised is very much the subject of a major recommendation of that review. It has been very difficult in that intervening period to do an annual valuation and to physically

inspect the sites. The resources have never been there. But I am sure the outcomes, if the Minister accepts them, will provide a solution for getting on the ground and doing those site inspections.

Mr MALONE: Page 5 of the MPS indicates that the delivery of titles services has improved with the availability of the automated titling system. The table on page 7 indicates that some 618,000 titles documents were registered and that this number is expected to increase this year. Also, dot point 2 on page 7 mentions a new initiative using imagery technology to further improve the consistency of titles service delivery regardless of workloads. I understand that this further work flow automation involves improvements to document handling. Could you explain what is involved in that?

Mr HOBBS: The Land Interests and Titling Subprogram of my department currently registers an enormous number of documents each day. Each of these represents a transaction to do with land and, after being registered, the document becomes a permanent land registry record. Those documents are now being processed in shorter time frames and using considerably fewer staff than was possible before the automated titling system was available.

The number of documents presented for registration increases radically every four to six years during real property booms. While the length of increased activity generally lasts between 6 and 12 months, ongoing demand settles back to a level but remains appreciably higher than the previous one. We must prepare now so that we are in a position to cope with those future booms without having to resort to staff increases or overtime. It has also allowed our clients to access the information in those documents by computer network in the same way as titles and survey information is currently available without human intervention. The efficient storage, distribution and security of those records is also vital. Significant further automation of our titling service is essential to achieve this.

The imaging strategy will allow clients to access document records on an equal basis whether the access is via a departmental lands service centre or directly through public access. Imaging will remove the need to relocate staff or transport documents between centres to accommodate future property market booms. It will also allow us to give equal service to all clients regardless of whether or not they live in a centre where document processing is undertaken.

A very interesting trial project based in Toowoomba has demonstrated the worth and feasibility of the strategy, and clients involved have confidence in the technology. This initiative builds on the department's existing investment and experience in imaging and moves towards an integrated, efficient and secure solution. It is crucial that this project be commenced during the current economic downturn if we are to cope with the next significant boom predicted for 1998-99. We must not make the previous Government's mistake of introducing the ATS during a peak lodgment period.

Mr FREEMAN: A little more of the background and perhaps more of an explanation of the new

initiative may help. All titles documents registered within the last 10 years are held on microfilm, with backup film stored at the State Archives. The original paper documents have been destroyed. Documents registered before the last 10 years are held as paper records, but there are no backups for these records at all. That means we would be in an extremely difficult position if there were a disaster, for example, a fire. The new initiative, when the appropriate equipment is installed, will mean that in every lodging centre across the State an image will be made of the paper record submitted as part of the lodgment process. This stage of implementation will be achieved in approximately 18 months. All processes will then be undertaken from the image served up on the automated titling system, hence eliminating the need for paper. Service times to finalise any particular type of titling dealing will be consistent as there will be no added delays in ferrying pieces of paper across the country. New initiative funding of \$3.7m has been provided in 1996-97, and there are funds necessary for the three-year development period. Of this amount, only \$2.7m is to be spent on capital outlays and approximately \$1m on recurrent outlays. It is planned to expend \$2.2m in 1996-97.

Miss SIMPSON: Minister, I have a further question on valuations. Dot point 6 on page 17 of the Ministerial Program Statements mentions the private sector's contribution to statutory valuation work. I understand that these were trial contracting projects. What was the result of the trials, and will private sector valuers be used to undertake statutory valuation work in 1996-97?

Mr HOBBS: In contracting out statutory valuations to the private sector there was a trial aimed at determining the capacity of the private sector to deliver valuations to the State. Trials were conducted in parts of the Whitsunday local government area, where 5,300 properties were valued, and part of the Livingstone Shire, where 5,600 valuations were provided. Six companies tendered for the valuation, with tenders being awarded to J. Dodds and Associates in Whitsunday, and Sheehan and Sheehan in Livingstone. The trial was successfully completed, with all valuations being delivered as required. The number of objections received to those valuations was acceptable when compared with the number of objections which are normally lodged against annual valuations. The property valuers who carried out the valuation had a good working knowledge of the department's process and had a detailed knowledge of the Valuation of Land Act and in-house computer systems.

The use of private valuers in analysing sales in some western shires has also been used successfully. The actual total cost of the contracting of valuations amounted to \$71,000, which slightly exceeded the budget cost of \$68,200. The process did not allow for an in-depth cost comparison between the Department of Natural Resources and private valuers because of the small number of valuations involved and because it did not involve the maintenance of the valuation role which was done in house. The future use of private valuers to undertake the statutory valuation process is one of

the matters currently being considered as part of the valuations review. The final report from the review is expected pretty soon. I am aware of the privacy concerns and the implications which may arise by supplying data to private contractors. However, the Valuation of Land Act 1994 is shortly to be amended to provide for the removal from the public valuation record of the names of landowners who believe they are in danger. This will be achieved at minimum cost.

The CHAIRMAN: The Queensland Government is keen to put in place ways in which private sector expertise and resources can be involved with public sector expertise to produce a more effective end result. At dot point 6 on page 17 of the Ministerial Program Statements the private sector's contribution to statutory valuation work is mentioned. I understand that these were trial contracting projects. What was the result of those trials? Will private sector valuers be used to undertake statutory valuation work in future?

Mr HOBBS: Further on, we need to do some more trials in relation to valuations. I am quite confident that, at the end of the day, some outsourcing will occur. What we are trying to do is make sure that we have a system that is fair and a system that the taxpayers of Queensland can be confident in. We will be looking to do some more trials in relation to some of those areas. I will ask Neil Divett whether he has some particular points to add in relation to this issue.

Dr DIVETT: Without divulging what might be the outcomes of the review to be brought down soon, there is an important move amongst the community that the responsibility vests with the State, but certainly that we can use the resources of private industry which is keen to get involved. Most of the teething problems have now been sorted out in terms of how to do it. Many of the valuers in private practice worked for the State many years ago.

The CHAIRMAN: Years ago, there was an Allora valuer who seemed to do all of that area. The Government used to utilise his services.

Dr DIVETT: We would anticipate that, where those skills are, that is a service to be used. In the far-western area there is a valuer very keen to do that work.

The CHAIRMAN: That seems like a sensible idea to me.

Mr MALONE: In a table on page 23 of the Regional Infrastructure Development Program statement, you indicate that an evaluation for the development of a major dam on the Dawson River is progressing. What is proposed for this area, and when would you expect works to be completed?

Mr HOBBS: Investigations are currently being carried out into the options for the supply of water in the Dawson Valley for agricultural, mining and possibly industrial—even power station—development in that whole region. The options range from a major dam—up to 1.1 million megalitres—to a series of weirs. Such a dam could supply up to 200,000 megalitres a year of additional supply at an estimated cost of \$118m. A strategy for development

will then be determined to meet the water demands. While the dam can produce water at a substantially lower cost than the weirs, if the demand is relatively low and not expected to increase rapidly there may be cash flow benefits in the weir options. A water demand survey is being conducted to determine the magnitude and the location of the demand. The survey will include existing land-holders and others who may have an interest in moving to the area and will determine the requirement for high, medium and low security water.

Proposed prices for irrigation water are: for the high level, \$90 a megalitre per annum; medium, \$50 a megalitre per annum; and low, \$35 a megalitre per annum. The current studies include the engineering of the structures, hydrology and impact assessment. Major consultancies are currently in progress for the Aboriginal cultural heritage issues and environmental and social impacts. It is anticipated that these studies and additional studies on the economic and financial aspects of the proposals will be completed by the middle of 1997. If construction is approved, it is expected that works could be completed by the end of the year 2000. There has been a considerable amount of community consultation, in particular through a reference group and the local management group, who are assisting with the impact assessment. The Dawson Valley Development Association has also provided a good linkage with that community.

The CHAIRMAN: The time for Government members having expired, we will now endeavour to split the time between the Government and non-Government members. It will be approximately 19 minutes each.

Mr MULHERIN: I refer the acting director-general to page 10 of the Ministerial Program Statements, describing the services provided under the Resource Management Program. My questions relate to technical assistance for on-farm storage dams. Is there a backlog of design applications for on-farm dams within the department?

Mr BEVIN: There is always some backlog. It varies a reasonable amount depending on the seasons. As you go into droughts, the interests of land-holders in farm advisory services seems to increase, and as you go into wet periods it decreases. Certainly there is a backlog. I don't have the details, but I might ask the executive director, Peter Noonan, if he has any more detail in that regard in terms of the backlog.

Mr NOONAN: I don't have specific details of numbers of backlogs, but certainly there are varying backlogs around the State. It depends to some extent on the uptake of the private sector ability as well as the use of the Government farm advisory services.

Mr MULHERIN: It might be better if I put it on notice, because I wanted to inquire about how many farm applications there currently are and the processing time for each application and, if there is a backlog, where the major centres for backlogs are. But I would like to ask the Minister questions relating to on-farm storage as well.

The CHAIRMAN: Do you wish to put that on notice?

Mr MULHERIN: Yes, to the acting director-general.

Mr BEVIN: Yes, we would have that information.

Mr MULHERIN: Minister, with the acting director-general acknowledging that seasonal conditions influences whether there is a backlog or not, have you allocated any additional staff out of this year's budget to bring about a decrease in the backlog?

Mr HOBBS: That is a question I will have to hand over to others who have that information. I don't have that detail on me. Personally, I do not think we have, but somebody may be able to answer that.

Mr BEVIN: We do have some flexibility within our Resource Management Program. If Peter Noonan, as the executive director, thinks the backlog is becoming unmanageable or too high, he can juggle finances accordingly.

Mr NOONAN: Under the Land Management subprogram a total of \$2.7m is being provided this year for rural water advisory services. There is certainly some effort to look at the priority that can be given to provision of more of those services to help with some of the issues that you are raising. An audit of workloads has been requested to look at that issue and to see what parts of Queensland would be the best places to fill some of the vacancies which have existed to make sure that we do service the needs as best as possible given the varying workloads around Queensland. That is not completed yet.

Mr PALASZCZUK: Minister, when do you propose to introduce legislation into Parliament giving an extension of time for residential leases—that is, miners' homestead perpetual leases—to be freeholded? Will you allow perpetual town leases to be freeholded also? That is an easy one for you.

Mr HOBBS: We have drafted up legislation in relation to miners' homestead perpetual leases. We made that commitment before the election. As the member for Mount Isa would know, his people up there are very happy with the process that is going on at the present moment. We have extended that time. That will allow those people who have mining homestead leases—that is, the ones who do not have problems with accesses, for instance—to change over to freehold title. I think that was pretty important, because although a lot of people had the opportunity to freehold before, they did not do it for various reasons: because they were scattered all over the country, and a lot of them are fairly itinerant people moving around mining and suchlike. So there were a lot of people who in fact did not do it. I am certainly aware of the concerns expressed regarding the adverse effects on lessees in relation to this. Freeholding terms required payment of the 1980 valuation, with interest-free terms or a substantial discount for cash payment. That is what we have basically put in place. The other question you asked was in relation to town leases.

Mr PALASZCZUK: Perpetual town leases.

Mr HOBBS: I might flick that over to Rob Freeman.

Mr FREEMAN: Any of those perpetual town leases which were actually leases under the Land Act that meet the freeholding criteria can be freeholded.

Mr McGRADY: While I have the opportunity—and it hurts me very much to say this—I have to congratulate the Minister for the speed with which he acted, and don't tell my colleagues I said that!

Mr HOBBS: I won't say a word!

Mr PALASZCZUK: It is on the public record. I refer now to dot point 5 on page 17 in relation to the integrated valuation and sales system. Are there any problems with the IVAS program at present?

Mr HOBBS: There were originally some problems with it. We believe that we were able to help pull this together, particularly with the valuation review that was going on. I will ask Neil Divett in a minute to say a little bit more in relation to that. But we believe that doing the valuation review will in fact help some of the procedure in relation to this process. This is not a bad system, but it needed a lot of work. In fact, reprogramming is presently under way. I will ask Dr Divett to answer in some more detail.

Dr DIVETT: The delivery of valuation Statewide of the 1.3 million parcels is managed through the integrated valuation and sales system. It has now delivered the valuations this year and the year before quite successfully. The information maintained in the system contains all the sales, property and valuation data for the State, and it provides information to other business areas of Natural Resources. It provides basic information for the private valuation and real estate industry. Since the system has been fully computerised and we now have the capacity to match with other systems, it has located some hitherto unknown inconsistencies rather than errors, and so there is a major program of validating the data to get it right.

Mr PALASZCZUK: Could I ask whether the current program is going to be terminated and substituted with a new program?

Dr DIVETT: The current system?

Mr PALASZCZUK: Yes, the current system.

Dr DIVETT: The proposal that we are developing now over the next two years will be to introduce a more simplified processing system than the current one. The current one is adequately servicing the State, but the new one we believe will do it cheaper even again.

Mr PALASZCZUK: We might as well deal a little bit with tree clearing now, Minister. In the program statements I notice that the tree clearing guidelines will be made available about June 1997; is that correct?

Mr HOBBS: This is to have tree guidelines in place, you mean?

Mr PALASZCZUK: Yes.

Mr HOBBS: Roughly. Let's hope.

Mr PALASZCZUK: Will the guidelines be Statewide and what criteria will be in operation in the interim?

Mr HOBBS: What is happening at the present moment, as you would be aware—we were on a timetable earlier on to try to get tree clearing guidelines in even by June this year and we just found that it was not possible, and I think that it is important that we get things right. If we want to put tree clearing guidelines in place that in fact will be accepted by the community as a whole and be there for a long time, we have to make sure we do that and have that whole consultation process.

You might recall that the previous Government brought out preliminary tree clearing guidelines and there was quite a bit of controversy about that. We found that a lot of the regional tree clearing groups went to ground and it took quite a bit of coaxing them back to carry out the work that they started. That has been done and we have progressed along very well. The State Trees Group are quite active in that respect and the regional groups in fact have done quite a good job.

I think that there is also another issue we should talk about here in relation to trees, that is, Queensland is a little different to other States. There seems to be a perception that we have been out rolling over football field after football field every hour and knocking down our native timbers. That is quite untrue. There were figures along the line that between 500 and 1 million hectares were being pulled every year and that Queensland was a terrible place to be in. In fact, that has been disproved. The figures are probably something closer to 300,000 and in fact of that 300,000 hectares a year, less than 150 of that would be regrowth. In fact, we are looking at a lot less than was proposed, plus the fact that the way things are in the rural industry at the present moment, we would find that because there is no money out there people are not doing any development work.

I think we need to understand also that there is more standing woodland in Queensland today than there was at the time of white settlement. People can argue about that sort of thing, but that is the way it is. So land degradation can in fact come about by the prolific growth of trees, not just by the reduction of them.

Mr PALASZCZUK: I also understand that the Department of Natural Resources is the lead agency on the issue of tree clearing. Can you explain why the DPI and the Department of Environment have also established committees to investigate tree clearing guidelines? Do we really need three committees looking at this issue?

Mr HOBBS: No, we do not. The State Trees Group is the Statewide body that will in fact put guidelines in place. We do use the expertise of the other departments—the Department of Environment and Heritage, of course, as well, and other departments; anyone else who has some input—but at the end of the day this is the lead agency for tree clearing and that is the only way I think that we can do it sensibly.

Mr PALASZCZUK: With respect to your ministerial staff, are your senior advisers all full-time staff?

Mr HOBBS: Yes.

Mr PALASZCZUK: Are any of them public servants?

Mr HOBBS: No.

Mr PALASZCZUK: Do you have a part-time officer on staff?

Mr HOBBS: Yes, I have a part-time officer on staff.

Mr PALASZCZUK: Where would he be based in Charleville or Brisbane?

Mr HOBBS: Charleville.

Mr PALASZCZUK: Who would pay for this officer to be moved from Charleville to Brisbane?

Mr HOBBS: Who would pay for—

Mr PALASZCZUK: The officer's movement. If he is stationed in Charleville and he has to come to Brisbane, who would pay for the cost of that expense?

Mr HOBBS: Generally speaking, that comes out of ministerial expenses for those types of costs. I think that is the only way you can really do it. I think what I have done is actually have a regional adviser, and I think that is exactly what we need in Queensland.

Mr PALASZCZUK: So he is a regional adviser?

Mr HOBBS: He is actually a regional adviser, and on that basis, that gives us a lot more flexibility around the State. It gives people access to ministerial staff as well. I think probably we need more of that, quite frankly. It has been very difficult in the past. When you were in Government, you would have found that people in the west over various issues got particularly upset when Government decisions were made that really were not satisfactory to the people in those areas. If we have got people on the ground there, it makes a bit of a difference. Actually, in some areas the previous Government did the same thing.

Mr PALASZCZUK: Thank you for the frankness of your answer there, Minister. I was going to ask a question on the desert uplands, but that has been asked already. Bearing in mind that the current drought and water levels have fallen to their lowest levels on record and the fact that in many areas irrigators have used larger quantities of water than previously calculated and with the recharge of the aquifer system being below average for several consecutive years, is there a re-evaluation of the resources in light of their performance through the current drought?

Mr HOBBS: Yes, there needs to be a lot more work done in relation to the underground aquifers throughout Queensland. We are very keen to do that. When you look at places like the Lockyer, you look at the Great Artesian Basin and, generally speaking, most of them—up the coast, the Burdekin, Bundaberg, where in fact we are getting salt intrusion in some of those regions now—we need to

do much more monitoring. I think there needs to be—obviously, there is licensing of drillers, I think it is important. In the past, anyone could go out and drill a hole. I think we need a lot more professional people in the field there. Down the track, we have got to try to do more to license the majority of bores that are put down, quite frankly. I know it is a large job for the department to do—to try to catch up—but I do not believe that we can continue to have old bores that are abandoned, where you have cascading of water between the different levels. We have just got to put in more resources and more effort. That is certainly one of the things that I will be doing over the next couple of years.

Mr PALASZCZUK: Could I just return to that question I asked you about your ministerial staff, and I really do thank you for your frankness. Would it be possible for you to provide the Committee with the full travel costs and accommodation costs of this officer?

Mr HOBBS: Basically, that is really handled under the Treasury. I do not think it is really anything to do with me.

Mr PALASZCZUK: In previous Estimates, the Treasurer has asked the questions to be directed to the relevant Ministers rather than she answering the questions herself.

Mr HOBBS: Well, I did not get that advice. From what I understand, most of that area is handled by Treasury.

Mr PALASZCZUK: So you will not provide those details?

Mr HOBBS: Well, I do not think it is my role.

Mr PALASZCZUK: With the release of rust fingers in control of rubber vine in north Queensland, will the Minister outline to the Committee the success or otherwise of this release?

Mr HOBBS: There has been quite a lot of work done in relation to rubber vine—in fact, not just rubber vine but a lot of other plants as well.

Mr PALASZCZUK: I am specifically questioning rubber vine.

Mr HOBBS: The biological control research commenced approximately 20 years ago and has now produced successful results. The rubber vine rust has spread over most of the rubber vine in Queensland with extensive defoliation and reduced seeded production. The rubber vine moth is causing extensive defoliation in some areas. Since the establishment of the Tropical Weed Research Unit in 1984, a research base there has produced a wide range of effective control techniques, chemical control methods for scattered plants, aerial application methods, use of fire, blade ploughing and other mechanical methods. The integration of control methods have been evaluated in long-term trials and promoted in publications for thorough advice for demonstrations to Landcare groups.

The Government will establish a special rubber vine management team to further develop, promote and implement integrated control. This will be based particularly on maximising the impact of the rust and moth. The Government has allocated \$0.26m for this

team in 1996-97. The Government will also support rubber vine management with complete control in strategically important areas to prevent spread. This will be implemented with funding from the SWEEP Program on ground control teams.

Mr PALASZCZUK: How many persons are going to be employed in this project? Would you have that information available? Would Mr Noonan have it there?

Mr HOBBS: I do not think we have got that.

Mr NOONAN: I can give some advice, Minister. We see in 1996-97 that there would be, in full-time equivalent terms, one working on rubber vine via control research, two working on rubber vine best practice, one on the extension work for rubber vine and probably 15 on the SWEEP follow-up work on rubber vine.

Mr PALASZCZUK: It is never enough, though, is it? I have some questions which obviously I will not have time to get through in relation to the department's resource allocation policies for the St George irrigation project, the Balonne River system and Cooper Creek. Could I put that question to you on notice?

Mr HOBBS: Can you not do it in the House? What is the question?

Mr PALASZCZUK: Is the Minister for Natural Resources aware that departmental policy is progressively eroding the value of existing infrastructure in the St George irrigation area to the local economy and the Queensland Government? That is one. Could the Minister for Natural Resources please advise why the department is reducing the supplies available for the Beardmore Dam?

The CHAIRMAN: I do not think you can really rip in a few more questions at the end and expect the Minister to answer them.

Mr PALASZCZUK: I have folders full to go yet!

The CHAIRMAN: We will have some very disappointed members at the other end of the table if we give you too much extra time.

Mr HOBBS: We would love to have the questions asked in the House.

Mr PALASZCZUK: What about on notice?

Mr HOBBS: We can put the one about St George on notice.

Mr PALASZCZUK: It is all to do with St George. I thank the Minister. I appreciate that. I also thank the departmental staff for their frankness in their answers.

Mr HOBBS: There is one point that I might raise by way of clarification. There was a question about senior advisers. I was not aware of this, but I have one who is a public servant. That is Scott Sturgess. He has been seconded to our office, but he is actually paid by the ministerial section. I just wanted to make that clear.

Miss SIMPSON: Minister, on page 23 of the Regional Infrastructure Development Program statement, you indicate that an evaluation for the development of a major dam on the Comet River is

progressing. Could you advise the Committee of your department's current activities in progressing the development of this structure?

Mr HOBBS: Yes. Investigations are currently being carried out on the Starlee dam site on the Comet River near Rolleston, which is the preferred site to provide water to the Comet/Nogoa/Mackenzie system from a dam of up to 1.4 million megalitre capacity. Such a storage could provide an additional 180,000 megalitres per annum to the system at a cost of some \$140m. Studies to date show clearly that this site is the only one in the Comet River catchment with the potential to supply large quantities of water economically. Its viability, however, has yet to be established. Unfortunately, a dam would inundate a substantial area of land, some of which is of high-quality soils, and would require the relocation of the township of Rolleston. Studies are currently evaluating the engineering and hydrology of the site and the environmental and social impacts of the proposed dam. Economic and financial studies will also be carried out and are expected to be strongly positive.

A water demand survey is being conducted to determine the magnitude and location of the demand. The survey will include existing land-holders and others who may have an interest in moving to the area and will determine the requirement for high, medium and low security water. The proposed prices for irrigation are: for high, \$90 a megalitre; medium, \$50; and low, \$35 a megalitre. Previous surveys suggest that the level of water demand again is very high. The new survey will confirm this or otherwise to allow the hydrological studies to be advanced. My department is currently working with the community to determine the social impacts of the dam and to develop possible strategies for the town of Rolleston. This could involve relocation to a site to be selected after consideration of all issues. The studies are expected to be completed by mid 1997. If construction is approved, it is expected that works could be completed by the end of the year 2000.

The CHAIRMAN: Some orchardists, mainly in the Granite Belt area, indicate that they have a perception that the Government is interested in constructing large dams. However, they are also of the opinion that if weirs were constructed which delivered water to a small number of farms—maybe 4 to 12 or something like that—these projects would be economically successful. Does the Department of Natural Resources have in place protocols and procedures whereby a small number of farmers can obtain Government investment in a smaller scale water infrastructure project? How many farmers have applied for these sorts of projects?

Mr HOBBS: Despite occasional suggestions to the contrary, there are ways and means by which farmers can group together to develop small-scale water supply infrastructure projects. Small groups of farmers are able to develop water infrastructure group schemes under the Water Board provisions of the Water Resources Act. For these schemes the department assists these groups in the process of establishing a board and, when resources are available, provides technical assistance towards the

development of that project. Government funding support for the construction of such schemes is normally limited to special programs, such as the Sugar Industry Infrastructure Package.

You may also be aware that the terms of reference of the Water Infrastructure Task Force will involve the group looking at ways to promote on-farm water conservation investment as well as private sector investment in that infrastructure. I think that was a very important part of the terms of reference for the task force. As you know, the task force recently issued a public call for submissions. I understand that a number of small-scale proposals are included in the submissions received. We will have to wait for the task force recommendations to see how these projects compare with others.

I believe it is important for the Committee to understand that when my department undertakes assessments of water infrastructure proposals we try to analyse all these options. The department does not limit itself to large projects. By way of example, with our ongoing work in the Dawson Valley the department has undertaken studies on a range of options. Certainly it is investigating the option of a large dam on the Dawson River. We have also investigated the option of off-stream storages, a series of smaller weirs or staged construction of a larger dam.

As a matter of interest, my department is responsible for 27 large dams across the State. It is also responsible for over 120 smaller recharge and regulating weirs. In most instances the decision on project scale will come down to economics and hydrology. Firstly, the level of likely demand directly influences the type of infrastructure needed. If demand is not likely to be high, small weirs might be the answer. If demand grows steadily over an extended period, staged construction of a larger storage might be the best alternative. However, overall it needs to be recognised that my department has an obligation to get the maximum benefit for the community from the funds it actually invests.

Mr MALONE: You state on page 27 of your Ministerial Program Statements that the Department of Natural Resources established a Corporate Services Agency in accordance with a Government direction to reduce corporate overheads. What does the Corporate Services Agency do? What are the benefits?

Mr HOBBS: The Corporate Services Agency, known generally as the CSA, or the Agency, commenced operations on 1 July 1996. The Agency was formed from pooling corporate services resources of the Department of Natural Resources and the DPI. It currently has approximately 268 staff, including wages and temporary staff, and provides administrative, financial and personnel services to in excess of 7,000 clients in both DNR and DPI. The CSA has been formed from existing resources, housed in existing accommodation provided by the client departments, and has been provided with an operating budget for 1996-97 that delivers significant savings on the 1995-96 expenditure levels. Each department retained the management of its

information technology functions to best service current IT requirements.

The CSA Agency, which is funded jointly with each department contributing equal amounts, reports to a board comprising the directors-general of both departments. In 1996-97, the Department of Natural Resources has budgeted \$6.5m for Agency services and a further \$750,000 for specific initiatives. The outsourcing of corporate services functions is consistent with the Government's stated aim of reducing corporate overheads. Through economies of scale, the adoption of common systems, application of new technologies and continuing commitment to improvement, the Agency will deliver significant savings to DNR and DPI. While it is difficult at this stage to quantify the savings, it is anticipated that DNR's contribution to 1997-98 will be reduced to \$500,000, or approximately 7.5 per cent, from the 1996-97 budget. There will also be significant savings in relation to accrual accounting and human resource management systems. The performance of the Corporate Services Agency is being managed by a commercially based service agreement and incorporates performance indicators and commercial best-practice principles. The Department of Natural Resources core corporate service staff have been reduced to a minimum. These staff are focusing on policy development and the accountability to the director-general.

Miss SIMPSON: Page 6 of the Ministerial Program Statements at the second dot point indicates that there were approximately 3,400 conversions of former miners' homestead tenures to freehold or to freeholding leases during 1995-96. Would you comment on whether you as Minister would be prepared to consider the plight of those lessees of miners' homesteads who were unable to meet the cut-off date of 31 December 1994 for freeholding of their leases as imposed by the previous Government?

Mr HOBBS: I am aware of concerns expressed regarding the adverse effects on lessees of miners' homesteads who failed to meet the cut-off date within which to apply for freeholding of their leases on the previous favourable terms. Freeholding terms required payment of the 1980 valuation, with interest-free terms or a substantial discount for cash payment. Through the provisions of the Land Act 1994, the previous Government imposed a deadline of 31 December 1994 for lessees to apply to freehold their miner's homestead lease. Approximately 25,000 miners' homesteads were converted to freehold or freeholding tenure before that date. However, around 280 Mount Isa residents did not apply, which resulted in their leases being converted to perpetual lease under the Land Act 1994. Those lessees may have to pay a much higher cost to freehold their new perpetual leases than they would have under the previous arrangements. There are also a number of lessees in other places who are in a similar situation, with significant concentrations of miners' homesteads in Charters Towers and Gympie and fewer numbers around Mount Morgan, the central Queensland gemfields and Atherton.

Prior to 1995 a typical residential miner's homestead freeholding payment for cash in Mount Isa would have been between \$1,500 and \$2,000. In many cases, that would have risen to over \$20,000 since the revised provisions were introduced. It certainly made a huge difference to what they had to pay. After considering the circumstances, I have decided to review the freeholding options for those lessees who have not applied for freeholding tenure. The Government intends to allow lessees to have one final opportunity to convert their leases to freehold under the previous conditions. As those conditions cannot be continued forever, any special arrangement will remain available only for a limited period.

The CHAIRMAN: The table on page 7 of the MPS indicates that native title claims managed by the department are expected to increase from 91 claims in 1995-96 to 200 claims in 1996-97. Native title claims are becoming complex and prolific. There appears to have been an explosion in the number and size of native title claims made since about February this year. As well, there has been an increase in the number of large development projects proposed for Queensland. I can only think that this will generate extra work for the department. I would like you to inform us how your department will address this extra workload.

Mr HOBBS: The Native Title Unit within my department collates the Queensland Government's response to native title claims. The unit is responsible for ensuring that the interests of all parties, both Government and private, are identified and protected. The unit had developed an interim database which records all details of lodged and accepted native title claims as notified by the National Native Title Tribunal. Officers attached to the Native Title Unit interpret native title claims and generate maps showing claim boundaries. Upon determining the boundary of each claim, the National Native Title Tribunal is provided with a copy of a tenure-based map of each claim. This map is provided on a 50 per cent cost-share arrangement. This is managed through an operating account and billed to the National Native Title Tribunal.

In addition to the interim database, the new Aboriginal and Torres Strait Islanders land claims system now under development will record, manage and provide textual and graphical information relating to business activities of the Native Title Unit. The most significant savings will be in researching the State's tenure histories as data is captured into the new computerised system. My department has established a contact network with other relevant Government departments in order to gather information on all current interests that the State Government has within areas of native title claims. Interests may be tenures, permits, licences, infrastructure or regulatory controls.

My department works closely with legal officers from Crown law to ensure that dealings and negotiations are in accordance with the Native Title Act. Crown law employs historians who provide advice regarding claimants' traditional links to the claimed area of land and any details or evidence

which establishes the claimants' continued connection with the claimed land. Expenditure within this department on native title totalled \$600,000 in 1995-96 and around \$1.3m has been allocated in 1996-97. I would like to ask Rob Freeman to add a few more words in answer to that question.

Mr FREEMAN: As mentioned, expenditure on native title claims management is largely dependent on the number and type of claims received by the National Native Title Tribunal. Since the Waanyi High Court decision in February this year, the National Native Title Tribunal has accepted all claims except those over current private freehold land. There has been no effective threshold test for the acceptance of native title claims, and therefore the large increase between last year and this year. I think that that is best demonstrated by a map. With the Minister's agreement, I can make that available to the Committee. This is a map of the current claims over Queensland.

The Aboriginal and Torres Strait Islander land claim system, which is the computerised system that the Minister mentioned, will allow us to develop a tenure history picture of the entire State. This will allow us to be very pro-active and actually identify where native title may exist prior to a claim being made. Tenure histories are important as they allow us to assess whether native title is an issue and therefore allow us to get on with development projects or freehold of leases. Native title may also be extinguished by inconsistent lawful use, public works, or loss of connection with the land; so it is not only a tenure history issue, but it will give us a good indication. Where native title is considered to be extinguished, based on legal advice from Crown law, dealings in land and development are approved to continue—so we are progressing the State at this stage. The tenure history will greatly assist the efficient operation of claims.

The CHAIRMAN: Thank you. The Committee will receive the document titled "Claim activity under native title legislation in the State of Queensland as at 20 September 1996."

Mr MALONE: On page 11 of the MPS I note that the south-east Queensland regional forest assessment will commence by the end of the financial year. Can the Minister assure the Committee that sufficient funds have been allocated to get that important work under way?

Mr HOBBS: This is a very important question. I'll be taking a submission to Cabinet in the near future dealing with Queensland's approach to the Regional Forest Agreement process, and for Government to determine its position for negotiations with the Commonwealth Government. The Regional Forest Agreement process can lead to much-needed resource security for the timber industry while securing an appropriate balance between forest use and environmental considerations. The budget has made provisions for an injection of \$1.3m this year to commence the RFA process with the Commonwealth agreeing in principle to provide an equivalent amount.

It is expected that tremendous marketing benefits will flow to the industry following

completion of the RFAs through certification and labelling processes now under development. Queensland department officials have held discussions with their Commonwealth counterparts to establish detailed proposals for the Queensland Government to consider in order to participate in the process. I have endorsed the continuing role of the Queensland Forest Working Group in advising Government on Queensland's RFAs. The group is widely representative of all major stakeholders in the forest policy area. Queensland proposes to undertake RFAs in south-east Queensland bioregion and will be discussing with the Commonwealth a second RFA in cypress pine regions as a priority.

I think it is very important to add a few things to this, and that is that there has been a lot of talk about the 15 per cent, that in fact this State Government is signing off on 15 per cent, and that we are going to do the wrong thing by the people who live in those timber towns particularly. That is far from the truth. The 15 per cent is really only an indicative figure that the Federal Government has used. There is great flexibility in there. Minister John Anderson has made

it quite clear to us that in fact considerations of socioeconomic activities in the area or needs and also biodiversity means that that figure in many instances will not possibly be attained.

So there should be no fear out there in the public arena in relation to any agreement we do with the Commonwealth. The simple facts of the matter are: they are putting up half of the money—we are happy to accept their money any time—but we are going to make sure that we are not going to be hobbled or led into something that will in fact be to the detriment of our rural towns, particularly our timber towns.

The CHAIRMAN: Thank you, Minister. There being no further questions, that concludes the examination of the Estimates for the Minister for Natural Resources. I thank the Minister and the portfolio officers for their attendance. The hearing will now adjourn until 4 p.m. when the Committee will examine the portfolio of the Minister for Mines and Energy.

Sitting suspended from 3.40 to 4 p.m.

MINISTER FOR MINES AND ENERGY**IN ATTENDANCE**

Hon. T. J. G. Gilmore, Minister for Mines and Energy

Dr R. Day, Director-General, Department of Mines and Energy

Mr K. Gluch, Acting Deputy Director-General

Mr R. O'Hara, Acting Director, Energy Monitoring and Regulation Division

Ms M. Worthy, Acting Director, Administration Division

Mr P. Chard, Manager, Finance and Property

Mr K. Hillless, Chief Executive, Queensland Transmission and Supply Corporation

Mr Alan Gillespie, Chief Executive, Queensland Generation Corporation

Dr P. Dent, Director, SIMTARS

The CHAIRMAN: The hearing of Estimates Committee E will now resume. The next portfolio to be examined relates to the Minister for Mines and Energy. I remind members of the Committee and the Minister 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 ring two minutes after an extension of time has been given. Three chimes will ring at the conclusion of each 20 minute block.

The Sessional Orders require that at least half the time is to be allocated to non-Government members. The Committee has agreed that the first 20 minutes of questions will be from non-Government members. For the benefit of *Hansard*, I ask witnesses to identify themselves before they answer a question. A resolution to grant leave to members other than Committee members to ask questions has been made by the Committee.

I now declare the proposed expenditure of the Minister for Mines and Energy to be open for examination. The question before the committee is—

"That the proposed expenditure be agreed to."

Minister, would you like to make a brief introductory statement? If so, the Committee requests that the length of the statement be a maximum of two minutes.

Mr GILMORE: Chairman and members of the Committee, I am ready with officers of my department and officers of the two GOCs that fall within my portfolio to respond to questions about the budget for 1996-97. Before receiving questions, I would like to take the opportunity to mention briefly some of its most important features.

Critical to our whole approach to spending in the coming year is a determination to identify and promote the core functions of the portfolio—what Mines and Energy is or should be all about. Budget initiatives which will help us to achieve this include the following: coalmining safety and health

legislation, including the implementation of the recommendations of the Warden's Report into the Moura No. 2 accident; a gas strategy, including the construction of pipelines from south-west Queensland from Wallumbilla to Mount Isa; additional funds for the continuation of the AIRDATA initiative and GEOMAP 2005 to update the Queensland geoscientific database and overcome a lack of geoscience information; the Pacific Resource Information Centre, or PRINCE, will provide industry with access to geological data to encourage mineral exploration in Queensland; ground work for the establishment of a competitive electricity market in Queensland through the work of an industry task force and the implementation of options arising from this study; positive measures to reduce greenhouse gas emissions in Queensland; an amended Solar Hot Water Rebate Scheme to remove unfair anomalies that existed in the previous scheme; and the transfer of responsibility from the Alternate Energy Demonstration Scheme to the Queensland Transmission and Supply Corporation.

I invite members to address questions to me. Those requiring detail which I cannot provide will be referred to departmental and GOC staff. I look forward to answering questions fully and frankly.

The CHAIRMAN: Thank you, Minister. The first period of questions will start with non-Government members. I acknowledge the Honourable Tony McGrady.

Mr McGRADY: Minister, I note on the list of officers in your department that there are about eight officers who are in acting capacities. When is it your intention to bring some stability to the department by announcing who the directors will be?

Mr GILMORE: The positions at the director level in the department were recently advertised, and the applications for those have closed. The procedures now for interviews and so on will take place in the very near future. All of that is in train and it will be resolved as quickly as can be within the departmental structure.

Mr McGRADY: I understand you have employed Ernst and Young consultants to assist in this process. Can you tell me the cost of this little exercise?

Mr GILMORE: It is \$88,000.

Mr McGRADY: That \$88,000 is for interviewing—

Mr GILMORE: No, I am sorry. The member has a misunderstanding of the audit process that is going on in the department.

Mr McGRADY: I am referring to the position of assistant directors in the department and the appointment of directors. That is all I am referring to at this stage. I would like to know how much you are paying Ernst and Young for assisting you with the interview and appointment of the directors. Do you not have a figure?

Mr GILMORE: We do not have a figure. We will take it on notice.

Mr McGRADY: The point I want to make is that the normal process would be that, if the contract

is worth more than \$10,000, you would call for three companies to bid. Was that done?

Dr DAY: It would be less than \$10,000.

Mr McGRADY: I will put that one on notice. I would like to know how much it cost. Minister, I refer to the issue of reticulated power north of the Daintree and I also refer to the decision of the Queensland Parliament on 15 May. Could you inform the Committee of the status of that issue? Have you made a decision? If not, when are you likely to make a decision?

Mr GILMORE: I would like to inform the Committee that the decision has never been any different. I have been continuing with the planning process in respect of that in so far as the resolution of the Parliament did not offer any prohibition to my continuing with the process for power north of the Daintree. That has been continuing. I am very pleased to be able to tell the Committee that that planning process is pretty well complete. Some of the numbers that have come out of that will be of interest to the Committee, I am sure.

It seems that the previous considerations for power north of the Daintree were somewhat skewed in so far as there were offers of power to people north of the Daintree for an overhead scheme of about \$24,000 per lot. For underground, it was said to be about \$46,000 per lot. Our current calculations for a hybrid scheme, which involves some overhead and some underground, range from \$8,300 per lot. That is predicated on the connection of 1,025 customers over a 40-year period. For the connection of 620 customers over the same 40-year period, the same capital cost of connection per customer will be \$13,800.

The way that will be charged out, as I understand the way our calculations are running at the present time, is that there will be a capital payment by the corporation and an initial capital payment by the customer. The customer in the first instance would pay \$4,150 and so would the corporation. In the second instance, the customer and corporation would put up capital of \$6,900 each per connection. The annual customer charges for that will probably come under a new regime of customer access which is line rental, which amounts to about 10 per cent of the cost. It works out at \$830 per year in the first instance or \$1,380 per year in the second instance. As the Committee can see, the figures are considerably different from those originally proposed. If we go back to the connection assumptions prior to the change of Government in 1989, the overhead scheme to Cape Tribulation was calculated at \$7,300 per lot.

Mr McGRADY: As you said, those figures are based on two lots of figures. When would you anticipate the larger group of people to be satisfied?

Mr GILMORE: As I said, it is predicated on connections over a 40-year period. We would anticipate that 40 years would see generational change and there would certainly be just over 1,000 lots connected within 40 years.

Mr McGRADY: So you would anticipate a large influx of people into the Daintree?

Mr GILMORE: I do not.

Mr McGRADY: You do not?

Mr GILMORE: I anticipate that the 1,000 blocks there will be taken up over a 40-year period.

Mr McGRADY: I would like to refer to the questions on notice and some of the answers which we received from you. I note the answer to question 3 about the use of travel by the director-general. In particular, in the seven months that the former director-general was employed in that position, his travel costs amounted to \$1,898.19. The incumbent's costs for five months amounted to \$17,582. Could you explain to the Committee the reasons why there is such a large difference in the travel costs of the two directors-general?

Mr GILMORE: I can only presume that the director-general has been travelling for the greater part with me attending conferences in Sydney, Adelaide and other places. I will ask the director-general to comment.

Dr DAY: Most of this travel has been in connection with the National Grid Management Council activity. I took a personal involvement in that from the time I took up the appointment. I have amounts listed for travel to Melbourne, and from Brisbane to Adelaide on more than one occasion, including the travel to the sign-off for the joining of the market. I travelled to Adelaide in connection with ANZMEC.

Mr McGRADY: The point is taken. Do you anticipate that this level of travel will be maintained?

Dr DAY: At the present time, we do not have a detailed budget for travel. However, there is every likelihood, given the gas reform activity and the electricity reform activity, that either myself or some other senior departmental officer—perhaps the deputy director-general—could well be involved in just as much travel.

Mr McGRADY: The answer given to question 4—could you reiterate that that is the correct answer?

Dr DAY: I would like to ask what the Honourable Tony McGrady is actually asking in this instance. I thought the answer was perfectly clear.

Mr McGRADY: That is fine. I just wanted to give you the opportunity to say that there was one trip and the costs were not met by the department, so you have reiterated that.

Dr DAY: I would like to ask what the questioner means by "trip".

Mr McGRADY: The question that was asked was: was it travel? The answer is that the person in question accompanied you on one trip to Darwin; however, the cost of the trip was not met by the department. I am simply asking the question: are you reiterating the answer?

Dr DAY: I was just seeking clarification.

Mr McGRADY: Yes or no—is that answer correct?

Dr DAY: I think that a trip to Darwin was a trip that is indicated there.

Mr McGRADY: So there has only been one trip?

Dr DAY: One trip.

Mr McGRADY: Minister, I refer to the next page of the questions on notice, where we refer to the VER. Could you tell the Committee: when the repayment was made, whereabouts is that entered into the finances of the department?

Mr GILMORE: Say again, please?

Mr McGRADY: You say here that when the director-general was re-employed, a pro rata amount of the VER which he received was repaid. Could you tell the Committee into which funds that pro rata amount was entered?

Mr GILMORE: No, I could not, but I can defer to the director-general. He made the payment. I am more than happy for him to answer that.

Dr DAY: That amount would have been refunded against the payout for VERs.

Mr McGRADY: The next one I want to refer to is regarding the breakdown of STD and ISD calls. Could I put a question on notice and ask that question regarding the director-general's office?

Mr GILMORE: I thought we had provided that.

Mr McGRADY: I thought it was the home.

Mr GILMORE: Sorry?

Mr McGRADY: I thought the answer was "the home of". I was more interested in "the office of".

Mr GILMORE: That is the office.

Mr McGRADY: Sorry, the home, then.

The CHAIRMAN: Could I just clarify that? The question you have asked here is "of the office", and you now——

Mr McGRADY: I was of the opinion that the answer related to the home. That is the office. I would ask for the figures for the home.

Mr GILMORE: Could I ask why you want to intrude into a person's home?

Mr McGRADY: I do not think it is. The department is paying the costs.

Mr GILMORE: I am not about to provide that.

The CHAIRMAN: Could I just clarify that?

Mr McGRADY: That is all right; I will get it some other way. That is fine.

The CHAIRMAN: Unless this is directly involved in the officer's package and it is shown here, then I think it is really delving into his private affairs. I do not think that is really the job of this Committee.

Mr GILMORE: I don't believe it is relevant to the debate.

Mr McGRADY: I will do it somewhere else, then; that is fine. Minister, the previous Government made changes to the royalty regime in Queensland, and as you know, new coal arrangements came into force on 1 January 1994. Part of the deal was that there would be a mid-term review some time in 1997. Do you propose to make any changes to the coal or the metalliferous royalties—and I am not referring to

the gemstones or marble or anything else; I am simply referring to coal or metalliferous royalties.

Mr GILMORE: It is not a matter of determining whether I intend to make changes, but I do intend to review very carefully and have a look at the changes that were made by the previous Government. When I came to this job, it was reported to me by a number of people on several occasions that the finalisation of the royalty arrangements which were brought in by the previous Government were rushed, were ill-considered and had some areas in them which were fairly difficult and certainly did not represent—in my view, anyway—what is required by a decent and properly put in place royalty regime. I am therefore going to look fairly carefully at how this thing is structured. If amendments are required, then they will be made after full and proper and careful consideration, as opposed to the previous process.

I said at the time and I still bear some concern about the royalty proposal in terms of the downstream processing. I believe that the previous Government got it wrong in so far as they lost sight of the fact that if Governments are going to indulge themselves in somehow or another encouraging downstream processing or other processing or manufacturing processes, then they ought to do that as a single line item in the Budget and they ought not to mix them up with the royalty regime, because as soon as you do, then you disadvantage other people who are paying royalties within the State. It is automatic and it cannot be avoided. It is for those reasons that, yes, I am going to have a look at the royalty regime. That does not mean that I am going to change it or going to be able to change it, because people have made their choices within the structure—they had to make that choice, if you recall, on 1 April 1996—and having done so for a period of time, then they are locked into a royalty arrangement, and that gives me some time to properly and carefully assess the royalty arrangements for this State.

Mr McGRADY: The next question may be a little bit outside of your portfolio——

Mr GILMORE: In that case, don't ask it.

Mr McGRADY: I am sorry, I missed your comment.

Mr GILMORE: Go for your life.

Mr McGRADY: The reason I am asking it is because you refer to it in your profile here. It is regarding rail freights and your statement about the Carpentaria/Mount Isa mineral province. You say that there are still some negotiations taking place about rail freights with QR. I ask: what is your view on more competitive rail freights for the new mines coming into operation, and could you see those new rail freights disadvantaging the present major mine which exists in the north west? If so, do you think that would be fair?

Mr GILMORE: I thank you very much for that question because it indicates one of the problems that I have with the royalty regime and the previous rail freights changes that were brought in by your Government, that is, that the rail freights for new mines in the coalmining industry, for instance, clearly

prejudice older mines in the system. Now you are suggesting that maybe I ought to bring in something that does not prejudice the position of older mines, and I agree with you. I do not believe that any changes of that kind ought to have a deleterious effect on existing people in the operation, but there are two sections to that. First of all there is the rail freights in respect of the export of the product of mines from the north west province, of course, and Queensland Rail, as part of their corporate charter, have got to do things in a commercial sense. As we go into this more competitive world, of course they are going to be required to do so, and I will be more than keen to see the outcome of the deliberations and negotiations between whoever it is who is responsible and, of course, my parliamentary colleague, for whom I cannot speak.

There is the other area, of course, and that is the rail freights charged on coal, and of course they are going to be considered very carefully in view of the fact that we are going to a gas—

Mr McGRADY: I am not referring to coal.

Mr GILMORE: No, this is coal to the Mica Creek Power Station. There was a rail freight anomaly there which has to be addressed as that power station switches over to gas, and it certainly will be addressed.

Mr McGRADY: I will come to Eastlink. I understand that you have been advised that the total cost of the original Eastlink proposal was \$300m. I further understand that you have been informed that the cost of Eastlink Mark II will be between \$350m and \$450m and the reason for that massive increase is the re-routing of the line in Queensland. Could you confirm that?

Mr GILMORE: No, I cannot confirm that for a number of reasons. First of all, we are not going to have corridor determination before January/February of 1997. It is being carefully considered at the present time. There are a number of reasons, of which you are fully apprised, for the change in direction from the original Eastlink proposal. This new interconnector is going to traverse between the point of crossing the Queensland/New South Wales border somewhere west of the Beardie Substation and wherever possible Crown lands, that is, Crown forestry reserves and others, as it goes up through the middle of the coal resources in that western end of the Darling Downs.

Certainly, it is going to be longer than the original proposed powerline because the Eastlink proposal of course swung east and this one is virtually going north, but we have not determined exactly because there are two or three options that are available to us. It will be longer and it will certainly cost something more, but we do not know how much.

Mr McGRADY: Will it be \$50m?

Mr GILMORE: It could be \$50m.

Mr McGRADY: Will it be \$100m?

Mr GILMORE: I cannot speculate on that because I do not know. What we do know is that the cost of export of power south of the border will be

cheaper via this powerline because we are talking about a bigger interconnector, so there are some balances in the extra cost. The major balance, of course, is the strategic location of the powerline, which gives real opportunities for the first time for coal producers in the southern end of Surat and around Millmerran to actually tender into the next process for generation of power for the interconnected Eastern State Grid. I think that whilst there are some capital up-front costs associated with this, the offsets in the long term far outweigh the cost.

The CHAIRMAN: The time for the non-Government members has expired.

Mr GILMORE: Excuse me, Mr Chairman, the director-general would like to clarify a point that was made previously. If he could have a couple of seconds to do that?

The CHAIRMAN: We can do that.

Dr DAY: The reason I was asking for clarification of what was meant by "trip"—because if the question had been, "What conferences did my wife accompany me to?" the answer was that there was one to Darwin and one to the Gold Coast. I did not consider an hour's drive to the Gold Coast a trip. However, that is something that I wish to place on record in answer to that particular question.

The CHAIRMAN: Minister, page 13 of the Ministerial Program Statements mentions that electrical safety will be enhanced through auditing and enforcing of standards in the electrical supply industry. With the ongoing changes in the organisational structure of the Queensland electricity industry, will the Government ensure that a high standard of electricity safety is maintained?

Mr GILMORE: Quite clearly, electrical safety is absolutely fundamental to the exercise of the department's regulatory responsibilities in relation to the electricity industry—absolutely fundamental. As a Minister, I am totally committed to ensuring that the absolutely highest levels of electrical safety are achieved and maintained not only for the electrical workers in the industry but also consumers and, of course, the general public and consumers' children. The department's Electrical Safety Branch is continuing to work with the electricity supply industry, the electrical contracting industry and community groups to monitor present standards and develop strategies for attaining the highest possible level of electricity safety in Queensland.

Mr MALONE: Page 15 of the Ministerial Program Statements mentions increased funding for community service obligations. With the introduction of a competitive electricity market in Queensland, will electricity customers in rural areas pay more for electricity than customers in the city?

Mr GILMORE: The Queensland Government is absolutely dedicated to tariff equalisation, as was the previous Government and as was the Government prior to that. The reason for that, of course, is—for those people who read the record of this—that people who live remote from generators in the State ought not to be prejudiced or in some way disadvantaged because they live remote from

generators, so for a number of years now we have equalised tariffs in this State, and this Government will continue that.

In this year, there will be some \$83.5m paid for tariff equalisation payments in this State by way of subsidy to the electricity industry, and we are rather pleased and proud about that. But in terms of continuing that—the community service obligations—in a competitive market, that in itself is a far more difficult thing, as was realised by the previous Government when they tackled the same question. Nonetheless, we have in place a reform task force made up of a number of people who are looking very carefully at a number of issues, whether they be statutory or regulatory or structural, within the electricity industry. One of their quite specific terms of reference relates to tariff equalisation. They have been told that tariff equalisation is simply not negotiable and people who are remote from those generators will not be disadvantaged by our entry as a State into the competitive market.

The CHAIRMAN: I have a supplementary question. If we are looking at Hilmer, or wherever we might be going in these general directions, if that is the policy of Government—and I am not trying to draw out policy, I am just interested to see how that would then work—would there then be a requirement to show that as a cross-subsidisation to other consumers?

Mr GILMORE: As part of our arrangement with the national electricity market, we are entitled as a Government to make derogations from the code—from the structure. We will be making those derogations wherever we need to to ensure that our policies, particularly in relation to remote people, will not be cast aside because we just happen to be going into this competitive interconnected market. We intend to do that and we will be approaching the appropriate authorities in good time to make these derogations so that there is no disadvantage.

The CHAIRMAN: Could there be an analogy with transport services in the city? Basically, unless they are going to be charged at cost, then a similar situation would apply.

Mr GILMORE: I think that is one of the reasons that city people in Queensland who have known about tariff equalisation for all of the 17 years or so that it has been there have never been concerned, because generally Queenslanders are fair-minded. The country people recognise that there is \$100m a year or so which goes into direct subsidy to rail fares in this city alone. Of course, there is more subsidy that goes on council bus fares and so on and so forth. So it is a little bit of a recognition of different horses for different courses, and the recognition of the need of rural people, particularly remote rural people, to get electricity at reasonable prices is common. People just accept that. I think it is just one of those sacred cows of Queensland at the present time. It has become an icon and rightly so, and we will continue it.

Miss SIMPSON: Minister, in relation to the Energy Program, the Program Statements mention that the department will proceed to develop access principles for gas pipelines. Could you tell me what

steps the Government has taken to promote and facilitate the use of natural gas by consumers in centres outside the Brisbane metropolitan area? When is it expected that gas reticulation systems will be available in these centres?

Mr GILMORE: That is a very good question about a very exciting subject. Of course, gas reticulation outside the Brisbane metropolitan area is a fairly new concept. Going back to 1995, as we came into the election, one of our policies was that we were aiming towards a gas grid right across the State. We figured that that was some kind of a futuristic view but something that we could aim for. But it appears that it is unfolding before our very eyes. We have now granted franchises in both Gympie and the north coast, which is very exciting indeed. I notice that Miss Simpson is smiling and very pleased about that. We have got applications in for Bundaberg. We have called for expressions of interest for Maryborough and Hervey Bay. I think that is an accurate statement. I will just check the details to make sure that I have not misled you. Applications have been received for Bundaberg and Mount Isa. I have actually advertised for Maryborough and Hervey Bay for expressions of interest because I think it is very important. What that means is that, somewhere down the track—probably within three years—we are going to have reticulated gas into each of those domestic areas. I think that is great, because it also provides gas for industrial use, which is important. It also provides gas and electricity competition and gives a real choice for consumers as to what energy source they use.

The other side of that is that, as a result of calling for these expressions of interest for Bundaberg and so on, we are likely to get a pipeline interconnection between Gladstone and Brisbane. Whether that goes from Gatton across to Gympie and then up, or whether it comes down from Gladstone and interconnects into the northern suburbs of Brisbane, it will hook into the Roma to Brisbane pipeline at some point. That will close the link. It will then make the coal bed methane easily and readily available in Brisbane. So by encouraging this process we are growing the gas distribution industry. We are growing the prospects of a new industry in Brisbane and Gladstone and all of those coastal towns. I think it is a very exciting time that we are facing in Queensland, and one that I am driving as hard as I can.

The CHAIRMAN: Page one of the Ministerial Program Statements refers to the priority given to the capture of geoscientific data through airborne surveys, and that \$1.5m will be provided annually for the next three years. The DME spent \$3.5m over the past two years on acquiring this data. What can be shown for it? I remember flying over those areas with the Premier, and he was telling me about that. That must have been in the early eighties. I will be interested to hear what you have to say about it.

Mr GILMORE: Over the years there has been some question posed by people who do not necessarily know about the causal link between AIRDATA acquisition and geoscientific information and an increase in exploration and, ultimately, new

discoveries. The previous Government started the AIRDATA initiative. There was, of course, a very large geophysical gathering system by the Government prior to that. But everybody who knows accepts that AIRDATA acquisition is the modern technological way to go about the business of collecting geophysical data so that, by providing that data to industry, you can stimulate exploration in areas that were previously not considered to be highly prospective. In fact, that has happened fairly recently. We estimate that returns to the State's economy from Stage 1 of the AIRDATA initiative are about \$145,000 per annum just from exploration permit rentals. That is a 57 per cent increase. So it is a very worthwhile investment in the future mining potential of this State. Of course, from that flows jobs, royalties, export earnings and employment. So it is pretty exciting stuff. We believe that there are going to be many more discoveries such as the ones near Monto that have come from this AIRDATA acquisition program which has been seen to be very successful.

Mr MALONE: Minister, the Ministerial Program Statements place emphasis on the acquisition of geophysical data within the Geological Survey Division. Given that DME has a 12-year program to update geoscientific information, what projects have been completed?

Mr GILMORE: We do have a 12-year program. It is designed to ensure that none of the data that is provided is more than 20 years old by 2005. So that is a broad updating of the geological database for the whole of the State. But reports and maps of the completed north Queensland project, which takes in the region from Cape York to Charters Towers, will be published in 1996-97. This project has covered the highly prospective mineral provinces where new mines have been discovered by exploration efforts utilising this new geophysical information, which was released by the Geological Survey Division and its collaborative partner, the Australian Geological Survey. It is interesting to note that Governments all over the country are recognising the vast benefit of this. I think the experience in South Australia was probably the most current whereby they had this enormous increase in exploration. They had an enormous increase in exploration where there was very little exploration going on at all. They spent a bit of money on AIRDATA acquisition, put some new maps out into the street and, all of a sudden, they had an enormous increase in exploration and discovery. Victoria is now going the same way. I believe that Queensland will continue down that track, because it is very important. It is simply an investment in the future for the mining industry in this State.

Miss SIMPSON: Minister, I refer you to page 12 of the Program Statements under "Energy Innovation". I know that a bit has been said about solar incentives, but with regard to the Domestic Lighting Efficiency Scheme and the Commercial Lighting Efficiency Scheme, what sort of practical assistance is available to people? I do not know the full details of those schemes.

Mr GILMORE: Could you ask that again, please?

Miss SIMPSON: Under "Energy Innovation"—the Domestic Lighting Efficiency Scheme and the Commercial Lighting Efficiency Scheme—would you be able to outline what these schemes are actually offering?

Mr GILMORE: Those schemes were part of the initiatives of the previous Government which were introduced and managed by the Office of Energy Efficiency. Of course, a number of those initiatives were considered by me and my Government to have been pretty dodgy—to say the best of them—expensive to operate and of doubtful value, so they were cancelled. They are no longer in existence. But just to cover the ground with them—I have previously stated in the Parliament that the domestic lighting scheme was costing \$50 for every application for a \$5 light bulb. I could not persist with that. I did not believe that it was good management to do so. The commercial lighting efficiency program is a real doozey. I think it is important the Committee understands the reason it was closed down.

The Commercial Lighting Efficiency Program in 1995-96 cost some \$52,000 to administer. Included in that was \$24,000 in printing and advertising and the rest was spent on wages and other things. There were four applications, and they gave away a total of \$952. It cost \$13,250 to administer each of four applications under the Commercial Lighting Efficiency Program. I have no compunction whatsoever about closing that down, because I believe that it was a program that wasn't justified, was unjustifiable, and in fact was vastly expensive for very, very little output. That is the kind of reason why I closed that down.

In terms of the compact florescent lights—there were 222 rebates, which totalled \$12,500. Each of those payments, as I said earlier, cost the Department of Mines and Energy \$50 to process. You can understand that those programs in anybody's view were inefficient, ineffective and are well gone.

The CHAIRMAN: On page 18 of the Ministerial Program Statements it is mentioned that the first phase of the upgrade of the MERLIN 2000 initiative was completed. What are the major benefits of the MERLIN 2000 project?

Mr GILMORE: The MERLIN project is one of the very great successes of the Department of Mines and Energy in this State. It is an on-line information service for industry, for the department and for all of our customers. Of course, it is being updated all the time to make sure that it provides the right information to those people who choose to interrogate the system. The department's mineral and energy resource location information network, that is, MERLIN, is an initiative to develop and implement a corporate information system that integrates all computerised, non-confidential departmental mineral and energy resource information. The major objective of the MERLIN 2000 system is to provide a consistent, current, Statewide coverage of timely information to assist in tenures management, exploration targeting and competing land use decision making. Computing and communications infrastructure established for MERLIN 2000 will

encourage communication between staff throughout the State. The availability of timely and quality information will assist staff to perform their jobs more effectively, improve decision making and make it easier for clients to obtain information.

I have recently had some discussions with local government in central Queensland. I have had some discussions with the Minister for Local Government and the Minister for Natural Resources that we might utilise the natural resources database on lands, the MERLIN operation and any other databases that are available to Government to develop and provide a resource and cadastral information system for the Central Highlands so that local government can utilise all of that information as a planning tool in the Central Highlands in particular where we have those very large coalmines developing and impacting on local infrastructure. So I am working towards that at the present time. It is going to take a little while to get up, because it is a matter of getting interdepartmental agreement and the funds available and that sort of thing, but I think it is a very great initiative and it is one that I am pushing very hard. We'll be utilising the MERLIN resource for that particular project.

The CHAIRMAN: The time allocated for questions by Government members has now expired. I call the Honourable Tony McGrady.

Mr McGRADY: I refer to an article in *Electricity Week* dated 9 September 1996, which states—

"Austa Electric will eventually be privatised according to company chief executive officer Alan Gillespie. 'That's the way the market is developing'"

Could you tell the Committee whether that is the view of the Queensland Government? If so, how does that compare with the resolution that was carried on Saturday at the Liberal Party convention, where I understand some concerns were expressed about privatisation of the electricity industry?

Mr GILMORE: I thank you very much for that question. I think it is a very good one and timely indeed. Of course, Mr Gillespie is entitled to his opinion. Unlike the previous Government, we do not come down hard on people who express their opinions; we allow them to do so and we are quite pleased to think that we have innovative people working for us. Nonetheless, that was a personal opinion expressed, and it certainly didn't cover Government policy.

The electricity industry, as you know, is undergoing enormous cultural upheaval right around the world. We have seen what has happened in Victoria. There have been sales of major utilities. New South Wales has a whole new structure in its electricity industry, but it is not going to privatisation. As I said earlier, we are currently going through the process of restructuring the electricity industry so that it can fit properly, legislatively and in a corporate sense within the structure of a new competitive electricity market. All of this upheaval and dynamism within the electricity industry are, of course, promoting and provoking thought and ideas.

The whole place is very dynamic. So, of course, all of those things are being tossed around from time to time, but it does not represent current Government thinking. We are not heading in that direction in the least little bit.

Mr McGRADY: So the bible of FitzGerald is null and void?

Mr GILMORE: I am sorry?

Mr McGRADY: The Commission of Audit—the recommendations of the million-dollar report.

Mr GILMORE: I thank you for the second question. I think it would be delightful if I might answer that question. Might I answer that question?

Mr McGRADY: It is just in passing.

Mr GILMORE: Mr Chairman, I would like to answer that.

Mr McGRADY: I turn to the Chalumbin-Woree power line. When the coalition came into office, it changed the plans at a cost. Could you tell the Committee whether, following your instructions to Powerlink, Powerlink have to meet those additional costs, or is that considered to be a community service obligation? If such, where does that appear?

Mr GILMORE: I thank you very much for that question; it is one that I was hoping to have raised and I am rather pleased that you did. You would be aware, and I think members of the Committee would be aware, that there was something of a philosophical difference about the way that ought to be structured prior to the 1995 election. It was broadly discussed at that time that we anticipated that the cost of actually putting that powerline underground for that 2.8 kilometres would be around about \$12m over and above the estimated cost of the proposal that you as Minister had put in place. So once we came to Government, of course, that was a matter of some discussion.

What fell out of that, of course, was that the Wet Tropics Management Agency had made a decision not to allow the powerline to go around the southern link around the bottom of Edmonton and back up through the wetlands, because of the impact on the Wet Tropics management area. It was no longer an option to go that way; therefore, the cost of the construction of the underground section will be picked up as a normal part of the operation of Powerlink in this State, in the same way that they would pick up the cost of any other powerline. I think that answers it sufficiently.

Mr McGRADY: So it is back to the future. Following the CJC report into toxic waste, there was some criticism levelled at departmental officers about their accepting gifts and travel and other such things. Following that report, the previous Minister immediately instituted a register for gifts and hospitality. The director-general had to secure approval from the Minister and so on down the line. Could you tell me whether that system is still in place and if a register is still kept?

Mr GILMORE: No, I can't tell you that, because I just do not know.

Mr McGRADY: Could I ask the director-general?

Mr CHARD: There is a gift register maintained in accordance with the Financial Administration and Audit Act.

Mr McGRADY: No, I am not talking about gifts; I am talking about allegations that were made that officers of the department received hospitality and other perks, to use that expression. I immediately instituted a register. I also introduced a policy whereby the director-general sought permission before he accepted hospitality and other officers sought approval from the persons they report to. That has obviously been cancelled; is that right?

Mr GILMORE: If I might answer that? I was not even aware that you had done so.

Mr McGRADY: I am sure you were not.

Mr GILMORE: Let me assure you that the Criminal Justice Commission does not operate within the halls of my department.

Mr McGRADY: So what you are telling me—

Mr GILMORE: No, it is my turn to answer.

The CHAIRMAN: Is there a line item that you are working to? I have given you a bit of latitude.

Mr McGRADY: I have the answer I required. It is quite apparent to me that it has been cancelled. Is that right?

The CHAIRMAN: No, the Minister did not say that.

Mr GILMORE: I am assured by my departmental officer that there is a policy of conflict of interest for departmental staff, which is being maintained, and I do not have a problem with that.

Mr McGRADY: What I am saying is that there has been a deliberate decision made to discontinue the practice which operated for some time.

Mr GILMORE: I do not believe that is so. I just did not even know it existed.

Mr McGRADY: As I said before, I do not believe you did, but I certainly know that senior officers in the department knew it existed. Somewhere along the line, that practice has been discontinued.

Mr GILMORE: I do not mind that it has been discontinued, to be frank about it.

Mr McGRADY: That is fine.

Mr GILMORE: Are you suggesting that I have got a corrupt department or that officers of my department—

Mr McGRADY: No, I did not say that at all. I asked a question.

Mr GILMORE: I defer to Ken Gluch, the deputy director-general. He can answer the question.

Mr GLUCH: That process is no longer maintained. It was determined that with the code of conduct that is in place and the ethics that we are now required to comply with, there was no need for it—that senior officers have that ethical code that they must comply with and that was sufficient.

Mr McGRADY: Mr Gluch, who determined that?

Mr GLUCH: That was determined at the time of the change of Government. It was not brought to the Minister's attention.

Mr McGRADY: No, I knew it was not. Could you tell me who determined the change in policy?

Mr GLUCH: It was determined by the board of management of the department.

Mr McGRADY: From the acting director-general down?

Mr GLUCH: Yes.

Mr McGRADY: It is nice to know. Minister, I refer to the State gas pipeline unit, which has been disbanded, and in particular the former director of that unit. I know that that person signed a retrenchment package with the previous Government. Could you tell me if that package which he signed was—

The CHAIRMAN: I am just not too sure where you fit this one in under the line items.

Mr McGRADY: The State gas pipeline unit was disbanded. The Minister refers to it in the documentation. All right?

Mr GILMORE: It is in the budget papers.

The CHAIRMAN: All right.

Mr McGRADY: Minister, you or maybe the director-general could answer this one: could you tell me if the package which was agreed to with the previous director-general and the previous Government—it was a Cabinet decision, by the way—was changed in any way at the change of Government?

Mr GILMORE: Bob, you can answer that if you can, or if you cannot, we will take it on notice.

Dr DAY: I would prefer to take that on notice because I am not aware of the details of the payments that were made to State gas pipeline former employees.

Mr GILMORE: We will take it on notice. We just do not have that detail here.

Mr McGRADY: I also refer to another former employee of the same organisation. I understand that the deputy accepted a VER but now is hired each 28 days. He still works for the department; is that the case?

Mr GILMORE: I cannot answer that.

Mr McGRADY: Mr Shearer? Does Mr Shearer work for the department? Do you know?

The CHAIRMAN: Do you want to take that on notice?

Mr GILMORE: Would anybody like to have a shot at that one?

Mr O'HARA: Garnet Shearer is not employed by the department. Some consideration has been given to employing him on a casual basis. He holds quite specific skills which are quite difficult to acquire and some discussion has proceeded in that direction. At this stage, he has certainly not commenced any employment with the department.

Mr McGRADY: So he does not do any work at all for the department?

Mr O'HARA: Not at this time.

Mr McGRADY: Minister or the director-general—whoever—you referred before to the contract to Ernst and Young and you mentioned \$85,000. I understand that was the work for the reorganisation of the department. Could you tell me whether any invitations were extended to other consultants for that particular work? That is the first question.

Dr DAY: The invitations were not extended to other agencies in view of the urgency with which we wished to implement the proposal by the auditor.

Mr McGRADY: Right. Minister, were you aware of that?

Mr GILMORE: Yes.

Mr McGRADY: I can recall 12 months ago you asked similar questions about a contract of less than \$10,000. We are talking now about a contract which, I understand, is \$95,000—not \$85,000, but I will take your word—and I understand that it was initially for 10 weeks but you have extended it for a further eight weeks. Would that be right?

Mr GILMORE: I cannot answer that.

Mr McGRADY: No, the director-general—

Mr GILMORE: What I can say about the arrangement with Ernst and Young is that it was my understanding quite clearly from my director-general, and he has confirmed that, that due to the urgency of what needed to be done it was within his prerogative to make that decision and he took it.

Mr McGRADY: A \$95,000 contract?

Mr GILMORE: Eighty-five thousand dollars.

Mr McGRADY: Or \$85,000. It was your prerogative? I thought there were certain guidelines set down for Government departments where for anything over \$10,000 you sought three quotes. You can get three quotes within a matter of days.

Dr DAY: There is provision under the purchasing policies for this action to be authorised.

Mr McGRADY: There may be guidelines, but there is a moral question here that a contract—

The CHAIRMAN: Order! You have got your answer. It is not in your jurisdiction to give lectures.

Mr McGRADY: I will pursue that somewhere else. Minister, I refer to an expenditure figure of \$2.36m, which I suspect is for modifications to the building situated at 61 Mary Street. Could you confirm that is correct?

Mr GILMORE: Once again, I will have to defer to the director-general. We have got the detail here; it will just take a second.

Mr McGRADY: To speed things up a bit, I will rephrase the question. Has a substantial amount of money been allocated for the refurbishment of 61 Mary Street?

Mr GLUCH: I can answer that. Yes, there has been an amount of money allocated for refurbishment, including increased lighting and some other—

Mr McGRADY: Could you give the Committee an idea of the amount of money we are looking at?

Mr GLUCH: Not off the top of my head.

Mr McGRADY: Would it be in millions? In excess of \$2m?

Mr GLUCH: No, not that I am aware of, no. It was a carryover of some capital works money from last year.

Mr GILMORE: It appears that we do not have the detail here. We will just take it on notice.

Mr McGRADY: Thank you. Minister, I understand from some of the questions you took from the Government members on the Committee that Dr Day and yourself will be travelling to the United States to look at alternative energy. Could you confirm that that is the case?

Mr GILMORE: Yes. We are not going to look at alternative energy. We are going to the United States; no question about that. In fact, I am going to be asking you for a pair and I hope that you are more than happy to accede to that request.

The reason for the trip to the United States is twofold: I have been invited by Suncor—that is the organisation which is now a partner in the Stuart oil shale with Southern Pacific Petroleum—to have a look at the Athabasca tar sands. You would be aware that they are at Fort McMurray in northern Alberta.

Mr McGRADY: I have no problems with you going to America. I am just saying, are you going to look at alternative energy?

Mr GILMORE: Let me finish the question. I had every intention of going to Los Alamos in Mexico to look at the hot dry rock technology that was in place. Unfortunately, that has been discontinued and, in fact, dismantled so we are not going to go there. We will be looking at the Palm Springs geothermal operation in California. We will then travel across the United States to West Virginia to look at the coal bed methane extraction there, for two particular reasons. We are very concerned at the present time about getting the legislative base right—

Mr McGRADY: Mr Taylor has already been there and done that.

Mr GILMORE: Yes, I understand that Mr Taylor has been there and done that and, as the Minister responsible for the structure of the legislation, I am going with my director-general. I am concerned about multiple land use and the way that the legislation is structured to cover that. You have people on the surface who are farmers, for instance, you have people boring holes looking for coal bed methane and, in some instances, of course, you have coal explorers underneath, trying to recover coal deposits. It is a very multi-tiered, multi-use situation and they have it in place there. We have serious concerns at the present time about the impact on land-holders, particularly up in the Dawson Valley. Therefore, so that we get it right, as we proceed with the legislative change we are going over to have a look at it. Thank you for the question.

Mr McGRADY: I understand that with the Queensland Electricity Reform Unit which you are trying to get into place—and there has been quite a substantial amount of money allocated to it—most of

the officers who were involved in it have either left or are about to leave. My concern is that, unless something is done fairly soon, Treasury will move in and take over the energy side of this portfolio. Do you believe that you are running the risk of having Treasury take over the energy side of your portfolio?

Mr GILMORE: That might have been the case when you were here, but not when I am here, I can tell you.

Mr McGRADY: We will have a bet on that! I refer to an article which appeared in the *Courier-Mail* headed, "Tenders for new power stations placed on hold". I also refer you to some of your comments when in Opposition that the previous Government did know what it was doing and so on. Can you explain to the Committee how you have got yourself in this bind? Would it be fair to say that this Government does not really know what it is doing in the field of future supply for the State?

Mr GILMORE: Very much to the contrary. In fact, if you had bothered to read the article, rather than the headline, you would have found out exactly what is happening. The electricity industry in Australia, as I explained earlier, is extremely dynamic at the present time. We are going through a process of seeing the development of co-generation and new fuel sources at marginal prices. Therefore, it is a pretty exciting time. What we are presently looking at is not necessarily rushing into new power generation in Queensland for a couple of reasons. First of all, with the letting of recent tenders at Townsville and Oakey there is sufficient power within the system to take us through to 2000. The interconnection in September of the year 2000 will take us through to probably 2003 without too much problem. We have sufficient time in which to plan.

It is my view that if we are going to plan properly then we ought to get the legislative and structural base for the electricity industry right in the first instance. That report is not even in yet in terms of the way we are likely to proceed as we go towards an interconnected competitive market. Therefore, the crux of that story was that, instead of doing something precipitate in September or October of this year, it is probably better to be allowed to run out to January/February of next year, which is only a couple of months down the track in any case. It has hardly been put on hold. It is simply part of an evolving process and I said that, if you recall, in the article. These things come and go on a daily basis. It is in a considerable state of flux, certainly we know what is going on, and certainly the power industry is now well and truly under control.

The CHAIRMAN: The time for non-Government members has now expired. Minister, on page 8 of the Ministerial Program Statements, you mentioned the rehabilitation of former mine sites. I have toured with you in some areas of the State and looked at some of these. Some are not all that attractive. In the context of the Budget, what activities will the Government be conducting for the rehabilitation of old mine sites?

Mr GILMORE: Major rehabilitation work at a number of mine sites is continuing. This, might I say, was begun by the previous Government and I

consider it to be a very worthy and worthwhile program.

There has been some filling and capping of pits at Agricola and that will be followed by revegetation. That is scheduled for completion in March of 1997. I will read this to get the detail right. A full rehabilitation strategy in costing is being developed for tailings at Herberton. At Irvinebank, the restructure of the Ibis Dam is about 60 per cent complete, I understand, in the last few days. Forgive me if the number is slightly wrong, but it is in that vicinity. Ongoing rehabilitation work will continue at Mount Morgan, Horn Island and Charters Towers and work will continue at Gympie to locate and repair abandoned mine shafts.

In addition, a departmental database to show the location of all known shafts within the Charters Towers city area will be established. The reason for that, of course, is that we are now seeing that Queensland, being an old mining place, has a number of places such as Gympie, Charters Towers, Bundamba and so on where we are seeing the collapse of mine shafts. The previous Minister will recall that there was a problem at Bundamba when he was the Minister. Houses were sinking and cracking and so on. There was a program put in place at that time to ensure that the people who owned those homes were in no way disadvantaged because of this problem. That commitment, of course, continues. Whether it be at Bundamba, Charters Towers or Gympie, we will continue to make sufficient funds available to ensure that individuals are not disadvantaged as a result of having unfortunately set up their homes on top of old mine shafts.

The CHAIRMAN: To do a bit of exploration in this area, in central Queensland, above Emerald, there is a particular wheat farm, and I am trying to think of the name. There was some publicity about it recently. I know it well; I have been there. There has been subsidence of some sort and you can see the lines of rehabilitation in the wheat crop. Would any of the departmental officers, or perhaps the Minister, comment on that? Do you have any specific knowledge of the sort of problem that has arisen there? Are we, in fact, able to address those problems and is it something that we are looking at in this Budget?

Mr GILMORE: That is a highly contentious and very, very difficult area. The wheat farm that you refer to is, in fact, the largest organic wheat farm in the world, as I understand. It is the largest wheat farm in Australia. It happens per chance to be next door to a very large coal mine and the coal mine lease is a subterranean lease without the surface area applied. The legislation appears not to have anticipated long-wall mining. What happens, of course, is that with long-wall operations, as they take a panel out, the panel then collapses behind the machine. In this particular case, the wheat field, instead of being flat and set-up for irrigation, is suddenly wavy. This particular case was brought before a court only last week or the week before as I understand it. The outcome was entirely unsatisfactory for the wheat farmer and there are some reasons for that, not the least of which is the

compensation that is outlined in the legislation which allows for a one-off compensation payment only.

As you might understand, the wheat farmer does not want to get his compensation in year 1 when there is likely to be a 20-year progression of this mine across the property. The mine is going to destroy the farm progressively. The wheat farmer, given the circumstances of the legislation, has to wait, as I understand it, until the last of the coal is extracted and the last of the subsidence has happened before he can get compensation. That is my understanding. I hope I have not misled the Committee. I am very, very aware of it. It is one of those areas that we are going to have to attend to. Earlier, I spoke about land use conflict with coal bed methane mining, and irrigation on the surface. This is another highly intrusive form of mining which affects the surface area. The mine mouth is in fact kilometres away, but there is a machine busily burrowing underneath. I am very concerned about that. We are looking at trying to resolve the issue legislatively. It is a highly complex one.

Mr MALONE: On 7 page, under "Environmental Compliance", the Ministerial Program Statements refer to the environmental management of mining operations. This budget provides resources for environmental management within the DME. What is this achieving?

Mr GILMORE: The superior system will be one whereby environmental management is fully integrated into the business of mining and the processes of Government that deal with mining. This is achieved in the Mineral Resources Act. Under the provisions of the Mineral Resources Act, companies are required to submit a life-of-mine environmental management overview strategy for each operation, supported in some instances by an environmental impact statement. One hundred per cent of coal mines in Queensland and 95 per cent of all metalliferous mines have an approved EMOS. The implementation of the new environmental requirements has resulted in a significant increase in areas rehabilitated. This in turn will reduce the risk of the State Government having to undertake costly rehabilitation as a result of any future defaults by mining companies. I have spoken already about the problems associated with that. There has been a dramatic increase in environmental expertise within industry, and millions of dollars each year are being spent by industry on environmental research. Environmental excellence is being promoted by the DME to enhance environmental management performance within the Queensland mining industry and to facilitate future industry access to land.

Miss SIMPSON: I understand that the department has not passed on the proceeds of the sale of the State gas pipeline to Treasury. Could you explain why?

Mr GILMORE: Yes. Interestingly enough, the settlement for the State gas pipeline happened at the turn of the financial year. It was purely an administrative matter and it will be dealt with as a matter of course. It is just an administrative process and it just happened to cross over that time.

Miss SIMPSON: I thought you might not have wanted to hand it over?

Mr GILMORE: I would keep it as long as I could. It is \$162m. The sale was on 1 July so that caused that problem. It is a fair sort of a poultice and I will keep it for as long as I can.

The CHAIRMAN: The funding allocated for rehabilitation of the Agricola mine—

Mr GILMORE: I spoke about that earlier.

The CHAIRMAN: I remember hearing mention of it. I was interested to ensure that the rehabilitation program was completed this financial year? Will that be the case?

Mr GILMORE: Yes, it will. As I understand it, that will be completed by March of 1997. That is good news, because that was one of the very, very contentious mining environmental problems faced in Queensland and one that has been successfully resolved. I am informed that there has been a contract let for \$600,000 to finalise that work.

Mr MALONE: What is the Government doing about providing the necessary funding for the mines inspectorate following the completion of the Moura implementation process?

Mr GILMORE: Thank you very much for that question. It is a very good one and very topical. In fact, as a result of the Moura mine disaster, of course, and as a result of the warden's report into that, the previous Government made a commitment to setting up a number of processes whereby each of those recommendations would be addressed. When I came to this Ministry, I gave an absolute commitment to follow that through, and I have fulfilled that undertaking absolutely.

With particular reference to the inspectorate—that report has not yet been brought down. As I understand it, it has been completed. But the recommendations in that, as I understand it from some discussions I have had, offer some fairly innovative changes to the inspectorate. Certainly, some two months ago I went to Cabinet pre-emptive of this report just to indicate to Cabinet that I believed we would be requiring some \$2m extra as part of this process to properly fund the new inspectorate and to ensure that everybody employed as part of the inspectorate was the type of person who was needed to be employed in the industry—and it is very important that that is so—and that the conditions of employment were up to scratch.

The review was conducted using a consultative process involving stakeholders throughout Queensland. This was a very time-consuming process but was necessary to ensure a successful outcome. The consultation involved interviews with approximately 140 people—45 from industry, 60 DME staff and 35 union representatives. There was travel to regional centres, including Emerald, Dysart, Mackay, Rockhampton, Mount Isa, Mareeba and Charters Towers. I might add that there was a steering committee set up to oversee that particular process. The steering committee consisted of mining, industrial relations and personnel experts, senior departmental personnel as well as my

parliamentary colleagues Mr FitzGerald from Lockyer and Mr Pearce from Fitzroy.

The review has considered the role, structure, work practices, professional development, training and remuneration of the inspectorate. The draft report is completed and will be finalised after further consultation with stakeholders. I might say also that, as I understand the report, it recommends a kind of quality assurance for the inspectorate which will ensure that over a period of time the inspectorate will fulfil its obligations absolutely to the full expectation of employers, employees and, of course, the Government.

Miss SIMPSON: Minister, following on from the mining inspectorate and what has been done there, has there been much of a problem in getting compliance across States, given the different standards across States? Is that something that has been discussed with various Ministers?

Mr GILMORE: As part of this Moura implementation process, there has been wide consultation with New South Wales, and indeed New South Wales officers have been up here and taken part. They have been integral to the whole process. What we are hoping for, of course, in the long term is that we have legislative, theoretical and practical standards across both jurisdictions. When all things are said and done, we are both doing the same thing and there is only an artificial line in between. There is a common flow of personnel, particularly at management level, between mines in the two jurisdictions. It is important to us all, I think, to ensure that we do have some uniformity. So we were working towards that.

The CHAIRMAN: What is planned for the balance of the Queensland Coal Board funds upon its cessation? How will Queensland Coal Board functions be administered in the future?

Mr GILMORE: The Queensland Coal Board has been the subject of Government policy in that it has been our policy for a long time to actually close the functions of the Coal Board. The Coal Board has a number of functions which are continuing. There was one which was a statistical function which will simply be carried on by the department as required. There was another one whereby a certain amount of money was held in two funds. There are two funds. There is the Coal Industry Fund, which currently has \$3.125m in it. There is also the Coal Miners' Severance Fund, which has \$5.479m in it. I am very jealous of those funds to ensure that they are maintained and kept in place in total for their prescribed use. We cannot have miners going out of the industry by way of mine closures without being appropriately paid for that. That is what that severance fund was set up for.

How we proceed down the track now will be very carefully put in train to make sure that we protect those funds. That is one of the things that we had to do. However, there are only really three mining operations in this State which are subject to the Coal Board jurisdiction at the present time and this severance fund. There is Burgowan, New Hope and Oakleigh.

Of recent times, there have been some contractual arrangements between companies that have been useful which have changed the dependence of these. There are indications also that some of these very inefficient operations are likely to close in the near future in any case. I understand that the previous Government extended the life of this thing by about 10 years. I don't know that that would be acceptable under the ACCC guidelines for behaviour of industry. In any case, I suspect that this side of the industry will probably wind down of its own volition over the next three years or so, given what has happened in the last couple of months. So we are being very cautious indeed with the funds that reside within the Coal Board, and they will not be lost or frittered away in any way.

Mr MALONE: Can you assure the people of Queensland that proper procedures are in place to ensure a continuing, reliable and efficient power supply to the State?

Mr GILMORE: Thank you very much for that, and of course I can. I have spoken already on a number of occasions today about the state of flux that the electricity industry is in. There has been some concern over a period of time about how the electricity industry was likely to or able to provide power supplies to Queensland. I am satisfied now that since we have taken the steps that we have of recent times by letting contracts for three new power stations in the State, all is well within that particular jurisdiction. You will be aware, of course, of this new structure which I have already spoken about—the task force—which is working to ensure that the Queensland industry is as competitive as any industry can be.

When we interconnect and go into the competitive market, that is, the interconnected eastern grid, then it will be a seamless change. For that reason, we are looking towards the installation of an interim competitive market in Queensland by July/August of next year. Forgive me if we are a month out in that, but it will be somewhere in that vicinity. The reason for that is that we must go, in my view, into a competitive market ahead of interconnection so that we do not do ourselves grave injury when we suddenly find ourselves having to compete within a competitive market if we have not had the competitive experience.

It is one thing to know that we have a highly competitive, if you will use that term, electricity industry in terms of the international context if you are doing a benchmarking exercise; it is another thing entirely to take that which is a fairly cloistered sort of an industry in so far as it is not having to compete on a daily basis for its daily bread and then throw it into a competitive market competing with other jurisdictions which have been in that competitive market for some time. So what we are aiming for is an interim market by mid or third quarter of next year, and then when interconnection comes in September or thereabouts in the year 2000, it will be seamless and we will move into the competitive market without a problem at all. So I think that Queensland is well placed to be well serviced by the electricity industry for many years to come.

The CHAIRMAN: We just have a tiny bit of time left. The Oakey exercise—how competitive do you see that being as opposed to some of our existing power stations?

Mr GILMORE: Thank you for that. As part of that recent megawatt base tender, there were of course three successful tenderers, one of which was at Oakey. For the information of the Committee, the successful tenderers were AES Transpower Pty Ltd, and they will be located at the Stuart industrial estate in Townsville; Transfield Holdings Pty Ltd, located adjacent to the QNI nickel refinery at Yabulu in Townsville; and Oakey Power Venturers, a joint venture partnership between Siemens and AIDC located 4 kilometres west of Oakey. Two of those power stations are going to work on peak demand only. They are the two Townsville operations. They will be fired by either liquid fuel—or naphtha—or LPG. That is in the interim. They are open cycle gas turbine technology. The one at Oakey is going to be on natural gas because it is on the pipeline, and it will be operating in the medium demand generation cycle. It will be very competitive indeed. As I understand, tenders are out now for the provision of gas to that power station. I think that it is a very exciting time, because with third-party access principles being put in place so that the owner of the pipeline can no longer act as a monopoly carrier, by the time this power station comes on line and demanding gas, we will have those access principles right and properly in place. In fact, I think they are in there.

Dr DAY: Yes.

Mr GILMORE: They are in there now. I am sorry; I correct that. So we now expect that we are going to get very, very competitive tenders for gas supply to that power station. It is not a base-load station; it was not designed for that. It is open cycle technology. But one of the very exciting things that has come out of this is that we are trying to get into far-north Queensland a world competitive priced gas supply for industrial use. It is almost impossible to get that to happen because you simply do not have the market, and it is a chicken-and-egg type situation. Now that we have over 400 megawatts of power sitting at Townsville which is open cycle technology, with the capacity to very quickly reconfigure to combined cycle technology with the prospect of exporting steam and heat off site as well as boosting up to about 600 megawatts of base-load power, then that in itself will—or at least we hope it will—combine to encourage the gas to come into far-north Queensland, and we will get enormous industrial development from that.

The CHAIRMAN: Thank you very much. The time for Government questions has now expired. There is a possibility in this segment that Mr Neil Roberts and Mr Jim Pearce may wish to seek leave of the Committee; is that so? Is leave granted? Leave is granted. I call the Honourable Tony McGrady.

Mr McGRADY: Mr Roberts has a question.

Mr ROBERTS: Neil Roberts, member for Nudgee. Minister, with reference to the wages, salaries and related payments for AUSTA and all

QTSC corporations, the Government has indicated its intention to introduce legislation to amend the Industrial Relations Act which will pave the way for non-union agreements and individual agreements with employees. Has any sector of the industry or the industry as a whole undertaken any examination of the impact these proposals will have on the level of wages and salaries and related payments, and what is the result of that examination, if it took place?

Mr GILMORE: Thank you very much for the question. Because of the technical nature of that, if you do not mind I will defer to the manager of AUSTA. Alan, would you like to answer that?

Mr GILLESPIE: Alan Gillespie, Chief Executive of AUSTA. We are not aware of the provisions of the proposed legislation, and therefore we have not done any examination of it in relation to our salaries.

Mr ROBERTS: Thank you. Minister, with reference to the electrical safety as referred to on page 13 of your Ministerial Program Statements and also to your answer to an earlier question, do each of yourself, the department and the various industry corporations support the recent changes made to the workplace health and safety regulations as far as they relate to requirements for the testing and tagging of electrical equipment? Do you accept that these new requirements are less than those specified in the relevant Australian Standard?

Mr GILMORE: I thank you very much, but once again, it is a highly technical question, and I am not familiar with the changes to the workplace health and safety standards. Once again, if I can defer to a departmental officer who might be able to answer that, I would be more than pleased.

Mr O'HARA: Red O'Hara, Acting Director, Energy Monitoring and Regulation Division. The question you raise is certainly a complex technical one. I would prefer to take it on notice to be able to provide you with a full and comprehensive response.

Mr ROBERTS: I am happy with that. I have three other short questions which you may also wish to take on notice. I refer to the QTSC group rationalisation project and in particular the discussion on the possible contracting out of network services activities in QTSC corporations. My questions are: what is the estimated cost of auditing the work of contractors in the industry, if these proposals are proceeded with, and what factors were taken into account when determining this cost?

Mr GILMORE: If you do not mind, we will take that on notice.

Mr ROBERTS: Again, with reference to work currently performed by contractors to QTSC corporations, what has been the cost of performing re-work of this work and what is the estimated cost for this activity in the next financial year?

Mr GILMORE: Once again, I think it would be sensible to take that on notice because I do not have that detail.

Mr ROBERTS: I am happy with that. I have one more question which you may also wish to take on notice. With reference to contractors performing

work for QTSC corporations, how much money has been recovered from contractors who supply goods and services to the QTSC corporations as a result of overcharging or inferior or faulty products, etc.?

Mr GILMORE: Once again, we are perfectly happy to take that on notice and get back to you with an answer.

Mr McGRADY: Just before Mr Pearce asks a question, I have one question, Minister. I refer to a visit to Sydney which you and the director-general made on Tuesday, 27 August to Friday, 30 August. I understand that the director-general stayed at the executive suite at the Wentworth Hotel in Sydney at a cost of \$310 per day. I also note in your statements that officers of the department stay in three or four-star rating hotels. Could you confirm that that happened and the reasons why?

Mr GILMORE: I cannot confirm that happened. I do not recall the trip. I defer to the director-general.

Dr DAY: The Minister did not make the trip. The trip in question to Sydney was in connection with the APEC Energy Ministers Conference and, as a specific strategy, a suite was booked so that we could meet and have face-to-face interviews with APEC Energy Ministers and their supporting staff. AUSTA was also involved in that strategy which was designed to take the opportunity to speak to Energy Ministers from APEC countries that were likely to be purchasers of Queensland coal and users of AUSTA's technology and capacities in power generation.

Mr McGRADY: Minister, would you have any objections to tabling the total costs of that exercise to the Committee?

Mr GILMORE: I do not have them here.

Dr DAY: I am afraid that will not be possible because the bill has not come in at this point in time.

Mr GILMORE: We do not have the information; it is just not provided.

Mr McGRADY: Could I ask the research officer what is the situation on getting information after the report has been done?

The CHAIRMAN: That could be asked at next year's Estimates.

Mr PEARCE: Minister, I would like to revisit the mining inspectorate—I thought you would probably think that I would. The restructuring of the mining inspectorate, the employment of additional inspectors and the provision of extra resources will require a significant injection of funds, and you have already indicated that it could be in excess of \$2m. Do you have a commitment from Treasury for funds for the restructuring of the inspectorate or are you expected to meet the additional cost of a restructured inspectorate from the allocated budget?

Mr GILMORE: The answer is that Treasury cannot give that commitment, it is going to be a Cabinet decision when I go to Cabinet, but it will be part of the mid-year Budget review. There is a commitment from Government—an absolute

commitment from Government—to fulfil its obligations under the Moura implementation, and we will certainly do that. That was the reason that prior to the Budget, in a pre-emptive sense I went to Cabinet, as I said earlier, and indicated that we would require at least \$2m more for the restructured inspectorate because it was clear at that time that that is what we were going to need for incentives, for extra wages, etc. I have no qualms whatsoever about the future funding for that and most certainly it will be going to the mid-year review. I have no doubt that it will be very successful.

Mr PEARCE: Minister, I put it to you that the annual budget is the time to allocate those types of funds and not mid-year because, quite simply, we have a situation where we are fast approaching two years since this disaster; the inspectorate is still undermanned and underresourced. We have a report here that talks about 11 mine workers losing their lives simply because of a number of reasons, and one of the things that was picked up in the warden's report was the lack of resources and funding within the mining inspectorate. I find it appalling that at this time we have not got a budget line item for the restructuring of the mining inspectorate and we still have to wait till mid-term before we get the funds.

Mr GILMORE: I thank you for that. It is a multi-part question and of course the answer is a simple one, that is, that you cannot make budget allocations for something when you simply do not have any idea of what is going to be in the report. It just was not addressed in the budget for that reason. I have no doubt whatsoever that the report of the committee that you sat on—and you are fully apprised of all of the details, in fact more closely than I—I understand addresses all of those issues in terms of the extra wages, so that we can compete with the mining industry, so that we can employ top level people and fill those positions which have been advertised time and time again, as you very well know. They have been advertised across the country. We have been unable to fill them because for the last six years your Government did not pay mines inspectors sufficient money so that we could employ them. That is a serious indictment of your previous Government, and I thank you for the question.

It just seems to me that, if we are going to go properly through this process, then we ought to be somewhat cooperative. I understand that that is probably a copy of the warden's report that you have in front of you. Because of your commitment to it—and I thank you for that and taking part in that particular group, looking after the inspectorate—you would be aware that the mining industry in Queensland has become very, very aware indeed of its responsibilities in respect of mine safety. In fact, the majority of mines, if not all, have fulfilled their obligations as these matters have unfolded. As the committees have developed these matters, they have been put in place in the mines.

There is an enormous feeling of concern for people who go underground or into any other workplace in this State—an enormous feeling of concern—both at this Government level, at Opposition level—I know that that is true—the

employers and the employees themselves are very concerned, and we are determined as a group of which you are part to ensure that we do not have any more Mouras, that we do not have any more explosions. So we are putting in place every possible mechanism to ensure that I, as Minister, am not woken up at 2 o'clock in the morning with that dreadful phone call. I do not want to hear that. Now, you have been part of that. You have known very well that the process is on track. It is appropriate; it is proper; it is supported fully, until this moment I thought by the Opposition, certainly by the Government, certainly by the unions—who I keep in close contact with—and certainly by the employers of this State. It is a very good process and it will be funded and it will be successful, I assure you, while ever I sit in this chair.

Mr McGRADY: As a supplementary question, we have a concern that there is a reluctance from the Treasurer and Treasury about funding the recommendations of the Moura inquiry. I would just like to confirm that a letter was sent from you to the Treasurer. This is a letter to the Treasurer from yourself. It states—

"In conclusion, I would ask that you reexamine the Budget strategy for my Department in relation to the above issues . . . Should you be unable to do this, I would appreciate your confirmation that CBC is aware of and supports the following consequences of the strategy:

the Department will cease the implementation of Moura Inquiry findings;"

plus some other matters. Is that correct? Did you state that?

Mr GILMORE: I do not know, I have not seen the letter.

Mr McGRADY: I am asking you, did you sign a letter which stated that?

Mr GILMORE: I have no idea. If you would care to table the letter so that I can have a look at it—

Mr McGRADY: Dr Cairns was sacked—lost the job as the Deputy Prime Minister—for not knowing what he signed.

The CHAIRMAN: If you wish to ask questions, that is fine, but we will not get into a slanging match.

Mr GILMORE: I certainly am not going to answer a question about a document that you have made up—the same as one that you made up in the Parliament last week.

Mr McGRADY: I certainly did not make it up. I am quoting from a document which purports to have gone from you to the Treasurer.

Mr GILMORE: If you are quoting from the document, put it on the table. If you are not prepared to put it on the table, let us move to the next question.

The CHAIRMAN: Why do you not table it, and then the Minister can work out whether or not it is his letter?

Mr McGRADY: I have quoted from the document. I am saying to the Minister that the Opposition has some grave concerns about the reluctance of Treasury and the Treasurer to support the implementation of the matters which Mr Pearce has mentioned. I have asked the Minister: have you asked the Treasurer to re-examine the budget strategy for your department because if she is "unable to do this, I would appreciate your confirmation that CBC is aware of and supports the following consequences of the strategy. The Department will cease the implementation of Moura Inquiry findings"? Did you write that, or not?

Mr GILMORE: I have no idea. Table the letter.

Mr McGRADY: So you do not know what you are writing. That is fine.

Mr GILMORE: I am not going to comment on a document that remains anonymous and was written on your typewriter. I am not going to do that. But let me tell you this—

Mr McGRADY: No, you have answered the question.

Mr GILMORE: I still have some time. The Treasurer has never, ever indicated that they would not continue with the full funding of the full implementation of the Moura inquiry. If you want to beat something out of that, you beat your drum all you like. We will fulfil our obligations to this community and the mining industry. We are about to do that. There is no question whatsoever.

Mr McGRADY: I table the document.

Mr PEARCE: I take your point there. You just said that Treasury has never, ever said that it would not provide the funds. I have here a Treasury document which is a brief to all departments. It was one that went out earlier in the year. In the last line of 2.2, "Issues for Consideration", they are talking about funds for full implementation of the Moura inquiry recommendations. It states—

"Treasury considers that this commitment can be met for the current year without additional funding."

The CHAIRMAN: I would just like to say that I have received this document. The Committee thanks you for this document.

Mr GILMORE: Would you please read the last bit again?

Mr PEARCE: "Treasury considers that this commitment can be met for the current year without additional funding."

Mr GILMORE: So what? That is not a denial of funding. It just considers that that is the case. Let me tell you that, if it is not the case, it will be properly funded in the mid-year review. There is no question about that.

Mr PEARCE: I go back to the point I made before. It is going to be another six months before the money is going to be made available. In the meantime we still have an underresourced inspectorate who are unable to do their job, and we are putting the lives of mineworkers at risk. I would think that you, as the Minister, would be out there as

soon as this report is in your hands fighting your heart out to make sure that the dollars are there so that we can get on with the job.

Mr GILMORE: I am sure that I will. I am glad that you are quoting from a document that is not yet even released—not even published. And here you are as a privileged member of that Committee making those kinds of statements. Behave yourself.

Mr PEARCE: I am not quoting from any document that has not been released.

Mr GILMORE: Move to the next question, please.

Mr PEARCE: I am sorry. You are wrong. I would like to ask the chief inspector of coalmines a few questions.

Mr GILMORE: Ask the question, and I will tell you if he can answer it, or not. It is my call.

Mr PEARCE: I would like to know from the chief inspector of coalmines: does the Mines Rescue Brigade have the unequivocal support of the chief inspector of mines? I would like to know if the chief inspector has full confidence in the brigade's management committee and its ability to prepare a realistic budget so as to carry out its functions. I would also like to know: what was the management committee's budget submission to the department? I am talking about the bottom line. Do you have any problems with him answering that?

Mr GILMORE: I do not know that he needs to answer that. I can answer it on behalf of the Government. We have absolute confidence in and an absolute commitment to the future of the Mines Rescue Brigade. There is no doubt whatsoever about that.

Mr PEARCE: What about the ability of the Mines Rescue Brigade's management committee to prepare a realistic budget to carry out its functions? Do you have confidence in them to do that?

Mr GILMORE: As you are undoubtedly aware—

Mr PEARCE: Yes or no? That is all I am asking.

Mr GILMORE: You ask the questions, and I answer them, if you do not mind.

The CHAIRMAN: The Minister may answer as he wishes.

Mr GILMORE: As you would be aware, the Mines Rescue Brigade came to me very early in the piece when I first became Minister with a request that they be allowed to become a company—become incorporated. That is something that was denied by your Government over a period of years. I agreed immediately. I thought that was a very good thing to do, simply because it gave to those people protection from joint and several liability, amongst other things. So we are very supportive of them. But once they go into corporate mode, they will then have corporate responsibility in terms of their budgetary processes and fulfilling their obligations under their terms of reference. Of course I have absolute confidence in them to do that. They

are—and have demonstrated themselves over the years to be—highly competent and reliable people.

Mr PEARCE: I understand that the management committee's budget bottom line was about \$2.8m, which you were not able to answer. I understand also that the budget amount has been signed off at the departmental level for \$2m or \$2.1m. I would like to know on what budget items you think the management committee got it wrong. I also draw your attention to the fact that, for a number of years, things such as security fencing at Blackwater to keep the public away from expensive equipment, training facilities and fire towers, have been denied. Radio equipment is up to 10 years old. There is a need to upgrade the gas detection units. I also draw your attention to Booval, where we have a 14-year-old twin-cab truck which has an average fuel consumption of 6.5 miles per gallon because of its weight. It is unstable to drive above 70 kilometres an hour, and its braking system is inadequate. There is more to come, but I do not have time.

Mr GILMORE: Two points. First of all, you are sitting almost beside the person who has been in charge of it for the last six years, and now you come to me and ask, "What has happened to the budget?"

Mr PEARCE: You are the one who is in Government today. It is your budget. You should be fixing it.

Mr GILMORE: Absolutely. Everybody else has got a cut this year except the Mines Rescue Brigade. You funded them at a diminished amount over the last six years.

Mr PEARCE: It is still \$700,000 below what they asked for.

Mr GILMORE: But that is the business of Government—to ensure that people operate within the structure of their appropriate budget.

Mr PEARCE: So they are unable to do these things, which are a safety issue to them as members of—

Mr GILMORE: Why were they not a safety issue to your previous Minister six months ago?

Mr PEARCE: You are in Government. It is your budget. You fix it.

Mr GILMORE: That is all right. I will fix it in good time. Do not worry. They have my absolute confidence and I will look after them. I promise you I will look after them. I think I have answered the question.

The CHAIRMAN: The time allotted for questions from non-Government members has now expired. The hearing will now adjourn.

Sitting suspended from 5.48 to 6 p.m.

The CHAIRMAN: We recommence this session, and I call Miss Simpson.

Mr GILMORE: Mr Chairman, I would like to make a point of clarification. Earlier in the piece, we were talking about the access principles of gas into the RBP for the Oakey Venturers. I am advised during the break that, in fact, those access principles are not in place. I have inadvertently misled—

The CHAIRMAN: If Hansard could record that, that is fine.

Miss SIMPSON: What has this Government done to remove unfair anomalies with respect to the solar hot water rebate scheme?

Mr GILMORE: One of the matters of some concern to me was that the original solar hot water system rebate scheme didn't allow properly to recompense people who had previously owned a solar hot water system and wanted to replace it. In fact, those people were given only a very small rebate on the new system. I always thought that that was a bit unfair, because those were the people, after all, who had done the right thing. Utilising their own money, they had, in terms of the solar industry, led the way and supported the industry at a time when it was not quite as fashionable to do so.

When the original scheme was brought in, I raised those points and said that I did not believe that that was appropriate or fair. So, as a consequence of that, as from 1 July this year we have rejigged that to ensure that people who are upgrading to a new system, indeed replacing an old system, get the same rebate as would apply had it been a new system on their roof for the first time. I think that that is a fair and reasonable way to the approach the thing.

The CHAIRMAN: Minister, I understand you are transferring responsibility for the Boulia RAPS to the QTSC. Is this the most appropriate home for this project?

Mr GILMORE: This, once again, is one of those areas of great contention in respect of the office of energy management and the way that we deal with the programs that they were dealing with, because the office of energy management, of course, is not being funded and has, in fact, been closed down.

The Boulia RAPS was one of the projects that had been put in place. It is an experimental system. I think the experiment is due to run for five years, and there are a number of these around the State. What we are going to do with that is to continue the experiment, because that is important. The electricity industry around the State, particularly those in remote areas like NORQEB and FNQEB, have recognised the benefits that can come from these things, particularly in those extremely remote areas where it is simply not possible to give assistance by way of grid power. Not only that, I think that there is some potential for export of these systems particularly to South East Asia where it is likely that these small systems would service small communities rather well and rather efficiently.

So what we have done is have some discussions with QTSC who, after all, were funding this program in the first instance. They have agreed to take it under their wing with appropriate management put in place—guarantees about maintenance and the continuation of the experimental side of this thing to ensure that the outcomes, good or bad, will be guaranteed and properly known so that, at the end of this five-year

period, we will come out with some knowledge about it. I think it is pretty important that as an intellectual exercise it continues, if nothing else. I will probably get a question about that later, so I will carry on. There are some other things that I want to raise.

Mr MALONE: What is the basis for the decision that recently awarded the contracts for the construction of the new power generating capacity at Townsville and Oakey? I know that you have spoken about that, but what was the basis and the ongoing commitment to that?

Mr GILMORE: I am very thankful for this question. It is an important one. It was one that I want to raise because there have been some questions raised recently which sought to impugn individuals involved in the process and the outcome. I think that was unfortunate and unfair. I would just read this note because it is accurate and I will read it into the Hansard record. It states—

"In March 1996, the Queensland Transmission and Supply Corporation was requested to call for bids under an accelerated open competitive bidding process. To ensure that the tight timetable was met and that all bids from both the private and public sector were evaluated in an unbiased way, an independent Tender Assessment Panel was appointed to oversee the tendering process.

The Panel was chaired by:

An independent person, Mr Rod Wylie OBE; and was comprised of a senior representative of each of the:

Queensland Transmission and Supply Corporation—Dr Ralph Craven, General Manager, Group Energy Trader;

Department of Mines and Energy—Mr Bruce McConaghy, Executive Director, Policy Division;

Queensland Treasury—Mr Mike Montefiore, Assistant Under Treasurer, Commercial Policy and Projects Division.

The Government also appointed advisers:

Legal (Phillips Fox Solicitors);

Technical (Rust Kennedy and Donkin);

Financial (Lloyds Corporate Finance Ltd); and

Economic (London Economics (Aust) Pty Ltd;

to provide advice to the Tender Assessment Panel and to ensure that the bid process was fair and independent. A Probity Auditor, Peter Bruton (Ernst and Young), was appointed to overview the solicitation process and ensure the even-handed assessment of proposals that came from both the public and private sector.

The Panel (supported by its independent advisers) based on advice from Queensland Transmission and Supply Corporation (QTSC) was responsible for the solicitation process, including in particular:

the evaluation of bids;
 the short listing of bids;
 negotiation with bidders (primary carriage of which was with QTSC);
 making a recommendation for consideration by the Queensland Energy Planning Council and Cabinet regarding acceptance of any bids.

On QTSC's side, a substantial team was necessary given the compressed timetable. This team was comprised of QTSC personnel and external advisers covering the range of disciplines necessary to undertake comprehensive analysis of all aspects of the bids. The external advisers were:

Engineering Advisers: Ewbank Preece Australia
 Environmental Advisers: Ison Environmental Planners
 Financial/Economic Advisers: Morrison & Co
 Financial Advisers: Coopers & Lybrand (assisting Morrison & Co)
 Legal Advisers: Corrs Chambers Westgarth
 Tender Management & Risk Analysis: Evans & Peck Management
 Probity Auditor: Mr R Grice of KPMG.

All persons associated with the process either completed a confidentiality agreement or certified that they had no conflicts of interest."

I thank you for the question.

Miss SIMPSON: Minister, how do Queenslanders know, though, that the method used to select the new power stations was open and fair?

Mr GILMORE: I thank you for that. It gives me a chance to continue on just a little about the matter that I have just read into the Hansard report. It was open and fair because we were very, very concerned that there could be no possible question whatsoever at the end of the process that any particular bidder, be it private, be it AUSTA, be it anybody else, may have had either an implied, proper or actual benefit within the system.

At no time was I involved in the process, nor was there any other political person involved in the process. There was no attempt, and nor was it possible in any way, to alter the process because of the way it was structured. The reason for this, of course, is the fact that as we go into a competitive market and as we proceed towards the development of new power stations and other bidding processes within the process of Government, people who spend their time and money putting money into tenders that have been called by Government need to know that the process is absolutely and utterly without question. I was absolutely determined to make sure that that was the case, and it was. I have no doubt whatsoever that the outcome was the best outcome for Queensland and it certainly would stand any scrutiny by any person at any time.

The CHAIRMAN: Has the Burdekin hydro-electric power scheme proposal been examined by

your department with the view to its coming into operation after the Tully/Millstream scheme?

Mr GILMORE: The Burdekin hydro-electric scheme has been around for some time. It is part of Stage 2 of the Burdekin Dam. Yes, it has been considered on many occasions and, indeed, as part of the previous open megawatt bid, there were in fact, as I understand it, a couple of bids that came in with respect to the Burdekin Dam and its use as a hydro scheme. Unfortunately, those bids simply did not make the grade in terms of the competitive bidding process.

I do not believe that the Burdekin Dam, certainly in its current configuration, could compete with the Kareeya option. Nonetheless, it is one that is alive and available as technology improves. If we were to go to Stage 2 of the Burdekin Dam, there would certainly be another opportunity there. There are some issues, of course, that need to be resolved in respect of the Burdekin Dam, that is, the utilisation of the water resources and how much you have to pay for it to put it through turbines, whether it be a relift operation as we run it at Wivenhoe or whether it is simply putting water through the turbines for irrigation purposes. There are a number of issues for consideration.

It has been carefully considered and will continue to be on the books as a prospect. I am quite sure that in the future more companies will utilise the Burdekin Dam and its available water as the basis for electricity generation bids in this State.

Mr MALONE: The geological survey project plans for 1996-97 are outlined on page 7 of the MPS. What Department of Mines and Energy geoscientific information projects have been started?

Mr GILMORE: The Yarrol project in central Queensland has been started, of course, and will continue in 1996-97. This project focuses on the Rockhampton/Monto region where previously unknown base metal mineralisation was discovered in 1992 as a result of AIRDATA acquisition, raising the region's potential as a mineral province. The geophysical data acquired under the AIRDATA initiative adds value to the Yarrol project by improving markedly the accuracy of geological interpretation to the standard expected by international explorers.

In the south-east Queensland region, a project to generate a seamless geological map from Gympie to the Gold Coast is well advanced. That will benefit the land resource planning for the SEQ 2001 area as well as mineral exploration in the re-established gold province of Gympie.

A new geological mapping project in the central Queensland mineral province, South Connors, to the north and south of the Yarrol project, taking in the belt from Mundubbera to Mackay, has started and will utilise the geophysical data acquired under the AIRDATA initiative to lift the currency and quality of geoscientific information of this potentially mineralised region.

A special allocation of \$1.5m will support further acquisition of geophysical data following the success of the AIRDATA initiative in priority areas

such as the Yarrol and South Connors provinces for minerals and the Cooper/Eromanga Basin for petroleum and gas.

Miss SIMPSON: Minister, page 6 of the Ministerial Program Statements refers to delays in the processing of mining leases, explosion permits and mineral development licences. The MPS states that targets were met except in those cases where the lodgment of a native title claim delayed processing. How many native title claims have been slowing down that particular system? Do you have any information on that?

Mr GILMORE: Surprisingly, I happen to have some data on that, if somebody will give me a reference number. I have that information in glorious colour. Whilst that is being sorted out, I have a table here.

Members of the Committee would be aware that there have been some concerns about the administration of native title within the department and some concerns about hold-ups. In fact, somewhere on here it says how many tenures are being held up at the present time. As of the other day, there were 71 mining leases being held up, and a number of others, simply because we are unable to proceed for want of better information.

In terms of the application process for tenures, to the greater part we are meeting the targets set. We are very happy with that, but we always believe that we can get it better. The greater majority of the concerns that we have are in respect of native title, as I understand it, and the administration of that, because it is highly complex. If somebody makes an application for a lease on land where native title may well exist then, in association with the Department of Natural Resources, we have to do 10-year histories, of course, and sometimes they go back generations in terms of determining what overlaying original tenures were in place and whether it is determined or expected that they would have extinguished native title. That is a complicated process and one that we are getting better at; there is no question about that.

I believe that in the next couple of years we will have native title administration as part of our base funding, because I think that is where it should reside. We are keeping up the process.

Miss SIMPSON: I note that under "new initiatives funding", native title matters are mentioned. I am not sure how that is extrapolated out. Has there been much of an increase in cost burden to the department in pursuing all the surveys that you were talking about?

Mr GILMORE: There is an increase in cost associated with native title administration. Until now, of course, it has been funded as a special. As I understand it, about \$300,000 has been set aside for the first half of the year. I beg your pardon; it is \$170,000 and it will be revisited in the mid-year review. That is just the process and that is how it works. It is an expensive process, but it is an important one and it is one that we do very carefully.

Miss SIMPSON: Is there any way of recovering that cost from the people who are applying for the leases?

Mr GILMORE: I have not thought about that. I do not think that we ought, because, after all, we have some responsibility to our client group and certainly to our State. After all, we are the owners of the minerals provinces. I have a note here, for the interest of the Committee. At the end of August 1996, grants of 74 mineral leases and 20 MPLs were delayed by native title uncertainties. Quite a considerable volume of work simply cannot proceed due to those uncertainties.

The CHAIRMAN: What are the objectives of the current audit being undertaken by Ernst and Young in your department? You have mentioned this earlier.

Mr GILMORE: One of the concerns that I had as I came into the Ministry, and it developed over three months, was consideration of what the department stood for and what it did. There was great confusion even within the department. In the last six years it had learnt to live on special funding. Indeed, the previous Government had employed full-time senior public servants to do special projects—things that had a three-year life cycle. In my view, that was wrong. It is no way for a Government to run a department, that the department has to depend on special funding on a budget-by-budget basis to get things done. Not only that, there was no real focus in the department.

I therefore commissioned this audit of departmental function and process to ensure that at the end of it we had a department which knew what its core business was, that we had funding which was appropriate and resources which were appropriate for carrying out the core business, both legislative, regulatory and, of course, the policing roles in terms of the environmental aspects of what we do. I believe that the outcome of that will be a leaner, more efficient organisation which is designed quite specifically to fulfil its obligations to our clients in this State in the mining industry.

Mr McGRADY: Dr Day, could you tell the Committee how many of your staff are receiving counselling?

Dr DAY: I am afraid that information is not information which I think would be appropriate to give the Committee, even if I had it. Our counselling service acts with strict confidentiality, and I think it would be most improper to give out any figures, if they were available.

Mr GILMORE: I am surprised you were not looking for names and phone numbers as well.

Mr McGRADY: I was going to ask the good doctor whether he could confirm that 50 per cent of his staff are receiving counselling. Obviously, he cannot answer that. Minister, you made some comments before about Bouliia and the Office of Energy Management, although you called it some other name which suggests that you do not know what it is all about. Can I just make a comment before I ask the question?

Mr GILMORE: No.

Mr McGRADY: The Minister is not running the show tonight. He should understand that.

Mr GILMORE: It is all right. I will humour you.

Mr McGRADY: Mr Chairman—

The CHAIRMAN: He is just having a go at you.

Mr McGRADY: One would have to be a fool to believe that the electricity industry in this State would be actively supporting and encouraging alternative forms of energy. The people in the electricity industry are there to generate power and to sell it. Anyone who would expect them to wholeheartedly support and encourage what is happening in Boulia would have to be a fool. It was not the QTSC which started this; it was the old Queensland Electricity Commission. It simply funded the project and we had a committee of people who were dedicated to searching for alternative energy sources. My question is: what is going to happen to the Boulia project? Is it true that this project has won a national prize? If that is the case, why are you not singing from the top of the 17th floor?

Mr GILMORE: I guess the flagpole would not hold me. I thank you for the question. I think I have answered it quite comprehensively in terms of what is going to happen—

Mr McGRADY: I want to know what happens to those four projects now that you have pulled out.

Mr GILMORE: It is my turn. If you refer to the previous answer, you will find out what is happening to it and how we are going to proceed—

Mr McGRADY: You passed it over—

The CHAIRMAN: Would you let the Minister answer, please?

Mr McGRADY: Okay.

Mr GILMORE: What I would like to do is tell the Committee about this, because I think it is important that it know about a program that I have put in place for the electrification of Queensland. We are actively surveying the whole of the State. We are finding those areas which are currently served by grid mains power and those areas that are not. We are going to determine a 10-year program for where we can in fact put grid power, because it is very important to people that they know that there is some process. However, there are clearly going to be some places in Queensland where we simply cannot put grid power. I think that remote area power systems will play an important and ever-increasing role in that.

The way we are going to go about that is somewhat at odds with the previous Minister's view of the world in so far as we believe that, because people live in Queensland, they are entitled to some kind of a support mechanism. We are putting in place a plan which, when it comes to finality, will support those people who ultimately have remote area power systems instead of grid mains power. So it is a comprehensive review of the whole of Queensland, and people in every corner of this State will know what the outcome of the review is, the timetable for it and the way they are ultimately going to get power supplies. The power supplies will be supported with backup maintenance and so on to ensure that people who are on remote area systems get equal service

and an equal power supply—that is, availability and reliability—to everybody else. It is a very comprehensive system.

Mr McGRADY: Minister, I refer to the Office of Energy Management. Besides throwing people on the unemployment scrap heap and besides getting rid of the two mobile units, I understand that the lease of the building in Springwood has two years left to run. Will the Government, or the taxpayers of Queensland, have to pay the two years' lease charges even though nobody will occupy the building?

Mr GILMORE: Yes, of course, we are closing those things down, but I am advised that we will be seeking to sublet the office space at Springwood.

Mr McGRADY: But if you do not sublease, you have to meet the expected dues?

Mr GILMORE: We would have to meet it whether our people were in there or not. That is part of—

Mr McGRADY: You have answered my question.

Mr GILMORE: We will be seeking to sublease that.

Mr McGRADY: Minister—

Mr GILMORE: I have not finished yet.

The CHAIRMAN: Mr McGrady, you ask a question and it is then answered.

Mr GILMORE: You raised a question about the semitrailers—the mobile units—that were going around. Yes, we discovered that they were very expensive—

Mr McGRADY: On a point of order—I did not ask a question about the semitrailers; I said that they were going to be sold.

Mr GILMORE: Mr Chairman, it is my prerogative to answer the question.

The CHAIRMAN: Yes, answer the question.

Mr GILMORE: Thank you. Whilst they provided a very good mobile service to communities—and they went to all sorts of shows and other things—the maintenance costs were very high, and that is justification, in my view, to not continue with that mobile advisory service. So, yes, those systems are being closed down and, yes, they will be sold in accordance with State purchasing and supply guidelines.

Mr McGRADY: Dr Day, could you tell me whether any secretarial work is performed on the 17th floor for anybody who is not an employee of the Department of Mines and Energy?

Mr GILMORE: Dr Day, if you wish to answer that, you may. Would you like to elaborate, please?

Mr McGRADY: No, I just asked the question: is any secretarial work being done on the 17th floor for anybody who is not an employee of the Department of Mines and Energy?

Mr GILMORE: It sounds like your leaks are not working very well.

Dr DAY: There is no secretarial work done on the 17th floor, to my knowledge, that is not departmental.

Mr McGRADY: That is fine. Minister, how many female SES positions do you have in your department?

Mr GILMORE: I have no idea.

Mr McGRADY: You have signed a document saying that you have two; is that correct?

Mr GILMORE: It is probably one, I suspect.

Mr McGRADY: You said "two" in the document.

Mr GILMORE: I do not regularly go around and count them.

Mr McGRADY: This is your document.

Mr GILMORE: I do not discriminate between female and male employees.

Mr McGRADY: With all due respect, if you do not discriminate, why highlight the fact in the document that there are two female SES officers?

Mr GILMORE: I did not think it was very hurtful of observation. I understand there has been a resignation, and there is one.

Mr McGRADY: Could you name that one person, please?

Mr GILMORE: No.

Mr McGRADY: Mr Chairman, I have asked a legitimate question—

Mr GILMORE: And I said "No."

Mr McGRADY: I will put it on notice.

Mr GILMORE: No. I said "No." You have got my answer.

Mr McGRADY: So you are refusing to answer a legitimate question? It is detailed here—

Mr GILMORE: I will not name officers of my department in this forum or anywhere else.

The CHAIRMAN: Order! My understanding of the Sessional Orders in respect of which this Committee works is that you ask a question and the Minister answers it. If you do not like the way the Minister answers the question, you can rephrase it or ask another question to seek other answers. Alternatively, you may ask to put it on notice. If the Minister does not accept that it be put on notice, I think your only other recourse is to ask the question in the House.

Mr McGRADY: It is an absolute mockery of the system. The Minister claims in the document that there are two female SES positions.

The CHAIRMAN: He just indicated to you that one has resigned.

Mr McGRADY: One has resigned or left or whatever. I am asking: could you name the one female SES—

The CHAIRMAN: I think the Minister has just indicated to you that he does not—

Mr GILMORE: I have indicated that the answer is no—n-o. Thank you.

Mr McGRADY: Disgraceful. Absolutely disgraceful. Could I ask the Minister or Mr Daly, through the Minister, about the environmental budget of the department? I understand there has been a reduction in the environmental budget in the department. Are you satisfied that you can maintain and improve the service on the environmental issues which you believe are necessary in this day and age?

Mr GILMORE: I understand, in answer to that, that the reason for the reduction in the environmental budget is to do with the fact that some of the rehabilitation matters are being dealt with and are no longer being funded because they have been completed and wound down. Is that accurate?

Mr CHARD: Yes.

Mr GILMORE: So that is the answer to that question.

Mr McGRADY: Through you, Mr Minister, I have directed a question to Mr Daly. Does he feel—

Mr GILMORE: I answered it.

Mr McGRADY: I see. So you refuse to allow Mr Daly to answer the question.

Mr GILMORE: I answered that question.

Mr McGRADY: That is fine.

Mr MULHERIN: I refer to page 11 of the Ministerial Program Statements regarding the Queensland Electricity Industry Structure Task Force. Has the task force completed its report?

Mr GILMORE: This is the—

Mr MULHERIN: The task force that is looking into the industry structures.

Mr GILMORE: I understand, in answer to the question, that the report will be completed some time within the next couple of weeks. There was a little bit of a hold-up in finalising that. I had them on a very, very tight schedule. The report should be coming to me some time in the next couple of weeks. I can't give you an absolutely certain date on that because of the complexity of the work that is being done and the time that it is taking to do it. What I would like to say is that the three people who are doing that—who make up the task force, in fact—are very, very competent people: Professor Anderson, Dr Moy and Mr Peter Garlic. All of them are highly regarded in the electricity industry around the country. The work that they are doing is going to be very interesting indeed, and I am quite sure that they are going to come up with some fairly innovative answers to the way we ought to proceed into the future with this. But the report, once it is published or comes to me, will then be considered by Cabinet, and then it will become a public document, I am sure.

Mr MULHERIN: With the proposed 26 per cent reduction in the electricity work force, has industry budget allocation been made for wide-scale redundancy payments? Has the industry set a time line to achieve this massive rationalisation and, if so, when will it be completed?

Mr GILMORE: A reduction of 26 per cent in the electricity—

Mr MULHERIN: Work force.

Mr GILMORE: Work force. I am going to have to defer once again to my colleagues from the electricity industry. Keith Hillless, if you would come to the microphone, please.

Mr HILLESS: Keith Hillless, Chief Executive Officer, Queensland Transmission and Supply Corporation. We do not have any specific targets for reductions of the type of quantum that you mentioned. We certainly have an ongoing program associated with continuing to make our business competitive in the face of the competitive market that is coming. Yes, we do make adequate provisions in our budgets for any redundancies which may occur.

Mr McGRADY: Could you confirm or otherwise that when negotiations were taking place in the formulation of this year's budget for the Department of Mines and Energy, you and a number of departmental officers were advised to have some discussions with senior officers of the Queensland National Party?

Mr GILMORE: Would I confirm that?

Mr McGRADY: Would you confirm or deny.

Mr GILMORE: During the formulation of the budget process—and it is a pretty interesting process, so if you do not mind I will take a couple of minutes to tell it—I was considerably startled as a new Minister about the process and how it functioned, and I must say that I was a bit concerned about a number of the matters that were raised in the initial round of departmental budget considerations—I repeat "the initial round". As part of that, of course, there were some considerable cuts proposed for the budget, and we argued the case one way or another. As the responsible Minister, I chose to argue the case in any and every forum that was available to me. Yes, I did have some discussions with senior people in the National Party—my word I did! I had them fully briefed, as I briefed people from the Mining Council and anybody else who would listen at that time. I will continue to brief anybody that I need to to ensure that I get the appropriate budgetary outcomes for my department.

Mr McGRADY: So it is fair to say that you took public servants with you to that meeting?

Mr GILMORE: I think I did. Bob, did I have public servants at that meeting? Of course I did. As the Minister of the Crown responsible for a budget, I was using anything I could to make sure that I ended up with a good budget.

Mr McGRADY: So we have a situation today where a Minister of the Crown takes public servants cap in hand to the National Party headquarters to plead a case.

Mr GILMORE: Not to National Party headquarters at all; I brought them down here.

Mr McGRADY: Whatever—you brought them down here. So we have the National Party organisation running this department.

Mr GILMORE: Mr Chairman, if I might answer—

Mr McGRADY: Was Miss Armstrong involved?

The CHAIRMAN: Order!

Mr GILMORE: I am rather chuffed with that observation by the previous Minister, because during his term in the Ministry, he had a person paid for by the ALP in his office for all of the time he was in the Ministry, and everything that his Government did was directed by the unions and by the ALP organisation, including Mr Mike Kaiser. I find it interesting that he would make those observations in this place, given his tarnished history. I make no apologies for fighting hard and long for my department, and I will continue to do so.

Mr McGRADY: Back to the good old days. Mr Pearce?

Mr PEARCE: Just another question, Minister, in relation to Moura. The Mining Warden in his report into the Moura No. 2 explosion—and can you find this on page 66—"identified a number of issues related to mines rescue which it wishes to mention as a means for leading to improvement of the effectiveness of this vital service." He went on to talk about training roles being formally recognised, the service being adequately resourced to allow further development of training expertise and acquisition of appropriate training aids. The report also talks about risk evaluation exercises, monitoring mine management, drafting and maintenance of plans relevant to mine workings, ventilation, gas drainage and so on. What steps have you taken to address the issues identified by the warden and other relevant matters such as infrastructure for training requirements? I mention things like fire bays, compliance-based training, presentation equipment, and the requirement to increase staff and make money available for renovations and upgrade of facilities.

Mr GILMORE: I thank you very much for the question. It is an important one. It is worthy of a comprehensive answer, and I will provide it. As you undoubtedly are aware because you were part of that process, I appointed Mr Neil Galway as the part-time independent chairperson to head a six-person subcommittee for the purpose of ensuring that every recommendation—and I repeat "every recommendation"—of the warden's inquiry was acted upon. Five separate task groups were set up under the direction of the implementation committee to investigate and report on specific recommendations of the Moura No. 2 inquiry. Task group 1—work is completed and the chief inspector has issued an advisory standard for safety management plans. Task group 2—work is 90 per cent completed. Draft report now under consideration of the implementation committee. Task group 3—work should be completed in late October. Training and mining qualification standards have been developed between New South Wales and Queensland.

Task Group 4, actions completed and final reports submitted, under current review by New South Wales and Queensland coal operators. Task Group 5, draft standards for mine seals have been developed and will be soon circulated to industry for comment. It says here also that a large scale inertisation demonstration project is proposed for early 1997 in Collinsville, after which a final decision

will be made as to what inertisation equipment will be used in Queensland. Other committees have been established to review the coal mining health and safety legislation and the role and education of the mining and energy inspectorate. The inspectorial duties within the coal inspectorate have been prioritised and reallocated in order for staff to contribute to the implementation process.

Mr PEARCE: Just one more question before we run out of time. On page 178, under Program Structure and Department Overview Statements, the statements show that as part of the change in priorities for the DME, savings of \$13.8m are to be realised through discontinuing some initiatives and from ongoing savings within the department. What initiatives will be discontinued and what savings will be made on each initiative that will be discontinued?

Mr GILMORE: While we are digging out some of the information, I can start. The Office of Energy Management, of course, has been discontinued and there was a saving there of approximately \$10m in the year. The Historical Tenures Database has been discontinued and the Extractive Industries Unit has been closed down temporarily until we resolve some of the outstanding legal issues in respect of that. Just by way of explanation, the Extractive Industries Unit was set up to identify, etc., extractive industry resource within Queensland. The industry was more than pleased to pay a levy to fund that unit, and they indicated so and they wanted it to get going. It was set up. Unfortunately, we have struck a little bit of a constitutional problem and it may well be deemed to be an excise and cannot legally be collected. So we are still aiming to get that thing up and running. The industry is pushing very hard for it, but until we resolve those outstanding legal situations we simply cannot proceed. So that is what has been discontinued.

The CHAIRMAN: The time allotted for Opposition questions has now expired.

Mr MALONE: Minister, you spoke in glowing terms earlier on about the Bundaberg/Sunshine Coast link up with the gas pipeline. In north Queensland, of course, we have some other exciting possibilities with the Pandora to Townsville gas pipeline. I ask you to enlarge on that. Also, what is the status at the current time in relation to that?

Mr GILMORE: In answer to the question, there are, as I understand it, two companies now which are showing a serious interest in importing gas either from onshore Papua New Guinea or offshore Papua New Guinea into far-north Queensland. The first one, of course, was offshore. The Pandora field in the Gulf of Papua was proposed by the International Petroleum Corporation and now Chevron, of course, is having another look at the Kutubu field and bring gas down all the way and utilising the Pandora field as a back-up or supplementary field. There has been a quite considerable amount of work done in terms of identification of an appropriate route, discussions on native title issues, discussions of course with Aboriginal groups and communities in Cape York Peninsula, because quite clearly, if it is going to come down through the spine of the peninsula, it is going to cross areas of land which are inalienable

freehold land owned by Aboriginal communities or areas that may well have native title implications. So the companies are doing an awful lot of work on that.

They are also doing quite a considerable amount of hydrological survey work to find out the best route to bring the undersea section of the pipeline either from the coast or from Pandora. Of course, what we hope to achieve from that—and I referred to it earlier in terms of the two power stations in Townsville—we need a magnet, we need a justification for people to spend an enormous amount of capital on a pipeline. At the time that it was first proposed, there was no market and there was no prospect of any market for gas in far-north Queensland. So in a stroke of some considerable fortune, these gas fired power stations are now going to be established in far-north Queensland with the prospect of generating 600 megawatts of base load power from gas. As I understand it, there is likely to be the need for another 300 to 600 megawatts of base load to justify the capital cost of this pipeline, but the benefit in terms of far-north Queensland and Queensland as a whole, as a manufacturing entity in the future, is just enormous. In fact, it is very, very difficult to be able to quantify, other than to say that we know that it is quite enormous, simply because if you get world competitive priced gas into an area, then the number of things that can develop from that, be it fertiliser manufacture, be it polymer manufacture, be it chemical industries—and if you understand that our north west minerals province produces enormous amounts of a variety of minerals which can be processed utilising the downstream product of gas into chemicals for agricultural use, for pharmaceutical use and others. So there is that potential as well. So I see the importation of gas from Papua New Guinea as fundamental for the future of the wellbeing of an industrial development of far-north Queensland. There is, however—

The CHAIRMAN: The member would like to ask a supplementary question. The gong has gone.

Mr GILMORE: I am sorry, I did not hear it.

The CHAIRMAN: Mr Malone might ask a supplementary question so that you can keep going on that subject.

Mr MALONE: In actual fact, I would like to also refer to the Wallumbilla to Mount Isa pipeline and talk about the advantages to Phosphate Hill and the prospect of Western Mining Company actually producing fertiliser that is in high demand, of course, right across Queensland. Perhaps you could tie that in with the question you were just asked in relation to the Pandora pipeline?

Mr GILMORE: I was just going to complete by saying that there is a prospect, of course, of taking coal-bed methane from the Bowen Basin to Townsville in the near future. Because of the excitement surrounding the gas industry at the present time, there are people out there who are looking at all sorts of innovative ways to bring gas to markets and bring markets to the gas. Townsville is right in the box seat in terms of the introduction of gas there.

In terms of the Ballera to Mount Isa pipeline—not Wallumbilla to Mount Isa—that is also an absolute imperative for the further development of far-north Queensland. There are a number of things to come out of that. First of all, there will be re-firing of the Mica Creek power station from existing coal operation to gas and that, of course, will introduce some efficiencies to that. It will enable the power station to be expanded and to provide power then to the existing and expanding mining base in the north west province. In terms of the Western Mining Corporation Phosphate Hill deposit, gas will provide the feed stock to an ammonia plant, and then we can turn that into dimonium phosphate fertiliser not only for Queensland but for the whole of Australia and indeed with the prospect of exporting quite considerable amounts of phosphate fertiliser from Queensland. I believe that that pipeline in itself will do more for the north west province of the State than any other single influence other than the actual discovery of major deposits of mineral.

Miss SIMPSON: How much revenue does SIMTARS expect to raise in 1996-97 from grants and how does this compare to the amount raised in 1995-96?

Mr GILMORE: Thank you very much for that question. In fact, I believe that the Director of SIMTARS is here, Dr Peter Dent.

Dr DENT: SIMTARS expects to achieve something like \$800,000 to \$1m of externally funded research this year largely through ACARP, which is the industry organisation funding research and coal. This compares to about \$113,000 last year. It is a substantial increase; it does reflect on the part of industry a commitment to provide more funds to research than unfortunately has been the case over recent years. They have a meagre research budget, particularly for safety, and of course it is shared between the two states of New South Wales and Queensland. SIMTARS also expects to execute something like \$800,000, plus some carryover, of scientific support to other Moura recommendations where we are playing a major role in terms of provision of scientific services. Also, our fee-for-service target this year is something like \$2.5m, compared to about \$2m last year and \$1.8m the previous year where we were impeded to some extent by assigning resources from commercial services to clients to providing scientific services in support of Moura. We also have a provision of some \$2.5m base from the Government for provision of general services, including support of the inspectorate. So SIMTARS, being a relatively small organisation, will commit something like \$6m to \$7m this year, which stretches our capability to the limit. Where industry funding is concerned—if industry sustains this impetus provided through Moura, it will certainly turn the tide on what has been seen by some to be inadequate funding of mines safety research in this State.

The CHAIRMAN: Minister, I understand that the Mining Warden recommended that the mining and energy inspectorate be reviewed as a result of the Moura mine disaster. Has the review been undertaken—and I know that you went into it at great

length before—and, if so, what consultation has or will occur with industry?

Mr GILMORE: This is an important question and one that needs to be properly canvassed. The Moura implementation process has been effectively a tripartite process, where we had Government, employers and employees interlinked in a cooperative process from day one. In terms of the consultation—it has been a process where everybody was consulted all the time. It has been an excellent process in that regard, because we believe that we are all partners in the industry. We are certainly all partners in the benefits of safety in the coalmining industry and, indeed, with the review of the inspectorate, the metalliferous industry as well. So we have managed to ensure that everybody has been fully consulted all the time. That is the reason that we have such enormous cooperation from everybody who has been involved in this process. That is the reason that there is now real ownership of the process at the mine face level. I think that we are going to get a very good outcome from that, because nobody has been denied. That was a very important part of the process that was put in place and one that we will continue.

Mr MALONE: What is the status of the administrative and legislative coal seam gas program?

Mr GILMORE: We are about reviewing the Petroleum Act. We are going to make sure that coal seam methane is mined and sought under a single piece of legislation to ensure that there are no concerns whatsoever about who does what to whom. We have a very large and developing methane extraction industry in Queensland on both sides of the Bowen Basin. It is a very interesting process. Earlier in the year, we had the first methane extracted commercially and exported off site at Moura by BHP. We anticipate quite a considerable development in the commercial sale of methane. In fact, as I understand it, Tri-Star Petroleum has recently made a contract for the sale of coal-bed methane extracted from the western side of the Bowen Basin, which is a very important development.

In terms of the legislative change—we are going to make sure as far as possible that there is absolute certainty in the minds of not only the explorers and ultimate producers but also, as I said earlier, in terms of the other land users in the area, so that we know what compensation arrangements need to be made and when they need to be made; we know how we are going to get this interrelationship working well. It is very important that we get it right now. It has been in limbo for a number of years, and it ought to have been addressed before this. It has now become urgent, and we will address it now. I think that we can get a good outcome, provided we get cooperation with industry. You must understand that the multitude of industries that are involved are concerned that one person might be disadvantaged from another. It is my view, and it is the view of the Government, that no individual ought to be worse off as a result of exploration or extraction of methane or coal or anything else in this State. So all the

processes need to be put in place properly now, and they will be just as soon as we can get that up and running. I would guess that by about March of next year we would hope to have the legislative process in place.

Miss SIMPSON: With regard to page four of the Program Statement, under "Revenue" and "Receipts explicitly linked to expenditure"—what are Commonwealth specific purpose payments for? I note that, in 1995-96, there was actually no budgeted item for Commonwealth specific purpose payments but the Actual was about \$490,000 and, for 1996-97, \$646,000 is expected.

Mr CHARD: Those receipts related to amounts received from the Commonwealth, particularly for projects in the alternative energy area—projects such as the energy efficient house and the cultural bikeways project.

Miss SIMPSON: What was that?

Mr CHARD: The cultural bikeways project. It is a bikeways project using alternative energy over at South Bank, as I understand it.

The CHAIRMAN: I might take a very quick fishing trip. This may be the last question of the day. In respect of Powerlink versus Eastlink—could you perhaps explain where the process is coming from in regard to its emphasis on utilising Crown land as opposed to private land, which was the way that Eastlink was coming from? You might relate that to my electorate and how that fits in around the Millmerran area in the adjoining electorate of my colleague the member for Warwick.

Mr GILMORE: One of the fundamental differences between the planning processes that are currently under way and the planning processes of the previous Government is that we have deep regard for people's private property. Wherever possible, we are not going to utilise that private property in preference to Crown forestry reserves and others, as I said earlier. It is important to us that, as the powerline corridor is delineated, in the first instance it will cross Crown land—be it vacant Crown land, forest reserves, etc. In the second instance, wherever possible it will cover Crown land which has some kind of lease over it. As a last resort we will be looking at freehold land. Of course, we are going to have to cross some freehold land. There is no question about that. We are going to have to cross some cultivation areas. There is no question about that, either. But wherever possible, we will treat intrusions into people's private space and onto their private land as sensitively as we can, given the

circumstances. We believe that people who find that their property is in the ultimate and unavoidable corridor—as long as they see that we have acted reasonably and responsibly in respect of private land and Crown land in coming to that conclusion—will understand. They might not like it, and they will probably buck like hell, but they will understand that they have been treated unfortunately but reasonably if their property just happens to be in the only place where we can go. But in answer to your question—we are very careful, and we are going to continue to be very careful about violating people's property rights with these corridors.

The CHAIRMAN: In respect of the southern downs coal beds and the announcement to be made in respect of the next coal-fired power station—when do you envisage that a definite decision will be made as to which of those coal resources will be utilised for the next power station?

Mr GILMORE: That, of course, is going to be subject to market forces. We are going to a deregulated market. It is a highly competitive one. We anticipate that we will be attempting to excite the market—if you will—as I said in that *Courier-Mail* article which was referred to earlier, probably in the first quarter of next year. It may indeed happen earlier than that, given the fluidity of the process. But we are going to have to determine whether it will be an open megawatt bid, whether it will simply be expressions of interest and allow people to make their own choice, whether it will be market driven with some initial titillation from Government, or whether in fact it will be entirely market driven. It is one of those things that is coming out of this emerging competitive market. But it is one that is very exciting. My preferred model is that we excite the market by promoting the idea that this is the story. Now, in terms of which coal and which resource will ultimately be utilised—that will be subject to a successful commercial bid.

The CHAIRMAN: There being no further questions, that concludes the examination of the Estimates for the Minister for Mines and Energy and the Committee's consideration of the matters referred to it by the Parliament on 3 September 1996. I thank the Minister and the portfolio officers for their attendance. I also thank Committee members, Hansard staff, research staff and the caterers and attendants for their valuable contribution to the Estimates process. I declare this public hearing closed. Thank you all.

The Committee adjourned at 7 p.m.