

**ESTIMATES COMMITTEE D**

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

**DEPARTMENT OF TOURISM, SMALL BUSINESS AND INDUSTRY****IN ATTENDANCE**

Hon. B. W. Davidson, Minister for Tourism,  
 Small Business and Industry  
 Mr S. Chapman, Acting Director-General  
 Mr M. Bermingham, Acting Executive Director,  
 Corporate Services  
 Mr M. Jones, Acting Director, Finance and  
 Administration  
 Mr M. Denton, Acting Chief Executive Officer,  
 Queensland Events Corporation and  
 Managing Director, Gold Coast Events  
 Co. Pty Ltd  
 Mr S. Gregg, Chief Executive Officer,  
 Queensland Tourist and Travel  
 Corporation  
 Mr A. Davies, Executive Director, Business  
 Support  
 Mr G. Cooke, Executive Director, Business  
 Development  
 Mr M. Peters, Executive Director, Tourism  
 Mr L. Longland, Executive Director, Liquor  
 Licensing  
 Mr P. Mellor, Director, Northern, Regional  
 Operations

The Committee commenced at 9 a.m.

**The CHAIRMAN:** I now declare this meeting of Estimates Committee D open. The Committee will examine the proposed expenditure contained in the Appropriation Bill 1997 for the areas set out in the Sessional Orders. In a week from today, on Friday, 20 June 1997, the Committee will examine the proposed expenditure for the Minister for Environment. Today the Committee will examine the proposed expenditure for the organisational units within the portfolios of the Minister for Tourism, Small Business and Industry and then the Minister for Local Government and Planning.

I remind members of the Committee and Ministers that the time limit for questions is one minute and answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given. The Sessional Orders require that at least half of the time available for questions and answers in respect to each organisational unit is to be allotted to non-Government members and that any time expended when the Committee deliberates

in private is to be equally apportioned between Government and non-Government members. I ask departmental witnesses to identify themselves when they first come forward to answer a question so that Hansard can record that information.

In accordance with the Sessional Orders dated 4 June 1997, a member who is not a Committee member may, with the Committee's leave, ask a Minister questions. In this regard, the Committee has agreed that it will automatically grant leave to any non-Committee member who wishes to question a Minister, unless an objection is raised at the time by a member of the Committee. In relation to media coverage of the Estimates Committee D hearing, the Committee has resolved that television film coverage be allowed for the Chairman's opening statement and for each Minister's opening statement and that at other times audio coverage be allowed.

I now declare the proposed expenditure for the Minister for Tourism, Small Business and Industry to be open for examination. The time allotted is three hours. The question before the Committee is—

"That the proposed expenditure be agreed to."

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

**Mr DAVIDSON:** I will just make a brief statement. The department is represented today by the acting Director-General, Steve Chapman; Mr Mark Bermingham, the acting Executive Director of Corporate Services; and Mr Michael Jones, the acting Director of Finance and Administration. Other witnesses present today are Mr Michael Denton, the acting Chief Executive Officer of the Queensland Events Corporation and Managing Director of Gold Coast Events Co. Pty Ltd; Mr Stephen Gregg, Chief Executive Officer of the Queensland Tourist and Travel Corporation; Mr David Ronai, Director of Finance and Administration, Queensland Tourist and Travel Corporation; Mr Ron Boyle, Chief Executive Officer of the Office of Innovation and Technology; Mr Alan Davies, Executive Director of Business Support; Mr Geoff Cooke, Executive Director of Business Development; Mr Peter Phair, Executive Director of Business Services; Mr Mark Peters, Executive Director of Tourism; and Mr Laurie Longland, Executive Director of Liquor Licensing.

It has been an interesting 15 months since I was appointed the Minister for Tourism and the coalition Government took office. In that time I believe that we have made enormous changes to the structures of my portfolio, commencing with the QTTC with the appointment of new board members and a new CEO and a complete restructure of the senior staff of the QTTC and major focus put on redeveloping partnerships with the tourism industry right across Queensland. The Queensland Events Corporation has also been through a restructure with the appointment of a new chairman, new board members and a new CEO. A lot of work has been put in in the last six or seven months in re-establishing the Queensland Events Corporation, particularly in regional Queensland. For the first time ever the Queensland Events Corporation has a strategic

document for the planning of future events in Queensland right across the State.

In other areas of my portfolio, we have recently gone through an analysis of the Department of Tourism, Small Business and Industry which resulted in the Office of Tourism being integrated back into the QTTC—a proposal that was approved by MOG as recently as about a week ago, and we are just going through that process at the moment. The analysis of the Department of Tourism, Small Business and Industry has just been completed and machinery of Government has signed off on the report from KPMG, who were the consultants employed to do the analysis. The steering committee, Mr Steve Chapman, the acting Director-General, the Office of the Public Service, the consultants and I met on Wednesday of this week, and we are going through the final stages of implementing the recommendations of the KPMG report.

It has been a very interesting year. I believe that with the abolition of the QSBC—the Queensland Small Business Corporation—and the integration of that corporation and the service it provides into my department and the establishment of our business centres across the State we have further met the needs and demands of business right across the State of Queensland. We will continue to ensure that our regional offices are resourced and have the necessary and appropriate people with the skills and abilities that the business communities right across this State are looking for. We are very confident that the abolition of the QSBC and its integration into the department has been very, very successful. There is some documented evidence that in the previous 12 months of its operations the QSBC serviced about 5,000 clients. In the last six months the department has served some 9,000 or 10,000 clients across the State of Queensland.

All in all, it has been a very interesting year. As everyone appreciates, we are in tough economic times, but the department, I believe, is doing everything it possibly can to assist and develop and grow both the tourism and business sectors across the State of Queensland.

**The CHAIRMAN:** Thank you, Minister. We will now have the first period of questions and we will move to non-Government members. Mr Gibbs, you are going to ask all of these questions, are you not?

**Mr GIBBS:** Thank you, Madam Chair. I refer to page 38 of the Ministerial Program Statements and, in particular, the \$250,000 allocated for fixed capital expenditure for the upgrade of the sugar wharf cruise ship facility and ask: what precisely is this money to be spent on? How much has already been spent, on what and by whom?

**Mr DAVIDSON:** Thank you for the question. As the member would appreciate, with the establishment of a purpose-built cruise ship terminal in Brisbane—which I think was launched six weeks or so ago by the Premier and Doug Slack—there has been enormous interest in Brisbane as a base for the cruise ship industry. Some time ago, officers of my department in the Office of Tourism identified a proponent, South Pacific Cruise Liners. I met with

the proponents several times myself. All the detailed work was done by the officers of my department. At the time, their proposal required the use of a facility in the short term with the establishment of the cruise ship business proposed for Brisbane in June, July, August, September or October this year. As it stands now, I believe that this business will be operating in about September or October. When we reviewed the facilities that were available for the company to use, we identified that the sugar wharf terminal lacked basic facilities to cater for and accommodate any tourists who were to enjoy a cruising holiday under the proposal by South Pacific Cruise Liners. So we did some investigations ourselves. We identified that the basic needs of toilets and a public telephone and other facilities were a requirement to ensure that the sugar wharf terminal could cater for and accommodate tourists' needs. In consultation with officers of my department, I suggested to them that we provide some financial assistance to provide those facilities. We discussed at length the—

**Mr GIBBS:** This does not exactly answer the question that I asked you. I asked you for specifics in relation to expenditure. If you want me to repeat the question, I will.

**Mr DAVIDSON:** I am giving the background as to why the money was provided.

**The CHAIRMAN:** Go ahead, Minister.

**Mr DAVIDSON:** At that time, we identified the need for these facilities. If the member had cared to read the tourism framework document we launched, which is a result of three years of the non-effect of his Government in producing this document, he would know that it quite clearly says on page 19—

**Mr GIBBS:** I knew most of what was in there. We prepared it, remember.

**Mr DAVIDSON:** Page 19 says "a marine and cruise strategy including assistance for the provision of dedicated passenger terminal facilities". That is in our framework document. What I am saying basically is that, with the proposal of South Pacific Cruise Lines, there is a lack of facilities at the sugar wharf terminal. Officers of my department identified that we needed those basic facilities—toilets and telephones. We decided at that time that we would put temporary facilities there. We requested funding through the Government and placed temporary facilities there—toilets, telephones and so on—but also consideration was given to facilities that would be able to be relocated to maybe sporting venues or other facilities in Queensland.

To secure this deal for Queensland, the Cabinet Budget Committee provided \$250,000 for a study to be undertaken and facilities to be provided. The first \$30,000 that was provided was for a feasibility study by a marine and architectural company to do a feasibility study and investigate the way in which we can accommodate this cruise ship to enable it to dock at the sugar wharf terminal. \$30,000 was provided. I believe the feasibility study is being done at the moment and the remaining part of that \$250,000 will actually be spent on providing the toilets, telephones and other basic facilities that passengers disembarking or embarking on a cruise

ship holiday from the sugar wharf terminal will be looking for.

**Mr GIBBS:** Madam Chair, considering the fact that the bell in terms of the time limit was rung twice—

**The CHAIRMAN:** The first ring is just a warning.

**Mr GIBBS:**—perhaps it would be prudent that the Minister might answer the questions—

**Mr DAVIDSON:** Madam Chair, if the Opposition member did not interject, I would have time to answer the question. If he continues to interject, it will take up the time that I have to answer questions.

**Mr GIBBS:** I refer again to page 38 of the same Ministerial Program Statements and I ask: what contracts have been signed by South Pacific Cruise Lines Limited for this work, for what amounts and when are these payments due?

**Mr DAVIDSON:** The member would appreciate that under the Major Project Incentives Scheme, it is often the case that the Government provides incentive packages to proponents such as South Pacific Cruise Lines. The sugar wharf terminal funding was quite separate to the proposal—it was part of the proposal but quite separate, from a quite separate allocation. As far as any other grants are concerned, we have not provided any up-front capital grants. There will not be a draw on any assistance package that we have provided to South Pacific Cruise Lines until it is in operation and has established its business here.

Members of the Committee here today need to appreciate that this opportunity is enormous for Queensland. There are 315 jobs in the first year and it provides for about 550 jobs in year 5. When I first announced this some time ago, the QTTC was inundated with calls from Queenslanders looking for employment in this industry. We had 8,000 applicants for the 315 jobs from people across the State of Queensland. We have, as part of the package, provided training. A major Queensland training provider has been appointed, as I understand it. All of those 315 positions in year 1 will be trained positions, so it is a great opportunity for us to provide trained employment for Queenslanders. The extent of this business is enormous. As the new cruise ship terminal progresses and comes on line late next year, I believe—and I have already been approached by several proponents—that there will be enormous interest in establishing cruise ship businesses in Queensland.

The employment factor is a major focus for the Government and, under the usual arguments which are commercial in confidence with any proponent, there has been an assistance package put together. There are no up-front capital grants to this company. We are not in the business of providing cash grants. The package is put together basically for training purposes and for payroll tax incentives, but that is the same attitude—there will be no rebates on payroll tax until the wages are paid. While we have done everything that we possibly can to attract this business to Queensland, we must appreciate that we

are in competition with southern States—Sydney in New South Wales and Melbourne in Victoria.

Officers of my department and I were totally involved in ensuring that this business is based in Queensland because of the fantastic employment opportunities that we saw. There are lots of other benefits pre and post cruise. The accommodation sector in Brisbane is delighted that the Government has attracted this proponent to Brisbane because anyone who is departing Brisbane for a cruise will obviously, in many cases, want accommodation before they depart and anyone returning on one of those cruises will want accommodation on their return. There is \$11m a year in consumables that the service industry in Queensland is very happy about.

**Mr GIBBS:** I refer again to the same Ministerial Program Statements and I ask: what was the role of the United States based Chancellor Group in South Pacific Cruise Lines Limited in gaining this contract from the Queensland Government, and what is Chancellor's present role in South Pacific Cruise Lines Limited?

**Mr DAVIDSON:** As I understand it, in my meetings I did not have discussions with the Chancellor Group from America. I basically dealt with South Pacific Cruise Lines representatives from Sydney. I might ask Geoff Cooke, an officer of my department, to provide some of the detail that the member has inquired about.

**Mr COOKE:** The offer of assistance under the Major Project Incentives Scheme was to Chancellor Group Inc. This was the initial project proponent until South Pacific Cruise Lines Limited became the operating company for the project. Chancellor Group Inc. is a company listed on the US stock exchange. It has investments in gas-based operations in Kentucky, USA. In Australia, the Chancellor Group has interests in investment banking, foreign exchange services and debit/credit card transactions for the banking and travel industry.

As at 30 April 1996, Chancellor Group Inc. owned assets totalling US\$29m. Prior to the offer of assistance, a security check was conducted into US based Chancellor Group Inc. Other checks on 16 January 1997 through the Australian Securities Commission were completed for Chancellor Australia Pty Ltd, Chancellor Securities Ltd, CGI Financial Services Pty Ltd and CGI Automated Services—subsidiaries of Chancellor Group Inc. At that time no information was available from the ASC on South Pacific Cruise Lines. The final agreement, however, between the State Government was with South Pacific Cruise Lines as signed on 13 March 1997. So South Pacific Cruise Lines is the operating company for Chancellor Group Inc.

**Mr GIBBS:** In relation to the feasibility study, is that under way or is it yet to be started—the \$30,000 feasibility study?

**Mr COOKE:** As I understand it, the feasibility is under way, but that is the province of Mr Peters.

**Mr GIBBS:** When will the feasibility study be completed? What will be its total cost, and what performance clause has been incorporated in Government contracts with South Pacific Cruise Lines Limited?

**Mr DAVIDSON:** As I understand it, the \$30,000 has been provided for the employment of a marine architectural company to do a feasibility study on the upgrade of the sugar wharf terminal. As I understand it, those funds have been provided—the \$30,000 has been provided. The remaining \$220,000 will be spent on the upgrade of the sugar wharf terminal itself.

**Mr GIBBS:** The \$30,000 will be spent on the upgrade of the wharf?

**Mr DAVIDSON:** That \$30,000 is to do a marine feasibility study which is being conducted by a marine and architectural company. I think we have the name of the company doing it.

**Mr GIBBS:** I refer again to—

**Mr DAVIDSON:** Just while you are there, the name of the company that has been employed to do the feasibility study is Sinclair Knight Merz.

**Mr GIBBS:** I refer again to page 38 of the same Ministerial Program Statements and I ask: in the due diligence process conducted by your department on 4 February on South Pacific Cruise Lines Limited, what Australian Securities Commission searches did your departmental officers request, at what cost and what did they reveal? Did they reveal, for example, that the records of the ASC showed that Mr Adams was a director of the company on 4 February and, in fact, did not resign as a director until 17 February—two days before your well publicised announcement of its signing—only to be reappointed less than a fortnight later? Are your departmental officers aware of the fact that a Mr Rick Manietta of Neutral Bay, Sydney born on 17 July 1952 associated with the same company is also a declared bankrupt?

**Mr DAVIDSON:** As you would appreciate, I was not involved in the Australian Securities Commission check, but I will have my officer answer that question.

**Mr GIBBS:** I will refer the question to Mr Cooke then.

**Mr COOKE:** Mr Greg Adams was general manager of CGI Financial Services Pty Ltd as at 16 January 1997. He was not a director of the Chancellor Group Inc. or any associated company. As I indicated earlier, the final agreement between the State Government and South Pacific Cruise Lines was signed on 13 March. As part of our checks, the auditors of the company, Behrens Rendall Kelly, chartered accountants of Sydney, advised the department in writing on 4 February 1997 that the directors of the company were Neil Green, Rick Manietta and Kim Stewart. Mr Greg Adams was not named as a director of the company. He was listed as a shareholder of 50 ordinary shares and acting as trustee for Chancellor Australia Pty Ltd. A search of the company as at 11 June 1997 reveals that Mr Adams was listed as a director of South Pacific Cruise Lines from 12 December 1996 to 17 February 1997, and then from 28 April 1997. Mr Adams is disputing that he was a director during the earlier period with the ASC.

The company's auditors were contacted on 12 June—yesterday—to confirm the advice that they

provided to us in writing on 4 February 1997. Mr Rendall, partner of the auditors, reconfirmed that Mr Adams was not a director of the company at the time. Mr Adams had lodged his notice of resignation as a director of South Pacific Cruise Lines Limited on or before 4 February 1997 with the company secretary, but the ASC had not been officially notified until 17 February 1997.

In relation to the question about Mr Manietta—as of our search yesterday, yes, we became aware that he is a discharged bankrupt.

**Mr GIBBS:** So basically, I can sum it up by saying that you are dealing with two people through this company who have both been declared bankrupts?

**Mr COOKE:** They are discharged bankrupts.

**Mr GIBBS:** On the same Program Statements, I ask: what cruise ships and/or other vessels does South Pacific Cruise Lines Limited currently own or operate, which of these ships will be operating out of the sugar wharf facility, when will the first ship sail, and what will be its capacity?

**Mr DAVIDSON:** I am not aware that South Pacific Cruise Lines own any other vessel. Is that right, Mr Cooke?

**Mr COOKE:** I am not aware of that.

**Mr DAVIDSON:** They are in negotiation at the moment to secure a vessel to base this operation in Brisbane. In light of my discussions yesterday with representatives of South Pacific Cruise Lines, I understand that an announcement will be made within the next seven days on the vessel that they have secured to operate this business from Brisbane. Obviously, there have been some delays in negotiations. When they first announced the establishment of this business in Brisbane, they were inundated with inquiries from around the world from all sorts of ship owners wanting to discuss and negotiate the provision of a cruise liner to South Pacific Cruise Lines. So while they had a commitment to one particular company with a particular cruise liner, they have had ongoing negotiations with other companies for other liners. As I understand it, they will be making an announcement within the next seven days as to which cruise liner they will be using to establish their business in Brisbane.

**Mr GIBBS:** On the same program, and referring to your previous statement—what other inducements were offered to South Pacific Cruise Lines Limited, such as the payroll tax relief that you mentioned, TAFE college staff training—just to mention two—and to what value?

**Mr DAVIDSON:** Were there any other incentives in that package, Mr Cooke?

**Mr COOKE:** That is basically it.

**Mr DAVIDSON:** That is basically it. As the member would appreciate, all those negotiations and agreements are commercial in confidence.

**Mr GIBBS:** I do not appreciate that. Given the record of some of these people thus far, I think it is a perfectly fair question to ask you.

**Mr DAVIDSON:** That may well be so.

**Mr GIBBS:** What were the inducements—

**Mr DAVIDSON:** The member is entitled to his own opinion.

**Mr GIBBS:** What inducements—

**Mr DAVIDSON:** Madam Chair—

**The CHAIRMAN:** Can the Minister answer the question?

**Mr DAVIDSON:** Thank you, Madam Chair. I think there should be a point of order taken on the continuing interjections when I am trying to answer the questions asked.

I think that everyone appreciates that we have many negotiations with all sorts of companies wanting to establish business in Queensland. As a Government we conduct many negotiations in trying to attract business to Queensland. Madam Chair, I am sure you and other Government members of the Committee would appreciate—although maybe not the members of the Opposition who are here today—that in relation to commercial business and event business, it has become a very aggressive climate out there with competition from New South Wales and Victoria. We do not go around disclosing arrangements that are commercial in confidence, simply because we face continued pressure from southern States, particularly New South Wales and Victoria, that are competing with us for all those types of opportunities that present themselves to Queensland. This arrangement was entered into in a commercial-in-confidence nature with South Pacific Cruise Lines. As the Minister responsible, I will honour my arrangements with them in that regard. I am not prepared to disclose the arrangements that were agreed to by the Government to attract South Pacific Cruise Lines and their business to Queensland.

**The CHAIRMAN:** Could we have the last question for this section?

**Mr GIBBS:** Minister, I refer to another one of your commercial-in-confidence deals. Page 39 of the Ministerial Program Statements refers to the Indy Grand Prix. I ask: have Sunbelt's creditors demanded a payment to the Indy board as part of the liquidation of Sunbelt properties? If so, how much was demanded and how much has been paid? When was this payment made?

**Mr DAVIDSON:** What was the first part of the question?

**Mr GIBBS:** Have Sunbelt's creditors demanded a payment to the Indy board as part of the liquidation of Sunbelt properties?

**Mr DAVIDSON:** I do not believe that Sunbelt's creditors have demanded anything. There has been some discussion with the Indy board. Mr Michael Denton from the Queensland Events Corporation and the Government's representative on the Indy board would be able to give you more detail on that.

**Mr DENTON:** I am not aware of any demand that has been made of the management committee of IndyCar Australia by the creditors of Sunbelt.

**The CHAIRMAN:** Minister, I want to talk about the IndyCar race. Can you tell us about the benefits that accrued to the whole of Queensland, not just the benefits that were seen in the Gold Coast region?

**Mr DAVIDSON:** Certainly. As you would no doubt appreciate, being a member of my backbench policy committee—and a very supportive member of that committee, I must say—IndyCar represents enormous value to Queensland, not just to the Gold Coast but to the entire State. Everyone appreciates that it is now our biggest marketing and promotional tool for the State, with the international coverage that we receive from around the world. The event, which is beamed into 700 million-odd homes, is absolutely fantastic promotion for Queensland. This year, we believe that the event generated combined economic and promotional impact for Queensland of over \$53m. This represents a record \$35.42m economic impact plus an estimated \$18m in promotional value. Of the \$35.4m in economic impact, \$27.5m was generated on the Gold Coast, with the remaining \$7.9m being returned to other parts of Queensland.

When I was at IndyCarnival itself on the Sunday, I met a couple of Americans who had met someone from Winton. They were here for a three-week holiday on the Gold Coast to attend the event. As a result of meeting those people from Winton, they hired a car at the Gold Coast and drove to Winton. I actually said to the Americans, "Do you realise how far it is to Winton? It is not just a trip down the road." As I understand it, they went off to Winton and stayed for some time with the people they met at the Gold Coast. So Winton obviously did not benefit only from the \$650,000 surplus last year, with the Government dedicating those funds to the Waltzing Matilda Centre; there are now American tourists visiting Winton as a result of their visit to Indy. I think that is great news for Queensland, particularly outback Queensland.

In 1997, the event generated a total of 167,152 visitor nights in Queensland. Of these, over 3,700 were in Brisbane, 2,000 on the Sunshine Coast, nearly 200 in central Queensland, and nearly 3,300 in far-north Queensland. Nearly 43% of visitors to Queensland for the IndyCar Australia event came from interstate or overseas. The report also found that, on average, 50.2% of interstate visitors and 40.2% of overseas visitors planned their attendance at Indy at least six months before the event.

More importantly, the proportion of those visitors who plan their trip at least six months out from the event is increasing with each successive Indy. In addition, the media coverage of the IndyCar event has continued to grow. In 1991 coverage of the event was distributed to only 30 countries. The number of countries receiving the broadcast of the event has increased at an average annual rate of 60%. In 1997 the event was delivered to 176 countries, to a potential viewing audience of over 700 million. In terms of world sports, Indy is the sixth most televised event in the world, ahead of Formula One, the European football championships, the French Open tennis, the US Super Bowl and even Wimbledon.

**Mr ROWELL:** You state in answer to a question on notice that you recently launched Queensland Tourism, A Framework for the Future. Could you please detail the consultation process that took place to produce that document and outline what steps have been taken or will be taken to achieve the attached action statements.

**Mr DAVIDSON:** I know that you were quite interested in receiving that document, as you were about the ecotourism plan that we launched last week. I believe that that document has been accepted and endorsed by the industry right across the State. I place on record my thanks to the people who were involved in formulating the document, particularly officers of my department, the Tourism Council of Australia and so many other people who gave of their time and expertise for us to be able to release for the first time, after three years of procrastination by the previous Government, a Queensland tourism framework. That has been totally embraced by the industry across the State.

As I said, last month I had the pleasure of launching Queensland Tourism, A Framework for the Future, the strategic plan for the future of the Queensland tourism industry. When I became the Minister, one of the first issues I had to deal with was the development of a Queensland tourism strategy. The document had been two years in the making and was little more than a long, ineffective wish list. It lacked both direction and the confidence of the industry. So I sent everyone back to the drawing board. The result is Queensland Tourism, A Framework for the Future. The development of the framework has evolved through a number of stages as a result of extensive industry involvement and participation. It is a framework in the true sense. It is not a restrictive set of rules and regulations; rather, it sets a broad competitive direction for the industry and provides a State Government policy umbrella to guide the future planning and development of tourism.

Attached to the framework are 10 associated action statements illustrating Queensland's potential to diversify its already extraordinary range of tourism experiences. Those statements include the cruise shipping strategy. A working party will be established by the end of June to examine cruise ship infrastructure. The strategy will be driven by the QTTC in conjunction with the Department of Transport and the relevant port authorities. It will be completed by October 1997. The Queensland Ecotourism Plan was launched by me last week. I know Mr Rowell was very keen to see the launch of that document. Printed copies are to be publicly distributed next week. We printed only 50 in the first round, but we are now going to mass distribution. All members of Parliament will receive a copy of that document. The QTTC will coordinate the plan's implementation.

As to international tourism representation—QTTC will constantly monitor emerging markets to assess the potential and suitability of international expansion. The project to develop the investment database plan will be coordinated by the QTTC and will be ongoing. The project will publish material on

accommodation aspects by August 1997 and attractions by October 1997. The QTTC will be responsible for the finalisation of the Queensland aviation strategy, which is due to be completed by September 1997. A drive marketing strategy is currently being drafted and the QTTC will be responsible for further development and implementation of the strategy. The Red Tape Reduction Task Force has been requested to report to Cabinet at regular intervals. Brand campaigns to the five developed destinations have been launched as part of the destination marketing strategy. Marketing plans for nine emerging destinations will be released progressively over the next few months. Mr Rowell, I have plenty of other points that I will distribute to you after the meeting.

**Mr MITCHELL:** Further to another question on notice concerning domestic tourism marketing, would you please advise why the QTTC moved away from a generic marketing approach and how the corporation's new Destination Pacific Strategy will enhance interstate visitation?

**Mr DAVIDSON:** Thank you, Mr Mitchell. I know you have a very keen interest in tourism. I can recall our visit to Richmond earlier this year when we provided the funding for the airconditioning of the Richmond Fossil Museum. I was absolutely delighted to visit such a small community.

**Mr MITCHELL:** They are, too.

**Mr DAVIDSON:** I know they are. I was delighted to experience first-hand the sheer joy and delight on their faces with the provision of that funding to aircondition that facility. That community of 800 people obviously understands and appreciates the benefits that the whole community can receive through tourism. It was my great pleasure to be there with you on that day.

In meetings and discussions that I have had with you on tourism, I think you were aware that when I was first appointed Minister we were stuck with a promotional commercial, Live It Up, that had been out there for two and a half years. The use-by date was up. It had become tired and had lost its impact in the marketplace. We faced the difficulties of a legacy left by the previous Government in its proposed new promotional commercial, which was actually a Ninja Turtle commercial promoting Queensland. The cost of that proposal was about \$1.4m. I thought Queensland had a hell of a lot more to offer than a turtle commercial, so we set about redesigning the whole way that we would promote and market Queensland to our domestic tourists in southern States. We obviously scrapped the previous Government's proposal to promote and market Queensland in a generic sense.

We moved from a generic marketing approach promoting the State as a whole to a destination specific approach. That destination specific approach recognises the diversity of Queensland. It also recognises the unique attributes of its regions. It also recognises the perception of Queensland as a sun, surf and sand destination is inappropriate to some destinations, for example, tropical north Queensland and Brisbane. When I was in Thailand last year, one of the first lessons that I learnt as a

Minister related to a brochure that was being distributed to the tourism industry in Thailand to attract Thai visitors to Queensland. That brochure about Cairns showed two surfboards shoved in the sand, a wave behind them, a couple of palm trees and the sun setting in the background. When I returned to Queensland, I went to Cairns Airport. I spoke to an attendant working at the airport. I asked whether many people arrived there with surfboards. He said, "You wouldn't believe how many people come to Cairns with a surfboard." That was my first lesson about branding our destinations to ensure that tourists visiting those destinations do so for the right reasons. If they want to go surfing, they should be going to the Sunshine Coast or the Gold Coast.

The selection of brands was based upon research into consumer awareness and intention to travel to destinations and the ability of the industry to carry the brand. Funding was required to establish those as well as the brands currently being developed in the market place through adequate media exposure. An additional \$4m has been allocated in the budget for that purpose. Madam Chair, could I have an extension of time, please?

**The CHAIRMAN:** The question is for an extension of time.

**Mr MITCHELL:** Yes, please. I want to hear the end of the answer.

**The CHAIRMAN:** Yes.

**Mr DAVIDSON:** Mr Mitchell, I think you will appreciate that when I was first appointed, the budget of the QTTC was \$29.5m. In the 15 months that I have been Minister, that has been increased to \$34.6m. There has been an \$5.1m increase in the base funding to the QTTC. The campaign promotes each of the State's tourism destinations separately, tailoring marketing activity to the needs and attributes of each region. The QTTC has successfully branded and released campaigns for all five of Queensland's developed destinations: tropical north Queensland, the Gold Coast, the Sunshine Coast, the Whitsundays and Brisbane. By branding Queensland's five developed destinations the QTTC is taking a sophisticated consumer goods approach to tourism marketing. This is the first time such an approach has been applied to tourism marketing in Australia.

Comprehensive marketing strategies are also being prepared for Queensland's nine emerging destinations in conjunction with the Regional Tourism Association's tourist operators in each region: Townsville, Mackay, the Outback, Toowoomba and the Golden West, the Southern Downs, Bundaberg, Capricorn region, Gladstone, Fraser Coast and South Burnett. The popular and enduring Beautiful One Day, Perfect the Next slogan is being used to link various brands, reinforcing Queensland's identity as Australia's best holiday destination. As well as a strategic branding, the campaigns allow and encourage cooperative tactical marketing by tourist operators, thus giving the industry greater ownership.

**The CHAIRMAN:** I turn to north Queensland, which is an area close to my heart. Further to the

question on notice regarding the significant achievements of the Queensland Events Corporation in attracting major events to Queensland, would you like to tell us what activities your department has undertaken to boost tourism events in tropical north Queensland?

**Mr DAVIDSON:** I would like to place on the record the enormous support the industry received from you as the local member for Barron River. Your representations to the Liberal Party to hold our State convention in Cairns last weekend have not gone unnoticed by industry representatives in Cairns. As you know, there were nearly 600 delegates at that conference and probably another 400 family and friends who attended that weekend. Many tourism representatives whom I spoke with in Cairns were supportive of your push to the Liberal Party to hold the convention there. That is a pat on the back for you, Madam Chair.

Madam Chair, as you are well aware my department has provided significant support to boost tourism events in tropical north Queensland. Being a member of my policy committee, you are always making representations on behalf of tropical north Queensland to me as the Minister. I believe that we have totally committed support to tropical north Queensland. It is a part of the State that I love to visit. I have established many very good friendships in tropical north Queensland. I really enjoy working with the tourism industry and the business and industry sectors in tropical north Queensland.

As you know, in 1996 we supported the World Mountain Bike Championships. Madam Chair, I think that you were actually at that event. You enjoyed it along with many other thousands of people. There is further support from the QEC for the Cairns regional events strategy, which is evolving right now. There have been ongoing meetings and discussions.

We have the FIA World Cup Safari to start in Cairns from 1997 to 2000. As you know, Cairns City in partnership with the QEC put a major bid together to attract the FIA World Cup Safari to Queensland. It will commence in Cairns and finish on the Gold Coast, which is a major event for north Queensland and outback Queensland.

You are aware of the Eco Challenge and the assistance from the Queensland Events Corporation and the QTTC. As I understand it—and I had some meetings on the weekend with tourism people in Cairns—they are now talking about a post-eco event. This particular event gives us the opportunity to attract competitors from all over the world. The exposure that we will gain through the media all over the world will be absolutely enormous. As a result of this event being televised into many countries around the world, there is a proposal to have a post-eco event for all comers rather than just for the elite ecotourism athletes. I believe that there is now going to be an open event to all people who want to contest the Eco Challenge event. That is great stuff.

Obviously, we have directed grants to the Far North Queensland Promotion Bureau of \$265,000—up \$65,000 on the previous Government's commitment of \$200,000. As the Minister, I directed

that \$50,000 be provided. Madam Chair, can I just have an extension?

**The CHAIRMAN:** You may.

**Mr DAVIDSON:** As the Minister, I ensured that \$50,000 be provided to the Far North Queensland Tourism Bureau for the branding campaign that they have just been through. As I said in relation to the issue of the surfboards, they are now branding far-north Queensland as a specific destination, particularly with the theme of "Where the rainforest meets the reef". As you are aware, we launched that campaign in Cairns and it has had immense support from the industry up there.

There has been major funding for the tropical north Queensland campaign for 1996-97. Other destination development projects include the retail and wholesale promotion support for 1996-97 from the QTTC. In relation to support for President Clinton's visit—and you were involved in it and once again I thank you—we offered support plus assistance with journalists for familiarisation, print and video production with the QTTC. We followed that up with a funding package approved by Cabinet of \$1.25m. I think that the Government provided \$850,000 of that and the industry itself provided \$400,000 to capitalise on President Clinton's visit to Port Douglas, which is another great initiative. In total, we believe that we have committed over \$4m in funding to tropical north Queensland in the last year.

This year the Queensland Tourism Awards will be held in Cairns. So as you can see, not only your commitment to the Liberal Party convention but also my commitment to the Queensland Tourism Awards and Cairns will also be—

**Mr MACKENROTH:** The Labor Party convention is there next year, too.

**Mr WELFORD:** We are not sacking our president, though.

**Mr DAVIDSON:** Copycats. So you can appreciate—

**Mr MACKENROTH:** We built the building.

**Mr DAVIDSON:** Yes, but the casino has gone broke. The Premier and the Treasurer also chose to visit tropical north Queensland, and Cairns in particular, to launch the Statewide destination marketing campaign. It was the base for a highly successful inaugural Queensland campaign that was launched by the Premier and the Treasurer.

Last year, as you know we also had a showcase in Cairns where we had 200 European travel buyers attending a three-day conference in Cairns. We invited travel writers from all over the world to visit Cairns. There are many other initiatives that I will be pleased to outline.

**The CHAIRMAN:** Thank you. You mentioned President Clinton's visit to north Queensland. Can you tell this hearing how your department capitalised on the enormous publicity that was created by that visit to north Queensland?

**Mr DAVIDSON:** What an enormous opportunity it presented to Port Douglas, the Cairns region and tropical north Queensland itself! As you know, I personally provided some funding through

my department to ensure that we hosted the best possible visit for an American President to Port Douglas. While I was not able to attend the weekend myself, they tell me that it was absolutely fantastic. The atmosphere, the excitement around the town during the day and night, was one that you really needed to be there to understand and appreciate.

The US President Bill Clinton's visit to Port Douglas in November 1996 generated enormous publicity for Queensland and the North American market. In December 1996, Cabinet approved a comprehensive \$1.25m campaign to build on that publicity. The Government's contribution to the campaign totalled \$844,000, with the remainder sourced from industry partners. The campaign named Kickstart USA is being managed by the QTTC's Los Angeles office.

While the Great Barrier Reef is one of the greatest drawcards for the North Americans, the campaign also features Queensland's rainforests, beaches and friendly locals who made the President's visit such a success. The campaign incorporates the following elements: the extension of cable television advertising with industry partners, the development of an advertising campaign focusing on travel options to Queensland, travel trade advertising, public relations support and hosting targeted journalists for working visits to Queensland and cooperative marketing activities with key travel wholesalers.

Specific activities in the campaign include joint advertising with Sony; backpacker programs; dive, sail and cruise campaigns; and an extension of the Aussie Specialist Program to provide training to help American travel agents sell Queensland. As I said, as a result of President Clinton's visit in November 1996 and Indycar earlier this year, I think that the interest in Queensland as a destination for many tourists from North America has been unbelievable. I actually hosted the first trade delegation from America to Queensland in six years. The previous Government had not hosted such a trade delegation to Queensland. I hosted a trade delegation from New Hampshire. The interest in Queensland from American tourists and from business people has grown enormously in the last year or so under this Government. We are very keen to form partnerships with many American companies to establish joint venture businesses in Queensland and a lot of that work is ongoing. Hopefully, I will represent a delegation to the United States later this year to continue some of the partnerships that were formed during the visit by the American delegation.

There are many opportunities that exist for us in North America. Obviously, we are working with the airlines to ensure that we have direct flights to Brisbane. That will progress as we implement our aviation strategy with the QTTC. All in all, I think that President Clinton's visit into Port Douglas in November 1996 gave us a catalyst to re-establish a lot of our partnerships and relationships with North America.

**Mr GIBBS:** I refer you again to page 38 of the Ministerial Program Statements in relation to the establishment of a cruise ship facility in Brisbane and

also to an answer given earlier in this Committee which indicated that the Chancellor Group was strongly linked to South Pacific Cruise Lines, and I ask: why, therefore, did one of the directors, Mr Adams, say on page 7 of the April edition of Travel Week—

"He also refused to elaborate on the operator's unknown financial backers. Although he stressed that the Chancellor Group was not involved in the project."

**Mr DAVIDSON:** Obviously, I cannot make statements on a report that you claim to have from a media publication. Strike me pink, you know what the media are like. Honestly, I think—

**Mr MACKENROTH:** I read the Courier-Mail last Saturday.

**Mr DAVIDSON:** Actually, so did a lot of other people. I cannot answer that question. Obviously, I think that if you took the commercial view of the world, there are a lot of sensitive issues that need to be dealt with in negotiating not just from our point of view with this proponent but from their point of view with many of the cruise ship companies that were wanting to provide a ship for this business to be established in Queensland. It may well have been that they did not want it to be known that Chancellor was behind it. I do not know. I cannot really comment on that. That is a statement that Mr Adams has made. I have not discussed that comment in the media with him.

**Mr GIBBS:** You just do not know.

**Mr DAVIDSON:** I am not prepared to make a second guess on any statement that Mr Adams has reportedly made in the media.

**Mr GIBBS:** I refer to page 39 of the Program Statements, again in relation to the Indy Grand Prix. What formal process have you put in place to ensure that the sponsors of Indy are solvent and in a good financial position and are able to meet their commitments prior to the signing of any contracts? What officers of the Department of Tourism, Small Business and Industry are responsible for ensuring that this process is undertaken? What checks will be carried out and with what organisations to ensure the solvency of the company seeking sponsorship? Has any work been completed by the Strategic Planning and Policy Unit and the Internal Audit Unit or by any other officers of the Department of Tourism, Small Business and Industry to ensure that the Sunbelt debacle will not be repeated next year?

**Mr DAVIDSON:** I cannot believe that you would ask that question. It amazes me that you would ask a question when your own Government should bear the responsibility for the Sunbelt issue. I do not know whether you are aware of it, but the partnership agreement with IMG was not struck by this Government, but we have had to live with it. The agreement was struck under your Government. As you should be aware—and you might take the time to read the agreement—the Government does not have any role at all or any say at all in the partnership agreement.

**Mr GIBBS:** That is incorrect.

**Mr DAVIDSON:** No, it is not. I will ask Michael Denton of the Queensland Events Corporation to explain.

**Mr GIBBS:** As a Minister, you have the overall responsibility to supervise the event.

**Mr DAVIDSON:** That might be the case, but I will ask Mr Denton to read the partnership agreement—

**Mr GIBBS:** So—

**Mr DAVIDSON:** Madam Chair—

**The CHAIRMAN:** Let the Minister finish.

**Mr DAVIDSON:** Firstly, I will ask Mr Denton to explain to the Committee the partnership agreement that the Government has with IMG.

**Mr DENTON:** The partnership deed between IMG and the Gold Coast Events Company Pty Ltd states that IMG is to act as the manager of the partnership business. It also states that IMG, in its capacity as manager of the partnership, will be responsible for the day-to-day management of the operations of the partnership, including bringing to the partnership its event management and marketing expertise. Clause 8.1 states that the planning, direction and overall supervision and control of the partnership will be vested in a committee established for the purpose, that being the management committee. The deed then goes on to say that IMG will have two representatives on that committee who, between them, will have one vote; that the Government, through its Government company, will have two representatives, who together will have one vote; and there will be a neutral member who will have one vote. Consequently, the Government has one of three votes on that management committee.

**Mr GIBBS:** The Government is represented on the board.

**Mr DAVIDSON:** I will make a further statement: the effect of the partnership deed is that the State Government has only one of three available votes on the committee legally established to plan, direct, supervise and control the management of the partnership. The effect is that the Queensland State Government no longer controls the Indy partnership. That point is confirmed by the Auditor-General in the notes to the 1995-96 audited financial statements of the Government's company, Gold Coast Events Company Pty Ltd, which states—

"On 31 August 1995, the parent entity (Gold Coast Events Co Pty Ltd) disposed of its interests in the following entities and as a result lost control of Gold Coast Motor Events Co."

That arrangement was struck with the previous Government. If you really want to get into the partnership arrangement that was struck, I would say that it was done in the interests of IMG. It was not done in the interests of the Queensland taxpayers; it was not done in the interests of the Government. The deal was negotiated by the previous Government with IMG. It should be noted by the Committee that as a result of a \$2.2m surplus, the Government received about \$650,000 and IMG received \$1.65m. The whole partnership agreement was weighted heavily in favour of IMG. When the

previous Government signed the partnership agreement with IMG, we lost total control in the day-to-day management of Indy. It is all right for the member to continue to make claims about me as the Minister having responsibility, but I do not have a say in who the sponsors or the proposed sponsors or the signed sponsors for IndyCar are. It is an issue for the board of Indy.

**Mr GIBBS:** If I have to accept that statement from the Minister, which I certainly do not—considering the amount of money that the Government puts in, you must have a responsibility—

**Mr DAVIDSON:** We did not strike the partnership agreement.

**Mr GIBBS:** I take it, then, that since you are passing the buck to the gentleman at the end of the table, I should put questions to him in relation to Indy?

**Mr DAVIDSON:** No.

**Mr GIBBS:** I will continue. Did Sunbelt's solicitors suggest to you or the Indy board or any other person associated with the Indy company that Indy should take over Sunbelt's affiliated building company in lieu of a \$700,000 bank guarantee? If so, to whom was the request made, when was the request made and was the request made orally or in writing?

**Mr DAVIDSON:** This is pie in the sky stuff! You can make all the claims and ask all the questions you want. I never had a discussion with Sunbelt, with Sunbelt's solicitors—

**Mr GIBBS:** Who did?

**Mr DAVIDSON:** I am answering the question—with the chairman of the Indy board, with members of the Indy board or with anyone associated with Indy about the claim that you have made. You have made this claim before. I have asked questions of my representatives on the Indy board and no-one has ever been able to verify the claims that you have made or put any light or weight on the claims that you have made. I will ask Mr Denton whether it was ever discussed at a board meeting. As far as I as Minister am concerned, I have researched this as a result of the claims that you have made in the Parliament or outside the Parliament, and to my knowledge no such discussions ever took place.

**Mr DENTON:** From my memory, that issue was never discussed at management committee meetings. Discussions between Indy and the solicitors for Sunbelt were usually done in the presence of either Tony Cochrane, James Erskine, Bill Shepherd or other members of IndyCar Australia. Certainly I have had no discussions with the solicitors for Sunbelt.

**Mr GIBBS:** That is the best buck passing exercise that I have ever seen.

**Mr DAVIDSON:** It is not buck passing. You just do not like the truth. The truth is that no-one ever raised the issue with me.

**Mr GIBBS:** Did Sunbelt miss two deadlines for the provision of its up-front \$300,000 contractual payments and the securing of a bank guarantee that

it could meet its \$87,000 monthly payments? If so, when were you advised of this? What action did you immediately take? Who in Cabinet did you make aware of this and what was their response?

**Mr DAVIDSON:** I will answer the question from memory to the best of my ability and I will ask Mr Denton to provide the detail. I was advised that Sunbelt was 24 hours or 36 hours late in one payment. In the commercial world, that happens. People are often late in settling for a house.

**Mr GIBBS:** But you told the Parliament that all its payments were on time.

**Mr DAVIDSON:** They were, because we gave a rough extension, although I was not aware of it at the time. It was a decision that the board took. By the time I was advised, the payment had been made. I think there was a case where it might have been 24 hours or there was a negotiated extension of 24 hours and the payment was made on time. Mr Denton might provide the facts of exactly what took place.

**Mr DENTON:** The first payment of \$150,000 was to be made upon the execution of the agreement which they made by way of bank cheque. They were then to make a further \$150,000 within 30 days of execution of that contract. That would have brought it up to 6 March. My understanding is that they contacted Indy on the sixth and said that they were not able to make it on the sixth but they would be able to make the payment on the seventh. It was paid on the seventh by way of a bank cheque and, as an act of good faith for the extension that Indy gave them, Sunbelt brought forward its May payment and paid that in addition to the \$150,000 required as its second instalment.

Under the sponsorship agreement which, on my understanding, was pretty much a standard sponsorship agreement, a certain period would have to be allowed for any sponsor if they were not able to make a payment on time. It is not a matter of simply terminating the agreement as of that date. They have to be allowed a reasonable period to remedy any payment defaults. I think 24 hours was considered by Indy to be a reasonable period to grant to Sunbelt.

**Mr GIBBS:** Again in relation to Indy, what checks did you ask the Indy board to take before a contract was signed with Sunbelt? When were the checks carried out? Were any other checks carried out? If so, with whom? Were specialist accountants required to check the company's balance sheet? If not, why not? Were specialist accountants used to interview the company's management? If not, why not?

**Mr DAVIDSON:** I will again read to you the Auditor-General's statements in the 1995-96 audited financial statements of the Government company, Gold Coast Events Company Pty Ltd.

**Mr GIBBS:** Is this what you gave me before?

**Mr DAVIDSON:** Once again, I remind you that it was your Government that struck the partnership agreement with IMG.

**Mr GIBBS:** This did not happen under our Government.

**Mr DAVIDSON:** In the 1995-96 audited financial statements of the Government company, the Gold Coast Events Corporation, the Auditor-General states—

"On 31 August 1995, the parent entity (Gold Coast Events Co Pty Ltd) disposed of its interests in the following entities and as a result lost control of Gold Coast Motor Events Co."

I will expand further on that by advising you that, with respect to due diligence undertaken by any potential sponsor or supplier to Indy under the partnership deed, that is obviously a management issue to be addressed by IMG under the direction of the management committee. So we have the Auditor-General and the Information Commissioner; I do not know who else you want. In a recent decision, the Information Commissioner commented that the Queensland Government appears to have ceded management responsibility for the operations of the partnership to the IMG. I do not get involved in the day-to-day decisions of Indy. That is entirely an issue for the Indy board and not the Government. As is stated by the Auditor-General, it disposed of its interests in the following entities.

Obviously, as a result of some of the issues that have been raised this year and which have been dealt with, I have had extensive talks with both Mr Cochrane of IMG and the Chairman of the Indy board, Mr Bill Shepherd, to ensure that in the future we put in place an appropriate mechanism to ensure that people involved in sponsorship arrangements, or in any other arrangements with Indy for that matter, are given the consideration that most normal people would expect as to their credibility for their involvement in Indy. I was not involved in any of those decisions. It is not a decision for the Government. As to the sponsor, Sunbelt—it was not a decision for the Government to be involved in; it was entirely a decision for IMG in partnership with the Indy board.

**Mr GIBBS:** I will ask a supplementary question. Given the statement that you have just made, am I to accept that at no time were you briefed on what was going on in relation to the Indy board, that you were not receiving up-to-date briefings in relation to the event, the major naming rights, sponsorships or any other of the day-to-day matters concerning such an important event involving such large amounts of Government money? Am I to believe that you simply were not being briefed on the matter?

**Mr DAVIDSON:** Let me ask you a question: did you ever attend an IndyCar board meeting?

**Mr GIBBS:** No. I used to make sure that my director-general attended every one, though, and report to me with copious notes after the meeting as to what was taking place. It is obvious that that was not happening in your situation.

**Mr DAVIDSON:** You can make that statement.

**Mr GIBBS:** Answer the question I just asked you: were you receiving briefings or not?

**Mr DAVIDSON:** I believe that I was the first Minister to ever attend an IndyCar board meeting.

**Mr GIBBS:** You certainly did not make much of an impression, given what happened. They must have been very impressed!

**Mr DAVIDSON:** I was the first Minister who took the time and made the effort to attend an IndyCar board meeting. Similar to your claim, I have always ensured that I was briefed on a weekly basis. It started out on a monthly basis. As you appreciate, during July, August, September and October, not a lot of business is ongoing with Indy. In the three or four months before the event, I was briefed on a weekly basis. I attended a board meeting and had many discussions with Mr Shepherd and Mr Cochrane, Mr Denton and Mr David Williams, my CEO at the Queensland Events Corporation. I was briefed on a very regular basis. Once again, your Government struck the partnership agreement.

**Mr GIBBS:** It all went on around you without your knowing.

**Mr DAVIDSON:** No, your Government struck the partnership agreement. Any concerns I raise with members of the Indy board are as a result of concerns that people may raise with me. At the end of the day, I am unable to direct them one way or the other. Your Government struck the partnership agreement—and this is stated by the Auditor-General and by the Information Commissioner—which really gave away the ownership of Indy from the Government's point of view.

**Mr GIBBS:** It is still involved. I refer you again to page 38 of the Ministerial Program Statements which mentions the development of a cruise ship facility in Brisbane. I ask: did the Minister know any of the directors of South Pacific Cruise Lines prior to the negotiations with the Government over the cruise ship facility and, if so, which directors and for how long?

**Mr DAVIDSON:** I think Mr Peters could probably expand on this, but I will attempt to answer it myself. Officers of my department had had meetings and negotiations with South Pacific Cruise Lines, as Mr Peters tells me, probably over a three or four-month period. Did I meet with Mr Adams once?

**Mr PETERS:** Late last year.

**Mr DAVIDSON:** Late last year, an officer of my department brought to my attention the fact that this opportunity existed for Queensland, that they had been discussing and negotiating the establishment of the South Pacific Cruise Line as a cruise ship business in Brisbane. At some time or other they asked me whether I would meet with the proponents, who I believe at that time were Mr Greg Adams and another representative of South Pacific Cruise Lines. I met them in my parliamentary office. As a result of that meeting, I arranged a meeting for them the next day, because I was somewhat excited about the proposal. That was the first time it had been brought to my attention. I met with them the next day and met with them maybe two or three times after that. Up until the time they were introduced to me and officers of my department from the Office of Tourism, I had never, ever met or known of any representatives of South Pacific Cruise Lines.

**Mr GIBBS:** You knew none of them prior to the first meeting that you had with them?

**Mr DAVIDSON:** I had never met any of them and never known of them previously.

**Mr GIBBS:** I accept that. I refer to page 30 of the Ministerial Program Statements, which mentions liquor licensing, and I ask: why has the figure of 7,000 persons for industry training in 1996-97 been dropped to 3,000 in 1997-98? Does that show a lack of commitment to industry training by this Government?

**Mr DAVIDSON:** I think we have done a good job over the past year. Mr Longland is from the Liquor Licensing Division.

**Mr LONGLAND:** The fall in the figure is basically due to a change in strategy with respect to the training of persons in the industry. In the previous year, you are quite correct that 11,000 or 12,000 people were trained. However, the number of people passing through the industry would conservatively be 30,000 or 40,000 people. Therefore, we have had to ask the question: are we getting to enough industry representatives? Obviously, we are not. The strategy has changed to basically train those licensed premises that require it. By that, I mean those having some sort of a problem in terms of compliance with the Liquor Act. As far as we are concerned, the rest of the industry requires enhanced accessibility. To effect that, we have just put together—and it will be ready and available by the end of this month—a new training package which consists of a work book and an interactive video. That will be accessible to all licensees across the State. Therefore, the fall off can be seen basically in terms of enhanced accessibility.

**Mr GIBBS:** I refer again to the same page of the Ministerial Program Statements. I ask: what specific measures does the Government intend to offset the enormous damage caused by the member for Oxley, Pauline Hanson, and the negative media reporting in the Asia/Pacific region?

**Mr DAVIDSON:** Obviously, that question is of concern to all people involved in tourism, business, industry and who have relationships, partnerships or commercial activities with people from all other countries around the world. It is obviously an issue that has been discussed with me by people right across the State of Queensland, including senior tourism and business people from Australia and people who have ongoing business arrangements with many individuals and companies particularly in Asia. We monitor this situation on a weekly basis. Our QTTC officers in Asian countries are constantly in contact with the CEO from the QTTC, Mr Gregg. I might get Mr Gregg to comment on that.

**Mr GREGG:** This is an issue that we have as a priority in all of our overseas offices and also with all of our relationships with the different industry groups. In a pro-active media sense, it is very hard from a tourism marketing perspective to take action on this. We have tried to work very closely with our key industry colleagues—the wholesalers and travel agents—right throughout Asia. We have written personally addressed letters to all of the key people

explaining the underlying friendship and goodwill that exists within the Australian community—and certainly in respect of tourism—to put the media reporting in context. It is an issue that as an industry we need to take on board, in particular with respect to our handling of Asian visitors. We can probably do a lot more in terms of making sure that people go back with a very positive experience. That is probably more constructive than any direct media activity. However, there is a lot of concern and it is being monitored throughout all levels of the industry. We are part of all of those discussions.

**Mr GIBBS:** So the QTTC's overseas officers are reporting that she is having an effect on our marketplace, that they are aware of it?

**Mr GREGG:** They certainly are. It is not a catastrophic effect. I think it is one of those environmental things which we prefer not to have in the marketplace at all. There are instances we have had reported where people have decided not to come here because of safety fears, but it is not widespread and, as I say, it is not catastrophic. But we will work to take leadership of this issue with industry in terms of industry education and perhaps a big focus on the friendship aspect of our industry and send back our Asian visitors with a very positive experience where we perhaps go out of our way a little more than we have. That is probably the most positive thing we can do in that context and also take a leading role with the other industry associations.

**Mr DAVIDSON:** From the Government's point of view, we are at the moment considering a trip to all our QTTC offices in Asia. If the honourable member for Bundamba would consider it, it may be that we could take a bipartisan approach to this, and it may well be that Mr Gibbs would like to attend a visit to our QTTC offices in the Asia/Pacific region to take a bipartisan approach to giving as much confidence as we can as the Minister for Tourism and the Opposition spokesperson on Tourism to many of the people involved in the tourism industry throughout that region. Once we have struck the itinerary and have the dates firmed up, I might write to you and ask you if you would like to be part of that delegation to those destinations on behalf of Queensland.

**Mr GIBBS:** I would be susceptible to any invitation.

**The CHAIRMAN:** Thank you, Minister, for answering the question and for your generosity to the Opposition. Mr Rowell?

**Mr ROWELL:** Ecotourism is a big growth area in the tourism industry in Queensland. I have a particular interest in north Queensland in terms of this particular initiative on the part of the Government. Could you please advise the Committee what you are doing to boost this important sector?

**Mr DAVIDSON:** I must say that in the last few months you have taken a very keen interest in this area. I note the delegation you brought to Parliament last week during the parliamentary sitting. The Tyto wetlands in your region of Queensland is a very

exciting proposal. I thank you on behalf of the tourism industry but, more importantly, the proponents of the proposal. They brought it to the attention of myself and the Minister for Environment. I can assure you that my departmental officers will do everything they can to assist and provide help and guidance to the proponents that you brought down. It is great to see that as the member for the area you are totally involved in those sorts of issues. Last week I took the opportunity presented by World Environment Day to launch our ecotourism plan.

**Mr WELFORD:** Where is it?

**Mr DAVIDSON:** It is in print; it is coming. Do we have a copy of it here? We actually ran out at the launch, Rod, but I will give you two, mate! I regard it as the most comprehensive plan developed by any State in Australia. When I became Minister last year the document had been in draft for nearly two years, so we knocked it into shape, and I am proud to say that we now have a great plan. The plan sets down a strategic program of actions for the next five years. Following this program will enable Queensland to position itself as the premier ecotourism destination in the world.

Ecotourism is one of the fastest growing tourism segments in the world. This is the result of a trend away from traditional types of holidays. People want to spend more time exploring the natural world. The great thing about Queensland is that it can offer a great part of the very few unspoiled places left on earth. I believe that there are enormous benefits to Queensland that flow from this plan. International ecotourists spend around \$3,000 each while in Australia, whereas the average tourists spend just \$1,800. Because they travel off the beaten path, we see tourism dollars spreading into local economies which they do not normally reach.

The Queensland ecotourism plan is a result of extensive consultation by my department with all stakeholders, including the Ecotourism Association of Australia, the tourism industry, the departments of Environment and Natural Resources and conservation groups. The plan contains seven key strategies and 36 actions which will be coordinated by the Queensland Tourist and Travel Corporation. A whole lot of work has gone into formulating this plan. I was delighted to launch it last week. On some of the visits I have undertaken to other parts of the world in my time as Minister, one of the big messages I receive is that people are looking for holidays where they can see the stars, the sun, the moon and the sky, and they are looking for waterways they can swim in and air they can breathe and the rainforests and Wet Tropics and national park areas that Queensland has to offer. I believe that we are very well placed within the next decade to capitalise enormously on the ecotourism opportunities that will emerge from around the world.

**Mr MITCHELL:** Contrary to a previous question on liquor licensing by the Opposition spokesman, only yesterday I was talking to John Wratten in the Townsville office about the new initiatives. Could you please inform the Committee how the Liquor Licensing Division is addressing

patron behaviour issues and improving the standard of service in Queensland licensed premises?

**Mr DAVIDSON:** I know that you have a great interest in licensed premises. I know that you as the local member visit many of the licensed premises in your electorate to see first-hand the issues of the day. I know that the representations you make to me are based on your own research, so I know that you have first-hand experience of the issues that licensed premises are enduring.

**Mr MITCHELL:** That is working in them, not drinking in them.

**Mr DAVIDSON:** As a person who was formerly employed in the industry, I know that you have first-hand knowledge of many of the problems that are being experienced in the liquor industry.

In the budget this year we have allocated an increase of \$967,000 in the Liquor Licensing Division's funding. This increase will fund the appointment of six new liquor licensing inspectors throughout Queensland and the replacement of the division's database facility. Additional inspectors will be appointed in Cairns, Brisbane, the Gold Coast, Rockhampton, Mackay and Mount Isa to allow the division to maintain a high law and order presence, particularly in major tourist areas. Inspectors will ensure that community and Government concerns are promptly resolved, particularly when considering applications for new or extended licence approval or complaints about the operations of existing premises. The division's new database will increase the standard of service to clients by significantly reducing the red tape and turnaround intervals involved in the processing of licences and permits. The new database will streamline current processes and provide more effective and efficient access to licensing and information services. It will also allow the division to cater for the consistent changes and growth occurring within the liquor industry. We have had a couple of occasions where we have had to address patron behaviour problems. We have addressed such problems both in terms of preventive measures and appropriate responses to specific incidents.

Applications for permission to trade past midnight are publicly advertised for 28 days, and local residents are given the opportunity to object to the granting of the application. These objections are thoroughly investigated, as are the premises, to assess any problems. The Liquor Act ensures that licensees must reapply every six months for permission to trade beyond 3 a.m. When considering applications to grant or renew these extended hours permits, the views of the local authority and the assistant commissioner of police for the locality are sought. We have withdrawn permits to trade beyond 3 a.m. where there was an inability to ensure that local residents were not disturbed by late-night trading. Other premises have been permitted to trade beyond 3 a.m. only after accepting conditions to significantly upgrade security, lighting, staff training, etc. Videos, posters and other material promoting the responsible service and use of alcohol are made available to licensed premises and target

inappropriate behaviour in and around licensed premises.

**Mr MITCHELL:** That is definitely a move in the right direction I believe. Just in the same industry or very close to it, could you please advise what activities your department has undertaken to further develop Queensland's burgeoning wine industry?

**Mr DAVIDSON:** I am not too sure——

**Mr MITCHELL:** I do not drink a lot of wine, either.

**Mr DAVIDSON:** I am not too sure that you are a keen lover of wine. I know that you do appreciate a fine port occasionally but, as you are well aware, I have always had a love of wine, particularly red wine. On being appointed, I took it upon myself to ensure that as a department and as a Government we would do everything possible to grow and promote the wine industry in Queensland. The response and the interest that has been generated over the 12 months or so that we have had this initiative up and running has been absolutely enormous. It has been absolutely fantastic.

I just cannot believe now when I visit many functions and meetings and so on that people want to talk to me about Queensland wines. I think that, while the industry basically has been a backyard sort of operation for many years, the professionalism that has been adopted in the last two or three years, for which I must recognise the previous Minister, has put a focus on the Queensland wine industry and I think the industry is coming together; to a degree it was a somewhat fractured and splintered industry for a long time. Now it is working together very closely for the benefit of all in the industry. I think in 5, 10, 15 or 20 years' time Queensland has the opportunity to have one of the biggest wine industries in this country.

That is probably a fairly mild sort of statement, but I really believe that as the maturing sophistication of the Asian markets and the taste for wine develops, as I am sure it will, the opportunities for exports into those markets are unbelievable. In China itself 1 billion people will hopefully in time enjoy or develop a taste for wine. I do not think there is anyone in the world other than Queensland who will be able to provide for that need. I am really excited about what we can achieve in the short term. Obviously, in the long term taking a 10, 15 or 20 year view we can benefit enormously as a State from this industry's point of view.

TSBI provided the support for the Queensland wine industry to participate in Wine Australia 1996. Last year, as the shadow Minister would know, Angelo Puglisi and a few of the wine makers from Stanthorpe visited my office and were very keen about seeking some funding to participate in the Wine Australia show down in Sydney. We provided some funding for them to be involved in that show. I think that was the beginning of the industry understanding an appreciation of having to work together. It was a great exercise. Eleven wineries participated and immediate sales as a result of the wine show were \$40,000, and \$27,000 in export sales were achieved. The Queensland wine industry

project was established to promote—extension of time?

**Mr MITCHELL:** Yes.

**Mr DAVIDSON:** The Queensland wine industry project was established to promote the sustainable development of the wine industry in Queensland. The project was launched with a special wine tasting function to boost the profile of Queensland wines among senior Government business executives. The project aims to double the wine industry turnover in three years. As I said, we set our goal of doubling it from \$17m to \$34m. I am very confident that we will triple it as a result of the works being done at the moment.

The project represents the first coordinated effort between the public and private sectors towards developing a unified thrust for the Queensland wine industry. A management committee has been formed and a business adviser of wine in the industry was appointed in April 1997. We actually have Dianne Westhorpe from South Australia who has been appointed as the wine project officer to the Toowoomba office. She has done a whole lot with the industry right across the State, obviously establishing a database and working very closely with the industry.

Queensland wines this year won the right to be the official suppliers for the 1997 IndyCarnival. This is the first year that Queensland wines were used at the IndyCarnival. A wine industry forum will be conducted in July to consult with and cement the support of the industry. In addition, my department is currently involved in a number of industry initiatives: producing a profile on the industry, continuing to promote the objectives of the project, supporting the development of the Australian small wine makers show in October 1997, supporting Queensland's participation in Wine Australia 1998 and revising the project plan.

There is a whole lot of work that is being done. At the moment the Speaker, myself and other members of Parliament are organising a major wine tasting event here on the lawns of Parliament—on the Speaker's Green—for August. All members of Parliament will be invited. Many restaurateurs and leading business people in Brisbane and Queensland will be invited. We are hoping that some key wine industry people from Australia will attend that function. As a Government, we will do everything we possibly can in the next year or so to promote the Queensland wine industry.

**The CHAIRMAN:** I hope you will be inviting the member for Greenslopes to exhibit some wine.

**Mr DAVIDSON:** Absolutely; he is part of the committee.

**Mr ROWELL:** There are about three years to the Sydney Olympics. Can you inform the Committee of planned initiatives to take advantage of the tourism opportunities arising from those Sydney Olympics?

**Mr DAVIDSON:** As I think everyone here would appreciate, the Sydney Olympics in September 2000 are approaching fast. We can all take the view that it is still three years away, but time

flies by these days and we have to ensure from the State's point of view that we are positioning ourselves to capitalise on all the emerging and existing opportunities that exist for Queensland. There are a range of opportunities presented to Queensland tourism by the Sydney Olympics.

We are addressing these opportunities through the Queensland Olympic 2000 Task Force. One area which we believe will be very lucrative for the tourism industry and business generally in Queensland is the attraction of international Olympic teams to use Queensland as a training base prior to the Olympics. I have already announced that the British Olympic Association chose Queensland over Canberra and Sydney as well as a number of international locations to be its base for the lead-up to the year 2000 Olympics. This commitment means that around 800 British athletes, officials and journalists will set up camp in Queensland in the lead-up to the 2000 Games. We expect that this deal will bring up to \$10m into the Queensland economy.

We have also received confirmation that the US Olympic swimming team will base itself in south-east Queensland prior to the 2000 Olympic Games. The team will include about 70 athletes and support staff. The task force is negotiating to locate a number of other international teams in Queensland for Olympic and Paralympic training. It has already briefed over 2,100 international journalists and photographers with respect to Queensland tourism products. We are currently negotiating to host part of the Olympic soccer tournament in the year 2000.

There is a whole lot of work being done. My colleague the Minister for Sport, Mr Veivers, is actively involved in hosting many functions, dinners and so on for teams from all around the world. As I said, he has made some announcements on other teams that will use south-east Queensland and Queensland as a training base. We have had some ongoing discussions with many other countries. Obviously, winning the British team was very important to Australia because that was the first focus; we were the first State in Australia to sign an Olympic team to use our facilities as a training base. I think that was great. The announcement of the British team obviously has given us greater focus from around the world and has generated a lot of interest from other countries around the world to visit Queensland and see at first hand the lifestyle and the facilities and to use Queensland facilities as a training base in the lead-up to the 2000 Olympic Games.

**Mr ROWELL:** I think that, with our closeness to Sydney and the opportunities throughout winter for those teams to participate in training and so on, we are in the box seat as far as tourism and training aspects for the teams that will come from overseas are concerned.

**Mr DAVIDSON:** Sure, that is why I was so keen to get the British team. As you know, we launched the Harrods promotion campaign this year in London. That is the first time there has ever been a tourism promotion in Harrods store in London. We had a four-week campaign in the Harrods store. The opportunities that exist are just absolutely enormous.

Nearly 5 million English people passed that promotion in a four-week period. With the enormous number of English residents in Australia, we think that the British team will attract people not just from England but also from a lot of English residents from around Australia to Queensland.

**Mr ROWELL:** There are a lot of opportunities there for us, aren't there?

**The CHAIRMAN:** At this point I will suspend the hearing for morning tea and we will resume at 10.45 a.m.

Sitting suspended from 10.30 a.m. to 10.47 a.m.

**The CHAIRMAN:** The hearings of Estimates Committee D are now resumed. I would like to introduce Mr Jim Elder, who has just joined the Committee. Mr Elder, would you like to lead off with questions?

**Mr ELDER:** Thank you, Madam Chair. Minister, just as a general question: what is the point of the Estimates today when you have just presented Ministerial Program Statements that will not reflect the program structure of your department, especially when you will be unable to tell us what the subprogram structure will be because you have not decided it yet?

**Mr DAVIDSON:** The Program Statements that we are here to discuss today are basically the program structure of the department. As the member is aware, we have been doing an analysis of the Department of Tourism, Small Business and Industry for the last four or five months. As part of that analysis, with KPMG as the consultants, a steering committee was appointed. The Office of the Public Service, myself and the acting Director-General of my department, Steve Chapman, have been basically reviewing and analysing the department's role as a Government provider for business and industry groups right across the State. While we are committed to the ongoing programs that the department delivers, we have taken the view that there may be more practical and efficient ways for the Government and the department to facilitate and service the needs of business and industry across the State.

The KPMG report has been tabled. Their recommendations have been presented to the machinery of Government. The machinery of Government has signed off on the report and the recommendations. The acting Director-General is the transitional director to implement the analysis. As I said, while we are committed as a Government—and myself as a Minister—to the ongoing delivery of the programs that are in place for the department, we will look at other alternatives and options in the delivery of some of those programs. Certain things may well change, and certain things may well not. Obviously, I am keen to ensure that business and industry have an input into the way we service their needs.

As part of the restructure of the department, we released yesterday, I think, documentation to suggest that, as a result of the success of the Red Tape Reduction Task Force and the Queensland Small Business Council, we will have a structure that caters for and accommodates business and industry

sectoral groups in that eight or maybe as many as 10 groups will be appointed. That appointment will be basically made by the industry groups that they represent. Eight or 10 groups of 8 to 10 people will meet on a monthly basis. They have a dedicated officer of the department attached to their groups. As a result of their meetings, obviously, as the Minister, I will chair a round table of representatives of all those groups. The chairpeople of all those groups will report to me on a monthly basis as to their needs, funding programs and policy initiatives that the Government might implement in the next 12 months to ensure that we cater for, and accommodate the needs of, business and industry across the State.

**Mr ELDER:** With all due respect, Minister, that was not the question I asked. The question I asked was simply this: you will be unable to tell this Estimates Committee what subprogram structure you will have because you have not decided it yet; is that a fact?

**Mr DAVIDSON:** I do not think that is a fact. Mr Chapman?

**Mr ELDER:** Do you have a subprogram structure for the department next year?

**Mr CHAPMAN:** KPMG are working at the moment on—

**Mr ELDER:** No, it was a simple question: do we have a subprogram structure for the department for next year?

**Mr CHAPMAN:** We will have a program in next week.

**Mr ELDER:** We do not have one now for this Committee?

**Mr DAVIDSON:** I think that the member needs to appreciate—

**Mr ELDER:** I am asking a simple question for this Committee. You have sent me an MPS for me to actually reflect upon and for me to ask questions on in relation to the role of this Estimates Committee, and you are not able to tell me what your subprogram structure will be because you have not decided it yet. The answer is: yes. It has been confirmed. All I was looking for was a "Yes".

**Mr DAVIDSON:** As the acting Director-General has stated, hopefully within the next 7 to 14 days we will have such a structure.

**Mr ELDER:** Fine, but we do not have one before the Committee today, do we?

**Mr DAVIDSON:** As a result of the analysis—and we commenced the analysis in January this year—we were hoping to have had the analysis included by the end of March and obviously by the end of April. But that has been somewhat delayed for all sorts of reasons. I really believe that the Committee needs to take note that the Department of Tourism, Small Business and Industry has undergone, and will continue to undergo, changes. The member needs to appreciate that the business world is ever changing. It changes on a daily, weekly, monthly and yearly basis.

**Mr ELDER:** So does the department, by the look of it.

**Mr DAVIDSON:** As part of my commitment to business and industry in this State, I will do everything I possibly can in my time as Minister to ensure that we cater for and facilitate the needs of business and industry groups. To say that we do not have a subprogram structure right at this time is probably correct. However, as a result of us wanting to ensure that we are facilitating for business and industry, in the next 7 to 14 days we will provide a subprogram structure. I am confident in my meetings with many representatives of peak organisational groups across this State that, when we announce that structure, it will have complete support and be totally endorsed by business and industry in Queensland.

**Mr ELDER:** It has taken you seven minutes to acknowledge it. I hope the rest of the Estimates Committee is not like pulling hens' teeth. In relation to the KPMG report on your department, the analysis that they did describes the department as moribund. They state that the department is hamstrung in achieving the effective and efficient delivery of services. How long has the department been moribund? When were you aware that the department was moribund? It was moribund when?

**Mr DAVIDSON:** I think that under the previous Minister my department, DBIRD as it was then, was probably moribund. KPMG did not deliver a report on what has happened in the department in the previous two or three months; they delivered a report that was reflective of what had been happening in the department for the past two, three, four or five years. Obviously, as you were a Minister in the previous Government and the Minister responsible for that department, I would have thought that you would have been responsible for some of the comments that KPMG has delivered to the Government in its report.

As you are aware, last year on appointment, a review of the department was done by the Director-General at the time. When that review was delivered to me, I was somewhat frustrated by the fact that not a whole lot had changed. As a result, we commissioned KPMG do a review of the department. I had not personally been involved in the restructure of the department in the previous nine months.

**Mr ELDER:** You do not get personally involved in much, do you?

**Mr DAVIDSON:** I thought that, instead of the officers of my department reviewing the department itself, it was time to have an independent firm of consultants review the department from a private sector view rather than from a bureaucratic view. It identified that not a lot had changed in the department in the previous two or three years. The business world has changed enormously in the last two or three years. In discussions with them, I was concerned that we may not have been appropriately providing for the needs of the business community. The machinery of Government has signed off on the KPMG analysis. We are working tirelessly and meeting on a regular basis. We have had two meetings this week. We will continue to meet in the

next five or six weeks to ensure that we are able to implement the recommendations of the KPMG report.

**Mr ELDER:** You have been Minister for 16 months. You have presided over one review. You now have this report that describes the department as "moribund". You have more temporary and unfilled positions in your department on a percentage basis than probably any across the Government. I will dispute and debate with you at any time that the Department of Business, Industry and Regional Development was moribund. When I was there and when my predecessors were there, it had more recognition across the Government as a department and leading agency than any. It played a dynamic role in regional development and industry development. You have only to look at the money that poured into the department and the lack of it now to sustain that point. You have been the Minister for 16 months. If anyone, you are the one who has been responsible for this department becoming moribund through lack of leadership. This is a damning indictment of you as Minister and of your weak leadership. How much will that consultancy finally cost us?

**Mr DAVIDSON:** I think the member needs to appreciate that it was not me who wrote the report; it was KPMG that referred to the department as being moribund. It was not my report. I think you need to appreciate that, in the nine months of last year that the department was under the leadership of the previous Director-General, I was not involved in the day-to-day management of the department, as you would well appreciate.

**Mr ELDER:** Can you just repeat that for the Chairman? You were not—

**Mr DAVIDSON:** If I may, Madam Chair—

**The CHAIRMAN:** Mr Elder, could the Minister finish?

**Mr ELDER:** You were not involved in the day-to-day running of the department?

**Mr DAVIDSON:** Thank you.

**Mr ELDER:** That is all I needed to know.

**Mr DAVIDSON:** As a result of concerns that were raised with me by business people around the State as to the functions of my department, I requested and received the approval to have a review done of my department by a private company, KPMG. That was a result of my many discussions and meetings with people from the private sector as to what they expected from the Department of Tourism, Small Business and Industry. As I said, the business world changes on a daily, monthly, yearly basis. We are endeavouring to ensure that we cater for and facilitate the needs of business and industry in this State. As to the cost of the report—\$140,000 was allocated for the KPMG analysis.

**Mr ELDER:** In total?

**Mr DAVIDSON:** \$95,000 has already been paid for the analysis itself, and \$45,000 has been allocated and is to be paid for the implementation of

the report. The total cost to the department was \$140,000.

**Mr ELDER:** \$140,000 total?

**Mr DAVIDSON:** \$140,000. The senior officers of KPMG continue their role on the implementation committee. The implementation committee includes KPMG, the Office of the Public Service, the acting Director-General and me. We are meeting on a regular basis and we will continue to do so as we set about the restructure of the department. I think the acting Director-General yesterday released to all officers in the department a proposed structure and a detailed report on how we will go about implementing the KPMG report in the next couple of months.

**Mr ELDER:** \$140,000?

**Mr DAVIDSON:** \$140,000.

**Mr ELDER:** To gut your department.

**Mr DAVIDSON:** I think that statement is totally out of order, Madam Chair. The \$140,000 was paid to KPMG as the consultants to analyse the department.

**Mr ELDER:** Have you accepted its recommendations?

**Mr DAVIDSON:** As I said, the KPMG report—

**Mr ELDER:** Have you accepted all of its recommendations?

**Mr DAVIDSON:** The KPMG report was presented to me.

**Mr ELDER:** You said it was endorsed and ticked off.

**Mr DAVIDSON:** The report was done in consultation with the Office of the Public Service, the acting Director-General and me.

**Mr ELDER:** Don't blame him; you're the Minister.

**Mr DAVIDSON:** Obviously I am the Minister; I am the one who requested permission to appoint KPMG to conduct the analysis and provide the report.

**Mr ELDER:** Good. Have you accepted the recommendations?

**Mr DAVIDSON:** As I said, the report has been approved by the machinery of Government. In response to the member's question, the first stage of the report—

**Mr ELDER:** It is everyone's fault except yours. You blame everyone—anywhere you can point.

**Mr DAVIDSON:** The first stage of the report being provided by KPMG has been paid for—\$95,000. \$45,000 has now been allocated for implementation of the report. Mr Chapman is the transitional director for the implementation. I am very confident. This week I have met with four senior people from key and peak organisational groups in Queensland. I have had extensive discussions with those representatives on the structure that we are proposing.

I have been delighted to have private sector people appointed to the Small Business Council of Queensland and the Red Tape Reduction Task Force. They are working in partnership with officers of my department in identifying key areas of concern, firstly, to small business in the State, and, secondly, in relation to regulatory and compliance needs of business in this State. As a result of those two bodies, the task force and the Small Business Council, I am proposing a structure now that will represent the 8 or 10 groups that will represent business and industry across the State. I have had extensive discussions with senior representatives of the four major groups.

**Mr ELDER:** You talk to everyone but you do not take any responsibility. You talk to everyone in Queensland. You must have a fat tongue. It must be tired of talking.

**Mr DAVIDSON:** Everyone I have spoken to is very keen to have their organisations and groups represented at the round table on formulating programs, policies, new initiatives and so on of Government. While we are in the final stages—and we have set ourselves a deadline of 31 July—I am really confident that we can move the department on and that it can be very, very reflective of the needs of business for the next decade in this State.

**Mr ELDER:** The answer to question on notice E refers to outstanding, unfilled staff vacancies of 108. Is that right?

**Mr CHAPMAN:** If that is in the answer, that would be correct.

**Mr ELDER:** You have 476 staff, or you will have at 30 June 1997—that was stated in answer to question B—of which 108 are outstanding, unfilled staff vacancies.

**Mr MACKENROTH:** I think most of them are sitting in the room.

**Mr ELDER:** Now that you have announced your restructure—I am bewildered that 25% of your staff are outstanding, unfilled positions and temporary positions. You confirmed yesterday that not one officer in your department owns their job, and many of the current jobs will go. Can I ask those officers at the back: how many are on temporary appointment at the moment? A hands-up will do.

**The CHAIRMAN:** It is up to the Minister to answer that question.

**Mr DAVIDSON:** That is a totally inappropriate question. I do not mind the member directing his questions through me. I have dedicated officers here who will answer his questions.

**Mr ELDER:** Have you confirmed—

**Mr DAVIDSON:** Madam Chair, it is inappropriate for the member to ask officers of my department here as to whether they are permanent or what their positions are.

**Mr ELDER:** There are 108 of them who are.

**Mr DAVIDSON:** Madam Chair, if he would like to address his questions through me as the Minister, I will have the appropriate person answer his question.

**The CHAIRMAN:** Would you like to do that, Mr Elder?

**Mr ELDER:** No, I will direct it to you, Minister. Is it true as stated that not one officer in your department owns their job and many will have to contest their jobs shortly?

**Mr DAVIDSON:** I do not know where you are reading that statement from, Mr Elder. It seems to me that you make statements that, obviously, are unfounded and that you would not have documents to support those statements. So Madam Chair, if the member would pay me the courtesy of asking questions that are relevant to any documentation that he has, I am only too happy to answer them. I am not sure that any documentation has ever been provided to anyone—

**Mr ELDER:** Through you to—

**Mr DAVIDSON:** One moment. I will answer your question. I am not sure that there has ever been any documentation provided to anyone by the consultant, by myself or by the acting Director-General, or by the Office of the Public Service to substantiate these statements that the member makes.

**The CHAIRMAN:** Thank you.

**Mr ELDER:** Through you to Mr Chapman: have you at any time notified departmental officers of the structural change that is about to take place and asked for interest in VERs?

**Mr CHAPMAN:** Yesterday, I sought expressions of interest for VERs. That was to give us some idea of the flexibility that we would have in driving the organisational change. I did announce a new structure which showed at the executive director level what the new programs would be. I understand there has to be a formal process that goes through Government itself to decommission the existing senior officer positions and then readvertise. That would be at the Executive Director level, the Deputy Director-General level and the Director-General level. I would imagine that at subprogram manager level, we would have to look at our existing subprogram managers and look at the transferability into that new structure.

**Mr ELDER:** In terms of your offer of VERs to them to consider, it would not have gone to temporary employees, casuals or contract employees, those who are suspended through disciplinary action, AO1s or AO2s, or staff seconded.

**Mr CHAPMAN:** They are not included.

**Mr ELDER:** Taking those out, which is understandable, it went to everyone else in the department, did it not?

**Mr CHAPMAN:** The offer—the request for expressions of interest in people wishing to go on a VER or to be considered for a VER—went to everybody.

**Mr ELDER:** And if there are not enough—

**Mr DAVIDSON:** Some people had expressed an interest in VERs, too.

**Mr CHAPMAN:** Some people had expressed candidly an interest to me and that they may wish a VER rather than probably stay within the department.

**Mr ELDER:** So there is no uncertainty about jobs or insecurity about jobs in the department at the moment?

**Mr CHAPMAN:** Obviously, with any change there will be some sort of probably misfit in the new descriptions versus the present positions and the people occupying those present positions. I suppose what I am trying to do is to get some feel so that we can cause as minimal damage as possible—some feel for the number of people who we would like to be considered for voluntary early redundancy or retirement.

**Mr ELDER:** Madam Chair, I will come back to that issue. I believe my time has finished.

**The CHAIRMAN:** Thank you. We will now go to Government questions.

**Mr MITCHELL:** Minister, as you are quite aware, small business is the engine room of this State's economy. Could the Minister please outline what he is doing for small business and what this budget offers them?

**Mr DAVIDSON:** Thank you, Mr Mitchell. I know that you have a very keen interest on behalf of the small business constituents in your electorate to ensure that the Government is providing services and facilitating small business to the best of its ability. Having been a small-business person myself, I am very conscious of the need for small business to have an opportunity to develop and grow.

There are 151,000 small businesses in Queensland and through the services of my department we hope to offer each and every one of them tangible assistance. Members of the Committee would be interested to know that this budget offers a new initiative for the small business sector called Enterprise Improvement—Small Business Scheme. Through this initiative, businesses will have access to quality information, advice and tangible assistance designed to improve business performance and help small business grow.

Business advisers located at the department's 15 business centres throughout the State will work closely with industry associations, business and trade groups and the private sector to identify business needs and develop low-cost workshops and seminars. These workshops and seminars will provide advice and assistance ranging from business and strategic planning to export planning and may even include the service of an external specialist for a two or three-hour practical look at simple improvements to individual businesses.

Under this initiative, more than 9,000 businesses are expected to attend enterprise development seminars. More than 5,000 members of industry/business associations will have access to management skills training and more than 600 small businesses annually will receive expert planning advice.

Other Government programs which are directly helping small business include the one-stop shop,

which will save business \$36m annually in compliance costs—licences representing 95% of applications will be available; the Gateway Project for business licences covering the most common applications; a Small Business Council; regional rural consultation and grassroots feedback; and the RBDS: 45 projects totalling \$1.7m have been approved to help regional areas.

We have been totally committed to ensuring that the Government in its first year or first 15 or 16 months in office has done everything it possibly can to ensure that we are catering for and facilitating business in the most professional manner. The response that we have had to some of our initiatives through regional Queensland and through Brisbane itself has been absolutely enormous. I must compliment my regional directors who are here today on the workshops that they have facilitated right throughout the State. I believe that the QSBC catered for about 5,000 business people in a 12-month period. As I said earlier, in the last six or seven months, we have had personal contact through these workshops with over 9,000—nearly 10,000—business people right across the State. They have been very, very successful. We will continue to ensure that at all times we are delivering the services and requirements of small business in Queensland.

**Mr ROWELL:** Minister, your Ministerial Program Statements detail funding for a Small Business Council of Queensland. Can you inform the Committee what the council has achieved and whether it is providing you with grassroots feedback?

**Mr DAVIDSON:** The Small Business Council was established to provide me with a direct line of communication and feedback from small business to the Government. I was firmly of the mind that this Government needed to keep in touch with the hands-on business people and listen to their views. The council has 11 members, with eight from regional Queensland. The members have been appointed for their individual skills and experience and cover the retail, construction, tourism, manufacturing and business service sectors. The council is chaired by Mr Geoff Murphy from Rockhampton.

Since the council had its first meeting last year, it has consulted with more than 300 small business owners and has provided advice to the Government on more than 20 issues of concern. In the 1997-98 year, the Government will hold 12 meetings alternating between Brisbane and regional Queensland, including meetings in Townsville, Longreach and the Gold Coast. The council will also have contact with more than 500 small business operators. I am very happy with the advice and feedback that I have received from the council. I believe that it will continue to improve the Government's decision making on issues that affect small business.

Mr Rowell, I might just add that in relation to the appointment of any member to the Small Business Council, I have stipulated to the chair and to officers of my department that any appointments must be existing small-business people. We want to ensure that this council does, in fact, represent small

business across the State by the sheer appointment of people from small businesses with hands-on experience.

**Mr MITCHELL:** Absolutely.

**Mr DAVIDSON:** One of directives I have given is that, should one of the members of the council sell their business or no longer be a business person, we would ask for their resignation and replace them on the council to ensure that we have ongoing representation of the small-business sector across the State. I am absolutely delighted with the feedback I have received from regional Queensland. Recently the council met in Roma, and we have held meetings in Rockhampton, Cairns and many other regional centres. As I move around the State, the compliments that the small-business operators pay to Mr Murphy and the council members on their accessibility and availability to take on board the concerns of many small-business people in those regional centres have indeed been refreshing to me. I believe that Mr Geoff Murphy from Rockhampton is an absolutely ideal chair of the Small Business Council. His hands-on approach, experience, understanding and appreciation of business, particularly from a small-business person's point of view, is something that I believe will only enhance small business and its relationship with Government.

**Mr MITCHELL:** Further to your answer to the Committee's question on notice regarding assistance to rural Queensland, could you expand on the RBDS program, how it came about and what it has achieved?

**Mr DAVIDSON:** Once again, I must compliment you as the member for Charters Towers for making a number on representations on behalf of businesses in your electorate to ensure that consideration is given to the requirements that they have of Government in some of the special areas of assistance that can be provided under RBDS. Under the previous Government, there were seven different programs for regional development. We had the Regional Economic Development Program, the Main Street Program, BARA, regional economic development organisations funding, Future Search workshops, remote area infrastructure funding and land use planning funding for regional areas. I assure the Committee that not long after I was appointed Minister, it became a concern to me that many business people whom I met around the State said, "Mate, by the time we sort our way through your department and all the programs that are available, we throw our hands up in the air and walk away." I suggested to my then Director-General that we consider putting all these programs into one pot.

**Mr ROWELL:** Before, you could not get there for the paperwork.

**Mr DAVIDSON:** The paperwork was an absolute killer.

**Mr MACKENROTH:** All they ever said to me was, "We want more of these programs." That happened everywhere I went. You must have been talking to the wrong people!

**Mr DAVIDSON:** We put all the programs into one pot and made access to Government easier with

one point of entry. As a result of the representations that I received from many business people and discussions that I had with the Director-General, the new Regional Business Development Scheme, which I announced earlier this year, was formed. It has amalgamated all seven programs and helps regional businesses; it does not confuse or frustrate them.

Since launching the scheme in February this year, 45 projects totalling \$1.7m have been approved to help regional areas. I am delighted to inform the Committee that under the RBDS, the Government has given its support to placing 15 regional business advisers throughout rural and remote areas of Queensland following the withdrawal of Commonwealth funding for the Business Advice for Rural Areas Program. These regional business advisers will work with the business advisers from our business centres to ensure that business receives the best possible advice and information.

RBDS is another example of how the Government has cut red tape and created a simple, flexible, responsive service to maintain all the very good elements of the old grants schemes without the confusion to the business client. By amalgamating a plethora of different services into one new scheme, regional Queenslanders now receive the type of support which more closely reflects the needs in our own backyard. All areas of Queensland, except the Brisbane City Council area, have an opportunity to seek assistance under the scheme on a dollar-for-dollar basis, regardless of their geographic location. The scheme is designed to help individual businesses, regional development organisations, tourism associations, business groups, community groups, tertiary institutions and local authorities. The feedback that I have received on the establishment of the RBDS from many business people and many organisations and groups around the State has been very supportive of the Government.

**The CHAIRMAN:** Referring to your answer to the question on notice regarding the reduction of red tape, can you expand on the role that the one-stop shop will play in assisting small business?

**Mr DAVIDSON:** During the week of the Budget, the Treasurer and I announced a major initiative for business in Queensland. We will be the first Government in Australia to establish a one-stop shop for business licences, saving small businesses \$36m annually in compliance costs. By the end of this year, licenses representing 95% of all business licence applications will be available through a single Government office. The one-stop shop initiative will be run by my department and will operate out of our 15 business centres throughout regional Queensland.

This proposal is not about setting up a new level of bureaucracy. An implementation team, chaired by myself and comprising the Under Treasurer and the Directors-General of the Departments of the Premier and Cabinet, Tourism, Small Business and Industry, Attorney-General and Justice and the Office of the Public Service will report back to Cabinet within three months with a final model for this initiative. We will be preparing a

business plan and developing an operating framework that will ensure that it is up and running by the end of this year. The committee will also negotiate with Government departments to reduce the number of nominal licences by 50% by developing a range of licences with extended renewal periods. By easing the red tape burden, we are freeing up small businesses to get on with the business of creating jobs and growth for all Queenslanders. I take this opportunity to thank the task force Chairman, Mr Don Keough, for his efforts and the efforts of the task force members in helping reduce the burden on business.

Another major initiative of the Government has been the Gateway Project, which will develop a single licence application for the most common business licences. In July this year, businesses will be able to access and complete one application form covering the most common business licences: workplace registration, workers' compensation, business names, tax file numbers and applications and group employer registrations. From December this year, the number of licences capable of incorporation in a tailored application form will be increased to 100. This tailored approach will save businesses time and money through a reduction in paperwork associated with applying for business licences.

As members of the Committee would be aware, the Government has made a major, practical start to reducing red tape. I will ensure that this vital task is completed. We are about delivering for small business, unlike the previous Government which did nothing for business. In the last decade, a lot of rhetoric has been heard from both State and Federal Governments about reducing the red tape burden and about Governments getting off the back of businesses. I do not know that any other State or Federal Government has delivered on any of the rhetoric and half-baked policy commitments that they have made leading into State and Federal elections. I assure the Committee that, following the coalition's policy commitment in the lead-up to the 1995 election, we are a long way down the track to implementing and honouring our policy commitment to small business. Although further negotiation needs to take place, we have a great starting point. I am confident that we will deliver within the next 12 months.

**Mr MACKENROTH:** Minister—

**Mr DAVIDSON:** You did not get it through. Cabinet knocked you back on the QSBC and it knocked you back on the Red Tape Reduction Task Force. We have the documents here. Ask Geoff Smith!

**The CHAIRMAN:** I will now ask Mr Mitchell to ask the question that he was about to ask when I jumped in!

**Mr MITCHELL:** Continuing with the red tape issue, page 6 of the Ministerial Program Statements highlights the amalgamation of the Queensland Small Business Corporation into the Department of Tourism, Small Business and Industry. Can you outline the benefits to Queensland business as a

result of the integration of small business services across the State?

**Mr DAVIDSON:** As the Committee will know, the decision to integrate the Queensland Small Business Corporation into my department came after considerable discussions and deliberations, mainly with business leaders who wanted to see changes. There was too much confusion and duplication for small business caused by the artificial distinction between services offered by my department and the Queensland Small Business Corporation. There were significant examples of bureaucratic waste due to the overlap of services between the QSBC and my department. In one regional office shared between my department and the QSBC there was a division running down the middle of the reception desk, with two receptionists and two incompatible reception computers. This was in an office of seven people.

By integrating the QSBC's activities into my department, there will be a saving of \$1.5m per annum simply through the elimination of duplicated administrative and accommodation costs without a loss of any services. I am delighted to inform the Committee that businesses in Queensland are able to access the same high-quality services that were previously provided by the QSBC and now more businesses can access a greater number of services from a larger number of offices. We have appointed a team of 16 business advisers in our business centres across Queensland to provide a full range of services to small business, and they have been achieving results.

Since the start of this year, my department has conducted more than 300 workshops in 15 centres throughout Queensland on topics which small-business operators want to know about. That is why more than 7,000 people have attended those events—7,030. That is a significant number of small-business people over a four-month period, and we are not stopping there. One seminar on the Gold Coast was attended by 560 business people. We plan to deliver another 365 seminars over the next four months, and we expect to have the same number of participants and more.

I must congratulate my regional directors, who have worked tirelessly and done everything they possibly can to ensure that these seminars have been a success. Out of interest, I had a look back at how many seminars the Opposition ran under the QSBC and how many people attended. The QSBC's annual report for 1994-95—a supposedly good year for the failed Goss Government—states that a grand total of 5,151 people attended seminars and management workshops run on a weekly and monthly basis over a full 12 months. They had 5,151; we have had 7,030 over four or five months. Obviously, we are on the money.

Overall, I think we have improved access to all of our small-business services. All businesses throughout Queensland can now access services from our 15 new business centres. Those new business centres offer clients direct contact with a small-business adviser, provide information on business and liquor licensing and a hell of a lot more. Our Small Business Council is functioning very well

and is providing the Government with vital grassroots feedback on the needs of small business in the State. An initiative of the Small Business Council is a retail strategy dealing with a range of issues affecting this vital sector which is a major employer of Queenslanders. In respect of services to small business, it is very clear that this Government, unlike the previous failed Labor Government, is delivering and will continue to deliver.

**Mr MITCHELL:** The Townsville operation is a brilliant initiative for all small businesses.

**Mr DAVIDSON:** I have had feedback from the Townsville region. I was up there recently. I have received letters and phone calls from business people in the Townsville region about the business centre that I opened there a couple of months ago with the Premier and the Treasurer. That demonstrated the commitment of the Government to the business centre concept and to Townsville as a region. I have received fantastic support since that centre was opened. I have also received compliments on the services that Mr Mellor and Mike Sharp, the Townsville manager, are providing. I am confident that we can continue to develop and improve that service as time goes on.

**The CHAIRMAN:** I refer to the answer you gave to the Committee's question on notice regarding the establishment of business centres throughout Queensland. Could you explain to the hearing why you thought it was necessary to open new business centres?

**Mr DAVIDSON:** I appreciate that question. For example, early on, when I first visited Cairns, I was amazed that I had some difficulty trying to locate the DBIRD office, as it was in those days. It was hidden away in the corner of the port authority building and there was no significant visible signage. Across the road was a QSBC office. On returning to Brisbane, I had a discussion with my Director-General and said, "Mate, this is not the go. We have a QSBC office on one corner and a departmental office on another corner. We really should look at amalgamating them into business centres." As a result of the integration of the QSBC into the department and the establishment of the business centres, we have a McDonald's outlet, so to speak, in Queensland providing all services to small business.

I am firmly committed to making sure that businesses have access to the best advice, information and services available at those business centres. That is why I am committed to finalising the establishment of business centres throughout Queensland. We have basically taken the old department's offices and remodelled them into the type of location that the local business community ought to expect from Government. We have already opened new business centres in Townsville, the Gold Coast and the Sunshine Coast. These new business centres are offering a package of services which meet the needs of local businesses in a businesslike manner instead of giving them the typical bureaucratic run-around.

In the foyer of our business centres are videos, publications and other products. You can access the

Internet, see an Austrade representative or see a business adviser. All State Government licensing information is available and there will be assistance from the Regional Business Development Scheme. Business people can also find out about all of the Government's services that can help them in today's business world. The great thing about the business centres is that they have been designed with the business person in mind; they were not designed for the bureaucracy. By the end of this month, the next centres will opened at Aspley and Springwood. We will then start with the remaining 10 offices across the State, including Cairns. As the Committee can see, this Government is right behind the business community and is helping them to create employment and achieve economic success by providing them with access to the best available advice, information and services.

Having been in small business, I know it is important that the Government have one point of entry for business people who seek services, information or assistance from it. In time, as we establish the 15 business centres across the State—and Mr Mitchell referred to the Townsville experience—businesses will take confidence from the fact that they can walk into one of our business centres and gain all of the advice and information they need. For example, we provide information on financial assistance, and we have Australian Taxation Offices and Austrade offices in those centres. We will further expand and resource those centres to ensure that business has one point of entry to Government.

**The CHAIRMAN:** Well said, Minister. The time for questions by Government members has expired.

**Mr ELDER:** Do you expect that the rationalisation of licensing, and your move towards a single form for licensing, will probably ensure that most businesses comply with licensing requirements?

**Mr DAVIDSON:** Most businesses would?

**Mr ELDER:** Comply with licensing? If you went to a single form for licensing, a greater proportion of businesses would be complying with licensing? Is that a reasonable outcome?

**Mr DAVIDSON:** Yes, we would expect so.

**Mr ELDER:** Would that be a reasonable outcome? If it would be easier to monitor compliance and if most of them are complying, how will that affect revenue? Would you expect to see a change in revenue through rationalising licensing to a single form to get better compliance?

**Mr DAVIDSON:** I must compliment Mr Alan Davies from my department for the work he has done in that regard. Those issues have been raised and there have been discussions with Treasury. Mr Davies will be able to brief you as to what stage we are at with that.

**Mr DAVIES:** There have been discussions with Treasury on those issues and it is expected that there will be increased compliance from the Gateway Project, which is a combined licence form, and from the one-stop shop proposal. From a whole-of-

Government point of view, both of those would be expected to increase revenue.

**Mr ELDER:** Is there any figure for the estimated increase in revenue at all?

**Mr DAVIDSON:** No estimate has been made of the actual amount of increase.

**Mr MACKENROTH:** Treasury has not made an estimate? That is a different Treasury from the one we had.

**Mr ELDER:** Has no-one spoken about a percentage in terms of an expected increase in revenue from that increased compliance measure?

**Mr DAVIES:** No.

**Mr MACKENROTH:** It would be in the millions, though, would it not?

**Mr DAVIES:** I would not know. Certainly I would expect there to be an increase in compliance. That was one of the arguments that we advanced in order to further the case for it.

**Mr ELDER:** If we are talking about a broad measure to improve compliance, we are talking about significant sums of money. Essentially, as the businesses will fill out a single form, you will get them to comply in respect of every facet of their business operation. Would that be true to say?

**Mr DAVIES:** I think so.

**Mr ELDER:** So we are talking about millions of dollars?

**Mr DAVIDSON:** As I said, we have had some meetings with Treasury. I do not think any decision has been made in that regard at all, has it?

**Mr DAVIES:** No. As the Minister mentioned before, there has been an estimate of a saving of \$36m which will come from the one-stop shop. That is a saving to business overall.

**Mr ELDER:** But the offset is that you will have more businesses complying?

**Mr DAVIES:** Certainly.

**Mr ELDER:** One of the reasons for going down this path is that the offset is that a range of businesses will be complying, and that compliance measure will have an impact?

**Mr DAVIES:** Yes, that is right.

**Mr ELDER:** And the impact, like the savings, will be in millions of dollars?

**Mr DAVIDSON:** But I think businesses are obliged to comply, Mr Elder.

**Mr ELDER:** Sorry?

**Mr MACKENROTH:** We do not dispute that.

**Mr DAVIDSON:** Businesses are expected to comply.

**Mr ELDER:** But I am saying that there is an expectation that there will be a significant saving for the department in following this process and it is offset with millions of dollars in terms of ensuring that businesses comply.

**Mr DAVIDSON:** We are not too sure. That is a difficult issue to address because we are not too sure how many businesses do not comply at the

moment. None of that information is available to us. I would not think that that information is available to Treasury or to us, Alan, is it, the number of businesses that do not already comply?

**Mr DAVIES:** We do not have that information, no.

**Mr ELDER:** No, but Mr Davies in conversation there has just acknowledged that these millions in saving will be offset in terms of obtaining extra compliance. That has just been the acknowledgment.

**Mr DAVIDSON:** As I said, we are aware, but we obviously promote the fact that we believe there are \$36m-odd in savings to business through some of our initiatives.

**Mr ELDER:** I want to move on. I have some simple questions about the business centres that you have said you have expanded. What was the cost of that exercise?

**Mr DAVIDSON:** I would not have the exact figures, but—

**Mr ELDER:** Who can provide me with them?

**Mr BERMINGHAM:** The cost for the development of the business centres at Townsville, the Gold Coast, the Sunshine Coast—

**Mr ELDER:** Just the total, Mark.

**Mr BERMINGHAM:** \$796,340.

**Mr ELDER:** \$700,000 so far.

**Mr BERMINGHAM:** \$796,340.

**Mr ELDER:** What about for the total project?

**Mr BERMINGHAM:** For the total project you would be able to add on about another \$1.3m to that for next financial year.

**Mr ELDER:** Where is that in the Budget papers—in the MPS? Can you point out that figure to me?

**Mr DAVIDSON:** It should be appreciated, though, that we will make those savings through the abolition of the QSBC offices as well.

**Mr ELDER:** Yes, but I just need to know where they are in the MPS.

**Mr BERMINGHAM:** The answer to that is that it does not appear as a line item.

**Mr ELDER:** Page?

**Mr BERMINGHAM:** No, it does not appear as a line item in the MPS.

**Mr ELDER:** Why?

**Mr BERMINGHAM:** The figures developed behind the scenes to develop up the MPS allowed some capacity for us to enter into this program as moneys had been disbursed throughout the agency.

**Mr ELDER:** Just repeat that for me.

**Mr BERMINGHAM:** There is capacity that has been spread throughout the agency to enable us to embark upon this capital works program into the next financial year.

**Mr ELDER:** So there is capacity in the agency.

**Mr BERMINGHAM:** Yes.

**Mr ELDER:** Where is the capacity in the MPS across the agency that allows you to spend \$700,000 and \$1.3m of the budget?

**Mr BERMINGHAM:** The \$700,000—

**Mr ELDER:** Let us talk about the \$700,000. Where is that in here across the agency?

**Mr BERMINGHAM:** That relates to the current financial year. Apart from \$140,000, that was picked up by Public Works and Housing.

**Mr ELDER:** \$140,000 for Public Works and—

**Mr BERMINGHAM:** No, apart from \$140,000. There was \$140,000 which was provided by the department. The balance was picked up by Public Works and Housing under their Office Accommodation Program.

**Mr MACKENROTH:** Is that normal?

**Mr BERMINGHAM:** Yes, it is.

**Mr MACKENROTH:** You have to pay for that, though.

**Mr ELDER:** Where does it come out of your capital works program to pay for it in the MPS?

**Mr BERMINGHAM:** The bulk of that money would appear in Public Works and Housing's capital works program.

**Mr ELDER:** But if they are doing it for you, you have to pay for it somewhere.

**Mr BERMINGHAM:** No, they have an allocation within their budget to allow for public sector capital works of this nature. It is an allowance that is made each year, and it is negotiated by the department during the year or at the beginning of each year.

**Mr ELDER:** So there is no requirement on you at all to meet the cost of construction in relation to it?

**Mr BERMINGHAM:** In the current financial year, only to the extent of \$140,000.

**Mr ELDER:** Where is that in the MPS?

**Mr BERMINGHAM:** Because it relates to last financial year it would be consumed in the bulk figures there.

**Mr ELDER:** So in terms of the operational costs in relation to it—because I assume we have to cover all the operational costs in relation to it—where have those funds been derived from?

**Mr BERMINGHAM:** In terms of the business centres?

**Mr ELDER:** Yes.

**Mr BERMINGHAM:** They are contained within the Business Services Program figures.

**Mr ELDER:** Page?

**Mr BERMINGHAM:** Page 26.

**Mr ELDER:** What proportion of that is in relation to the business centres?

**Mr BERMINGHAM:** I would have to do a calculation behind the scenes to come to that.

**Mr ELDER:** If you could just get back to me on that. It does not impact—well, it does impact,

because the Minister said previously that there would be a reduction in program or redundancy in program because it was offset against QSBC. Are there any other reductions or redundancies in programs to fund the business centres across the department?

**Mr DAVIDSON:** No, I said to you that we save \$1.5m or \$1.6m a year through the integration of QSBC into the Department of Tourism, Small Business and Industry, and I asked you to note the fact that those savings were made as a result of the duplication of offices in regional centres. It was not part of the funding programming, but I am just asking you to appreciate that \$1.5m is saved a year.

**Mr ELDER:** Let me get it straight then. There are no reductions in any other programs or redundancies—that is, redundancy in program—across the department to fund business centres?

**Mr DAVIDSON:** Not that I would—

**Mr BERMINGHAM:** No, no allowance is made in the form of redundancies to cover the business centres.

**Mr ELDER:** That is program redundancy, not personal redundancy.

**Mr BERMINGHAM:** No, not at this stage.

**Mr ELDER:** I would like to continue on that, but as I have only 20 minutes I will move on and come back to it through questions on notice in the House. There has been a significant reduction in funding for business and industry programs in this year's budget. When you have the manufacturing sector with exports down and employment down, why have you not actually demonstrated your Government's commitment to that sector and provided additional funding in this year's budget? If you look across Budget Paper No. 2 of your Budget Overview, there has been a substantial reduction in business and industry programs, there has been an increase in tourism—and why not—and there has been a slight adjustment in the liquor licensing area, but business and industry programs have seen a significant decline.

**Mr BERMINGHAM:** In terms of the Consolidated Fund, there has most certainly been a net decrease, and it is a combination with all financial figures of ups and downs. I might just go through those figures and then balance it by saying that there is an increase within the trust funds—

**Mr ELDER:** No, I do not want to know about trust funds. Trust funds are easy. Trust funds particularly mean just a lack of performance in terms of your capital works program. I am talking about your basic programs. I know exactly what trust funds are about and how they impact on this particular budget. They are just performance based.

**Mr BERMINGHAM:** Okay. The reductions have related to a number of initiatives that have existed in the past. There has been the small business cost cutting initiative, \$200,000; there was a general base saving of \$1.2m; there was a reduction in the old RED schemes in terms of some of the specials in the order of \$963,000; the CRC Program

has come to an end and there are savings there of \$170,000; in terms of the Silicon Studio Training and Works Centres, the moneys were brought forward last year, so therefore that represents a reduction this year in the order of \$1.049m; the Regional Skills Development Scheme went down \$620,000; we had an offset last year from the Sport and Recreation Benefit Fund which is not available this year of \$797,000; likewise, there was an amount for the ATSC Export Development Study of \$15,000; the NIES enhancement special scheme came to an end, and that involved \$700,000; enterprise development went down by \$800,000; the enhanced business growth initiative, \$600,000; and there were various carryovers that we had this financial year not available for the coming financial year of \$5m.

To balance that, there have been increases in the Red Tape Reduction Task Force, \$585,000; the Gateway Project of \$464,000; the new RBDS scheme of \$1.2m; the AusIndustry Small Business Enterprise Development Scheme of \$675,000; the Retail Industry Strategy of \$200,000; the Silicon Studio Training and Works Centres, \$570,000; high performance computer and communications, \$955,000; carryovers this year will be expected to be \$2.4m; and there has been an increase in superannuation of \$152,000, which basically gives you that variation between Consolidated Fund of \$4m.

**Mr ELDER:** It is still a significant reduction in business and industry programs across the department. Carrying on with the theme in relation to manufacturing and your Government's lack of commitment to that area—essentially evidenced in your budget which provided for a significant wind down in funding—I am trying to actually find funding for the Queensland Manufacturing Institute in the Ministerial Program Statements. Where would I find that?

**Mr BERMINGHAM:** Under the Office of Innovation and Technology on page 11 onwards. The actual details are on page 15.

**Mr ELDER:** That, as I read it, is a significant reduction in funding as well. Is there any reason for that?

**Mr BERMINGHAM:** In terms of its base allocation under the Consolidated Fund for Innovation and Technology, there has actually been an increase of \$117,000.

**Mr ELDER:** But if I look at the QMI—

**Mr BERMINGHAM:** When we go down to the specials, there has been a reduction of \$1.5m. The reason is that the special for the Silicon Works and Training Centre was cash flowed over three years. This year they brought forward the payments due for next financial year, so it brought one up and the other one down. That represents the variation there.

**Mr ELDER:** Is it a reduction on their base over the last few years?

**Mr BERMINGHAM:** In terms of the QMI, they have got \$940,000. I will check that as well for you.

**Mr ELDER:** Included in that amount is funding for the QMI in Townsville?

**Mr BERMINGHAM:** No, there is not.

**Mr ELDER:** Why not? You had the QMI in Townsville as one of your major achievements for the 1995-96 year in terms of your performance assessment. As one of your major crowning achievements—to actually expand manufacturing opportunities in Townsville—why have you walked away from the QMI in Townsville?

**Mr DAVIDSON:** The Queensland Manufacturing Institute regional facility in Townsville was established cooperatively with the James Cook University—the JCU—the Australian Institute of Marine Science and the Barrier Reef TAFE. The department supports the project with \$140,000 seed funding and \$80,000 project funding. Stakeholders at JCU, AIMS and TAFE signed a memorandum of understanding with the QMI confirming tied financial support. The QMI is located at suitable premises at the JCU, and it identified and project managed regional activities, including a high technology interactive unit; the Riversleigh Interpretation Centre at Mount Isa, a \$50,000 project; the system materials engineering unit at JCU to acquire specialist research capability for commercial use, a \$40,000 project; identification and establishment of the QMI Project Management and Consultancy Unit; and the QMI International Centre for Technology Transfer, \$15,500 for TAFE. Stakeholders are currently addressing the option of self-funding for the 1997-98 financial year, given the withdrawal of financial support from TSBI.

As I said from the start, the project was supported with \$140,000 of seed funding last year. Depending on the analysis, there may be further funding available. I would ask you to appreciate that yesterday I had a meeting with senior officers of my department who I have asked to report to me in two weeks' time as to how we can better promote the Queensland Manufacturing Institute to Queensland. I think in the past there have been some problems in that it probably has lacked the profile required across the State as a whole. While I supported the Townsville—

**Mr ELDER:** Can you just repeat that? It has lacked a profile?

**Mr DAVIDSON:** It has lacked a profile.

**Mr ELDER:** You are kidding!

**Mr DAVIDSON:** Hang on, I am answering the question here. I believe it has lacked a profile in some regards across the State.

**Mr ELDER:** In what regard?

**Mr DAVIDSON:** So I have asked a senior officer in the department to present to me within two weeks a paper on how we can ensure that the QMI has the profile right across the State to ensure that business and industry sectors realise the opportunities that exist with the Queensland Manufacturing Institute. I am hoping that when this officer reports back to me he will have clearly defined a way in which the Government can better promote the opportunities that exist for the Queensland Manufacturing Institute on behalf of industry sectors right throughout the State. I am very keen to ensure that the QMI is given the status and

profile in this State that obviously business and industry groups can benefit from.

**Mr ELDER:** By withdrawing from Townsville?

**Mr DAVIDSON:** Not at this stage. Obviously, the funding—

**Mr ELDER:** You are not funding money; the budget is gone and, therefore, you will not be able to fund the project manager, on my assessment.

**Mr DAVIDSON:** That is not quite true. As I have said to you, I have asked a senior officer of my department to put a paper to me within two weeks to ensure that not just Townsville has a dedicated office on behalf of the QMI, but the whole of the State has an office or offices that can promote the opportunities that exist within the QMI for Queensland business.

**Mr ELDER:** You have confirmed with me that the budget is gone. Will they be able to employ the project manager next year?

**Mr DAVIDSON:** As I understand it—

**Mr ELDER:** Yes or no?

**Mr DAVIDSON:** —the contract for the project officer expired in March. The contract expired at the end of March. I personally extended the contract to the end of June.

**Mr ELDER:** So the QMI in Townsville is dead in the water?

**Mr DAVIDSON:** Mr Mellor, can you just outline what the real position is?

**Mr MELLOR:** The situation in Townsville is that the QMI will continue. At a board meeting on Wednesday the stakeholders agreed to fund the QMI for the 1997-98 financial year.

**Mr ELDER:** So the department is out of it and the stakeholders are going to fund it?

**Mr MELLOR:** The department is out of it at this stage until a further analysis occurs.

**Mr ELDER:** Why are we out of it? Why are we not playing a role in the QMI and in the development of manufacturing opportunities in the north?

**Mr DAVIDSON:** As I said to you—

**Mr ELDER:** As the QMI is struggling to keep its head above water, I am asking you: why are we out of it?

**Mr DAVIDSON:** As I said to you—Madam Chair, come on.

**Mr ELDER:** Excuse me, Madam Chair, I get a minute to ask my questions and you get three minutes to answer them. I am asking why are we out—

**Mr DAVIDSON:** I have not heard the bells for the three minute time allotted to myself.

**The CHAIRMAN:** No, it has not gone.

**Mr DAVIDSON:** If I am going to have continuous interjections from the member asking the questions—

**Mr ELDER:** It is my question time, isn't it? Thank you very much. Why are we abandoning the QMI operations in the north when manufacturing in

this State is on its knees? Why are we walking away from a partnership arrangement with the major campuses in Townsville? Why are we walking away from that? Is there any other reason that we might be leaving Townsville?

**Mr DAVIDSON:** We are not walking away from it. As I quite clearly stated to you a minute ago, the contract for the project officer expired at the end of March this year.

**Mr ELDER:** And there is no money for it?

**Mr DAVIDSON:** Hang on, I in fact extended the term of that contract to the end of June this year.

**Mr ELDER:** Where is the funding?

**Mr DAVIDSON:** One moment. Mr Mellor, can you just advise us again as to what the result of that was? I have not been briefed on the meeting that was held on Wednesday by Mr Mellor. Can you just advise again the result of that, the outcome?

**Mr ELDER:** You do not know much, do you?

**Mr MELLOR:** Again, the board of directors of the QMI regional met and agreed that they would be funding the QMI for the 1997-98 financial year. We are currently awaiting our analysis to be completed to determine what our position will be. The QMI regional, from a TSBI point of view in Townsville, has contributed substantial assets to the QMI regional. It was confirmed at the board meeting that those assets would remain at the QMI at the James Cook University for the 1997-98 financial year. I think the most significant outcome has been that the QMI regional is now revenue generating, and there is every likelihood that the financial contributions from the stakeholders in actual fact will be minimised with the revenue retention that is going to be made.

**Mr ELDER:** I will tell you what the most significant thing that came out of that was.

**Mr DAVIDSON:** Mr Mellor, were there any requests from the board as a result of that meeting on Wednesday for further funding from our offices? I have not been briefed in this regard yet.

**Mr MELLOR:** No, the board certainly understands our position at this stage with the analysis that has taken place. It is very confident that it can manage the QMI regional in the 1997-98 financial year.

**Mr ELDER:** Where does that leave the project manager?

**Mr MELLOR:** The project manager will be employed by the QMI regional based at the James Cook University.

**Mr ELDER:** The same project manager?

**Mr MELLOR:** Correct.

**Mr ELDER:** So the project manager will not be under any threat of her position at all?

**Mr MELLOR:** The project manager, in actual fact, was the one who put the proposal to the board on Wednesday.

**Mr ELDER:** I bet she did—to save her backside! The only significant point out of that that I can see is that we have abrogated our responsibility as a department.

**Mr DAVIDSON:** No, Mr Elder. I need to remind you that the department supported the project with \$140,000 seed funding the previous year. As I said, I have not received, as a result of the board meeting on Wednesday, any briefings to date. I have not received any requests for further funding. I will ask Mr Mellor: has there been a request made as a result of that meeting?

**Mr MELLOR:** No, not at this stage. The board is obviously still reviewing its position, but it is very confident that it can fund the QMI.

**The CHAIRMAN:** We will now move on to Government questions. I would like to talk about the IT & T industry, which I understand comes under your portfolio. I note that, this year, the IIB is assisting the IT & T Awards for Excellence. Could you give this Committee further details of the IIB's assistance of the IT & T awards?

**Mr DAVIDSON:** Thank you, Ms Warwick, for your question. Let me say once again that I have been pleased to see your involvement and interest in the IT regional awards. Your attendance at the Cairns awards with myself was endorsed by many people in the information technology industry in your region. I was so pleased to see that you were able to attend that evening. The IT & T Awards for Excellence have been running for some time now. This year, I am pleased to say that my department has continued its association with the IT & T awards through the IIB, the Information Industries Board. We have supported the awards with a cash grant of \$65,000, which enables them to employ an administrative officer as well as carry out various administrative functions. The Information Industries Board is also assisting with in-kind support, including professional services and assistance on the judging panel. This year, with the assistance of the regional officers of my department, the awards are being expanded to have greater impact in regional Queensland. There are award categories reserved specifically for the IT & T products developed in regional areas as well as for products developed by regional firms.

In August, I will be travelling to a number of regional centres to raise the profile of the IT & T awards. I regard the financial support given to the awards as a very sound investment. IT & T is currently this State's fourth-largest industry and it is the fastest-growing industry here and around the world. It is imperative that we encourage growth in the industry, and I think that recognising excellence within the Queensland IT & T industry is an essential part of this. So we have totally committed ourselves to the IT & T regional awards. I am attending, I think, two or three launches in regional Queensland some time this year. Obviously, I am very much looking forward to the awards night in Brisbane itself. Unfortunately, last year I was unable to attend. Minister Slack represented myself and the Government at those awards. They tell me it was a night of celebration of some 700-odd people. This year, I believe that they are hoping to attract an expected crowd of 1,000 people. I am looking forward to the Brisbane awards this year. It is one way of Queensland really celebrating and focusing on IT & T as a major industry in this State.

**Mr ROWELL:** During the Tourism Estimates, we discussed the potential of the Sydney Olympics. Presumably, this means that there will be a range of business opportunities also which represent themselves not just in Sydney but around the nation. What is being done in your portfolio to help Queensland business exploit these opportunities?

**Mr DAVIDSON:** Thanks very much, Marc. You obviously have a very keen interest in the opportunities which have been identified and which are emerging for the Olympics. You obviously intend to attend the Olympics in Sydney, you are so interested.

**Mr ROWELL:** I will try to get there.

**Mr DAVIDSON:** It is certainly the case that we have identified a range of opportunities for Queensland business which are offered by the Sydney Olympics. It is estimated that the Olympics will generate over \$8 billion for Australia. In response to this estimate and to the identification of business opportunities, my department has set up the Olympics 2000 Task Force. The task force, which I chair, consists of senior business people and eminent members of the Queensland community. It is dedicated to identifying business opportunities for Queensland, making Queensland business aware of those opportunities, and advising Queensland business on how to make the most of those opportunities. The Queensland Government has the responsibility of appointing a representative to the Olympic Business Round Table organised by the Sydney Organising Committee of the Olympic Games, SOCOG.

The Round Table was established on 1 June 1995 in recognition of the fact that the Sydney Olympics provide a unique opportunity to reposition Australia's industry in the eyes of the world. I am very pleased to announce that Ron Clarke, a well-known Queensland athlete and business person, has agreed to represent this State on the Olympic Business Round Table. With Mr Clarke's help, we are working to ensure that Queensland industry gets shown to the world for what it is: achievement oriented, at the leading edge of technology, and ready to be productive and successful. There are massive opportunities now and in the years ahead for Queensland business to be part of the Sydney Olympics. As I said, I was very pleased that Mr Clarke, a very well-known athlete and business person in Queensland, accepted my request to represent Queensland on the Round Table of SOCOG, the organising committee. I met with Mr Clarke a couple of weeks ago. I am sure that, in the months and years ahead, Mr Clarke will be able to represent Queensland as a State on the SOCOG committee and work with officers in my department to ensure that Queensland business is given every opportunity to capitalise on the opportunities today and the ongoing opportunities from Sydney holding and hosting the 2000 Olympics.

**Mr ROWELL:** Minister, your portfolio includes responsibilities for assisting enterprises to find suitable locations for their factories and warehouses in Queensland. Could you outline the plans you have for this part of your portfolio over the next 12 months?

**Mr DAVIDSON:** The Industry Location and Infrastructure Branch within my department is helping business and industry to obtain appropriately zoned and serviced land at competitive prices through its Industry Location Scheme. Under this scheme, we manage a network of industrial estates situated throughout Queensland. This scheme has not been created to compete with the private sector but, rather, to focus on market gaps and planning failures or instances where the private sector fails to meet the market needs. An example of this would be where an industry requires a larger than normal block of land for a specific plant but such a block is not available at a competitive price in the private marketplace. My department's industrial estates are strategically located, fully serviced and appropriately zoned estates which cater for a range of industrial and specific purpose activities. The Industry Location Scheme deals mainly in freehold land. Under the scheme, eligible clients are able to buy land at fair market value. Sales are executed on a standard contract of sale and require minimum application details. The total value of my department's land-holdings on 19 February 1996, the day I became Minister, was \$339.9m. The total value as at 8 May this year was \$319.8m. The value of land sold over this period was \$20.1m. So you can see that my department has been very active in catering for business and industry's needs under the Industry Location Scheme.

Under this Government, great emphasis is being placed on actively promoting and selling departmental land for industrial use. In recent times, real estate agents have been engaged to sell land on the department's behalf, and a small number of sales introduced by these agents are now under contract. It is anticipated that more sales will now eventuate through these agents. When I was first appointed, an issue was raised with some real estate agents around the State about their inability to act as brokers on behalf of the Government with our industrial estates to facilitate and service the needs of the local business communities in their own areas. I think that, last year, we had a pilot program whereby I think one agent may have been given the right to promote, market and sell industrial estate land. I think that, as a result of the success of that, we expanded it. Obviously, it ensures that business people right across the State can be advised of, and identify, land that is available through real estate agents on behalf of the department. So I am keen to ensure that we expand on that. Through its network of industrial estates and the Industry Location Scheme, my department is providing much-needed land for industrial use throughout Queensland. In this Budget we have allocated over \$10m over the next three years on existing industrial estates. That money will be used to improve access and infrastructure so that industrial enterprises can be located on land more quickly.

**Mr MITCHELL:** In your answer to a question on notice, you mention support from your department for the development of the Queensland construction industry. Could you please provide further details of your department's support for the construction industry?

**Mr DAVIDSON:** As you know, the construction industry in Queensland is one of our major industries. Let us hope that the economic climate improves and that the construction industry can once again be the major provider of jobs and economic opportunities for business people right across the State. Obviously, many Queenslanders are employed in that industry. I would like to compliment the officer of my department who was instrumental in working with Construction Queensland to get that initiative off the ground.

The three key areas of activity to Queensland's construction industry are the non-residential, engineering and residential sectors. In the non-residential sector, the Government is a dominant client for the industry, providing approximately 55 per cent of all work through the Capital Works Program. In the engineering construction sector, the Government is a major participant, with Government agencies undertaking approximately 45% of all work in this State. Thus the actions of the Government can have a profound effect on the wellbeing of the construction industry in this State. Since coming to power, this Government has moved as a matter of priority to set this industry back on its feet and to help it realise its full potential. The Government, through the Department of Tourism, Small Business and Industry, the Department of Public Works and Housing and the Department of Economic Development and Trade, has worked with industry to prepare Construction Queensland, a 10-year strategy. That joint venture with the Queensland construction industry aims to increase the efficiency and viability of the industry in Queensland.

This initiative was endorsed by Cabinet on 11 March 1997. The Queensland Government has provided \$480,000 for the initial two years of the operation, after which Construction Queensland must be self-funding. There are both direct and indirect benefits to be gained for Queensland from Construction Queensland. Those are targeted as: a significant reduction in the cost of the Capital Works Program over two years; a competitive and viable construction industry that will directly benefit the majority of other industry sectors through provision of cost-effective infrastructure; the development of a less fragmented and more cohesive construction industry; increased exports through the development of a strong domestic base and use of technology and innovation; and a more powerful base to develop small business within the industry.

My department and the officer in my department whom I previously complimented have been at the forefront of ensuring that the Government across agencies—Public Works and Housing and Economic Trade and Development—has been involved with the construction industry in Queensland in putting that proposal together and signing off on the funding of \$480,000 over two years to ensure that the construction industry is the ongoing economic provider to Queensland that it has been for many years.

**Mr MITCHELL:** In answer to a question on notice regarding industry development, you mentioned the Queensland Food Project. Could you

please expand on the details that you gave in answer to that question on notice?

**Mr DAVIDSON:** This is another great departmental initiative. I must compliment my officers who are involved at the coalface. I have had many meetings with my officers. I am at all times impressed with their ability to facilitate the Queensland food processing industry and other people associated with it to ensure that the Government is doing all it can to develop and grow that industry and to identify the enormous emergence of opportunities that exist in Asia for us. We have done a lot of work. My dedicated officers are working with people not just from Queensland and Australia but also from throughout the world to ensure that Queensland capitalises on those opportunities.

Since its formation, the QFP, the Queensland Food Project, has facilitated nine new food processing projects involving capital investment of \$19.625m and employment of 272 people to date. The Queensland Food Project strategies for promoting the growth of the Queensland food processing industry are developing new food products and processes, developing infrastructure to support business, introducing new technologies and business practices, attracting investment funds, developing world-class distribution systems and integrating the needs of small business within those strategies. In the current financial year, the project has developed six projects, which have resulted in capital investment of \$8.625m and 155 jobs; started work on four new projects with an estimated value of \$28m; increased turnover by \$170m, of which \$138m will be exports and 800 new jobs; and developed significant trade and investment links with Hebei province in China. I have received two delegations from Hebei province in China. As a result, officers of my department and I will be visiting Hebei province in China. We see some absolutely enormous opportunities that exist for Queensland in that province. The project has also developed infrastructure projects, including the facilitation of a network for food research and development of education and training.

As part of the Queensland Food Project, I have introduced the food CEOs round table. Once again, the Government is allowing business to meet with Government. As the Minister, I chair that round table to ensure that the Government and the department are facilitating business from business' point of view rather than the Government's point of view. I have introduced that round table to attain high-level private sector input into Government policy and programs in the food processing sector. That reflects my commitment to ensuring greater private sector input into the way my department works.

Madam Chair, I think my officer, Mr Bermingham has some additional information that was requested by Mr Elder in a previous question.

**Mr BERMINGHAM:** I have three short answers. I want to correct that I indicated that, of the \$796,340 for the business centres fit-out, \$140,000 was paid by the department; in fact, the whole amount was picked up by Public Works and Housing. The money available to the business

centres to operate in the regions is approximately \$10.5m. The variation between the QMI base allocation for this year and next year—it has increased by \$40,196.

**Mr ELDER:** Can you provide a breakdown of those figures?

**Mr DAVIDSON:** Yes, certainly. We will provide that.

**Mr ELDER:** I do not want to see just the figure; I want to see where it is derived from.

**Mr DAVIDSON:** On QMI or on the business centres?

**Mr ELDER:** QMI in particular, and I want to see where it came across from the Public Works Department. There has to be an entry on their side.

**The CHAIRMAN:** I wonder whether you can tell the hearing what efforts your department is making to deliver information and services via the Internet.

**Mr DAVIDSON:** Earlier this year I was pleased to launch the department's Internet site. Using the department's site, we will provide more and more of our services to the public as time goes on. Currently the site has a range of information from the department available to all Internet users. The information available includes the department's services, Olympic 2000 business opportunities, small business services, Projects Queensland, the Small Business Council of Queensland, and publications such as Better Business and Business Opportunity Profiles. Under the Olympic 2000 business opportunity section, the site lists Olympic-related tender information, including closing dates. To date Queensland companies have won contracts to the value of \$5m. Departmental clients can also access the Internet through the department's business centres.

The development of the site is ongoing. Additional features to make it interactive for departmental clients will be added. Those features will include a small business information page showing current interest rates, business licence requirements, taxation rates and relevant Queensland Government contact numbers, business planning pro formas and fact sheets, and business growth and economic forecasts. One of the department's major new services to be offered in the new financial year is on-line Internet access to the Queensland Industry Information Service, also known as QINDIS. QINDIS is an electronic database containing over 9,000 Queensland manufacturing and tradeable service organisations. The role of QINDIS is to act as a product-sourcing facility and to enhance Queensland business opportunities. To further enhance those business opportunities, a scaled-down version of a database has been developed to provide a more readily accessible information source via the World Wide Web.

The Internet is now widely used by both Government and business and is readily accessible to the business community on a local, national and international level. Electronic access to business services and information is now the norm rather than the exception. Similar databases of business-related

information are already available on the Internet from Hong Kong, Singapore and the United States. The benefits in having a version of QINDIS accessible via the Internet are that clients can access the data at any time of the day or night; overseas clients—Government and business—can access the data without having costly phone or fax bills; it promotes Queensland-made products, services and tourism all over the world; it promotes client matching, for example, for joint ventures or major projects; and it promotes exporting and tourism. The site also includes links to other Government agencies, industry bodies and relevant service providers to assist departmental clients and to access meaningful information on business assistance services.

**The CHAIRMAN:** The time allotted for the consideration of the Estimates of expenditure for the Department of Tourism, Small Business and Industry has now expired. I would like to thank the Minister and all the portfolio officers for their attendance. The hearing is now suspended for lunch and will resume at 1.30 p.m. with the Minister for Local Government and Planning.

**Mr DAVIDSON:** Thank you very much, Madam Chair.

Sitting suspended from 12.15 p.m. to 1.30 p.m.

**DEPARTMENT OF LOCAL GOVERNMENT AND PLANNING**

**IN ATTENDANCE**

Hon. D. E. McCauley, Minister for Local Government and Planning  
 Mr K. Yearbury, Director-General  
 Mr C. Schomburgk, Planning Services  
 Mr I. Barrett, Building Better Cities  
 Mr S. Wypych, Manager, South East Queensland Planning Division  
 Mr R. de Veer, Legislation and Standards  
 Mr S. Biggs, Rural Communities Development  
 Ms E. Fraser, Corporate Planning and Information Services  
 Ms L. Apelt, Manager, Corporate and Executive Services  
 Mr P. Woolley, Local Government Funding Programs  
 Mr P. Jones, North Queensland Planning Division  
 Mr I. Schmidt, Manager, SEQ 2001 Regional Resource Unit  
 Mr B. Fleming, Office of Rural Communities  
 Mr D. Peddie, Finance  
 Mr C. Matheson, Manager, Cabinet and Legislative Services  
 Mr M. Tucker, Local Government Services

**The CHAIRMAN:** The hearings of Estimates Committee D are now resumed. For the information of the Minister and new witnesses, the time limit for questions is one minute and for answers it is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given. The Sessional Orders require that at least half of the time available for questions and answers in respect to each organisational unit is to be allotted to non-Government members and that any time expended when the Committee deliberates in private is to be apportioned equally between Government and non-Government members.

For the benefit of Hansard, I ask departmental officers to identify themselves when they first come forward to answer a question. I now declare the proposed expenditure for the Minister for Local Government and Planning to be open for examination. The question before the committee is—

"That the proposed expenditure be agreed to."

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

**Mrs McCAULEY:** Madam Chairman, I will make a statement, if I can. I am pleased to be here

today to place on record the substantial achievements of my department and to outline our key priorities for the year ahead. This year we have built substantially on the successes of last year by expanding existing programs and implementing new initiatives which will assist local government in the delivery of services to the community. As all members of the Committee would be aware, this budget has been warmly received by the Local Government Association of Queensland and councils throughout the State, particularly with its emphasis on jobs, reducing red tape and the development of capital infrastructure.

Substantial work has been undertaken in partnership with local government to apply National Competition Policy reforms in a way which ensures that the social obligations of councils are not jeopardised and that any negative impacts on smaller and remote local governments are minimised. This work will continue in 1997-98, with the department continuing to provide advice and other assistance to councils as they make their decisions on the application and implementation of competition reforms. This will include the administration of the \$150m incentive package announced by myself and the Treasurer in April to assist local governments with the implementation of competition reforms and to achieve resultant productivity gains.

Secondly, the department has developed total management plans in consultation with 31 Aboriginal and Torres Strait Islander deed of grant in trust communities, the old Mapoon community and Mornington and Aurukun Shire Councils to facilitate future prioritisation and coordination of delivery of water and transport-related infrastructure to these communities. In recognition of the fact that the provision of basic infrastructure should contribute to improved environmental health outcomes in these communities, the Aboriginal and Torres Strait Islander Infrastructure Program will be expanded in 1997-98 with additional funding to trial a new and extended planning process in selected communities, provide capital works and implement a new operations and maintenance program for existing infrastructure.

Thirdly, in relation to new planning and development legislation, my department has in the last 12 months gone back to square one and with direction from my task force produced a new draft Bill. The department has also commenced work with key stakeholders on a major program to rationalise building standards so that all requirements in relation to on-site construction activities are integrated into a single code. The new performance-based and nationally consistent Building Code will be introduced in 1997-98, along with a system of private certification for building works.

The needs of rural Queenslanders are also being addressed in the budget. Through my department, the Government will implement a new \$7m Rural Communities Infrastructure Program over three years aimed at assisting smaller rural local governments and Aboriginal and Islander councils to provide improved community recreational and tourist facilities.

The QGAP program will also be expanded to an additional 14 sites throughout Queensland, making 42 offices in total, providing enhanced access for target communities for a range of Government and other services. In addition, my department will be developing a Rural Communities Strategy which will outline the whole-of-Government framework for improving service delivery and increasing social and economic development opportunities in rural and remote communities.

My department is clearly fulfilling its contract with Government in terms of meeting the fundamental objectives of the State Strategic Plan as well as making a major contribution to micro-economic reform in the State. In the year ahead, we will continue with the task of directing resources to activities which promote economic and social development and improve the quality of life for all Queenslanders.

**The CHAIRMAN:** The first period of questions will commence with non-Government members. Mr Mackenroth?

**Mr MACKENROTH:** Minister, I noted in your opening comments that you said that you intend to build on your performance or achievements of this year—the present financial year—and into the next financial year. I refer you to last year's Program Statements where the planned performance for this financial year 1996-97—the one that we are still in—was that you would negotiate a protocol with the Local Government Association of Queensland to better enable coordination of State policies that impact on local government. I ask: what is the present position in relation to that?

**Mrs McCAULEY:** We hope that that protocol will be ready by the time of the Local Government Conference later on in the year. We are working on it. We have had a draft. It has gone to the LGAQ.

**Mr MACKENROTH:** So it is not one of the things that you are referring to when you talked about your achievements?

**Mrs McCAULEY:** Next.

**Mr MACKENROTH:** I think it is also in the Program Statements for this year. It is down as one of your planned performance indicators as well. The next point in last year's Program Statements was to assess recommendations of the Queensland Commission of Audit as they apply to local government. Can you tell me what recommendations in particular have been assessed and how they have been applied to local government or how they have affected local government?

**Mrs McCAULEY:** A lot of these things that were in the Commission of Audit we had been seeking to undertake already or had started to undertake anyway. Things such as improving our delivery of services, of course, and streamlining the delivery of services—those sorts of things—were things that the Commission of Audit was urging departments to do. We felt that we were coming to grips with that anyway.

A lot of the work that has been done has been coordinated through the Rural Communities

Committee and that will be part of that Rural Communities Strategy that I talked about in my opening speech. Again, that has come out of the Commission of Audit.

**Mr MACKENROTH:** That is the Rural Communities Committee that you chair and it has Directors-General on it?

**Mrs McCAULEY:** I do not chair it. The Director-General chairs it.

The Integrated Planning Act will, of course, go a long way towards meeting what the Commission of Audit is seeking. I guess that you could look at the Commission of Audit in terms of the national competition reforms, which you are well aware of, and the things that we are doing in that regard, implementing better planning mechanisms through the new planning legislation and ensuring that our accountability and efficiency in local government are spot-on. There are things like the Code of Competitive Conduct under the National Competition Policy. How much detail do you want?

**Mr MACKENROTH:** That is fine. Continuing with your planned performance for this financial year, last year's Program Statements stated that you would introduce a new City of Brisbane Act. As Parliament does not meet again until next financial year, did I miss its introduction?

**Mrs McCAULEY:** We have had priorities other than the City of Brisbane Act. I would have thought that if it was your priority, you would have done it when you were in office.

**Mr MACKENROTH:** You put that in your Program Statements last year as a measurement of your planned performance for this year.

**Mrs McCAULEY:** It is not there this year.

**Mr MACKENROTH:** I know it is not. Last year you said that the measurement to judge your performance in 1996-97 would be the introduction of a new City of Brisbane Act. I did not put it there; you put it in there.

**Mrs McCAULEY:** Things change and there were other priorities.

**Mr MACKENROTH:** So it is not a priority at all any more?

**Mrs McCAULEY:** Not at the moment. Not until we get other things out of the way.

**Mr MACKENROTH:** At page 16 of the 1996-97 MPS reference is made to the new planning and development legislation to be known as the Integrated Planning Act, which would be drafted by 31 December with a view to it being proclaimed by June 1997.

**Mrs McCAULEY:** Again, that is a problem, although we have worked very hard on it. I would like to go through the sorts of things that we have been doing on that legislation, because I am disappointed that it is not in the House. However, we have not exactly been sitting idly by, staring at the walls. We have been working very hard. As you know, we formed a task force to review all of the elements of the draft PEDA Bill that you had been working on for some considerable time. You know as

well I do that this has been in the pipeline for many years. I did not want to rush in.

**Mr MACKENROTH:** By the time you introduce it, it will be old.

**Mrs McCAULEY:** That is not right. I did not want to rush in and adopt holus-bolus legislation that was not of my making. In fact, I was urged by the UDIA not to go into it too quickly but to take a bit of time. I must admit that I did not think the task force would take as long as it did. I expected to have the legislation in the House last year and then obviously, with the way things were going, that was not feasible. However, the work of the task force was excellent and the input from various sector groups was excellent.

From May until October the task force reviewed all of the elements of the draft PEDAs Bill. In October an authority to prepare an Integrated Planning Bill was authorised by Cabinet. In November there was limited access to drafters. From December to March this year a working draft of the legislation was prepared. From April to May the task force members assessed that working draft and that was carried on with those specific groups in three-hour briefing sessions. It was quite lengthy, because it was quite a big task force. In May drafting instructors reviewed over 300 pages of detailed comments that came back. At the moment they are drafting. Next month the transitional provisions will be drafted and, hopefully, in August we will see the legislation.

While last year's Budget papers stated that we were aiming for June this year, it seemed sensible to me that, if we were going to do it, we would do it properly. I do not want to fall into the trap that your Government fell into with the Environmental Protection Act. It was rushed through and we have been trying to sort it out ever since because all the ends were not tied up when the legislation came into law. That has made things very difficult for the last few years. I know that nothing will be perfect, but we would like to get it as close as we can.

**Mr MACKENROTH:** I recall that, in April this year, you were critical of the Lord Mayor of Brisbane for delaying his town plan review. Hasn't the delay basically been as a result of advice given to the council by the department that it would be better to have the new town plan linked into the new Integrated Planning Act or the old PEDAs Bill?

**Mrs McCAULEY:** I am not aware of any such advice. We have been telling councils to proceed and not to hold their planning schemes up because of the new legislation. As I say, this has been in the pipeline for about six or eight years. If nothing had been done by councils on their planning schemes in that time, the whole State would have ground to a halt.

**Mr MACKENROTH:** Do you not think that the largest local government in Queensland would be better to have a town plan under the new Bill rather than under the old legislation?

**Mrs McCAULEY:** I do not think that it will make a great deal of difference to them. They have continued the annual reviews of sections of that scheme that they were doing before and stopped for

some reason. They have taken that up again and they are doing that on an annual basis. I am happy with that and they are quite happy with it, too. Of course, they want to see the legislation in as soon as possible, and they will.

**Mr MACKENROTH:** But is it not going to be better for all councils and all people living in those local government areas to have town plans generated under the new legislation rather than the old legislation? If not, why is it being done?

**Mrs McCAULEY:** It will take some time. You cannot just stop the old and bring in the new. There will have to be a couple of years of transition from the old to the new. Perhaps Kevin can expand on that.

**Mr YEARBURY:** The department has, in fact, advised councils across the State that it is prepared to assist them in the development of their planning schemes in a way which would enable them to ease the transition to work under the new planning legislation. Indeed, the work that is going on at the moment in relation to the transitional provisions is directed at attempting to bring existing schemes into the IPA framework without the need for councils to have to review those schemes and create new documents.

Indeed, it has been stressed to us by local governments that they have a major concern that they will have to review schemes when the new IPA comes in. In terms of transitional provisions, we are endeavouring to avoid a situation where a council has to produce a new scheme but can transition their existing schemes across and so operate under the IPA. At this stage, we believe that that is possible. The drafting for transitional provisions is still to be completed, as the Minister indicated, but that would be the intention. In the meantime, we have offered to assist councils which are developing new schemes to develop them in a way which would be compatible with the new legislation.

**Mr MACKENROTH:** Would a council like Brisbane not be better to wait until the new legislation is in place?

**Mr YEARBURY:** I am not sure about that. There is a certain imperative to keep planning schemes up to date in response to community needs. Councils need to make judgments about whether it is important to amend their schemes to deal with particular issues of the day or whether they should wait for new legislation that they know is coming. They are also involved in processes of consultation, so it is not as if they do not know where the proposed Bill is in terms of its development. They have been involved in working through some of the issues that I have talked about. I think it is for councils to make a decision about whether it is in their interests to wait for the new legislation, knowing what work is going on and how long it is likely to take, or whether they should be amending their schemes under the current Planning and Environment Act.

**Mrs McCAULEY:** From my point of view, I would prefer that a council of the size of the Brisbane City Council did not wait. I would prefer it

to keep doing those annual reviews to keep things current.

**Mr MACKENROTH:** But if the Brisbane City Council waits until your new legislation comes into place, unless it has been changed significantly from the PEDA legislation in terms of Government involvement, would the Government not be required to have an input into it before it is advertised publicly?

**Mr YEARBURY:** The provision that was in the PEDA Bill that related to Government involvement in planning scheme preparation has been carried through into the working drafts of the IPA. At the same time, departmental officials in the planning programs are already attempting to put into practice that principle as they have schemes submitted to them for review under the current P & E Act.

**Mr MACKENROTH:** Before they go out to advertise?

**Mr YEARBURY:** Not before they go out to advertise. We are involved with a number of councils in encouraging them to talk with the Government when they are preparing their planning scheme before they go out to advertising. We have a number of councils that we are working with in the preparation of the scheme. A number of councils have asked us to be involved in the preparation of their scheme prior to public exhibition so that that objective would be met.

**Mr MACKENROTH:** I said earlier that I believe the council would be better off preparing and advertising its new scheme under the proposed new legislation than it would under the present Act because of the requirement that the State Government have input into that plan before it is advertised. In that way, the people of Brisbane would be aware of what plans all State Government departments had and they would not find themselves in a position whereby the State changed the plan further down the track.

**Mrs McCAULEY:** I understand that the City of Brisbane has extended its time to finalise its town plan for three years or something but it has no intention of taking all of that time, as I understand it. It is going to finalise it.

**Mr MACKENROTH:** I am well aware of that. When I was the Minister, I told it to wait until the PEDA legislation was finished. It asked me that question and the advice that I got from the department was to tell it to wait, and I did tell it to wait. That is the point. In addition, if the Integrated Planning Bill is introduced in a reasonable amount of time, I think it will be better for the people of Brisbane to have it done under that legislation than the present Act, because there will be a far greater involvement by local communities in planning for their own communities. Rather than its doing a plan under the present provisions and not having proper input for another seven years or so, that seems to me to be a better thing to do, even if it waits another year for that to happen.

**Mrs McCAULEY:** It has written to us and I am quite happy with the line of action it is proposing.

**Mr MACKENROTH:** You are?

**Mrs McCAULEY:** Yes.

**Mr MACKENROTH:** I thought that you criticised it for saying exactly that. Were you just being political?

**Mrs McCAULEY:** Yes.

**Mr MACKENROTH:** In case it was inaudible to Hansard, I repeat that the Minister answered: yes. We will continue with the planned performance. The MPS states—

"Systems will be implemented whereby State capital works programs can be evaluated against agreed regional and sub-regional growth management policies and strategies and integrated into land use plans."

What systems have been implemented?

**Mrs McCAULEY:** Is that from last year's Ministerial Program Statements?

**Mr MACKENROTH:** Yes. It is in this year's, too, but we will get through last year's first. It was probably in mine, too, so do not worry about it.

**Mr SCHMIDT:** I understand the question was: what systems have been implemented in relation to the coordination of capital works and infrastructure programs?

**Mr MACKENROTH:** Yes.

**Mr SCHMIDT:** Following the change of Government, there was a review of the SEQ 2001 regional planning project in 1996. As a result of that review, the arrangements in relation to infrastructure coordination were strengthened and included in the outcome of that review—the RFGM Update 1996. The Update 1996 recommends that all infrastructure provision by agencies in all spheres of Government and non-Government sectors should be coordinated and support regional growth management strategies. That is based on all infrastructure provision agencies developing long-term infrastructure plans consistent with the RFGM; the use of the State works program and associated mechanisms to ensure that infrastructure and investment plans of individual agencies are consistent with the RFGM; and that the SEQ 2001 Regional Resource Unit, in conjunction with the Department of the Premier and Cabinet, convenes annual subregional infrastructure conferences involving State, local and Commonwealth Governments and the relevant private providers of infrastructure.

It is intended that the Infrastructure Priorities Program will ensure that infrastructure is provided in a coordinated manner consistent with the settlement pattern of our regional framework and will identify the most cost-efficient means of providing essential infrastructure and also provide greater certainty for all sectors in promoting the implementation of agreed infrastructure priorities. The Regional Resource Unit has been having discussions with officers of the Premier's Department in relation to arrangements to undertake that work as well as some consultation with the private sector providers and the Infrastructure Association of Queensland. It is proposed that the work that will be undertaken will commence in the next few weeks and that those infrastructure conferences will be undertaken and

reports provided to all of the stakeholders prior to the end of the year.

**Mr MACKENROTH:** So at this stage no systems have been implemented whereby State capital works programs can be evaluated against the regional and subregional plans? Have no systems been implemented in Government for that to happen?

**Mr SCHMIDT:** The system that has applied—and it applied previously—is that State agencies are required to develop physical asset strategic plans and to undertake a self-evaluation of those PASPs to ensure consistency with the regional frameworks. That work is continuing by the State agencies and, as I indicated, the conferences will take place later this year.

**Mr MACKENROTH:** In respect of south-east Queensland, have all agencies now done one, three and 10-year capital works programs?

**Mr SCHMIDT:** I am not in a position to answer that.

**Mr MACKENROTH:** Would that not be the system that is being implemented to be looked at? You said that the work we were doing is being continued on; that is what we started?

**Mr SCHMIDT:** Yes. That is part of the arrangement. Part of the arrangement is that there is now——

**Mr MACKENROTH:** So you have a system that is implemented, but you do not have any way of checking it?

**Mr SCHMIDT:** There is through the normal processes of Cabinet in relation to the physical asset strategic plans of State agencies and input into the development of those PASPs.

**Mr MACKENROTH:** The Department of Planning is not in a position to be checking whether in fact those one, three and 10-year capital works plans are being done to coordinate with the regional planning being done? The systems do not allow for the Planning Department to be able to check that so as to know that that is going into place?

**Mr YEARBURY:** What has been outlined by Mr Schmidt is in fact an attempt to get a working model going to link infrastructure programming with regional planning work. In addition to that, discussions are going on with the Department of the Premier and Cabinet about how the work that Mr Schmidt has outlined can be linked into a process which evaluates the strategic plans of departments against regional plans. It has not reached a stage yet where you would call it a system, but the process by which the objective outlined by Mr Schmidt can be achieved is the subject of a paper being developed between the departments at the moment.

**The CHAIRMAN:** Thank you, Mr Mackenroth. Minister, I would like to ask you about accrual accounting. The MPS states that all councils have now adopted accrual accounting. Can you tell me what assistance your department has given to councils in this regard?

**Mrs McCAULEY:** Accrual accounting started in 1994 and it has created some difficulties, particularly for smaller councils, so our aim has been to try to help them come to grips with the issues that accrual accounting raises. We put out a finance reference manual which gives them a detailed reference to all aspects of accrual accounting. There has been a year-end guide issued which is a "how to do it" guide, I suppose. We have also had training sessions with councillors, managers, those preparing financial statements and other local government staff to make sure they understand the requirements. There have been difficulties with things such as the valuation of the road system and those sorts of concerns, and we have been working our way through those. We have put out numerous bulletins and guidance notes. We collapsed a whole lot of approvals down from six or seven processes into one to try to make it more streamlined for them. So we have been trying to support councils in every way possible. The number of councils that got qualified audits from last year to this year dropped quite dramatically, and I think that shows that the assistance that we are giving them is helping them to come to grips with the concerns that accrual accounting raises. We have also held frequent discussions with the Queensland Audit Office on the concerns that have been raised and will continue to visit councils and help them to come to grips with this.

**Mr MITCHELL:** In the Local Government Program Statements there are a number of references to the National Competition Policy. What is your approach to assisting local governments to implement the National Competition Policy, and how does this differ from that of the previous Labor Government?

**Mrs McCAULEY:** Again, we emphasise a partnership approach with councils in looking at the whole matter of National Competition Policy, as we have done with accrual accounting. Some smaller councils have been totally misinformed about the ramifications of National Competition Policy and how it will affect them, and in fact for many small councils it will affect them very little. But we have been there to assist them and we will continue to do that. We are the only State in Australia that is sharing the money we are receiving from the Commonwealth Government with local government, to the tune of \$150m, so that is a big bonus for councils throughout the State. They have to look at any anti-competitive provisions in their local laws, and they have to do that within a certain period, but we have extended that time frame so that they have plenty of time to do it. The exercise will result not in them having very rigorous constrictions placed on the work that they as small councils do, but it will make them more competitive. It is just a very good way of looking at the work that they do and the way that they provide it. For the 17 larger councils, which have to do a public benefit analysis of the large services that they provide, we are assisting them in a very tangible way with funding to do that. The way that Queensland is looking at National Competition Policy and its implementation into local government

is probably the most sensitive of any of the States in Australia.

**Mr MITCHELL:** I believe it will be, yes—for sure.

**The CHAIRMAN:** I refer to page 7 of the MPS, the third dot point down under "Funding Programs". I would like to ask you what infrastructure projects have been funded to date under the ATSI Infrastructure Program, and in which communities are these projects located?

**Mrs McCAULEY:** There is quite a lengthy list of these grants. Do you want the amounts as well? I will just run through the places. If you want the amounts, just yell out. In 1995-96 there was Badu Island, Yarrabah, Pormpuraaw, Palm Island and Lockhart River, which all had funding on things like sewerage upgrade through to water supply, emergency drainage, etc. In 1996-97 the northern peninsula area communities had \$5m in emergency headworks upgrade and the eight outer Torres Strait islands received \$7m for water supply headworks upgrade. Hopevale got \$2.6m. The other councils that got funding were Cherbourg, Woorabinda, Palm Island, Lockhart River, Yarrabah, Wujal Wujal, Doomadgee, Kowanyama and Aurukun. Also in 1996-97 indigenous reserves received an amount of \$500,000 for the undertaking of the total management planning process. So right through from 1995 to 1998 there has been \$26m spent or to be spent—allocated.

**Mr ROWELL:** The first dot point on page 8 and the third dot point on page 9 of the MPS refer to the work that is being undertaken by your department to assist rural councils to adopt local government reforms. Could the Minister please outline the nature of this work and the anticipated outcomes?

**Mrs McCAULEY:** This is the Rural Councils Support Strategy, which is a joint initiative of my department, the Institute of Municipal Management and the LGAQ. That represents a response to the problems that small rural councils in particular are experiencing in coming to grips with the whole public sector reform process. Those rural and remote councils generally lack the resources and the ability to tap into the right resources and find it hard to implement change, so again that partnership approach is one that we have been fostering very strongly. The Rural Councils Support Strategy is encouraging local governments to identify the barriers to change and the support measures that will assist them to bring about the changes that they need. The project at the moment is in the issue identification and strategy development stage, which involves extensive consultation with local governments throughout the State. A project officer was appointed to this stage, and more than 90 local governments have been interviewed and consulted. That project officer's report will be presented in July, and it is anticipated that almost \$32,000 will have been expended in salaries and travel costs.

Anticipated outcomes from this project include a range of training programs and development strategies to increase reform implementation skill levels within councils, and a higher level of

awareness of new local government directions and greater understanding of the reform process. To me, that is quite important, because I am quite amazed by the lack of awareness in some councils. Because we have recently had a local government election and we have a lot of new councillors and 35 new mayors across the State, it is important that they are very aware of the programs that we have. Other outcomes are: increased responsiveness to and take-up of reforms among small and rural local governments; improved use of information technology; development of a working model of cooperation between the State and local government which can be applied elsewhere; and an information package prototype on Government services and contacts for council. They all sound fairly simple, but it is important for new councils to come to grips with those matters fairly quickly so that they can act efficiently.

**Mr ROWELL:** I would like to go to the second dot point on page 13 of the MPS which indicates that a comprehensive training and development strategy is being prepared for implementation of the new planning legislation. What does the strategy aim to achieve?

**Mrs McCAULEY:** It seemed sensible to me and to the department that if we are going to bring in new planning legislation, then we must assist councils to come to grips with that, and that is not going to be easy. It was sensible to have a comprehensive training and development strategy to do that, and that will require a lot of hard work by the department over a fairly short period. That training and education strategy has been developed in consultation with Local Government officers, the LGAQ, planners, developers and other community groups. It will hopefully educate the key stakeholders on the new legislation and what it entails. It is as simple as that. It is most important that they get full training on the difference between the old and the new, if you like, how it will affect them, how they can respond to it and what its benefits are, which will be shorter time frames and a streamlining—a cutting of red tape.

**Mr ROWELL:** General efficiency.

**Mrs McCAULEY:** So it was really a key element to get some funding for that, which we did in this last budget, so that we could help to train local governments so that they in turn could spread it into their wider communities. We just felt that that was a very important aspect of the new legislation.

**The CHAIRMAN:** I refer to page 14 of the MPS under "Regional and Local Planning" where it states—

"... a draft Regional Growth Management Framework (RGMF) is being considered by the Wide Bay Regional Planning Advisory Committee."

However, in last year's MPS it was indicated that this project would be completed in 1996-97. What is the reason for the delay in finalising this project?

**Mrs McCAULEY:** I am just going to get Stan Wypych to answer this for you.

**Mr WYPYCH:** I understand the question relates to the delay in the completion of the Wide Bay project. Perhaps some background information may be useful for members of the Committee. The Wide Bay Regional Growth Management Project was a new initiative of the previous Government which provided funding for a three-year period. It initially commenced in the later part of 1995. It was programmed to be completed by the end of the coming financial year, 1997-98. The three-year program involved the development and endorsement of the strategy plus a period of implementation. The coalition Government approved the project in May 1996 as part of the State's Wider Regional Planning Program following consultation with local governments and community sector groups.

Substantial progress has been achieved over the past year. The Wide Bay Regional Planning Advisory Committee has been established. Five representational sector working groups have been operating over the past 12 months. A fairly substantial geographic information system and database has been put into place and made available for all participants to use, and work on the growth management framework itself has been undertaken.

The draft Wide Bay 2020 Regional Growth Management Framework has been finalised and is due to be endorsed for public release by the Regional Planning Advisory Committee that is meeting in Bundaberg on 27 June. Following endorsement, which is anticipated, it will be open for public comment for a period of two months. During that time there will be something like 25 consultation presentations throughout the region. Within the framework there are some 200 policy action recommendations under 13 different sector headings. The draft framework is accompanied by three substantial technical background reports covering natural resources, people in settlements and economic development. The Wide Bay regional profile contains extensive statistical information that has also been produced as part of the project.

In short, whilst the framework for growth management has not yet been finalised, certainly the draft document has been achieved within the anticipated 12-month timetable. As indicated, a final version is expected to be completed by the end of this year, which is well within the original three-year period for the project. Initial work on implementing many of the priority actions has in fact already commenced. For example—

**Mr MACKENROTH:** You have 15 seconds.

**Mr WYPYCH:** I will stop there.

**Mr MITCHELL:** Also on page 14 in relation to implementation of the recommendations of the review of the SEQ 2001 project, could the Minister please outline what action is being taken to assist the future economic development needs of south-east Queensland?

**Mrs McCAULEY:** You would be aware of the State Economic Development Strategy which was released by the Premier recently. I think that the lack of an economic strand in that whole SEQ process was an oversight and one that we were happy to

correct, because it brings a focus for all of the planning that we do anywhere in the State in this particular SEQ 2001 area. The economic strand has a very major role to play because it identifies, protects and develops major industrial sites in the area. That will promote business and employment. It will guide the provision of the infrastructure required to support economic development in a timely and efficient way. That economic component of the SEQ project and the regional framework has been considerably enhanced as a result of the review of the project which was conducted by the Government last year. That review was what brought about the economic strand that we put into place.

The Regional Framework for Growth Management Update 1996 contains a new economic development section, which includes principles and priority actions for the preparation of an economic development strategy for south-east Queensland. Minister Doug Slack's Department of Economic Development and Trade is the lead agency for that strategy, which will be developed in close consultation with the business community. Work has commenced on that, and a private steering committee to be chaired by Councillor Noel Playford, the former mayor of Noosa, has been established. It is expected that, following the consultation period, a draft strategy will be released later this year.

**Mr ROWELL:** What is the cost to date of the Far-north Queensland 2010 Regional Planning Project? When does the Minister anticipate that this project will be completed? What outcomes is it expected it will deliver?

**Mrs McCAULEY:** The FNQ 2010 Regional Planning Project is being undertaken in three separate stages: Stage 1, Regional Framework for Growth Management, was finalised in June of last year; Stage 2, Integrated Regional Strategy Report, is scheduled for completion in May 1998; and it is expected that the final FNQ 2010 regional plan will be complete, at least to the stage of final draft, before the end of 1998. The cost to date is estimated to total \$1.25 billion in direct funding over three years made up of State Government initiatives, local government contributions and \$313,000 from the Commonwealth Government. Sufficient funding is available to complete the project over the next 18 to 24 months, and this includes public education and consultation requirements.

This whole exercise is a major one in cooperative regional planning concerned with ensuring the economic development, social wellbeing and environmental sustainability of far-north Queensland. It is designed to provide an integrated framework to manage an expected increase in the population of some 45% to 55% over the next 20 years, which is quite a large increase, as well as the development and infrastructure necessary for economic prosperity. So it is important that we have a regional plan that we can base the future on.

The core of the regional plan will be an integrated set of regional level strategies for conservation, management and sustainable use of the region's high-quality environment and natural resources; sustainable economic growth and

development of a strong economic base; managing social impacts and maintaining a high quality of life for the region's communities; achieving more efficient and effective delivery of regional infrastructure and identifying priority infrastructure projects over the next 20 years; managing urban growth to deliver efficient settlement patterns, greater housing choice and affordability and adequate stock suburban land; and achieving efficient water management and waste disposal on a regional basis. The regional plan will provide a blueprint for the future development of far-north Queensland and a framework which will enable all levels of Government to cooperate to achieve goals and objectives set by the region itself. It has worked very well as a regional planning exercise and it is one that I think will show its use in the future.

**The CHAIRMAN:** Minister, the second last dot point on page 14 outlines that support has been provided for a number of regional planning projects at the request of local governments. Could you please outline how these regional planning projects relate to the four fundamental objectives for Government, as outlined in the recently released State Strategic Plan?

**Mrs McCAULEY:** I will ask my Director-General to answer that.

**Mr YEARBURY:** I will commence the answer by confirming that the four fundamental objectives that the Government has expressed in the State Strategic Plan are: to deliver rising prosperity and more jobs based on sustained economic growth ahead of other States; to foster social cohesion in a fair and just society, and a stronger community based on the family unit; to maintain Queensland's environmental values and qualities; and to ensure the delivery of quality services to the community.

While the department's planning program does not provide the specific services to achieve these four objectives, they do, of course, all fit into a broad umbrella of coordinated and integrated planning for the future, which is the fundamental role of regional planning, that is, an attempt to weave the development of the regions of Queensland to achieve economic development, protect environmental quality, and to deliver to the community services where and when they are needed.

The regional planning process has also recognised that this is not just a public sector responsibility; that the private sector also has a role to play in achieving those outcomes. Therefore, the regional planning processes in this State also provide for private sector participation in those exercises so that the infrastructure that the private sector delivers is also coordinated with the land use policies of councils and the economic and resource development of regions.

The voluntary regional planning projects offer a coordinated framework for achieving integrated outcomes. So the department's program is directed at that end to ensure the economic growth of regions, sustainable environmental management and coordinated services and infrastructure where and when they are needed.

**The CHAIRMAN:** Thank you very much. We will now move on to non-Government questions.

**Mr MACKENROTH:** Minister, I refer to the Local Government (Planning and Environment) Act, section 8.2, in relation to environmental impacts. Under this section, if a person intends to apply to a local government for a designated development, they are required to apply to your Director-General as to whether or not an environmental impact statement is necessary. Could you advise me how many requests under this section have been made so far this financial year?

**Mrs McCAULEY:** I could not, but Kevin might.

**Mr YEARBURY:** No, I would have to take that on notice.

**Mr MACKENROTH:** As a continuation of that question, could you advise me as to how many of those have been informed that an EIS was not necessary?

**Mr YEARBURY:** I would also take that on notice. But if it is helpful to the Committee, bearing in mind that my memory may need correcting, the last set of figures I saw indicated that about 50% were granted a waiver.

**Mr MACKENROTH:** Could you provide me with a list of the developments for which no EIS was considered necessary—as part of that question on notice?

**Mr YEARBURY:** Does the member also want the reasons why they were considered unnecessary?

**Mr MACKENROTH:** That would be fine, yes.

**Mrs McCAULEY:** That is not a problem.

**Mr YEARBURY:** I would need to check exactly what time frame these related to, but over the last 12 months—and I would have to confirm what 12-month period that was—360 applications for environmental impact statement terms of reference were received, with 129 terms of reference issued.

**Mr MACKENROTH:** You could probably answer that question on notice, providing the numbers so far this financial year, the numbers that have been rejected, the reasons that they have been rejected, what the developments were, and the developments which have been required to provide an EIS. Naturally you are not going to give us a reason why you required them. That would be good.

Minister, I refer to page 3 of this year's Ministerial Program Statements. It states that a new three-year \$7m Rural Communities Infrastructure Program will be initiated this year. Could you advise the Committee as to what is envisaged with that Rural Communities Infrastructure Program and what would be the guidelines? What rural communities would be eligible to apply for part of this \$7m, and is that \$7m over three years?

**Mrs McCAULEY:** Yes, it is over three years. I guess it is a carry-on from the very successful RLIP, which was really welcomed in rural communities. It helped people to maintain the infrastructure that they already had and to put in extra stuff which fitted into the tourism component. The guidelines will be similar but broader than the old guidelines.

**Mr MACKENROTH:** What would you envisage being broader?

**Mrs McCAULEY:** I cannot detail that, because they are not finalised yet. We are still working our way through that. I guess that they will be broader in the sense of maybe trying to reach more communities. The RLIP guidelines were specifically targeted, as I understand it, at infrastructure projects that were to do with community sporting and tourism ventures. I would just like to leave it fairly broad so that, if some small community has something that is a very worthwhile project but it does not exactly fit the guidelines, then they can still be hopeful of getting some funding towards it.

**Mr MACKENROTH:** I think the guidelines of the RLIP were designed to increase the amenity of people living in rural communities. A lot of those projects that you have mentioned fitted into that but did go beyond that. Notably, we built toilets as well, and that helped them.

**Mrs McCAULEY:** That is right—toilets, children's playgrounds and that sort of thing. I know that a lot of communities have infrastructure in their towns. Their towns have got smaller, and they can no longer care for that infrastructure in the way it should be cared for. This program helps them maintain their town hall in the way it should be maintained. A community that springs to mind is Longreach. They are trying desperately to raise some money to put their town hall back into a reasonable state of repair. Those sorts of projects are invaluable.

**Mr MACKENROTH:** I thought the RLIP in Longreach built them a new hall. So really, you are replacing a \$15m two-year program with a \$7m three-year program.

**Mrs McCAULEY:** This is a different program.

**Mr MACKENROTH:** You are replacing a \$15m two-year program with a \$7m three-year program. The next paragraph on page 3 refers to "a whole-of-Government response to Aboriginal and Torres Strait Islander infrastructure needs. Processes to identify and prioritise needs in 34 communities have been developed and existing funding allocated." Could you expand on that as to what work has been done and what sort of work has been identified that needs to be prioritised in those communities?

**Mrs McCAULEY:** I might get someone to give you a run-down on that.

**Mr TUCKER:** What happened was that there were 34 Aboriginal and Islander communities where total management plans were prepared, looking at water supply, sewerage and road infrastructure—looking at both the capital requirements and the operational maintenance requirements. All that information was brought into the department. It was then a case of examining the data we had on hand and prioritising the information in terms of need. Then the data was provided to a body called JMAC, the Joint Ministerial Advisory Committee on Housing, which considered the needs as per the total management plans. It also brought into account other information, such as the ability to coordinate with other funding programs. Out of that—the

moneys that the Minister indicated before in another answer to the question—those moneys were allocated.

**Mr MACKENROTH:** You mentioned three things, I think, under the total management plan: water, sewerage and roads.

**Mr TUCKER:** Transport, yes.

**Mr MACKENROTH:** Did the infrastructure program that you undertook look at further infrastructure needs within those communities as well?

**Mr TUCKER:** Not to my knowledge, other than waste disposal.

**Mr MACKENROTH:** So that program is a different program from the infrastructure program that had been put in place when our party was in Government?

**Mr TUCKER:** No, not to my knowledge.

**Mr MACKENROTH:** My recollection of that was that we looked at the total infrastructure across the whole of the Aboriginal communities, whether it be to fix the wharves at Palm Island or houses that needed to be repaired, halls—the total infrastructure of the community—and then try to coordinate across Government other Government agencies that had a responsibility to get some of that work done.

**Mr TUCKER:** There are two different things that we were talking about. I was talking about the total management plans, which were about the capital works and the operational maintenance of sewerage, water supply and transport. A new initiative has been announced in the current budget that is looking at the other issue that you spoke of just then. There is an amount of \$450,000 to look at planning in a number of communities. That would be a community action type of plan, which would be looking at other capital infrastructure such as health, hospitals, police stations and also support services for dealing with alcohol problems. That is another initiative that is under way right now.

**Mr MACKENROTH:** I think we had better stop for afternoon tea. I will come back to the other program that I was talking about, which was started when I had the title that we used to carry around on the back of a semitrailer.

**The CHAIRMAN:** The hearing is now suspended for afternoon tea.

Sitting suspended from 2.33 p.m. to 2.46 p.m.

**The CHAIRMAN:** I ask Mr Mackenroth to continue his questioning.

**Mr MACKENROTH:** Going back to where we were in relation to Aboriginal and Torres Strait Islander infrastructure projects—specifically I was questioning you in relation to the program that was started by the Goss Government in relation to identifying infrastructure needs, not just the ones that were the responsibility of this department but also right across Government, and the work that was being done in terms of getting other Government departments to lift their act about fixing that infrastructure.

**Mr TUCKER:** One of the problems in the past with departments in terms of their dealings with Aboriginal and Islander communities has been the departments themselves making decisions as to the needs of those communities. In the days of the former Government, two initiatives were under way. One was to have a total management plan for water supply, sewerage and transport infrastructure in those communities. A second one was to try to look at what other departments were doing in individual communities. In terms of the current Government, the issue became more "Shouldn't we be looking at what the communities want to have done in a planning sense?" not only in terms of a total management plan—which we have already now covered—but also in terms of health, police and other infrastructure in individual communities, that is, a community action plan for each and every community. That initiative has been funded in the budget for the current financial year.

An amount of \$450,000 has been set aside to work in probably three, maybe four communities to prepare a community action plan. The real hope is that those community action plans, which will look at the infrastructure being provided by a range of departments and other support services in those communities, will be used to form the budget for 1998-99, that is, actually use the plans themselves to drive what departments are going to do in terms of prioritising work in communities. There is a CEOs group from most of the social departments. My department will actually be involved in that work.

**Mrs McCAULEY:** There is an enormous amount of ownership of those 10-year forward plans by the local communities that have been involved. When you go to visit there, they ask, "Have you read our TMPs?" They have a sense of ownership of those plans as well.

**Mr MACKENROTH:** What are the three communities that will be trialled this year? When you are talking about "this financial year", are you talking about the financial year that we are debating, as in the next financial year?

**Mr TUCKER:** The next financial year, yes. They have not been selected yet.

**Mr MACKENROTH:** The work that you outlined that will be done would appear to me to be very similar to the work that was started in terms of work that was done on Palm Island and, I believe, on Yarrabah.

**Mr TUCKER:** Yes, that would be correct, except it is reducing it down to a fuller document.

**Mr MACKENROTH:** To a fuller document?

**Mr TUCKER:** It is a fuller document in the sense that, in Palm Island, that work involves visiting the island and getting initial reaction from the community in terms of their needs. This would be a more detailed involvement in consultation with the community. It does build on the earlier work and it builds on the total management plans.

**Mr MACKENROTH:** When we do the three communities this coming financial year, what will then happen with those plans? I guess the biggest problem that I see in Aboriginal communities is that

Governments since time immemorial have simply gone out and looked at the problems, come back and made reports, and they go out in a couple of years and have a look at the problem again. What needs to happen is that Governments need to start spending money to fix the problem. That is the thing that I would like to see start happening. What is going to happen with those plans?

**Mrs McCAULEY:** Kevin might expand on that for you.

**Mr YEARBURY:** The expectation is that those plans would be a pilot exercise as a means of attempting to develop an integrated budget bid for next year's budget round, where the budgets of all the departments that have a role to play in delivering some part of the infrastructure package would integrate their bids so that the Cabinet Budget Committee would have a view about how the resources of each department are needed in order to achieve the objectives of those community action plans. It is an attempt to address the issue that you have outlined. A lot of the resources at the moment come through very fragmented programs. There is a wish to use that as a mechanism by which a whole-of-community approach can be taken to the allocation of funding across agencies to deliver integrated infrastructure programs to those communities. Four are being trialled as a means of doing so.

**Mr MACKENROTH:** How will you identify those four? How will you select them?

**Mrs McCAULEY:** I think JMAC will do that.

**Mr TUCKER:** The process would involve collecting data across all communities to start with, to look at what plans had been done in the past. Then there would be meetings with key bodies such as the Island Coordinating Council and the Aboriginal Coordinating Council to work out which should be the representative communities. The expectation would be two island communities perhaps and two Aboriginal communities.

**Mr MACKENROTH:** I would have thought it would be a fairly simple process to select them and then get on with the job. I have to be honest.

**Mr YEARBURY:** At one level it probably would be relatively simple in the sense that we are currently doing an analysis of the planning information that relates to those communities, so some of those communities are going to be in a well-advanced position in order to pick that up and run with it. There are other dimensions to those sorts of considerations that sometimes take a bit longer, not the least of which is that, as the Minister says, we would have to go through a process with JMAC on that.

**Mr MACKENROTH:** JMAC or the ACC and the ICC?

**Mr YEARBURY:** We are looking to communicate with all of those bodies but we see JMAC as a means of providing a sort of peak body input into that.

**Mr MACKENROTH:** What about ATSIC?

**Mr YEARBURY:** Yes, we are consulting with them as well.

**Mr MACKENROTH:** That is why at the end of the day you will end up with as many communities as there are in Queensland being suggested. It would be easier just to pick four.

On page 5, in relation to the money that is being collected for the Kuranda Rail, it is estimated this year to be \$444,000.

**Mr YEARBURY:** Yes.

**Mr MACKENROTH:** Is the Kuranda Skyrail contributing to that \$444,000?

**Mrs McCAULEY:** Yes, it is. Do you want the figures?

**Mr MACKENROTH:** Yes, if you have them.

**Mrs McCAULEY:** You are aware that we have just signed an agreement with the Mareeba Shire Council to extend that agreement?

**Mr MACKENROTH:** For a longer period?

**Mrs McCAULEY:** Yes, which is what Mareeba was after. Following representations from the member for Barron River, we did that a few weeks ago. An amount of \$444,000 was paid to Mareeba Shire Council during 1996-97. Works undertaken to date include planning and design work, installation of underground electrical reticulation, roadworks and a major revamp of Centennial Park, which I had a look at when we signed the agreement. It certainly makes Kuranda look—

**Mr MACKENROTH:** What did you have a look at?

**Mrs McCAULEY:** The revamp of Centennial Park at Kuranda.

**Mr MACKENROTH:** I though you meant underground power. I was going to ask, "How did you see it?"

**Mrs McCAULEY:** The new streetscaping is very nice. They have done well. The terms of the agreement have been extended for a total life of 20 years, and that establishes a formula for Skyrail contributions.

**Mr MACKENROTH:** 20 years?

**Mrs McCAULEY:** Yes.

**Mr MACKENROTH:** That is from seven, was it?

**Mrs McCAULEY:** I think it was 10, and \$167,000 of that was Skyrail.

**Mr MACKENROTH:** They are paying what? \$1 per—

**Mrs McCAULEY:** That is what the Kuranda Rail pays—a levy of \$1.

**Mr TUCKER:** The \$444,000 is the Kuranda Rail money, and that is a dollar for each ticket. There is a separate proposal that brings in an extra \$169,000, which is included in one of these budget totals for Skyrail.

**Mr MACKENROTH:** Where would that be identified? One would have thought that it would be with the Kuranda railway.

**Mr TUCKER:** The Kuranda Rail money is a receipt to the department. The Skyrail money is a Budget appropriation because the money is from Treasury itself.

**Mr MACKENROTH:** Under the agreement?

**Mr TUCKER:** Yes.

**Mr MACKENROTH:** Under the Skyrail agreement?

**Mr TUCKER:** Yes, there is a separate Skyrail agreement. That is why it is in different places.

**Mr MACKENROTH:** Right. So the Mareeba Shire Council is getting \$444,000 plus \$167,000 this year?

**Mr TUCKER:** Yes.

**Mr MACKENROTH:** That is more than they expected when they had to extend the term by 10 years.

**Mrs McCAULEY:** Are we not very clever and very generous to them?

**Mr MACKENROTH:** We were going to give them seven years and they argued for 10.

**The CHAIRMAN:** We might now move on to Government questions.

**Mr ROWELL:** Minister, in addition to preparing the integrated planning legislation with its streamlined approval development system, what other initiatives has the Government taken to reduce business costs of the land development and construction industry in Queensland?

**Mrs McCAULEY:** Over the last 12 months a number of issues of longstanding concern to the industry have been resolved. For example, the department has facilitated an industry and LGAQ agreement to a standard easement covenant which provides a common legal document for the creation of easements by all local governments.

Secondly, there has been a lot of work done on addressing the problems caused by the Department of Main Roads practice of imposing charges on development for the provision of State-controlled roads under the Transport Infrastructure Act. The Minister for Transport and Main Roads and myself established an industry/Government task force to prepare an acceptable charging methodology for transport infrastructure. The task force has agreed to a more rational and equitable charging regime. If those recommendations are adopted, it will do away with the arbitrary and unfair elements of the existing developer contributions approach, which you would be well aware of, coming from the north, where they seem to be worse than anywhere else.

The task force proposed that up-front charges should be able to be taken only for defined items. Charges for State transport infrastructure will be based on an assessment of the need to mitigate identifiable impacts, not a notional per lot charge as has been the case previously. This will provide greater certainty in determining total project costs.

Thirdly, a range of initiatives for inclusion in the new planning legislation were developed in consultation with industry and local government. These include the removal of powers to require the

creation of access restriction strips. This will reduce administration and surveying costs. It will also eliminate attendant land management and maintenance problems. It establishes clear procedures for dealing with downstream drainage, including the power for councils to enter land and undertake work or authorise the undertaking of works with appropriate compensation if negotiations between the developer and the adjoining owner or owners break down.

Fourthly, the Building Act will also be amended to establish clear procedures for obtaining access to an adjoining property for the purposes of constructing and maintaining built-to-boundary housing. That is for houses that come right up to the fence, and you have to have access to the lot next door to tackle those problems.

I have been advised by those in the development sector that the cumulative effect of these reforms is likely to save the industry over \$2m a year in transaction costs and holding charges. This will be in addition to the considerable savings arising from the new planning legislation.

**Mr MITCHELL:** Minister, the second dot point on page 15 of the MPS indicates that support will be provided to local governments for the implementation of sequencing plans. Could you please tell us what are sequencing plans? What are the benefits to the Government, the development sector and the community on their implementation?

**Mrs McCAULEY:** Sequencing plans will be a component of local government planning schemes and will indicate a preferred path of urban development which encourages optimum use of existing infrastructure as well as gaining the most value for every dollar spent on new infrastructure. Sequencing will deliver major benefits to the Government by protecting its investment in taxpayer-funded infrastructure such as schools, State roads, police and emergency services. If you do developments out of sequence, you have an area that you were not intending to have developed for some years, or you were hoping would not be developed for some years. All of a sudden, it goes and it is remote from other schools and Government services. Then you have the cost of providing those services. If it is an orderly, sequence development, it saves the Government a great deal of money in that regard. By coordinating urban growth, the Government will be better able to apply its resources to properly servicing new communities. Can I just say that this is—

**Mr MACKENROTH:** I just said to Rod that when I used to say this, you used to say that it was a socialist plot.

**Mrs McCAULEY:** It is sensible planning, is it not? It does not always happen.

**Mr MACKENROTH:** It is just that when we started to talk about it, it was a socialist plot.

**Mrs McCAULEY:** It does not always happen that way, I am quite sure of that, because market forces prevail. Anyway, you are getting me sidetracked.

Local government will benefit because it will have available a clear process for working with the State to provide infrastructure to new communities. It will also be able to plan for the impact of development on existing communities. Used properly and with goodwill, sequencing will provide a tool for strengthening the partnerships between Governments and the development sector in effectively servicing new communities.

The community will be the major beneficiary because, unlike the current situation where service provision is inconsistent in new areas due to disparate growth patterns, all new home buyers can expect a level of services similar to that available in existing areas.

**The CHAIRMAN:** Thank you, Minister. The MPS on page 15 states that whole-of-Government reviews of new planning schemes to incorporate coordinated infrastructure requirements and relevant planning objectives will be negotiated with key State Government agencies and local governments. What are the anticipated benefits from this activity, particularly in terms of the provision of timely and appropriate infrastructure and services by State and local governments?

**Mrs McCAULEY:** The whole-of-Government reviews of new planning schemes, which are carried out by the department, result in a number of benefits. Local government planning schemes guide the pattern of development and growth in local areas and they have a big effect on quality of life and on economic social environmental conditions. Through the whole-of-Government review process, the State Government has an input into planning schemes to ensure State interests are protected and that the objectives of the State strategic plan, namely a strong economy and communities, sustainable environmental management and the delivery of quality services, are achieved.

The whole-of-Government review process also enables the recommendations and actions of regional growth management strategies such as SEQ 2001, FNQ 2010 and Wide Bay 2020 to be incorporated into planning schemes in a cooperative way with local governments. Work on the cost of transport and water supply infrastructure provision in the SEQ 2001 project showed that savings in the order of billions of dollars could be achieved over 20 years by the more coordinated and efficient pattern of urban development proposed in the SEQ documents.

The whole-of-Government review process is also a key part of the implementation of the infrastructure sequencing provisions of the Integrated Planning Act, which has been designed to coordinate local urban growth areas with the capital works programs of State agencies and local governments. As I have said, this sequencing will provide the benefits of more timely and appropriate provision of basic Government services such as roads, schools and so on, significant efficiency savings to departments such as Education, Transport, Police and Emergency Services, and direct financial contributions to Government from the proponents involved in any out-of-sequence

developments. Where the development is out of sequence and is allowed to proceed, they will have to foot the extra costs involved with the out-of-sequence development.

An example of work by my department and the Education Department on urban growth sequencing in the former Albert Shire showed that considerable savings were possible in the cost of providing education services. The study found that, over 15 years, fragmented urban growth compared to staged urban growth created a premature demand for an additional seven primary schools and one high school. The cost of this additional provision was calculated at about \$40m. We are talking about a lot of money. That is why the whole-of-Government reviews of new planning schemes make sense.

**Mr ROWELL:** It is understood that the previous Government's ROSS program has been terminated, although the table on page 18 of the MPS indicates that estimated actual expenditure on this program in 1996-97 was \$507,000. If the program has been terminated, what were these funds used for?

**Mrs McCAULEY:** The ROSS program as we know it, will cease on 30 June this year. There were a range of existing commitments in place at the time and we are meeting those commitments. Over the last 12 months, the program has been in abeyance, but a group has been set up to look at the whole aspect of open space areas. ROSS had a very bad name, it had very bad publicity and it was handled very badly from day one. People hated the whole program.

**Mr MACKENROTH:** If you thought about an open space system, you would not call it "ROSS", would you?

**Mrs McCAULEY:** No, you definitely would not call it "ROSS". A lot of negative vibes came from the whole program, and we had to overcome them.

The task force that has been looking at the whole area of open space will report back to me shortly. Yesterday, I received a letter from Bernard O'Reilly, the chair of the task force. He is very happy with the progress that has been made. They have reached a mutual agreement that there is a need to preserve open space and nobody argues with that. However, how we do it, who foots the bill and all such concerns have to be looked at by that group, which is what it is doing at the moment.

Recently I visited Glenrock near Gatton, one of the properties that was bought under the previous ROSS scheme. This is an excellent program, because the local people are involved and they are very positive and enthusiastic about it. People will be able to visit the property on weekends. Those of us who come from rural communities take that sort of thing for granted, but people who live in the cities value it very highly. It was a tremendous success and I was very pleased to see it.

A total budget of \$847,000 was provided to meet the obligations of the ROSS scheme in 1996-97. It is now evident that those obligations cannot be completed in the current financial year. The obligations entail land use and land management

issues that will need to be resolved in consultation with local communities. Arrangements have been put in place for those obligations to be relocated from my department to the Department of Natural Resources, because land management and that sort of thing is its core business; it is certainly not mine. The MPS indicates full expenditure of the \$847,000 budget, including \$340,000 on transfers to other departments to assist with the management of ROSS properties. Actual expenditure under ROSS is anticipated to be \$350,000 this year, with a carryover to DNR.

**Mr MITCHELL:** The first dot point on page 20 of the MPS refers to the publication of a new nationally consistent Building Code. What are the benefits of such a code and what cost savings and efficiencies will accrue to business and industry as a result of the new code?

**Mr YEARBURY:** The nationally consistent Building Code has a number of benefits, particularly in relation to the efficiency and productivity of Australian industry. Industry will be able to gear up to a single standard across the country, as opposed to having to re-engineer and refabricate on a State-by-State basis. That gives industry major efficiencies in terms of productivity and, ultimately, savings to consumers.

The other major advantage of having a consistent Building Code is the extent to which builders, manufacturers and developers need access to only one document to determine what their requirements are in terms of building standards. Therefore, industry will be able to plan with certainty and with some confidence. In terms of having a single code, all the cost that sometimes occurs as a result of duplication of standards or duplication of processes can be avoided. A single code will also help in terms of building research because, again, those who are undertaking research are operating within a common framework across the country.

As a result of all of that, when the new Building Code takes full effect, it is expected to generate savings to Government, industry and the community of approximately \$1 billion annually. As Queensland is responsible for approximately 20% of the nation's building work, this indicates that savings to Queensland resulting from the introduction of the new code will be approximately \$40m to \$200m annually.

**Mr MITCHELL:** It cuts down another impost on any industry or business which is setting up.

**Mr YEARBURY:** Yes. It reduces the input cost to industry and business.

**Mr MITCHELL:** That is exactly right.

**The CHAIRMAN:** The fourth dot point on page 30 of the MPS refers to amendments to the Building Act 1975. I understand that those amendments are being prepared to introduce private certification of building work. When will those amendments be introduced and what are the expected outcomes from the introduction of private certification?

**Mrs McCAULEY:** It is expected that the amendments to the Building Act to introduce private

certification will be introduced to Parliament before the end of this calendar year. I refuse to give an exact timetable; I am always wrong!

Private certification will enable plans and works relating to building to be approved by accredited private certifiers as a viable and cost-effective alternative to compliance checking by local governments. The move towards private certification is driven by concerns over the time and cost of existing procedures, and the consequent negative impacts on business and development. Experience in other States and elsewhere in the world indicates that private certification can be particularly effective in reducing unnecessary delays and costs to industry and the community.

The imminent introduction of private certification within Queensland has resulted in most local governments already reviewing their building approval activities, which has markedly reduced building approval times and compliance costs resulting from other delays. I know that the Brisbane City Council has become very competitive in this regard. That is something good that has come out of this. If local government does not have the sole carriage of these sorts of activities, they will obviously become more competitive if they wish to stay in the field.

Private certification will introduce competitive market forces into the building assessment and inspection process, bringing a service-oriented culture to building control. It is estimated that the Queensland building industry will save \$62m over 10 years as a result of private certification of building works and plans being a complete regulatory alternative to local government assessment. For example, the approval time for a house which requires only technical compliance assessment against building standards and for which a planning approval is not required is likely to be one working day.

**Mr ROWELL:** We hear a great deal about streamlining planning approvals under the proposed integrated planning legislation, but there are also instances of duplication and overlaps in areas of building regulation. What is the Government doing about rationalising building regulations?

**Mr YEARBURY:** A lot of work has been done by the department in looking at the planning approvals over a number of years and the extent to which there is duplication and overlap, as you indicated. We are also now conscious that the same situation applies in relation to building matters and so we have now undertaken a review in relation to those elements of other legislation that have building standards, or processes for building approval, in them and we are looking to rationalise those to avoid duplication and conflict by either deleting those which duplicate an existing standard or, if an alternative or specific standard is needed—for example, in relation to private hospitals or child-care centres—building those into a consolidated building code. That comes back to what we were saying earlier. That gives the development industry one code that it can work to regardless of what sort of development it is undertaking.

The underlying rationale for this exercise is to provide a simpler and more efficient building and regulatory environment, particularly for the applicants and the developers. It also helps local government, because it has to administer only a single standard and not a variety of standards. This will make it easier for applicants to prepare building applications and will also assist in the implementation of private certification—something to which the Minister referred in the previous answer. The industry considers that major cost savings will occur as a result of being able to operate under a single performance-based Building Code. Obviously, those savings will flow on to consumers as a result of the competitive nature of the building industry.

The present priorities that the department is looking at are those building standards that deal with private hospitals and nursing home regulations and the Health Act, child-care regulations under the Child Care Act, regulations for workplace health and safety, dangerous goods regulations and pastoral workers' accommodation under the livestock authority legislation. All of those have building standards in them which in many cases either duplicate or could be accommodated within a standard Building Code. We have been working with the departments responsible for those pieces of legislation to see whether there is a way that we can bring those under a standard building regulation framework.

**Mr ROWELL:** Where it was more appropriate for one Government department to adopt a regulation over another, would that happen?

**Mr YEARBURY:** The approach that we take is not to assume that we should necessarily determine the standard. However, we are encouraging departments that have particular responsibility in these areas—for example, private hospitals, nursing homes or workplace health and safety—to identify the standards that they think are appropriate. We negotiate those through with the industry to try to reach agreement on a practical standard and then it comes into the building regulations, which we administer. It is not as if we are imposing the standard; we are simply looking to improve the efficiency of the operation of the regulatory environment as it relates to building.

**Mr MACKENROTH:** In relation to private certification, do you envisage that private certifiers will approve house building plans and, if so, would the private certifiers then advise the council that they have approved them? Is that the way you see the system working?

**Mrs McCAULEY:** I will get Kevin to give you an exact run-down. Yes, there are safeguards in place so that the councils know what is going on. There are certain rules and regulations that they have to be advised of. A whole set of safeguards is in place.

**Mr YEARBURY:** The expectation would be that applicants could go to a private certifier and have their plan certified. There will be an obligation on the certifier to advise the council.

**Mr MACKENROTH:** But they would approve the plans?

**Mr YEARBURY:** The certifier would approve the plans and there would be an obligation to supply a copy of the approved plans to the council within a specified number of days.

**Mr MACKENROTH:** Would it be mandatory for councils to accept private certifiers?

**Mrs McCAULEY:** Why wouldn't they?

**Mr MACKENROTH:** They might not want to.

**Mr YEARBURY:** Did you say accept "private certifiers" or accept the "certified plan"?

**Mr MACKENROTH:** Would it be mandatory to accept the system of certified plans?

**Mr YEARBURY:** Yes. The system would not have any benefits if councils did not accept a certified plan by a private certifier.

**Mr MACKENROTH:** Right.

**Mrs McCAULEY:** But they can be competitive.

**Mr MACKENROTH:** Make them competitive?

**Mrs McCAULEY:** Councils can be competitive in that, yes.

**Mr MACKENROTH:** Do you envisage changes to the law which will really make it compulsory for councils to accept private certified building plans, provided they meet the criteria?

**Mr YEARBURY:** Yes.

**Mr MACKENROTH:** You said that that was providing that it was not affected by other things such as planning legislation; is that right?

**Mr YEARBURY:** Correct.

**Mr MACKENROTH:** In Brisbane today, if you want to build on a lot smaller than 450 square metres, you are required to apply for a development application. In Rockhampton, if you want to build on a block of land of about 700 square metres, you need to apply for a development application. If you implement the system you have just outlined, what steps would you be taking to ensure that councils did not increase the size of the blocks of land which require a development application so that they then would feel safe about being able to control what is happening in their areas? Have you not thought of that?

**Mr YEARBURY:** Yes, we have thought about that. The first point to make is that private certifiers would be essentially certifying against the Building Code, so there would be matters in the Building Code which the integrated planning legislation would say are the standard. The expectation would be that the integrated planning legislation would specifically exclude the ability for a council to introduce another standard to deal with the structure of a building which is already covered in the Building Act.

There are other matters that relate to the siting of the building, which I think is what you are referring to, and the lot on which a building would be located, which planning schemes sometimes do have specific requirements for. The expectation would be that

there would be an obligation on private certifiers to ensure that any plans that they were certifying conformed to the siting requirements of the relevant planning scheme. That would be an obligation on that certifier. Specifically in relation to your question about whether this would simply invite councils to change their codes in order to capture more and more building approvals—we would expect to be monitoring the development standards in planning schemes to ensure that there was an appropriate rationale for doing that. It goes a bit beyond that.

**Mr MACKENROTH:** You already monitor it now, do you not?

**Mr YEARBURY:** Yes, we do.

**Mr MACKENROTH:** And you have different standards now in, say, Brisbane and Rockhampton?

**Mr YEARBURY:** Yes, we do.

**Mr MACKENROTH:** So what would be the different rationale between Brisbane and Rockhampton?

**Mr YEARBURY:** We are currently preparing some residential development standards in consultation with the industry and local government which we would see as being a benchmark for residential development in Queensland. There will be occasions where regional and local variations could be accommodated. But the approval of buildings actually does not have anything to do with lot sizes; it really has to do with siting requirements, where a council would say, for example, that it needs to look at the siting of a house on an area of, say, 450 square metres because it is a small lot. We would be expecting under the IPA for councils to notify when they need to, for amenity and aesthetics reasons, be satisfied as to the siting of a building before the certifier can certify that as an appropriate structure. So the obligation will be on the certifier to check the planning scheme and ensure that the plan they have before them does not offend the code of a planning scheme.

**Mr MACKENROTH:** At the end of the day, if a developer of a Green Street development, for instance, is complying with the AMCORD code and if they are building in accordance with the council's requirements that are laid down, I would have thought that they would simply need a building approval, but that is not the case today. They still require a development application. Providing that they meet the code as it is set down and the council has picked up that code, providing they meet the requirements of the council, in terms of their building, they then can be knocked back—they cannot really be knocked back under a development application, but they still have to apply for one. They pay two application fees. Your system may end up making people apply twice.

**Mr YEARBURY:** I would expect that the procedures I have outlined for you would mitigate against them applying twice. Let me reiterate the process that we believe is workable. If you are seeking what is currently called a building approval and only a building approval, you would be able to go to a private certifier—what we currently call a building approval. The private certifier would be

obliged to check that, if there were particular siting requirements that applied to the building approval, the building conformed with those siting requirements, or if there was a discretionary judgment to be given, then they would have that referred to the council for an answer within a certain period—possibly five days. That would be no different a process than if that applicant went to the council and had their building application processed by the council. The same considerations would apply, the same assessment would apply and the same time frame would apply.

**Mr MACKENROTH:** I understand what you are saying there, but the reality is that we have two councils that I have identified—and there would be others throughout Queensland—that are requiring double applications, development applications and building applications, to deal with exactly what you were saying private certifiers can do, but councils are using development applications in a way to control development which is not intended, I do not believe, by the Act, but they are using it now. I think that councils will extend what they are doing under the Planning Act to require people building homes to get development applications before they can get their building approvals, and then they would go to the private certifiers to get them. I think what you will do is create a double level.

**Mr YEARBURY:** I believe that the concept of IDAS—the Integrated Development Assessment System—which was a core element of the previous PEDAs and has been retained in the IPA provides that only one application need be made. The development has to be dealt with in the context of that single application. So I think that will mitigate against councils requiring two applications.

**Mr MACKENROTH:** IDAS requires only one application to be made, but the application for a development approval and a building approval would be made in the same application.

**Mr YEARBURY:** That is correct.

**Mr MACKENROTH:** That is correct. So that in fact whilst there is only one application there would be two approvals required. People then would still have to pay twice, even if you use the IDAS system.

**Mr YEARBURY:** If more than a building approval was needed as part of that single application, you could not go to a private certifier.

**Mr MACKENROTH:** And that is why councils will require more than that, and that is my whole point. Thanks. We go to page 13 of the Program Statements, the General Public Services policy area and the Planning Program. It states in the first paragraph that—

"The program contributes to the reduction of the costs of doing business in Queensland by undertaking reform of the State's statutory planning and development assessment systems."

Minister, can you advise me what reform has taken place that has decreased the cost of doing business in Queensland, other than reducing rat walls or abolishing rat walls?

**Mrs McCAULEY:** I did not abolish them; you did.

**Mr MACKENROTH:** I know I did, but I used to ask this question, too.

**Mrs McCAULEY:** I do not agree with it, either. Whereabouts on page 13 were you reading from?

**Mr MACKENROTH:** From the centre of the first paragraph.

**Mrs McCAULEY:** Just to run through the information that I have—the key areas where savings have or can be identified include streamlining the planning system. That is coming. Another area is the efficient administration of applications to the department. The most common time for processing rezonings has been reduced to 22 days. Twenty-one days are required for the Executive Council process, so virtually that is saying that that is about as low as you can go, 22 days.

**Mr MACKENROTH:** That is the most common. What is the average?

**Mrs McCAULEY:** I do not know what the average is.

**Mr MACKENROTH:** I am not going to get right through this book, but that was one of the questions I had. The most common time is a bit different from the average time, is it not?

**Mr YEARBURY:** That is correct.

**Mrs McCAULEY:** Improved impact assessment procedures have reduced the number of terms of reference for EIS from an average of 250 per year to approximately 100 per year. You have got that question on notice for further information on that. Savings accrue to the development industry from waivers to prepare impact assessment studies due to the reduced time and detail required for assessment of development proposals. Impact assessment is required only of proposals having State or regional significance. Regional planning and infrastructure coordination illustrate the benefits of better patterns of development. I went through some of that before in a question asked by the member for Barron River. Examples from the SEQ 2001 preferred pattern of growth versus the trend pattern: \$2,800m urban road infrastructure cost saving; \$700m reduction in vehicle operating costs; average trip time reduced from 33.7 to 26.6 minutes, etc. There are the regional planning projects currently under way, which are all those ones that were mentioned before. Savings in proportion to those estimated for SEQ 2001 are expected in some of these areas. Further benefits from a coordinated and integrated approach to regional planning include efficiencies in infrastructure development. The partnership approach between the three levels of government helps everyone. Integrated planning helps ensure that residential areas—schools, shops, etc.—are conveniently and safely located, lessening impacts of noise, etc.; economic assets are protected through strategic planning; infrastructure coordination saves money; and there is greater predictability in costs for developers. An example is \$1.1m saved on the Forest Lake State Primary School. The fourth point, planning information and advice, helps the system operate efficiently. There

are economic advantages, of course. I think I have been through most of these in my answers to the questions that Government members asked.

**Mr MACKENROTH:** Mostly for the future. You asked me a question, I had to respond.

**Mrs McCAULEY:** That question that was asked before about the streamlined approval development system where I talked about the power to require the creation of access restriction strips, the removal of that power, etc., saved over \$2m a year in transaction costs and holding charges.

**Mrs McCAULEY:** Do you want Kevin to expand a bit further?

**Mr MACKENROTH:** I do not mind if they expand further, but could he specifically come to what has been achieved and what is not going to be achieved?

**Mr YEARBURY:** What has been achieved is a standard easement document, which has taken two years to negotiate with local government and the development industry, is now a reality. The standard building application form—

**Mr MACKENROTH:** That is a good idea.

**Mr YEARBURY:** It also took over two years to develop.

**Mr MACKENROTH:** No, four years.

**Mr YEARBURY:** Four years to develop.

**Mr MACKENROTH:** That is not your fault, it is local government. I appreciate that. Anyway, congratulations.

**Mr YEARBURY:** That is now available and on disk form.

**Mr MACKENROTH:** Are local governments able to change the standard building form?

**Mr YEARBURY:** We are looking to make that a required form under the IPA.

**Mr MACKENROTH:** But presently they can change it?

**Mr YEARBURY:** At present they can, yes. To change that situation would require a change to the legislation. Since we are bringing in legislation in the next little while, we will pick it up there.

**The CHAIRMAN:** We will now move on to Government questions.

**Mr MITCHELL:** I will finish up on a couple of questions about the Office of Rural Communities Program. In relation to the third dot point on page 25 of the MPS, what difficulties were experienced by the Blackall community in accessing affordable Internet services? Are these difficulties exacerbated in smaller and remote areas?

**Mrs McCAULEY:** The Blackall community has experienced difficulties in two main areas in relation to gaining Internet access. The first difficulty was price because, as you would be aware, access to the Internet is gained via a middle access provider using a standard telephone line and a modem. These Internet service providers offer a range of services and rates, with the cost of connecting them to the Internet normally charged on a hourly basis. In some

country areas, if your child manages to get you connected to the Internet, you could be up for a great deal of money. As most of the major ISPs are located in the denser population centres, the cost of accessing the Internet in some rural areas will always be at STD rates, which are usually charged by the minute. That is a major problem for people in the bush to access the Internet. An hour on the Internet for someone in the city could be quite cheap, but an hour on the Internet for someone in Blackall could be quite prohibitive.

The Office of Rural Communities in consultation with the Government's Information Industries Board, Telstra and the Blackall community sought to attract a commercial ISP to Blackall by aggregating demand on a regional basis and providing a critical mass of business to ensure that the establishment of an Internet service provider was a cost effective proposition. The provision of Internet services for Blackall via a commercial ISP was put to tender, with three organisations indicating an interest. These tenders are currently under consideration.

The second major difficulty was technical. We have experienced this at home and we do not really live in a remote community. Just getting onto the Internet can take half an hour to go through some of the steps, whereas normally it would be a minute, half a minute or whatever. While modems and the equipment used by ISPs have improved, standard telephone lines have remained mostly unchanged, especially in the more remote parts of the State. The effect of using standard telephone lines over considerable distances is that data transfer rates are limited. This results in longer delays for the information to get from the ISP to the rural user, resulting in higher charges for the same amount of information.

Those three groups that I mentioned before successfully persuaded Telstra that there were sound business reasons to upgrade the local Blackall telephone exchange to digital capacity. Digital capacity permits much faster access to the Internet and higher data transfer speeds which approach those available in metropolitan areas. Communities located significant distances from a commercial ISP using standard telephone lines will experience similar difficulties to Blackall. The Office of Rural Communities in consultation with the Information Industries Board will keep looking at the needs of those communities and work for them to be able to gain equitable access, and that is most important.

**The CHAIRMAN:** On page 26 under CountryNet, the second dot point indicates that additional QGAP models were researched and identified as being viable. What are the features of these two models?

**Mrs McCAULEY:** You are aware that in the budget this year there is provision for an extra 14 QGAP officers; there are 28 throughout the State at the moment. That will boost the numbers considerably. The new models were developed to provide cost effective service and information delivery to small and isolated rural communities with population sizes ranging from 100 to 450. Research was undertaken with community groups in the south

and central west of the State, and the data gathered included community service needs, service delivery access issues, preference for alternative service delivery methods, consideration of operational costs and support from the operating authority or lead department. Five models were considered to adequately meet operational and needs criteria.

To determine the preferred model, assessment was undertaken through cost benefit analyses. The five models included an itinerant service deliverer, enhancement of a local service provider, establishment of a standard Queensland Government agency, a local government agency model and an electronic service delivery model or Internet. The cost benefit analysis resulted in model number 2, the enhancement of a local service provider, as delivering the most cost effective method of service delivery to small remote communities. The features of this model include improved resources and QGAP training for the existing local service provider to deliver the range of Government services and information provided at all QGAP sites.

You would be aware of the QGAP office in Croydon; that is run in conjunction with the council out there. That has worked very well. The electronic

service delivery model, number 5, was second preference, although its production would raise some significant telecommunications infrastructure problems in most remote areas. This model relies upon remote agents such as post offices to become an identified point of Government information with application forms and other services delivered electronically via e-mail or the Internet. This model has potential for the future, although current telecommunications infrastructure does not adequately meet the requirements to operate these systems.

**The CHAIRMAN:** The time allotted for the consideration of the Estimates of expenditure for the Minister for Local Government and Planning has now expired. I would like to thank the Minister and all the portfolio officers for their attendance. That also concludes Estimates Committee D hearings for today. The hearing is now suspended and will resume at 9 a.m. on Friday, 20 June 1997, when this Committee will examine the proposed expenditure of the Minister for Environment.

Sitting suspended from 3.44 p.m. to 9 a.m.,  
20 June 1997.