

ESTIMATES COMMITTEE E

Mr J. A. Elliott (Chair)	Mr H. Palaszczuk
Hon. T. McGrady	Mr T. P. Radke
Mr G. E. Malone	Mr R. E. Schwarten

DEPARTMENT OF MINES AND ENERGY**IN ATTENDANCE**

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

Dr R. Day, Director-General

Mr M. Montefiore, Deputy Director-General

Mr P. Chard, Manager, Finance and Property

Ms K. Taylor, Principal Finance Officer

Mr P. Dent, A/Director, Safety and Health Division

Mr S. Edwell, Director, Queensland Electricity Reform Unit

The Committee commenced at 8.30 a.m.

The CHAIRMAN: Ladies and gentlemen, I declare the meeting of Estimates Committee E now open. The Committee will examine the proposed expenditure contained in the Appropriation Bill No. 2 for the areas as set out in the Sessional Orders. The organisational units will be examined in the following order: Minister for Mines and Energy, 8.30 a.m. to 11.20 a.m.; Minister for Primary Industries, Fisheries and Forestry, 11.30 a.m. to 3.10 p.m.; and Minister for Natural Resources, 3.30 p.m. to 6.30 p.m.. The Committee has also agreed that it will suspend the hearings for the following breaks: morning tea, 10.10 a.m. to 10.20 a.m.; lunch, 12.30 p.m. to 1.30 p.m.; and afternoon tea, 5.10 p.m. to 5.30 p.m.

I remind members of the Committee and the 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 expiration of these time limits. The questioner may consent to an extension of time for answers. A double chime will also sound two minutes after an extension of time has been given. Three chimes will ring at the conclusion of each 20-minute block. The Sessional Orders require that at least half the time available for questions and answers in respect of each organisational unit 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. The Committee has agreed that the first 20 minutes of questions will be from non-Government members.

I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in the transcript. 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

resolved that it will automatically grant leave to any non-Committee member who wishes to question the Minister. Also in accordance with the Sessional Orders, each of the Ministers is permitted to make an opening statement of up to five minutes.

The first item for consideration is the Estimates of expenditure for the portfolio of Minister for Mines and Energy. The time allotted is 2 hours and 40 minutes. I now declare the proposed expenditure for the Minister for Mines and Energy to be open for examination. The question before the Committee is:

"That the proposed expenditure be agreed to."

Minister, would you like to make a brief introductory statement or do you wish to proceed direct to questioning? If you do wish to make a statement, the Committee asks you to limit that to five minutes.

Mr GILMORE: Yes, I would like to make an opening statement. Mr Chairman and members of the Estimates Committee, good morning and welcome. Along with officers of my department, relevant Government owned corporations and the Queensland Electricity Reform Unit, I am ready to respond to questions regarding the 1997-98 budget. Before doing so, I would like at the outset to briefly outline some of the more important features with respect to the budget. At last year's Estimates Committee examination, I presided over a department that had essentially lost its way. After six years of Labor administration it had been, metaphorically speaking, reviewed to death. It was not properly focused on its core businesses; staff morale was at an all-time low; and a number of fundamental activities, rather than being funded from base budget, were surviving in a hand-to-mouth fashion on special funding.

I am pleased to say that since then, following a thorough and rigorous audit of the department's activities, we now have a department better focused on its core businesses of facilitating and regulating the mining and energy industry in Queensland. Just as important, vital activities covering native title and environmental compliance matters have in this budget for the first time been included as part of that base funding. Much has been achieved as a result of last year's budget. Our commitment to the Moura implementation process has been pursued without deviation. Almost all of the Moura recommendations have now been implemented, including the review of the inspectorate and the trialling of inertisation equipment for underground coal mines.

The recent amalgamation of the coal and metalliferous inspectorates into a single and significantly enlarged and resourced Queensland Mines Inspectorate is a major step towards a safer mining environment. True to its word, the Government has provided the required additional money in this budget to fund the bigger and better inspectorate. In a wide range of activities during 1996-97 the department continued to make progress. Environmental rehabilitation was completed at Agricola and at Irvinebank. Shaft capping continued at Gympie and commenced at Charters Towers. Significant progress was made in reconciling the competing interests of parties who are operating

under both the Mineral Resources and Petroleum Acts and who are seeking to extract coal seam methane. In terms of reconciling the legitimate interests of land-holders and coalminers, a consultative process involving all of the interested parties has been moving steadily towards a mutually satisfactory outcome.

One of the aims of this Government is to help Queensland prepare for the challenges and to take advantage of the opportunities for growth and prosperity in the 21st century. I am absolutely convinced that we can do this only if we have abundant supplies of competitively priced gas and electricity. Accordingly, the Government is pursuing courses of action in both the gas and electricity industries which will help underpin industrial and commercial development on a scale that Queensland could only dream of in the past.

The Queensland Government is committed to a policy of promoting gas on gas and pipeline on pipeline competition. Following the recent opening of the Ballera to Wallumbilla gas pipeline, construction has started on the Ballera to Mount Isa pipeline which is due for completion in the first half of 1998. The planned expansion of the Barcaldine to Gilmore pipeline through to Cheepie will link the power station at Barcaldine to the Ballera to Wallumbilla pipeline. Gas supplies to the east coast will be enhanced by the Gatton to Gympie pipeline and a proposed pipeline from the PGT Queensland pipeline at Injune to Brisbane. A pipeline from Gladstone to Bundaberg is also planned with the feasibility of an extension to Maryborough and Hervey Bay currently under investigation. The most significant proposal, however, is a development linking the gas fields of the highlands of Papua New Guinea to north Queensland and to central Queensland. This development would provide a tremendous economic boost to both of these regions.

The recent report of the Queensland Gas Industry Task Force, comprising 10 major international and national companies, found that given the right conditions a sixfold increase in the size of the gas market is achievable over 10 years. The task force further estimates that \$6 billion worth of new industrial development can occur in Queensland if ample competitively priced supplies of gas can be delivered by an extensive, integrated gas pipeline network. We will continue to work closely with the gas industry to make this vision a reality.

The other half of the energy equation is electricity. An independent survey of Queensland business costs last year showed that Queensland had slipped from being the most competent power producer in 1989 to fourth in 1994. We must and will improve our competitive position with respect to the cost of power. Last December the Government launched its blueprint for change in the electricity industry in Queensland following the report of the Queensland electricity industry task force. Queensland is committed to, and will be part of, a fully competitive national electricity market in 2001, the year the interconnector linking the New South Wales and Queensland electricity grids will be

operational. In the meantime, we will have an interim competitive market in place by the end of this year, and the first contestable customers will be on line by 1 January 1998. This aggregation of AUSTA Electric into three separate independent power producers on 1 July will introduce real competition into the Queensland market and, at the same, help prepare our generators for the full effects of the national market in 2001. These and other developments in the electricity industry in the next year will help make our once great electricity industry again the most competent in the country.

We have, I believe, provided a very good budget. I now invite members to address questions to me. Those requiring detail which I cannot provide will be referred to departmental, GOC or QERU staff.

The CHAIRMAN: I will now invite the Opposition to start questions.

Mr McGRADY: I refer to the changes in salaries for the inspectorate, particularly those in the coal side of the industry, and I refer to the district workers' representatives. There were some discussions regarding them coming under an award. Could you tell the Committee if anything has been done about placing those employees under an award and, if so, when you propose to offer increases in salaries to those four officers?

Mr GILMORE: There are a couple of aspects to this question. The first one is that, in respect of the district workers inspectorate, I have no information to hand in respect of that, because it is just not covered in the brief. So we will take it on notice, and I will get you an answer within the requisite three days. However, I would like to say something at this time about the inspectorate and the expansion of the inspectorate, particularly in relation to the increased wages and better conditions that the inspectorate now has in hand.

As a result of the Moura inquiry, of course, we discovered that the inspectorate in Queensland was underpaid and underresourced and, quite clearly, did not have sufficiently good conditions to attract people from around the country and, indeed, possibly internationally. We have fulfilled our obligations as a Government in respect of the inspectorate. In November last year, I went to the mid-term review with the Budget committee and got some \$750,000 as an interim payment in terms of the process of improving the situation and conditions of the inspectorate. In this year's budget, \$3.7m has been set aside to improve the conditions of the inspectorate. I think it is an important statement that we have increased the number of inspectors by 11, and they are going to be spread right across the State. In fact, there will be seven of those inspectors out in the regional community of Queensland.

One of the grave concerns that we have, however, is that when we increased the value of the wages and conditions of these inspectors and started to advertise across the country, we started to get applications from people from right across the country. But apparently other jurisdictions discovered that they were then placed at a quite considerable disadvantage, because there is a national shortage of mines inspectors who are

qualified and able to do the job. As a result of that, there are still four positions, as I understand it, which are currently unfilled, even though we have advertised on a number of occasions right around the country. It is for this reason that we are now actively considering advertising internationally. I have not taken up that matter with union groups. I certainly will be writing to them in the next couple of days to discuss this matter with them. But we simply cannot continue to have a situation where the Mining Inspectorate is undermanned. We are doing absolutely everything that we possibly can to ensure that appropriate measures are put in place. In respect of the other question, I will get back to you.

Mr McGRADY: Last year I brought to your attention the actions of your Director-General in abolishing the register of gifts, hospitality, trips, etc., and I accepted the fact that you did not know that had been done. Since then, you have obviously made some inquiries, and I did receive a reply to my question. Since then, have you reintroduced that or taken any steps to get some sort of method whereby you know what is happening inside the department?

Mr GILMORE: Thanks very much for that question. I have a copy—or there should be to hand here, anyway—of the code of practice that I would like to table. Is that at hand? Could we have that brought up?

Along with all of the other departments in this Government, there is a standard Code of Practice which has been developed within each department. That includes all of the detail of how public servants—if I might use that term—deal with the public in terms of probity, ethics and all those sorts of things. We also have within the department not a gift register as such, but each person has to register any gift that is received. I have some detail, I think, of the value of gifts that have been received.

Mr McGRADY: If you table it, that is fine.

Mr GILMORE: \$130 worth of gifts have been received by the department in the last 12 months by individual officers. In terms of hospitality—there are things that we simply do not accept as reasonable hospitality. That involves interstate flights, accommodation at hotels and attending major functions—whether they be football matches or in the arts. Officers are required, if there is any concern whatsoever, to refer to their superior officers if there are offers made. When we table this code of conduct, you will see that if there are any questionable offers made to officers then they must report them immediately, because we simply cannot tolerate that kind of behaviour.

It is fair to say, I think, that officers of my department are highly competent and highly professional. I do not believe that anybody in my department is going to be bribed or bought off with 30c worth of a fan from somewhere. I just do not believe that is true. I trust my officers implicitly. The processes that are in place are certainly sufficient, I am sure, to ensure that there is no funny business in terms of dealings with my department and the client organisations with which we deal.

Mr McGRADY: I would like to emphasise that there is certainly no intent on the Opposition's part to imply that any officers of the Department of Mines and Energy would accept a bribe. But the point we have been making is that it must be seen to be above reproach.

I noticed some of your comments in the media recently about the way in which the Mines Rescue Service is going to be funded. If the plans which you have announced do not come to fruition, namely, if you cannot secure agreement from the major players, what contingency plans do you have to provide such funding?

Mr GILMORE: The mines rescue organisation is, in fact, a statutory organisation that will be funded. The processes that we are putting in place at the present time are a set of negotiations with industry to ensure that they are appropriately structured, in the first instance, and appropriately funded in the second. But the Minister of the day will always retain the position of funder of last resort. So if everything else fails, then the Government, of course, will pick up the funding for this organisation.

Mr McGRADY: So we have a guarantee from you that if the proposals which you envisage do not come to fruition, your department will ensure—

Mr GILMORE: As funder of last resort, that will always be the case. I understand that the Queensland Mining Council—from a note that has just been passed to me—has agreed to take over the funding of the mines rescue. We are just working through the details. I do not believe that it is going to fall over. As I said, as a statutory organisation, it will be funded by somebody. As a last resort, Government will fund it.

Mr McGRADY: One of the great success stories of the Department of Mines and Energy has been SIMTARS. Do you have any plans to corporatise this part of your department?

Mr GILMORE: There have been some questions asked about that. As you rightly said, SIMTARS has been one of the great success stories. SIMTARS is one of Australia's very few nationally accredited laboratories. It does an enormous amount of work. One of the things that was discovered by the Ernst & Young review of the department was that much of the work that was being done there commercially was being cross-subsidised by Government funding. So we have been looking at that to see what we can do to ensure that SIMTARS is charging sufficiently for the work that it is doing on a fee-for-service basis and then making sure that there is no cross-subsidy, because Government ought not to be cross-subsidising work that is done for private industry. We are very careful about that.

In terms of the corporatisation of SIMTARS—the question has been raised as to whether it ought to operate as a Government owned corporation, which is a business unit within the Government. I have no particular concern about that provided, of course, that there is no question whatsoever about the provision of particular services in terms of safety to the mining industry in

Queensland. So if we do go down that track at some time in the future, it will be very carefully thought through and the appropriate safeguards will be put in place.

Mr McGRADY: So there are no plans at this stage?

Mr GILMORE: I do not think there are any plans at this stage.

Mr MONTEFIORE: We are at the exploratory stage of having SIMTARS actually form a company to be the vehicle through which it would undertake some specific commercial activities in joint ventures with the private sector.

Mr McGRADY: I refer to the Moura inquiry and the various recommendations which were forthcoming. Whilst I have heard a lot about what the Government has done to implement the recommendations as they concern the Queensland Government, what actions have you taken to ensure that the recommendations that concern the industry are being or have been implemented?

Mr GILMORE: That is the responsibility of my departmental people and my inspectorate—to make sure that there is a continual improvement in safety in terms of the operation of mining in this State. I would like to put on the record of the Committee the things that are still outstanding in terms of Moura. If you do not mind, I will read from this brief, because I think it is a very important issue. The outstanding work, that is, work that has not yet been completed in respect of the Moura inquiry relates to, firstly, development of training material associated with procedures for granting statutory certificates, which was identified initially as a longer-term project; secondly, research being conducted by SIMTARS, which will lead to the development of further training material and literature support—also identified originally as a longer-term project; thirdly, a major review of the Coal Mining Act, which had been initiated prior to the 1994 Moura mine accident and was seen as a long-term project; fourthly, some further research and development work on escape and rescue facilities identified by one of the task groups formed to deal with the warden's report recommendations; and, lastly, some ongoing work in relation to the identified need to have safety control options developed for the control of mining operations that are carried out adjacent to potentially explosive atmospheres. They are the only outstanding matters and they are the ones that are being worked on with some vigour. This Government is very proud indeed of the way we have handled the Moura inquiry—

Mr McGRADY: The question I asked was: what action, if any, has the department taken to ensure that industry carries out the recommendations of the inquiry?

Mr GILMORE: I am getting to that. As I was saying, we are very proud of the work that we have done and the way that we have unfolded all of the required actions to make sure that all—and not just one but all—of the recommendations of the warden have been put in train or will be put completely in place. I believe that that has total support of this

Parliament. That support is bipartisan, because it is very important that that be done.

Once those things are in place, however, it then falls to departmental professional officers to simply act in their policing role. The industry itself recognises with absolute clarity the fact that we never, ever want to have another Moura. There have been quite considerable advances in safety across the industry. They have been put in place as a matter of course. The industry is acting in absolute good faith. I believe that we are well down the track of getting a good outcome.

Mr McGRADY: The implementation unit, which was established after the Moura accident—the question I am asking you is: what have you or the department done—

Mr GILMORE: Is this the next question?

Mr McGRADY: No, it is the same question. What have you or the department done to ensure that the recommendations concerning the industry itself are being carried out?

Mr GILMORE: Everything that needed to be done. We are consulting all the time with the industry. We have total agreement from the industry as to how these things are done.

Mr McGRADY: Do you have a record of how many recommendations have been carried out?

Mr GILMORE: I have just read out the ones that have not been done. I will read from this other brief. Mr Chairman, what is the situation with time?

The CHAIRMAN: It is a supplementary question. We can take it as another question.

Mr GILMORE: If we call it another question, I am happy to read from this brief.

The CHAIRMAN: It is in the interests of the Committee for you to continue if you are happy to do so.

Mr GILMORE: There were 25 recommendations. The present situation is that 17 of the 25 recommendations of the warden's report have been implemented, including the recent demonstration of unitisation equipment at the Collinsville mine. I have already put the list of outstanding work on the record. Of the 25 recommendations, 17 are now in place. Some of the legislative mechanisms that are called for, including the amendments to the Act, have not yet been put in place; but they are well down the track in terms of their development. I do not know that there is any prospect of any real concern about the way we are handling this thing. I am very pleased about it and so is the industry.

Mr McGRADY: The previous administration made major changes to the Queensland Coal Board. Can you tell me what the status of the Coal Board is to date? Could you confirm or deny that it is the intention of you and your Government to formally abolish the Queensland Coal Board? If that is the case, who will take on the responsibility for regulations, such as those associated with coalmine workers' health?

Mr GILMORE: There is no secret about it; in fact, it is a well-known fact that it is our policy to wind up the Queensland Coal Board. That board is a little bit of an anachronism. It has been around for a long time. Quite frankly, I think it was set up in questionable circumstances in the first place. Some of the work that is being done is duplicative and expensive. It does not really play a role in a modern coalmining industry. We will certainly be winding up the Queensland Coal Board some time in 1997-98. In response to your question as to the specifics of it, the welfare fund and the severance pay fund will be transferred to my department with myself as trustee. The severance pay fund will be used to pay miners from contributing operations who are retrenched before 1 January 1998, with any remaining entitlements of the fund to be paid to the remaining eligible companies to administer from that date. That agreement would give the fund a life of no longer than the end of 1997. The welfare fund will be retained and administered for the benefit of employees of the mining industry and their families until it is run down. The proposed life span would be as short as possible. The Coal Industry Fund is to be transferred to my department to be used at my discretion. The following board functions will be retained: the promotion of generic coal, collection and production of statistics, data collection and administration of the coal industry employees health scheme. Staff will be transferred from my department to ensure the continued administration of functions essential to the State and the industry.

Mr McGRADY: Have you established the membership of the three interim retail boards in the electricity industry?

Mr GILMORE: They will be established by 1 July.

Mr McGRADY: No, the interim boards.

Mr GILMORE: The interim boards—of course, they have been established, yes.

Mr McGRADY: You have established them and you have announced the persons who are sitting on those three boards?

Mr GILMORE: Yes.

Mr McGRADY: That has been gazetted? Can you tell me the membership of the northern board, please?

Mr GILMORE: I will get that detail for you. I will flick this across to Steve Edwell from QERU.

Mr EDWELL: The members of the northern board are Don Anderson, who is the chair of the reform unit; the CEO of the Far North Queensland Electricity Board, John Lister; the Chairman of NORQEB, which is Bruce Laird; and the CEO of MEB, which is Keith Blinco.

Mr McGRADY: When there was some discussion about whether or not the seven regional boards should be abolished, you—in my opinion rightfully—said, "No, we are going to keep them", because you wanted local input into those three boards. How can you justify having three public servants on that board, who are employed by the

industry, who are not elected in any way shape or form, but are simply the servants of the industry?

Mr GILMORE: This is on the interim board?

Mr McGRADY: On the interim board—in view of the statements that you have made, how can you justify having the chief executive officer of the Far North Queensland Electricity Board, the chief executive officer of the Mackay board, and, on the NORQEB board, having an elected or appointed person?

Mr GILMORE: Justification is hardly required because it was very simple—

Mr McGRADY: I thought that all the decisions we make have to be justified.

Mr GILMORE: What we have done as part of the rearrangement of the electricity industry is to set up those interim boards, which had to take us through a transitional period from—

The CHAIRMAN: The time is up, but finish your sentence.

Mr GILMORE: —the old regime through to the new regime. We seem to be out of sync with the lady with the bell. The interim boards were established from people at hand to carry us over that period. They have very limited functions indeed. They are simply there to help establish—

Mr McGRADY: How much are they being paid?

Mr EDWELL: I think it is \$2,000 for the period.

Mr McGRADY: \$2,000 for two weeks' work when the work will be done during their normal office hours! This is an outrage: \$2,000 for two weeks' work, probably would meet only once, and you are paying them \$2,000—public servants who are being paid good salaries already! This is an absolute outrage!

The CHAIRMAN: Order! We have gone a little bit over time. I think that we have been fairly reasonable with the situation. The time allotted for non-Government members has expired.

Mr GILMORE: Could I just answer that?

The CHAIRMAN: Yes, if you so wish.

Mr GILMORE: First of all, they are not public servants.

Mr McGRADY: But they are employed by the industry.

Mr GILMORE: Certainly, they are employed by the industry but they are not meeting just once. The jobs of the interim board—

Mr McGRADY: They do not have to meet at all.

Mr GILMORE: No, but they are doing an enormous job.

Mr McGRADY: They are doing that during the day when they are being paid by the industry already.

Mr GILMORE: These are specific tasks which are over and above the work that they normally have to do. They still have to continue with their day-to-day operations.

Mr McGRADY: Which they are being paid for.

Mr GILMORE: Yes. That is for their day-to-day operations.

Mr McGRADY: It is a \$2,000 gift.

The CHAIRMAN: I think we might agree to disagree at this stage and you can come back to it later.

Mr GILMORE: I think that would be a good idea.

The CHAIRMAN: I realise that in respect of Moura you have touched on mine safety quite a bit. On page 2 of the Ministerial Program Statements it is stated that one of the new funding initiatives of your department in this year's budget is reforms to the mining inspectorate. What actions are you taking as a result of the large number of fatal mine accidents in the last year?

Mr GILMORE: Mr Chairman, thank you for the question. Before I answer that question in detail, at the outset I would like to say that the number of mine fatalities in this State is continuing against everybody's best wishes and certainly everybody's determination to resolve some of these issues. In 1996-97, there have been nine fatal accidents in metalliferous and coal mines. Three of those were above ground and six were underground. It is my personally held view—and I have enunciated this on a number of occasions in public forums—that no person ought to work in such a way that he is so endangered that he is killed or severely injured during the work cycle. No person who goes to work in a mine or anywhere else ought to have anything other than a full expectation of returning home to family at the end of the shift.

I would just like to answer this question in some detail. Following investigations by the mines inspectorate, additional safety measures have been implemented at each mine to reduce the likelihood of recurrence. The warden's inquiry recommendation may result in further measures being taken. We have appointed an acting warden to assist with the inquiries. A warden's inquiry into the fatality at Oak Creek was held in March and an inquiry into a fatality at Mount Isa Mines in late April. The balance of the inquiries are scheduled progressively.

The restructuring of the mines inspectorate, which I initiated following the run-down of the inspectorate by the previous Government, is now well advanced. Funding for the restructuring has been provided in the budget, as I said earlier in response to a previous question. I would like to reiterate that we are determined to make the mine workplace as safe as it is to work in any other workplace. We simply cannot tolerate a set of circumstances where it is other than that. That is the reason for the 11 new inspectors and all of the other efforts that we have put into mine safety in this State.

Mr RADKE: On page 8 of the Ministerial Program Statements reference is made to a program to locate and make safe potentially hazardous mine shafts in the Charters Towers area. Would you outline for the Committee what your department is doing about these shafts?

Mr GILMORE: Thank you very much for that question. It is a very topical one. It is a very important initiative in this budget and it is one that recently I went up to Charters Towers to have a look at personally because of some of the concerns that were expressed by my parliamentary colleague Rob Mitchell, the member for Charters Towers. Since 1871, there has been enormous mining activity under Charters Towers. The place is riddled like honeycomb. In the old days, when they closed off a shaft it appears that they simply covered it up with timber and dirt and then went away and left it considering it to be adequately dealt with. Of course, in the ensuing 100 years, a lot of that timber is starting to rot and fall away. There have been some pretty spectacular cave-ins in recent times. There was one that I saw in the schoolyard. I understand the original mine had a depth of some 1,200 metres, so you can imagine that it was a fairly gaping hole. It was the pithead that we could see. When I looked down the hole, you could see the original concrete formation. Clearly, it was a collapse of old work and something had to be done about it. We simply could not leave a thing like that in a schoolyard, or anywhere else for that matter.

So the departmental officers have had a good look around. My brief says 805 shafts. While I was in Charters Towers I was, in fact, told by departmental officers that there were 855 that had been identified around the town. Of course, some are shallow and inconsequential. Others have the potential to be extremely dangerous indeed. So we have put \$800,000 into this year's budget to begin the operation of starting to repair some of this. There will be \$1m set aside in each budget for the next two years. I do not believe for one minute that that is going to be sufficient to resolve the issue, as it was not sufficient in Gympie when the previous Government set about the business of capping mine shaft collapses in Gympie. Quite properly, we have continued that process. Any fair-minded person would have done so and I sure that this business at Charters Towers will be similarly resolved.

Mr MALONE: The new initiative funding section on page 2 of the Ministerial Program Statements is not specific in terms of whether or not funds have been provided to the department's base budget or whether funds are provided as a one-off special allocation. Could you please detail to the Committee whether or not the department's base budget has been increased in 1997-98? What particular items contribute to the increase?

Mr GILMORE: I am more than pleased to answer this question because the matter of the differential between special funding and base funding, I think, is an important one for this Committee, and one that needs to be considered. When I came to this task, I discovered that about 30% of all of the effort of my department was funded by special funding. Most of that work was not only funded by special funding but also it was being carried out by full-time public servants. So every time we went through the Budget cycle, people had to worry about whether their job was going to be there the next day because the emphasis changes, policies change and Governments change. So we

had to take a fairly stern view about having the department special funded or whether we ought to go about the business of trying to get base funding.

As part of that organisational procedural audit of the department, one of the central charters of that was the discovery of what it was that we did—what was our core function—and then to ensure that, as we went into the next Budget cycle, those areas of core function that needed base funding were base funded. That was the way we went about it.

This year, we have managed to get native title and environmental protection functions into base funding in my department. Both are important. First of all, the native title responsibilities for my department are simply not going to go away. Native title is here, it is real, and it will have to be dealt with by the department forever. That is perfectly reasonable and, I think, understood by all parties. Therefore, having that included in base funding was an important aspect of the work that I did at the last round of Budget negotiations.

Environmental protection should always have been in base funding. Environmental protection is not new. At least native title could have been excused for being fairly new on the block, but environmental protection should never have been part of special funding in my department. We now have managed to get environmental protection functions included in base funding as well. The implications, of course, are that we no longer have to argue on an annual basis for environmental funding from the Cabinet Budget Committee. It will be increased proportionate to our need as the years go by. So it was a very important step and one that I am rather pleased about.

The CHAIRMAN: Minister, on page 9 of your MPS mention is made of stage 2 of the AIRDATA project. I do not know anything about it. I would be interested if you might outline to this Committee what the AIRDATA project is and what sort of impact it will have on the State's economy.

Mr GILMORE: I would like to give a detailed answer to this question, because it is a very important issue and, for the record of the Parliament and this Committee, it requires a detailed answer.

The AIRDATA Project has a budget allocation of \$4.5m over three years from 1996-97 onwards. The project targets priority areas in the Western Drummond Province, that is, gold bearing; the overlying Galilee Basin, that is, oil and gas potential, in 1997; and the Adavale Basin in 1998, where industry exploration is held up by a lack of geoscience information infrastructure. The gravity data set is also being improved for central Queensland to complement the previous AIRDATA initiative.

Returns to the State economy from the previous AIRDATA initiative comprise exploration permit rentals, commitments to exploration expenditure that benefit regional economies, and royalties, export earnings and employment from the mining of any deposits discovered. The impact of the original AIRDATA initiative was a 291% increase in the number of exploration permits. I beg your

pardon: there is a question about the validity of that number; it is actually a 191% increase in the number of exploration permits granted for minerals within the project area from 1995-96 following the first release of data in June 1995. There were 26 companies exploring in the AIRDATA area in central Queensland in 1996 that were not there in the previous year. A significant proportion of these—62% of the 26 companies—are small to medium-sized companies. That is a very important statistic.

It is important to maintain and enhance the geoscientific information infrastructure of Queensland in order to maintain a healthy level of exploration. Without it, of course, Queensland will lose its attractiveness to Australian and overseas mining companies. We all know that mining continues to underpin our economy and we cannot allow it to slip behind.

Mr RADKE: At page 5 of the MPS mention is made of the Cooper Basin/Eromanga Basin Project. Has this project had an impact on the level of exploration by mining companies in the area concerned?

Mr GILMORE: Once again, this is a very important question that requires a detailed answer. The Cooper/Eromanga Basin project in south-west Queensland is a joint project with agencies from the South Australian, Northern Territory, New South Wales and Commonwealth Governments to assess the hydrocarbon potential of those basins. With the commissioning of the gas pipeline from Ballera to Wallumbilla, those basins will become the next source of gas to industrial and domestic markets in south-east Queensland.

The Cooper/Eromanga project has been undertaken in three parts: firstly, a pilot study has established a methodology to be used in compiling the relevant geological data sets completed in March 1997; secondly, a hydrocarbon generation model will be developed for the project area during 1997; and, thirdly, assessment of the hydrocarbon potential of those basins. The project will result in the standardisation of geoscientific data sets for the basins in different States. This will enable direct comparisons regarding prospectivity and potential for future discoveries. Interest by explorers has increased and several companies are supporting the project through the provision of regional seismic data. Continued support for the project is required to maximise the benefit to Queensland from further oil and gas discoveries. By developing standardised data sets, my department will help to ensure that Queensland can remain competitive in attracting new and ongoing exploration.

Mr MALONE: At page 6 of the Ministerial Program Statements, reference is made to changes to the legislation relating to explosives in Queensland. Can you please outline to the Committee the main thrust of the legislation?

Mr GILMORE: The Explosives Act and regulations have been reviewed in line with the systematic review of legislation in Queensland. The review received certification from the Business Review Unit in 1995. An authority to prepare a Bill has been granted and drafting will lead to a new

explosives Act and regulations. The main thrust of the new legislation will be a move towards uniform national requirements in Queensland for mines, quarries and construction, the rationalisation of licences issued to reduce numbers and administrative requirements, addressing new technology and products, adding necessary protection with respect to powers, decisions and appeals and maintaining the essential controls on these inherently dangerous materials for the protection of the community. There is strong liaison between the various States and Territories with respect to explosives legislation and a commitment to national uniformity in establishing safety requirements.

The drafting of the Bill is finalised and will be ready for approval for introduction into the Parliament. However, there have been some delays with the development of the legislation, experienced due to a review of the transport of dangerous goods, which includes explosives, by the National Road Transport Commission and the Government's agreement to implement National Road Transport Commission requirements, the national gun laws relevant to the control of ammunition and the National Competition Policy which requires an assessment of the legislation. The Committee can be satisfied that we are moving along very quickly and competently with that particular legislation.

The CHAIRMAN: On page 13 of the MPS, the department's environmental obligations in relation to the energy sector are highlighted. I understand that changes in technology in Asian power stations that are designed to reduce pollutants will have an impact on Queensland's coal markets. What is the department doing about the threat to those markets?

Mr GILMORE: Actually, it is my view that the future of the thermal coal industry depends on some of the technology that is being developed at the present time. The Cooperative Research Centre for Black Coal Utilisation, a research facility at the Queensland Centre for Advanced Technologies at Pinjarra Hills, is to set up a coal gasifier. The facility will be built and operated by CSIRO's Division of Coal and Energy Technology. The capital cost of this facility is to be provided by the Australian Coal Association, which will provide \$1m, with matching contributions of \$600,000 each from the Queensland and Commonwealth Governments. Construction is expected to be completed by the end of 1998 and a three-year test program will follow.

Coal gasification is not new technology; it goes back to the turn of the century. However, new developments in coal gasification have shown that we can get quite extraordinary increases in efficiency in the transfer of the thermal value of coal into electric energy. Indeed, we can take that from about 35% at current best practice in conventional steam power stations to as high as about 50%. Interestingly enough, for every 1% rise in efficiency in the conversion of the calorific value of coal to electricity, there is a corresponding 2.5% reduction in carbon dioxide emissions. Anybody can see that this is a win-win situation because everybody gets a benefit: you burn less coal to get more electricity and it costs

you less in terms of environmental pollution. We are looking at these kinds of things.

This year, we have budgeted \$600,000 to ensure that this facility comes to Queensland. It was vigorously sought by other jurisdictions, but we have finally won out. We are very satisfied indeed that this particular facility will provide a test laboratory so that we can determine the characteristics and behaviour of our coals in terms of gasification technology. I think it is going to be a very important future direction for the coal industry in Queensland and, indeed, for the country.

Mr RADKE: On page 99 of Budget Paper No. 3, I note that the Gympie Shaft Repair Project has been allocated \$1.341m in this budget. What has that project achieved and when is it due for completion?

Mr GILMORE: I referred previously to the Gympie Shaft Repair Project, which is a very important project that was instigated by the previous Government when it was discovered that the very old mine shafts in Gympie were starting to collapse all over the place. When I was in Gympie, I noticed that the table tennis centre was canted at quite a considerable angle because the foundations had fallen down a hole. The whole thing had to be levelled and rectified. That is just one illustration of how serious this matter was. I visited a lady whose back porch was sitting over the top of a collapsed mine shaft. That problem had to be resolved.

As part of this project, it is estimated that about 1,000 shafts in Gympie may require concrete capping. Up to 30 June 1996, \$6.44m had been spent and 594 shafts had been capped. This is a fairly serious ongoing project. As I understand it, 84 shafts were capped during 1995-96 and a similar number are expected to be capped this year. The project is starting to come to an end. However, it is a project that we will have to monitor for many years, because we simply do not know where the next collapse is likely to take place. I think it is a demonstration of good faith by our Government that we continue to repair these collapses as they happen, as we have in Bundamba and as we are now doing in Charters Towers.

Mr MALONE: I note from page 99 of Budget Paper No. 3 that the Herberton rehabilitation project has been allocated \$1.2m in 1997-98. Could you detail to the Committee what this project involves and when it is due for completion?

Mr GILMORE: Yes, I can. Over several years now, the department has been seeking out and identifying areas in the State where there are abandoned mines and other workings which are heavily polluted and left in an unrehabilitated state. As I mentioned earlier, Agricola has been completed. The work at Horn Island is progressing and I would hope to have it tidied up next year. It is our policy to try to resolve one of these outstanding unrehabilitated sites each year. The problem is simply too complex and large to be fixed in one year. You simply cannot find the money for that.

The Herberton rehabilitation project was identified early in the piece, along with a couple of others at Croydon and, as I said, Horn Island,

Agricola and so on. This year, it is the one that will be resolved. It has been partly tidied up. The original tailings dam was capped using dirt that was scraped off the side of an adjoining hill. That left probably an equally bad scar on the side of the hill. However, some rehabilitative effort was put in and there have been both grass and tree plantings over the past couple of years. This year, we will finalise that site. Of that three-stage site, the top area has been sealed, but two remaining areas need to be resolved. The bottom area is putting acid leachate into the Wild River. That is something we simply cannot tolerate. It will be resolved this year. We expect the work to be completed by about November.

I am very pleased that Great Northern Mining, which was the operator of the battery in the town of Herberton, has agreed to come on board as part of this effort. It will scrape off all of the contaminated soil and so forth on the old battery site. We estimate that there is about 3,000 cubic metres of it; there might be a little more. That will be put into the tailings dam and the whole thing will be capped. There will be a clean up of not only the tailings dam area but also the old battery site. A pretty important aspect of this clean up worth highlighting is that, when you get cooperation between industry and Government, you get things done. We simply cannot sit on our hands and try to blame people or look for scapegoats. We have to get on with the job and get it done.

The CHAIRMAN: We have received the preliminary draft of the code of conduct for the Department of Mines and Energy, which I now table for our documentation. The time for questioning by Government members has now expired.

Mr McGRADY: Just prior to when Government members started asking their block of questions, we established the fact that two people from the electricity industry who were employed primarily as retailers will receive an additional \$2,000 for sitting on a board for approximately two weeks. I would assume that the members of the board of three retailers would not be receiving any remuneration for that position. Could you explain to me why Mr Anderson received over a quarter of a million dollars last year?

Mr GILMORE: I am very glad that you asked that question; I think it is one that needs to be considered in its entirety. The review of the electricity industry that we are undertaking is extremely complex and is taking place in a powerhouse atmosphere, because it is happening very quickly—more quickly than it has happened anywhere else in the world. As a consequence of that, we need to have on board the best possible people we can find. The people we have are people of international repute. I believe they are without peer around the world. If you want to get the business done, you find a busy person who can get it done. Essentially, whilst you must live within the parameters of economy, the price ought not be related simply to the chequebook; it ought to be related to the quality of the work being done and the quality of the person doing the work.

Essentially, if you are going to get the type of quality that we demand and the outcomes we seek,

of course that will cost you some money. I believe that we could have easily penny pinched and left it to a committee of public servants. In 10 years' time, we would still be messing around trying to get the electricity industry back to its original competitive nature. We have to have it properly structured in time to become a real force in the deregulated and competitive electricity market in this country which we will see in 2001. Clearly, time goes by in a flash. I said that we are going to be competitive in 2001; that is when we will be interconnected with the national grid. On that day, we will essentially be thrown into the pool with the big boys, who have had years of experience. The next four years are a time for us to develop the skills that will enable us to compete. Those skills can be provided only if we have on board the best possible people we can find.

Let us not kid ourselves. This is the only game in town; it is the biggest game. We are talking about the biggest industry in this State. If it costs us a few bucks to get it right, I am pleased to spend that money. If you want to have a Volkswagen type of electricity industry that coughs, splutters, blows smoke all over the place and ultimately does not give you the outcome and fails when you put it to the final test of competition in the nationally competitive market, that is fine with me. However, I would prefer a Rolls Royce model. It might cost you a few more bucks, but at the end of the day the people of Queensland will be well served by the money that has been spent.

Mr McGRADY: Minister, how much will Mr Anderson receive next year?

Mr GILMORE: I have no idea about that.

Mr McGRADY: \$425,000?

Mr GILMORE: It will be a lot of money.

Mr McGRADY: \$425,000?

Mr EDWELL: Professor Anderson's contract expires at the end of December this year so it will be up to the Minister to decide whether his role should continue into next year.

Mr McGRADY: If I were to suggest that Mr Anderson will receive \$425,000 next year, would you say that that is a ballpark figure?

Mr EDWELL: I would be saying that the Minister would need to take advice on whether Professor Anderson's role warranted that sort of money and whether the role was continuing into next year.

Mr GILMORE: I would be surprised if that was the number in any case. Professor Anderson is doing this job on a pretty well full-time basis. He has been taken off the—

Mr McGRADY: I would hope so.

Mr GILMORE: He is not working for the university any more; he is doing this full-time.

Mr SCHWARTEN: You think we are overpaid.

Mr GILMORE: It is a question of the quality that you get, is it not?

Mr SCHWARTEN: You get good quality here.

Mr GILMORE: When you make comments like that, you are leading with your chin. I do not know what the amount will be. If his contract ends in December of this year, then of course he is not going to get paid \$425,000 for six months' work. But I cannot give you the number; I do not know what it is.

Mr McGRADY: I can and I will say that it is \$425,000. I notice that London Economics was paid about \$1.3m in the last financial year. These are the same people who did the report for the New South Wales electricity industry; is that correct? "Yes" or "no"?

Mr GILMORE: I do not know that. I will ask Steve whether they did that job.

Mr EDWELL: They did some consulting, but I do not think they did the report.

Mr McGRADY: My understanding is that they did a lot of work for New South Wales as did Peter Garlick. In view of the amounts of money which you paid them last year and given that you will probably be paying the same people another large sum of money next year, I suggest that you go to the New South Wales Parliamentary Library, check their report and see whether it could be implemented here. That would be a lot cheaper.

Mr GILMORE: I am sure that that is your approach to life: go to the local library and find out how to run things. Sadly, and I think probably beneficially for the people of Queensland, we have a slightly different approach to the world. We are going to get it right. We will not refer to the Parliamentary Library to tell us how to run the electricity industry or how to restructure it. In terms of London Economics—they have the job because they are regarded as the most competent people to do that work. They have done a considerable amount of consulting at the task force level in doing some of the quite considerable economic modelling that was done as part of that task force report—indeed, that was the basis of the task force report—and they are continuing that work now. I am more than comfortable with the quality of the work that they are doing and with the speed with which they are doing it. It is simply beyond belief the amount of work, the structures that have been put in place, the competence of the modelling—all of those things that are coming together in the Queensland electricity industry to the absolute fascination of the rest of the world. Not only in Australia but also overseas people simply cannot believe the speed with which it is being done. And it is certainly being done at considerably lesser cost than was the case in other jurisdictions, and in about half the time.

Mr McGRADY: Just one further question on consultancies. In the questions on notice, you stated that all the consultants had been engaged as per the normal procedures. Could you tell me whether the contracts for Mr Garlick and London Economics and also Mr Anderson were advertised in the normal way, or did you just give—

Mr GILMORE: No, I can't tell you that answer, but I will pass it over to somebody who can.

Mr EDWELL: The contracts for Professor Anderson and Mr Garlick were not advertised. Their role was essentially one of continuing the work that had been undertaken in the task force, of which they were both members. Who was the other person you mentioned?

Mr McGRADY: London Economics.

Mr EDWELL: London Economics have a number of contracts with us. One of those contracts was advertised and they won that on a competitive tender, and that was the basis for the other contracts that they have undertaken.

Mr McGRADY: Minister, why did you say in your answer to the question on notice that it went through the normal channels?

Mr GILMORE: Of course it did.

Mr McGRADY: It did not.

Mr GILMORE: Sorry?

Mr McGRADY: Obviously it did not.

Mr GILMORE: That is not true. The State Purchasing Policy has some flexibility built into it for particular reasons. You can do certain things within the structure of the policy.

Mr McGRADY: For matters of urgency.

Mr GILMORE: No, there are a number of issues.

Mr McGRADY: We had this discussion last year.

Mr GILMORE: Let us just cover those. Hold on. It is my turn to answer. Mike, just cover those areas of the State Purchasing Policy where variations are allowed, please.

Mr MONTEFIORE: My understanding is that urgency, as was just mentioned by Mr McGrady, is indeed a reason for the Minister or the Director-General deeming it expedient that a competitive process not be followed. There are other reasons, such as prior work, which make it more efficient to use somebody who already has done work in the area. For example, as part of their previous work, London Economics had built up an expensive and unique computer model of the Queensland generating system which provides the wherewithal to model different competitive scenarios, different supply/demand balances, different sizes of interconnection interstate and so forth. In that sort of situation it is more efficient to add on for that person another task rather than to engage somebody else who has to build up that basic proprietary model from scratch.

Mr McGRADY: In the case of Mr Peter Garlick, is that the reason why his payment was split up into two figures of \$54,000 and \$67,000—to overcome the problems you have just outlined?

Mr GILMORE: I am advised that there were two lots of work. One was with the task force, and that was prior to the announcement of the task force report in December 1996, and the rest is work that is being carried out for QERU, which is the implementation organisation. So essentially there are two—

Mr McGRADY: So you have not split the figure up to overcome the purchasing policy?

Mr GILMORE: No, there are two separate tasks, but Steve can answer that further.

Mr EDWELL: No, that is right. There have been two contracts, one to Mr Garlick as a member of the task force and another one as an adviser on specific projects to QERU.

Mr McGRADY: Minister, we may come back to that shortly, but meanwhile, Westlink.

Mr GILMORE: It is called the interconnector.

Mr McGRADY: We call it many things. It used to be called Eastlink. It is the same thing, as you have just admitted. Minister, could you tell the Committee what the real difference is between Westlink and Eastlink, the extra cost involved to the taxpayers of Queensland, the length of time it is going to take to have this project completed as opposed to what would have happened had Eastlink gone ahead, and how you can justify all the nonsense that went on prior to your Government assuming office and now have the brazen face to come before the people of Queensland with exactly the same project under a different name? How can you face this Committee 12 months later?

Mr GILMORE: In answer to the last part of your question—very easily indeed. I am more than comfortable with the current route of the interconnector that has been chosen. You will note that the proposed 2-kilometre wide corridor for further study was announced a few days ago.

Mr McGRADY: Did you have much consultation on that?

Mr GILMORE: Let me answer the question. You have already asked it, but if you would like to continue to talk through the three minutes, it is fine with me.

Mr McGRADY: Sir Robert Sparkes does not seem to agree with you.

Mr GILMORE: Let me just say this: the total cost of the interconnector in New South Wales and Queensland will be between \$350m and \$450m. I understand that the estimated cost of Eastlink was about \$300m. So there is between a \$50m and \$150m difference in cost.

Mr McGRADY: My question was: how much extra is it going to cost the people of Queensland? Forget New South Wales.

The CHAIRMAN: Order! The Minister has just basically given you an answer to that.

Mr GILMORE: The answer is that between the two of us—and I cannot give you a breakdown because I do not have it here—

Mr McGRADY: Well, you should. Point of order, Mr Chairman. I was given a breakdown by your officers two weeks ago of what it was going to cost.

Mr GILMORE: Why are you asking the question if you have all the answers?

Mr McGRADY: I just want you to confirm it before the Parliament.

Mr GILMORE: I do not have a problem with that. The answer that you got was confirmed before the Parliament because it is in the record of the Parliament, but in any case, let me just say this: the interconnector as currently structured, as we promised prior to the election, is going through predominantly Crown land, that is, the forest areas north of Texas—

Mr McGRADY: That is not true, 100 properties will be affected.

The CHAIRMAN: Order! The member will let the Minister answer the question.

Mr GILMORE: I am more than happy to if I do not get interrupted again, Mr Chairman. It is going predominantly through Crown land. Wherever it was possible to go through Crown land, we have chosen to do so. The border crossing area was negotiated between Queensland and New South Wales. We have had enormous cooperation. The estimated capital cost is \$242m for Queensland and \$142m for New South Wales. The benefit of the current interconnector is that it is strategically placed to give Queensland the best possible opportunity to construct power stations and mines for the quite deliberate purpose of exporting power into New South Wales. The benefits to Queensland are multifaceted in so far as we get a major new power station to underwrite the electricity industry in this State—our grid—so that there is sufficient generating capacity into the future—we have no concerns about that—certainly sufficient generating capacity to make a meaningful market, a competitive market.

The coal measures of the Darling Downs and the Surat Basin—there are currently 4 billion tonnes of coal lying there underutilised. They have been prospected for a power station for a long time. We are not picking winners and losers; we are simply saying that the power line that we are constructing between New South Wales and Queensland provides opportunities for private enterprise to get in there and build this power station, the mines and associated works—billions of dollars worth of funds which were not available had we continued with the original Eastlink proposal, which went from the border crossing in an easterly direction across small properties, across farming land and other things. Certainly this new interconnector will cross approximately 100 properties—we do not know that yet. To the greater part, though, we are being—

The CHAIRMAN: Do you want an extension of time?

Mr McGRADY: No, the Minister is answering my point. It is going to cost the people of Queensland many millions of dollars more—

Mr GILMORE: To the very great benefit of the people of Queensland.

Mr McGRADY: Have you, any officer of your department or the electricity industry received any representations from any Government member of Parliament with a view to changing the corridor from the original Westlink proposal which was announced? If so, what action was taken?

Mr GILMORE: Could I just get clarification? You said the "original Westlink proposal which was announced". When was that announced?

Mr McGRADY: My question is: has any Government member of Parliament approached either yourself, your office or any senior member of the electricity industry?

The CHAIRMAN: I would have thought that that was confidential information. You can ask the Minister—

Mr GILMORE: I am happy to answer it, but I am not quite sure which proposal you are talking about.

Mr McGRADY: With a request to change the corridor for the proposed route of Westlink.

Mr GILMORE: The interconnector route was only announced a week ago. There has been no change. Which original route are you talking about?

Mr McGRADY: You know and I know that the proposed corridor has been floating around for a number of weeks. I am asking you: has any Government member of Parliament or any senior officer of the electricity industry approached you or your office with a view to changing the corridor?

Mr GILMORE: Let me just go back. Can I have sufficient time to answer this because it is a complex question? I think we are talking about two separate things.

Mr SCHWARTEN: "Yes" or "no" will do.

Mr GILMORE: Some months ago there was a proposal to cross the border from the Beardie substation. It was the original crossing point for the Eastlink route. I was approached at that time by the member for Warwick, Lawrence Springborg, who said he was unhappy with that particular border crossing point. At that time we had some further discussions. I had some discussions with the New South Wales Government. It was more than happy to reconsider the situation and it has been very cooperative with that. We have negotiated a border crossing which indeed is a better border crossing point. We are more than comfortable with that. Since that point, my officers have had negotiations with a number of land-holders in the area. Certainly all of the councils have been involved. Of course it has been out there. We have been negotiating and discussing it.

Mr McGRADY: What you are saying—

Mr GILMORE: I have not finished yet. In terms of this current proposal, to my knowledge there have been no approaches by anybody because, once it was put out there, it is our preferred route. It carefully goes across wherever possible—

Mr McGRADY: You are referring—

Mr GILMORE: I am answering the question—across large blocks of land. If we have to go across private land at all, we are going to go across large portions of land so that that minimises the cost associated with farming operations and those sorts of things. Wherever we can we will use creek lines, border fences and whatever else to minimise inconvenience to people. Of course we are going to

cross private land. That is the nature of the business. You cannot build a power station in this State at the present time without crossing private land. More is the pity, but that is the way it is. Therein lies the answer.

Mr McGRADY: What you are saying in essence is—

The CHAIRMAN: Is this another question or a supplementary?

Mr McGRADY: No, we may come back to that if time permits.

The CHAIRMAN: Your time is up. Do you want to come back to that?

Mr McGRADY: No, next session.

The CHAIRMAN: Minister, I noted from the Ministerial Program Statements that funds have been provided for the department for restructuring of the mines inspectorate following the Moura inquiry. I realise that you have talked about this before. What stage is the implementation of the other recommendations of this inquiry at? You might just give a brief answer to that perhaps in spite of what you said before.

Mr GILMORE: As you said, we have covered some of this. It behoves us all to just reiterate the situation in terms of the Moura inquiry—the disaster at Moura and the subsequent inquiry and the recommendations to come from that inquiry. The previous Government gave an absolute commitment to fulfil the recommendations of that inquiry in so far as there had been a previous mine disaster. I think it was in 1986, was it not, when the previous report was made. During all that period of time, nothing had been done in terms of fulfilling the obligations of that Government and, therefore by inference the obligations of industry to make the mining workplace the safest in the world. That is what we are all about. I think it was a matter of great embarrassment to the whole of the community when Mr Wyndridge said, "This is ridiculous; we have had disaster after disaster and report after report and nothing is being done. Governments are not acting in good faith in this regard." We took it upon ourselves to ensure that this time we did act in good faith, that we did fulfil the obligations in terms of unitisation and changes to the inspectorate—all of those things. We are doing those things.

Let me just say at this juncture—and I think it is important that it be said in public, particularly in the Parliament—that the fulfilling of Government obligations and mining industry obligations in terms of the warden's report is only the first step in a long, long journey. It is my view that once we drive a peg in the sand and say, "It has been done; we are finished with the Moura thing", we can then the very next day start looking at how we can make mine safety even better. We simply cannot take this document as biblical and say, "We have done very well, haven't we?" and the next day we will kill some more. I cannot tolerate that and I do not believe that anybody in this Parliament ought to be asked to tolerate that.

I just wanted to take the opportunity to reiterate that the industry in this State is absolutely committed

to the furtherance of safety in the mine workplace and this Government is equally committed. I think that that is a sufficiently strident response to the question, but it is one that had to be made.

Mr RADKE: On page 10 of the MPS, reference is made to the Pacific Resource Information Centre, or PRINCE. What is that centre and what are the intended outcomes for this project?

Mr GILMORE: The PRINCE, the Pacific Resource Information Centre, is a dandy thing; it really is a dandy thing. It is providing great information to the petroleum industry for exploration and so on. I will refer to some notes so that we get a comprehensive response. I think it is worthy of that. The Pacific Resource Information Centre is a facility for the efficient storage, retrieval and manipulation of geological data. It is being established at the Exploration Data Centre operated by my department at Zillmere and the Queensland Centre of Advanced Technologies operated by the CSIRO at Pinjarra Hills. The project is a joint venture between CSIRO and my department and is subject to a business plan and a joint venture agreement between the parties. PRINCE is already providing an efficient and cost-effective service for maintaining and manipulating geophysical data, giving industry improved access to both raw and processed data. This data is a vital aid to future exploration and, properly managed, can help attract additional exploration investment in Queensland.

PRINCE is receiving attention from the Australian and the international exploration industries, and future efforts will be directed to attracting explorers to the State by offering them rapid access to high quality data. The major activities planned for 1997-98 are the completion of transcription of existing data to the new high density format, and the establishment of PRINCE as a full business entity. PRINCE will also be more widely advertised. It is important that we talk about that because it is business entity. It is going to be providing on a cost-for-service basis the high quality data that I have previously addressed.

Just by way of explanation, the kind of data that is being put into this information centre is the response of years and years of seismic work that has been done by the oil and gas industries across the State. All of this information is now computerised and put into a central data bank so that people who are interested in exploration for petroleum products in the State can go and pull up the data in an easily retrieved and easily digestible manner. Then they can switch that across to their own information that they are retrieving from their own studies. They can also identify hot spots for possible exploration using new technology. It is a very good system; it is a good process and it is one that we are very pleased about indeed.

Mr MALONE: Minister, on page 187 of Budget Paper No. 1, reference is made to funds provided for the promotion of the Queensland mining industry in Australia and overseas. Could you detail what form that promotion might take, and have any additional funds been allocated in the 1997-98 budget?

Mr GILMORE: We are talking about the QTHERM project here. It was set up to promote greater awareness in the international and domestic marketplaces of Queensland thermal coals. In that sense, it is a very important marketing tool. I think that members of the Committee would be aware that there is a bit of a glut of thermal coals around the world at the present time and that prices are depressed. But that does not mean that we ought not take the marketplace head on and make sure that, if there are any thermal coal sales at all, they ought to be of Queensland thermal coal. That is what the QTHERM project was all about in the first instance. The project was originally scheduled to finish in June 1997. In this budget we have extended it to 1999 or 2000, with a budget of \$600,000 for a further three years to make sure that we get it right and that all of that is put in place.

Just by way of explanation—we have about 21 billion tonnes of thermal coal. That is the resources of Queensland. So it is not a penny ante game that we are playing here. If you multiply 21 billion tonnes by the current market price of coal, let me tell you, it comes to a lot of money. So I think that extending the budget allocation for QTHERM in this year and the next couple of years is a very good investment in the coal industry and in Queensland, and the jobs that it produces not only at the coalface but in railways, ports and service industries. It is a very good initiative.

The CHAIRMAN: On page 10 of the Ministerial Program Statements reference is made to commercial activities at the Safety in Mines Testing and Research Station, SIMTARS. What sort of activities are included in the commercial activities of this body?

Mr GILMORE: As I said earlier, SIMTARS is one of Australia's very few nationally or internationally accredited laboratories. It provides a quite considerable service to the mining industry and to other people who might be interested in getting particular work done by way of contractual work. We are trying to get the amount of private funding by way of service and sales of service to increase, so that it becomes more and more self-reliant. It provides specialist expertise and facilities on a user-pays basis, as I said. This year, the focus is placed on the expansion of recently introduced services relating to risk management and dust explosibility testing. The introduction of a mobile gas laboratory has also been very well received by clients. That means that if there is a problem in a mine, we can have on site a mobile laboratory which is fully equipped and, indeed, linked back to Brisbane, very, very quickly. So we can provide a hands-on, site specific service.

There is a Mackay-based branch of SIMTARS as well, which was opened in August 1996. It has resulted in very good business growth, that is, in terms of money received by SIMTARS, and an improved level of service to clients in central Queensland and, I think, an even greater acceptance of the service provided by SIMTARS. I think that is very important. So SIMTARS is, and will remain into the future, probably the ultimate mine safety

organisation in so far as it provides all of these very, very specialist services in the mining industry.

Mr RADKE: On page 6 of the MPS, quite a number of rehabilitation projects are mentioned. Where will the department focus its attention in 1997-98 in terms of mine site rehabilitation?

Mr GILMORE: I spoke earlier about some of this—about Charters Towers, Croydon and Horn Island. In this year we are going to be focusing, of course, on those particular areas. I said earlier that I was in Charters Towers recently and had a look at it. The work is proceeding and going very well. I am very happy with that.

Horn Island is an issue of some concern to me in that the rehabilitative work started some years ago. I think there was some rather good work there. A couple of million dollars were spent there rehabilitating that mine site. The need for rehabilitation up there is something of an indictment on past practice. It is a great pity that what happened up there did. But nonetheless, that is now history. At the end of the rehabilitative cycle up there, the council indicated that it wanted the rock pile so that it could crush it for road gravel and so forth. Since that time, they have indicated that they are no longer interested. On my most recent visit to the Horn Island mine site, it was quite clear that there is acid drainage there. The sulphides—you can smell them as you walk onto the rock pile. So we are going to be looking at Horn Island as a matter of some urgency. I expect that we will be doing that next year.

In terms of the Croydon mine—there is very great concern about the slimes dam at Croydon. When it rains, it overflows down a mine shaft. I am quite sure that there are some serious concerns about what that is doing to the underground aquifer in that area. So we will be spending quite a bit of money over the ensuing years on that. There has already been a lot of work done along with studies of that. In fact, \$216,000 will go into the rehabilitation study at Croydon. That is very important indeed.

There are other areas such as Mount Morgan. I recently visited there and had a look at the potential for pollution of the Dee River—the pump-back option. There is \$400,000 in the budget this year: \$200,000 for the pump-back and \$200,000 for extra studies. So we have to get the science right in terms of Mount Morgan. But I think that the most important thing we can do in Mount Morgan is to find another ore body there. If we could do that, we would find ourselves in a situation where a mining operation, in combination with Government activity, could come up with a far better outcome than we have there. Not that I am belly-aching too much about what has happened at Mount Morgan, because it has a history going back to 1882, or thereabouts, and in those days mining practice did not come anywhere near paralleling mining practices of today and certainly not environmental compliance and those sorts of things.

The Ibis dam at Irvinebank was fully fixed up this year at some considerable expense. It cost a little more than we had anticipated. We raised the dam. It is now secure. It is not going to wash away. It is a bit sad, actually. That was the untouched work

of John Moffatt. Sadly, we had to put a concrete coat over the top of it just to save it from washing away, so that was a shame. Agricola, of course, is completed, and we are doing some more work in Charters Towers with the old dumps. So that is being tidied up. It is a very good program and one that is going to be ongoing for a number of years.

Mr RADKE: Minister, on page 15 of the Ministerial Program Statements reference is made to the Solar Hot Water Rebate Scheme. What has been the take-up rate of the scheme, and does the scheme finish on 30 June 1997?

Mr GILMORE: The Solar Hot Water Rebate Scheme was an initiative of the previous Government. We carried it on as a policy initiative, because I thought it was a very good scheme at the time. It was never intended—at least I do not think so, and it certainly was not intended in my mind—as being a continuing program where we pumped \$1.8m a year as a direct subsidy into the solar hot water industry. Nonetheless, the scheme itself has been well regarded, and as a result of this scheme there has been quite a considerable increase in the number of solar hot water units that have been sold in Queensland. As I understand it, to date the following rebates have been paid: 1,748 rebates of \$500; 490 rebates of \$300; and 162 rebates of \$100.

When I came to this job, I determined that the way it was being administered in the past was somewhat discriminatory against people who had previously bought solar hot water systems. They had really led the way; they were the pioneers in the industry. And when it came to refurbishing their equipment or putting up new panels, they could see the bloke next door putting a new machine on his roof, and he was getting \$500 as a rebate from the Government. Having been there for 20 years, they were putting new panels on the roof, and all of a sudden they found that they were paying the full price. So we changed that around a bit. As I said, it was never intended in my mind to be a continuing subsidy. It has been worth while. It has got the industry a very high public profile. It has been a worthwhile exercise, but it is coming to an end. It will come to an end when the funds run out later this year. We cannot predict exactly when it will run out. There are still several hundred thousand dollars in the kitty. That is being taken up—

The CHAIRMAN: Does that mean it will extend past 30 June?

Mr GILMORE: It will extend until we run out of funds.

The CHAIRMAN: Are people still able to get \$500 if they put a completely new one on the roof?

Mr GILMORE: It provides \$500 for installing a new two-panel system, \$500 for replacing an existing two-panel system with a new two-panel system, a \$300 rebate for installing a new one-panel system and \$300 rebate for replacing an existing one-panel system. There is \$100 for replacing a tank. It is coming to an end. It simply had to. Governments cannot continue to subsidise industries forever. They give them a kick-start, an opportunity to get out into the marketplace. I think we have done that. I

have recently had discussions with operatives in the industry. They understand and they are very thankful for the process that we have gone through.

The CHAIRMAN: Page 6 of the Ministerial Program Statements includes reference to the environmental protection policy for mining and petroleum. What progress has been made on development of that policy?

Mr GILMORE: Thank you very much for that question, because it is an important one to the mining industry. The mining industry came to me as Minister. They said, "We believe that we really ought to have an EPP for mining and petroleum." They felt that over the years they had been wrongly accused of environmental non-compliance and those sorts of things. Of course, there were occasions when the accusations were absolutely accurate. Nonetheless, the mining industry recognised that there was a need to move forward in this thing, that the environment is real, that it will not go away and we certainly do not want to destroy it. They came to me. They were the first industry in this State to seek the development of an EPP. That demonstrates some of their determination to be seen to be up front, leading the pack and getting it done.

My department is assisting the Department of Environment in the development of the EPP. Of course, that is under the auspices of the Environmental Protection Act. Cabinet initiated the formal process in May 1996. That is going back a fair way now. It is moving on very well. Following receipt of about 150 public submissions, a 27-member stakeholder consultative committee was convened to provide advice on development of the first draft of the EPP. Meetings of five working groups established by the policy steering committee commenced on 30 January 1997. They are focusing on environmental impact assessments and management, regulatory systems, abandoned mines, communication, research and performance measures. The first draft of the EPP should be completed by June 1997, which I am very pleased about. It will be submitted to Cabinet in time for public release by September 1997. It is anticipated that the EPP will be finalised in March 1998.

Having an EPP with all of the important stakeholders involved—that is, the environmental groups, community groups, the mining council and anybody else who wanted to take part; it is a very large committee of 27 people—at the end of the day means that everybody will have signed off on a code of practice for mining in this State. That is very important indeed, because in terms of the department that will make the management of the mining industry's environmental compliance easier. In terms of the mining industry itself, it will know exactly what is required of it. In terms of the environmental groups that have been involved in that process, they will be able to know that the mining industry is on top of the issues and is doing the right thing for the community of Queensland. It is a great process and one that I think will stand Queensland in very, very good stead as we further develop the mining industry over the next number of years.

The CHAIRMAN: We have expended the time for questions from Government members. Instead of

starting the next group of questions from non-Government members, we will break a fraction early for morning tea.

Sitting suspended from 10.05 a.m. to 10.18 a.m.

The CHAIRMAN: We commence again with non-Government members.

Mr McGRADY: I refer to the Premier's announcement that \$1.5m would be spent in sending a number of public servants overseas to study. Do you agree with this policy? Will any of the public servants from your department be involved in that process?

Mr GILMORE: Of course I agree with the policy; it went through Cabinet and I am more than happy to support it. I have no idea of where the body of bureaucrats will be drawn from. I have no preknowledge of that at all, but I certainly support the initiative.

Mr McGRADY: Could you advise the Committee how the \$2.9m in consultancy fees will be broken up in the next financial year?

Mr GILMORE: That is consultancy fees to where?

Mr McGRADY: For the electricity industry.

Mr GILMORE: Steve Edwell, would you care to answer that?

Mr EDWELL: These are budgets, so there is some flexibility built in, but it provides for additional work by London Economics to the tune of \$1.4m, consultancy to further undertake our financial modelling of about \$240,000, consultancy by Green and Associates in respect of financial taxation advice—

Mr McGRADY: How much is that for?

Mr EDWELL: \$200,000. A further \$200,000 has been allocated in respect of a consultancy to establish the interim market and progress Queensland's entry to the national market. Two smaller consultancies—one of them relating to specialist taxation accounting advice by Ernst & Young and general consultancy advice by Fay Richwhite, which continues the work that they have done in the task force report. Work by legal advisers in respect of legislation necessary to implement the reforms—two consultancies there to a total \$340,000. Work by Coopers and Lybrand in respect of the opening balance sheets for the new corporations—\$65,000—and a continuing role by Professor Don Anderson, which for the full year 1997-98, if engaged, would be \$425,000.

Mr McGRADY: Touche. Minister, before you were saying that you did not know how much Professor Anderson was going to be paid. You said his contract expired in December. Yet when I told you that there was a figure of \$425,000 in the budget, you had some reservations about that figure. What we are being told now is that there is \$425,000 in the budget allocated for Professor Anderson. So it is safe to assume that he will have his contract extended beyond December—exactly what I was saying in the early part of these hearings. So you have confirmed that now. Why was this Committee not told that there was \$425,000 in the budget as per my question?

Mr GILMORE: You were not told because I simply did not know at the time. We have now got the advice. There are no secrets in this job. We have now got the advice from the table.

Mr McGRADY: With all due respect, it would have been a secret if I had not fished it out. I go back to Eastlink/Westlink. There was a task force set up which consisted of your department, the Local Government Association and other people to look at the health implications of transmission lines. Can you tell me if that task force has met, on how many occasions it has met, what the recommendations are of that task force, and comment on the public comments by the Mayor of Wambo Shire and also Sir Robert Sparkes?

Mr GILMORE: The task force to which you refer was set up with the quite specific responsibility to report on the appropriateness of electricity transmission easement widths in Queensland with suggestions to assist local government authorities in dealing with the development of applications for land in the vicinity of high voltage transmission lines based on electromagnetic field considerations.

Might I just go back to a couple of the major transmission lines which were put in place by the previous Government. Blackwall to Springdale is one, anyway, to which I will refer. Since that time, the people have been compensated for the loss of their land by way of the easement across their land. A number of things have happened which have caused everybody in the electricity industry grave concern. First of all, there was a person who did some subdivision out there and offered to do free legals. Sadly, some of those people took him up on that. They were never told that there was an easement across their land. They purchased land with an easement across it and they continue to be very unhappy about that. It is very much "let the buyer beware" in this world. It is a tough old world. Nonetheless, I believe that those actions were quite improper.

That has left me a legacy of people who have houses that are now constructed very close to the easement. In fact, one is constructed on the easement. Somehow or another we have to resolve some of these outstanding difficulties. They are to do with local government planning issues and certainly the probity of subdivisions and the probity of the actions of subdividers—those sorts of people. Having discovered that and having some other concerns around the State with local government not having a set of rules, not having any advice on how wide an easement ought to be and putting things into their town planning arrangements which indicated that an easement had to be 90 metres wide when clearly the science indicated that 40 or 50 metres was more than sufficient, we have put this task force together to report on the appropriateness of electricity transmission easement widths. I think that is a very important report which is going to provide this advice to local governments so that they can go about, in the first instance, appropriate town planning measures in terms of easement widths; and, secondly, in terms of allowing subdivisions, the building of houses and sheds close to power line

easements and those kinds of things. It really needs a Statewide brief. That is what we have set out to do with that.

Mr McGRADY: So what you are saying is that there are health hazards with Labor transmission lines but there are no health hazards with coalition ones.

Mr GILMORE: I will take that as the next question.

Mr McGRADY: No, you will not, with all due respect.

Mr GILMORE: Yes, I will take that as the next question.

Mr McGRADY: That is fine.

Mr GILMORE: Of course, that is entirely untrue. It is a fatuous statement and it is one that I think is unworthy. Nonetheless—

Mr McGRADY: You paraded up and down the State making those allegations two years ago.

Mr GILMORE: Mr Chairman, should I continue?

The CHAIRMAN: Yes, if you wish to answer that question.

Mr GILMORE: It is not a question of whether there are medical problems with power lines or not; it is a question of a policy of prudent avoidance. There is insufficient scientific evidence around the world to say that if you want your home—

Mr McGRADY: Why did you not say that at the time? Why did you not say that two years ago instead of agitating people?

Mr GILMORE: Are we going to debate this or am I going to answer the question?

The CHAIRMAN: Can we let the Minister answer, please.

Mr GILMORE: There is insufficient evidence to link EMF with health problems. Indeed, studies of people who work within substations and on power lines all of their lives have not indicated that there is any particular health disadvantage to those people. Nonetheless, Governments around the world are starting to say, "If there is a question, we cannot prove it yea or nay, but we will take the advice of people and simply prudently avoid the construction of schools under power lines and those sorts of things." Whether they are ALP power lines or whether they are current Government power lines, we simply say that we do not know. People have raised the question. It is a highly complex question that will be answered over the next millennia, I am sure. It may well come out that there is no disadvantage to people. Nonetheless, we are doing everything that we can to get a satisfactory distance between power line construction and homes that are there or not to allow new homes to be constructed closer than a certain amount just so that there is certainty in the system.

The CHAIRMAN: Thank you.

Mr McGRADY: Minister, in response to my question No. 20 on notice, you failed to answer the elements of the question relating to the annual cost of repaying the \$850m of new debt that you and

your Government imposed on the electricity industry and how this is going to be repaid. I am now taking the opportunity and accepting your invitation to ask questions on this issue. What will be the aggregate annual cost of repaying the \$850m in new debt? How will these repayments be paid for?

Mr GILMORE: I think the best way I can answer that is to hand over to Steve Edwell, who is expert in this thing, rather than myself so that we get it on the record. Steve, if you would not mind?

Mr EDWELL: The debt will be based at commercial interest rates. It will be debt that the industry will owe to the Queensland Treasury Corporation. Each of the corporations will have their credit rating assessed on competitively neutral terms. They will pay a rate of interest that a private sector business of the same commercial make-up would pay.

Mr McGRADY: Based on the current interest rates and the \$850m debt, how much will that cost?

Mr EDWELL: I cannot answer that offhand. I need to take it on notice.

Mr McGRADY: I place it on notice.

The CHAIRMAN: Yes.

Mr McGRADY: As the Minister for Energy in this State, during the pre-Budget discussions and deliberations what action, if any, did you take to stop your Treasurer and your Premier from plundering \$850m out of an industry which you are supposed to defend and promote?

Mr GILMORE: I took a very large bell and a red flag and I rushed up and down George Street.

Mr SCHWARTEN: Nude?

Mr GILMORE: I am sorry for trivialising the question. I suggest that Mr McGrady should have addressed this kind of question to the Treasurer; he had the opportunity.

Mr McGRADY: She told us to refer them to the Ministers, because she did not know.

Mr GILMORE: I wonder what action the member would have chosen me to take, rather than posing nude on the balcony.

Mr McGRADY: I would not suggest that. It would terrify the people on George Street!

Mr GILMORE: That would be far too scary, I am sure! These kinds of actions are whole-of-Government actions and they are part of the entire Budget strategy. Indeed, I am more than comfortable with the Budget strategy. I did not see that I needed to resign from Cabinet over something that was well thought through and quite appropriate.

Mr McGRADY: It may be well thought through, but you do not even know how much that decision is going to cost the ordinary battlers of Queensland.

Mr GILMORE: It will cost them nothing.

The CHAIRMAN: Would you like to ask the next question?

Mr McGRADY: That is the next question.

Mr GILMORE: It will cost them nothing.

Mr McGRADY: That is not true.

Mr GILMORE: I take that as the next question.

Mr McGRADY: I will rephrase it then. I asked: how much will it cost the industry to repay the money which was taken out of the industry? You said that you did not know. The point I am making is that, as the Minister responsible for the electricity industry, you did not know what it was going to cost your industry and, obviously, you sat back and allowed Mrs Sheldon to plunder \$850m out of an industry that all morning you have been claiming needs to be more competitive.

Mr GILMORE: Mr Chairman, if I might respond to that: I go back to the time when the Honourable Tony McGrady was Minister.

Mr McGRADY: The good days!

Mr GILMORE: At that time, the then Treasurer took \$1.3 billion out of the electricity industry.

Mr McGRADY: That is not true.

Mr GILMORE: I do not recall the then Minister rushing up and down George Street with a bell and a red flag. Nonetheless, that simply puts the whole thing into context.

As long as we have had an electricity industry, it has not made contributions to Government coffers. All of its profits have been ploughed back into the industry. That is one of the reasons why the electricity industry in Queensland has been so strong. Nonetheless, we are now going into this competitive electricity market, and we are going to have competitive neutrality because we simply cannot have a situation whereby private generators coming into the State are competing unfairly against Government owned generators which have access to balance sheets that are unreasonable in terms of the equity or interest charges because they are guaranteed by Government or supported in some other way. As we move into this system, it is perfectly reasonable for the electricity industry to make a contribution to the people of Queensland. After all, the people of Queensland own the electricity industry. The money has now gone from the electricity industry, which is owned by the Government, to Treasury where it will be turned into capital works around the State. That will be to the benefit of the people of Queensland. I do not see that there is a real problem with that.

As a consequence of all that, I think that the electricity industry will continue to serve us well as a highly competitive industry. That is the answer to the question, other than to say that it will not cost the individual battler, the punters on the street, anything. We are going into a competitive electricity market, we have a price cap in place already, and we have not increased the price of electricity in Queensland for two years. Quite simply, the question itself, firstly, presumes that somehow or other we are going to increase the price of electricity, not having done so for two years, because we suddenly have an urge to do so. That is not true. There is a cap on that which is widely publicised. Secondly, the rest of the question presumes that the competitive market will not work. Of course, the competitive market is being put in place very carefully to do what it has done in

Victoria and New South Wales. Indeed, I noticed that the other day the Leader of the Opposition stated that we have the cheapest electricity in the country. That is not so. We have to get back to being competitive because we cannot do otherwise.

Mr McGRADY: How office changes people! I recall in 1992 when the Minister was screaming, ranting and raving because we took—

Mr GILMORE: Is this another question?

Mr McGRADY: No, it is not. I refer to the restructure of the power industry. Can the Minister inform the Committee of the number of retrenchments or job losses that have occurred in the regional electricity boards? What does he anticipate the total number of job losses will be in the whole of the electricity industry as a result of his restructuring? Could he also confirm or deny that the NORQEB office in Richmond is to close down?

Mr GILMORE: That is a three-part question and we might take it as three questions. I will get some briefing on that. Sadly, I do not have the numbers of persons who might have left the electricity industry at distribution board level in the last 12 months, although I do have some numbers which I am more than happy to give to the Committee.

Mr McGRADY: It does not matter; the industry in general.

Mr GILMORE: Clearly, AUSTA will need more people. In FNQEC, there have been redundancies from 1 July 1996 to 20 June 1997. FNQEC, 32; NORQEB, 22; MEC, 0; CEC 43, Wide Bay, 0; Southwest, 27; SEQEB, 233; QETC—that is, Powerlink—13; and QTSC, 0. To June of 1997, there are 370. The total cost of redundancies is \$18m, with the original budget being \$2.7m in respect of that.

The process for redundancies in the distribution board areas was begun during the time of the previous Minister. Over the last three years, the distribution boards have undertaken quite considerable advances in efficiency. That had and has nothing to do with the current changes in the electricity industry. It was simply a recognition at board level that something had to be done, because they were inefficient. Benchmarking exercises of similar utilities from around the world showed that they were getting further and further behind the eight ball. The previous Minister took this up and agreed that efficiencies had to be made and that there ought to be restructuring within the boards. Indeed, there was a considerable joint effort in terms of getting things right. There have been some redundancies in that regard, but they are happening as a matter of course and have nothing to do with the current electricity industry restructure.

The CHAIRMAN: The time for questioning by Government members has expired. Earlier a question was put on notice. We are quite happy for that question to be answered in our time.

Mr GILMORE: With the approval of the Committee, I would ask Mr Peter Dent, who heads up the Safety and Health Division in my department, to come to the table to respond to that question.

Mr DENT: The district workers' representatives, of which there are four in the State, are appointed under the Mines Regulation Act 1965 and, as such, are not public servants. They were not considered accordingly in the review of the Mines and Energy Inspectorate which emerged out of Moura in 1994. There are four such representatives—Mount Isa, Mareeba, Rockhampton and Southern. Any opportunity to review their role could be considered in, say, the review of the legislation which is currently being undertaken by a tripartite committee and which will be concluded over the next 12 months.

Mr McGRADY: Peter said that that could be reviewed by the tripartite committee. Is the Australian Workers Union involved on that tripartite committee?

Mr DENT: Yes.

Mr GILMORE: I wish to clarify something in relation to the question about the EPP for mining and petroleum. I gave some figures that were wrong. The first draft has been completed. It should be with Cabinet by November and released publicly by January of next year.

Mr RADKE: On page 4 of the MPS, mention is made of revenue raised through storage fees from Government explosives reserves. How many reserves are there in Queensland and how much revenue is raised from the operation of those reserves?

Mr GILMORE: The explosives reserves are one of the great success stories of the Department of Mines and Energy. There are a number of them around the State. They are based at Helidon, near Toowoomba; Bajool, south of Rockhampton; Brookhill, near Townsville; and Queerah, at Cairns. Those are the magazines within which we store all explosives for private industry. We are doing that on a cost-for-service basis. This year the revenue from providing those services will be \$420,000, as it was last year.

I have visited a couple of those reserves. They are run very professionally and, under this new regime, they have been adopted with some vigour by industry. Some industrial corporations now have their own magazines on these sites. They simply store their equipment there, they come and go, and we charge them a fee. I do not have the figure at hand. It is not a lot of money per box of explosives but, over the year, it adds up to quite a considerable amount. It provides a service to the mining industry and other industries in the State which utilise explosives. The magazines offer convenience, safety and absolute security for the storage of these products, and at a reasonable cost. That is a great win for the mining community in this State.

Mr MALONE: I note that page 9 of the Ministerial Program Statements indicates that native title has had a dramatic impact on the granting of mining leases and mineral development licences. Has the department's budget been adjusted to take account of the implications of native title?

Mr GILMORE: Yes, it has. Earlier this morning I indicated that native title funding has now gone to base budget simply because it is such an important

aspect of the work we do. The majority of lease renewals or lease issues that we deal with now have to go through the native title process. I believe all of them would have to go through a simple process to determine whether or not we can deal with them. Yes, we have a budget allocation which has now gone to base, and that is important. However, I wish to speak for a couple of minutes about the implementation of that Act and what it means in the department.

The implementation of the Commonwealth Native Title Act of 1993 in Queensland is integral to the department's core business of tenure administration and facilitation of projects. It involves the following: compilation of submissions to the Commonwealth and State Governments on the impact of legislation and the necessary amendments to the native title legislation of 1996-97; developing and monitoring procedures for native title under State mining legislation; establishing procedures with the legal branch of the Department of the Premier and Cabinet to facilitate the efficient administration of native title law and mining tenure; providing advice to clients on native title implications for mining and petroleum projects; and assisting with the facilitation of projects.

The Wik judgment of the High Court of 23 December raised the possibility of native title existing over most leasehold land in Queensland, that is, about 85% of the State, with the result that the right-to-negotiate process of the native title legislation is required for the granting of most new exploration and mining tenures in the State and possibly some renewals. The right-to-negotiate process is a complex and costly procedure to implement and there is no guarantee of success, as was clearly illustrated by the Century negotiations. Accordingly, the department has not commenced such negotiations except for one trial in the Georgetown district, that is, the Union Mining trial, pending negotiations for a review of the legislation with the Commonwealth. I do not think we can overemphasise the importance of native title in terms of the administration of my department. There have been some frustrations and concerns about it. Nonetheless, we are getting on with the job and doing it as efficiently and cost effectively as we possibly can.

The CHAIRMAN: In comparison with last year's MPS, this year's statements seem to indicate a greater emphasis on the energy side of the department. Could you please outline to the Committee the sorts of activities that the Energy Policy and Planning Subprogram is undertaking?

Mr GILMORE: Yes, I can. The Energy Policy and Planning Division provides a coordinated focus in the strategic plan of the State's energy resources as part of the Government's overall economic and social development strategy. Some of the issues that are currently being investigated by this division include: the implementation of a national gas market in Queensland—I wish I had an hour to tell you about that; contributing to the development of a Queensland position on the National Greenhouse Response Strategy and the National Sustainable

Energy Policy; addressing and advising on the community service obligation that should apply for the supply of energy to remote areas; identifying current and future supply/demand patterns taking account of the competitive electricity market reforms; and delineating areas for action, that is, threats and opportunities, whilst having regard to long-term energy policy goals and objectives, including maintainable energy supply and use; identifying, developing and facilitating relevant energy research and development activities and demand-side management and energy efficient actions to underpin national sustainable energy and greenhouse response objectives; facilitating the expansion of the State's energy infrastructure to underpin economic and regional development; and ensuring that energy objectives are consistent with and contribute to whole-of-Government policy development and implementation.

I quite deliberately read that brief into the Hansard record so that we had some clear understanding of the enormous role that this division of my department is taking on. It is my view, and I think that of most people around me, that energy is where the future lies. Those jurisdictions, communities and civilisations with access to the greatest volumes of the best priced energy are the ones that will survive and thrive into the next millennium. We are doing our absolute utmost to ensure that those procedures and processes are in place to make sure that we take full advantage of the benefits to be provided to our community by appropriately sourced energy.

Mr RADKE: On page 9 of the MPS reference is made to the impact that native title has had on the granting of mining leases. Why was the freeze imposed on the issue of leases?

Mr GILMORE: It is important that we understand the role that Government plays in administering the mining industry. There are two departments in Government that provide tenure leases of one kind or another—the Department of Natural Resources and the Department of Mines and Energy. There can be no question about the propriety of that process and there certainly can be no question that any lease that is ever issued can be qualified. These leases underpin our financial institutions. People own houses and they are on a title of land. That title of land must be unqualified so that, when they go to a bank and they mortgage the property, the bank knows exactly what it is mortgaging and who owns it. That is an important aspect in all of this. So it is with the mining industry and the petroleum industry.

During that period after the Wik decision, we had to come to some conclusions on how we might properly go about the business of issuing titles which were unqualified—which were unqualified, if you will—and for a period there was no clear future direction. Since that time, of course, we have gone through a process of putting in place a risk minimisation strategy where we determine what the underlying tenure is. If it is freehold, for instance, we know with absolute certainty that there is no native title underlying the lease, so we can proceed with

the lease. It does not matter whether it is a renewal or a new lease being granted; we can proceed with absolute certainty. The owner of the lease then is certain, so are his bankers certain, and the rest of the world is certain about that. But there are five parts to this thing where we say that under freehold we have absolute certainty, and there are other areas in the State where we have native title claims where we have absolute certainty that that is the situation and we cannot proceed with those. But it is simply a matter of probity, of process and getting it absolutely right.

I was not prepared, and my department was not prepared, to knowingly progress with the issue of titles which ultimately could be shown to be qualified or to be invalid. I might say something later, if I am fortunate enough to get a question, about invalidity of titles and the process since 1 January 1994, because therein lies the answer to the question: the number of leases which are potentially invalid because they did not go through the right to negotiate process. The previous Minister was processing lease applications the same way as we were when I first came to this job: on the understanding that we knew precisely what the Native Title Act meant. The Wik decision turned that on its head. We now no longer have a clear vision about that, and we will not until there is a resolution of the issues that have gone before the Commonwealth Government, and they are going to come back to us by way of the 10-point plan or whatever plan is finally released. So those are the reasons for that. It is matter of certainty and probity of Government process. We were not going to put people to further risk to their leases and tenures, especially sovereign risk, and I think that would have been an unreasonable way to progress.

Mr MALONE: Minister, by your own words, the native title situation is impacting strongly on the granting of mining leases. Could you detail the Government's strategy on granting tenure prior to a resolution by the Commonwealth of its position?

Mr GILMORE: I am pleased that this is a supplementary question to the previous one. I have the categories in front of me and I would like to go through them. As I said earlier, we have Category 1, which is land over which native title does not exist, that is, freehold title which was granted prior to January 1994, and there are certain leases that come into that category as well. Category 2 is land in respect of which native title is highly unlikely to exist, for example, extensively developed leasehold and roads, etc. Category 3 is land in respect of which existence of native title is likely not to exist. Category 4 is land in respect of which native title is likely to exist. Category 5 is land in respect of which a native title claim has already been made. So this is the risk minimisation strategy we have put in place to have a look at that and see how we can proceed. We have lifted the freeze on renewals as we follow this through following exhaustive legal analysis that the right to negotiate is not required for mining lease renewals. It was a very important principle, and nobody knew that. Having taken a quite considerable amount of advice on that, we have proceeded with that. In summary, I think it is fair to say that the

procedures examine the land over which the mining application has been made to determine whether native title is likely to exist on the basis of both land tenure and the use to which the land has been previously put, and where land tenure and/or the use suggest that native title has been extinguished then processing action may proceed. Of course, the corollary to that is that if it is determined that there may well be native title there or if a claim exists then we may not proceed.

The CHAIRMAN: On page 6 of the MPS the point is made that 86% of all exploration title applications and leases were affected by native title. How many applications for mining leases will be affected by the freeze on native title and how many of the leases already granted since 1 January 1994 are now invalid?

Mr GILMORE: Once again to carry on with the discussion on native title and the implications for the Queensland mining industry—there are currently 264 mining lease applications being assessed with respect to native title under procedures developed in response to the Wik decision and following the lifting of the freeze on those grants. The bulk of mining tenure applications will still be held up because they are in areas under native title claim or on leasehold land tenures where native title could still exist, and these would require the right to negotiate process, which is logistically impossible for any large number of applications. Having made that statement, I would like to clarify it. There were 4,601 tenures—that is, tenures which are subject to native title—between 1 January 1994 and 23 December 1996, and they are all affected by the decision. These are made up of—and I will read this into Hansard, because I think it is important—exploration permits, coal, minerals and petroleum, 1,271; mining leases, 576; mining claims, 194; mineral development licences, 48; petroleum leases, 26; petroleum pipeline leases, 8; and prospecting permits, 2,478. These are the tenures which are potentially invalid because none of them, either under the previous administration or under my administration, went through the right to negotiate process. We did not know that it was required until the Wik decision came down, and there was no reason for us to believe that it ought. I have made the statement that it would be very difficult to administer if we had to go through the right to negotiate process for all of those. Just imagine the cost, the manpower, the time involved with the advertising process, with the negotiation process, with determining who are legitimate claimants and who are not—how we might go about this business. It would be almost impossible. It would be an absolute nightmare. That is one of the reasons that we have pushed very hard for validation of these tenures—that is, up to 23 December—under this new three-point plan, as were the previous leases validated by the Native Title Act 1993. When it came into action on 1 January 1994, all previous actions in the mining industry were validated. Now we are seeking to have validation of this other gap of 4,500 leases or tenures of some kind which are sitting out there with potential invalidity.

Mr RADKE: On page 8 of the MPS you refer to a review of royalties regimes. Could you please

explain to the Committee whether you intend to reduce the royalties payable on Mareeba marble?

Mr GILMORE: Thank you very much for that question. Indeed I have reduced the royalty payable as from 1 July last year. There is a very good reason for that. The royalty on Mareeba marble was 10% of free on board value. It is an historical mistake. It was made a long, long time back when Vince Bellino with Anroma or one of his other marble mining corporations applied to have marble—as I understand it; forgive me if I am not exactly right on the technicalities—made a mineral under the Act and have it extracted from the Forestry Act. It was taken out as a quarry material and put under the MRA. At that time a decision was made to put a very large royalty on that marble. That was only marble contained within the Mareeba Shire. Marble that was mined in a neighbouring shire or anywhere else in Queensland was only paying 50c a tonne. We were paying 10% of the free on board value of the product.

Mr McGRADY: That could be poor representation.

Mr GILMORE: It may well have been. I was not the member at the time. I suspect that Bob Scott was the member at the time for this particular area. What it meant was that they were paying rates of between \$30 and \$50 a tonne in royalties on this marble. It was seriously restricting the development of the industry. It was an anachronism. It was wrong. Having received delegations or representations from a number of people, I chose to make the royalty change. I have not got the number here in terms of what it actually cost the Queensland Treasury but I think it was a handful of dollars. It was the threat that was the problem in terms of the future development of the industry, so it just simply had to be done. I am very pleased that we have now brought it back in line with other dimensions of stone and building products in the State.

Mr SCHWARTEN: Although there are blocks of marble that are just sitting there—

Mr GILMORE: They are actually starting to move. I am very pleased about that. A lot of it is being crushed also for other marble products—for reconstituted marble products.

The CHAIRMAN: The time for Government questions has expired. I call non-Government members.

Mr McGRADY: You stated just prior to the changeover of questions that last year 370 of our fellow Queenslanders were retrenched from the electricity supply industry, many of those in regional and remote Queensland. What do you anticipate the number to be next year? Also, can you confirm or deny that the retail outlet of NORQEB in Richmond will close down?

Mr GILMORE: Let me deal with the retail outlet at Richmond for a start. They are selling washing machines and stuff, are they? I have no idea about that in so far as NORQEB is responsible for that particular area. They run a fairly large retail operation, as you are aware, in their headquarters building in

Townsville. I understand that they also have one in Mount Isa. Is that NORQEB?

Mr McGRADY: No.

Mr GILMORE: They are entitled as a business to have these things. If they choose to close one down, that is their business. If they choose to continue to have one of these retail outlets operating, they must do so on a competitive neutrality basis.

Mr McGRADY: Which they do.

Mr GILMORE: Of course they do. If they choose to close down the one in Richmond, it clearly is not paying its way as a ring fenced organisation which is not cross-subsidised by the electricity industry. If it is not making money, they have no justification for providing that service against obviously somebody out there who wants to do it in private enterprise.

Mr McGRADY: The service was provided because there are no other retail outlets in the townships.

Mr GILMORE: I accept that, and I do not know the history of the thing. I wonder whether we should indeed start subsidising that service as a Government. I am not quite sure that the charter of these new corporations covers cross-subsidy. In fact, I have a note that says they are not aware of any closure. That is just by the bye.

You asked me the question about employment and loss of employment in the electricity industry. I cannot and I will not attempt to predict that. There are changes being made in the electricity industry. People will come; people will go. It is quite a traumatic change. Everybody is aware of that and I do not know what the outcome is going to be, whether the net gain in the changes in AUSTA is going to offset losses that might be somewhere else or whether indeed there might be net gains in the industry. I cannot predict that.

What I can say is that we are heading towards the development of a very competitive industry. The idea underlying that is to provide competitively priced electric energy to new and old industries in this State. We are going to get the new industries developing here and they will be creating far more employment in different sectors—real wealth creation sectors—than might or might not be lost or gained in the electricity industry. We believe we are on the right track to provide the best possible outcome for the people of Queensland both in terms of employment and wealth creation. That is the underlying premise of the whole of it.

Mr McGRADY: So you will not deny that you will reach that figure of 2,000 lost jobs in the industry that we have been forecasting?

Mr GILMORE: That is actually an interesting number. There have been a number of them. There was 750; there was 1,200; there was 1,600; and now you have come up with 2,000. All of them are quite startling numbers, I have to tell you.

Mr PALASZCZUK: They are frightening numbers.

Mr GILMORE: It is pretty scary stuff. I do not know what they are, so I cannot say "yes" or "no". I would not do that.

Mr McGRADY: You will not deny it?

Mr GILMORE: All I can say is that at the end of the day we are going to have a far better outcome in terms of employment right across the State.

Mr McGRADY: At what cost?

Mr PALASZCZUK: At what human cost?

Mr GILMORE: Let us presume something for one moment. I hate to go into these what-if type scenarios because it is likely to appear in the Courier-Mail, "The Minister says there are going to be 2,000 people lost." Let me just say: what if 2,000 people are lost in the electricity industry, considering the improvement in our State economy of 10,000 jobs or 5,000 jobs. In a net sense, that is pretty good going. The people that we have in electricity, let me assure you, are highly skilled, technically competent people. I would be satisfied that if there were some losses, they would be picked up somewhere else.

Mr McGRADY: I am sure that the Mayor of Roma would not agree with your comments. He is most concerned about the job losses already in his town.

Mr GILMORE: That may well be the case. As I said, I cannot predict that and I will not attempt to.

Mr McGRADY: We will go now to north of the Daintree. Is it true that residents who have received the \$15,000 RAPS subsidy will be required to refund the subsidy before you will allow them to receive the CSO subsidy to connect to the mains power scheme? If not, do you intend to subsidise them twice?

Mr GILMORE: I cannot remember the detail of that but I know that it ended up a bit of a boondoggle, if I may say so. I have a suspicion in the back of my mind that no, they will not have to refund that, particularly if they keep the equipment. Forgive me, it is some months since I have been across the issue.

Mr McGRADY: Can I put the question on notice?

Mr GILMORE: Of course you can. That is not a problem.

Mr McGRADY: You have consistently maintained that you will need approximately 600 of the 920 landowners of the area to sign up to make the mains power project viable. When I was the Minister, a campaign was launched to get people to write to the Minister in favour of mains power. Many of those letters came from New York, London, Washington—from all around the world. In relation to the survey which you are doing now which talks about the environment, do you think it is fair that people who are living in London, Rome or Washington who have simply purchased the land for a commercial investment should be allowed to participate in the survey on the environmental aspects of north of the Daintree?

Mr GILMORE: Given that those people who happen to live in London or Rio who have spent their

money for ownership of a freehold block of land in an area which, for whatever reason, does not have power, they have chosen to spend their money; they are therefore entitled, in my view, to have their views canvassed about whether they want power on their block of land. It is absolutely unfortunate that anybody would draw the conclusion that because somebody just happens to live in Sydney or Rio they have no valid mandate to say what it is that they want. After all, they have spent their money. Indeed, the document that was sent around recently was quite deliberately sent not only to property owners but also to people who live north of the Daintree who do not have any investment.

Mr McGRADY: Were the questions designed to give you the result you wanted?

Mr GILMORE: Let me just clarify that. The process that we are going through at the present time is a full EIS process as agreed between myself and Senator Robert Hill, and it is according to the Commonwealth statute. There is no question about the probity of this process. It has been put in place and the terms of reference, as I understand it, have been agreed. I think we are currently calling tenders—the FNQEB are the rival people—for somebody to carry out this EIS process. The survey that is currently being carried out is quite clearly part of that, and it is an agreed part of that. It is being carried out seeking the opinions of all of the players, but more particularly the people who have spent their money and own the land. I do not deny people who live in Mount Isa but happen to want to retire to the Daintree in the future the right to say whether they want power on their block when they finally retire there. That would be entirely improper.

Mr McGRADY: The point I was making is that question 4 of that survey directs the reader who expresses strong interest in having mains power connected to ignore all sections of the question dealing with environmental matters. The question there is saying that if you want mains power you are not interested in the environmental effects on the Daintree River.

Mr GILMORE: That does not mean they cannot fill it in.

Mr McGRADY: It does, and that is the point I am making.

Mr GILMORE: It does not at all.

Mr McGRADY: The other thing I would say is that I do not believe that people who are living in Rome, London or New York—

Mr GILMORE: Is this a statement or another a question?

Mr McGRADY:—do have a right to determine what happens in a unique part of this State.

Mr GILMORE: Since there has just been a statement made, I would like to respond to it. I ask the question: do you therefore believe that people who live in London, Rome and Zurich who write to me regularly and people who live in Sydney, Brisbane or other places ought to be able to influence whether we have power there or not because they profess to be particularly interested in

the environment? They are lobbying very hard that there be no power. Are we going to take their views into consideration on that?

Mr McGRADY: I think you are exaggerating—

Mr GILMORE: No, I am not.

Mr McGRADY: Because most of the correspondence I have received from people overseas was in favour of mains power, because they saw it as a gigantic windfall for them when they sold it off.

The CHAIRMAN: We have one minute to go. Do you want to ask another question?

Mr McGRADY: Yes. Minister, from memory, last year you said that you had budgeted \$30,000 for overseas travel for your department. I notice now that you spent \$81,000. Could you give me a breakdown on the difference between what you estimated and what you actually spent?

Mr GILMORE: I am quite sure that we have the detail here somewhere.

Mr McGRADY: The point of my question is: how can you estimate to spend \$50,000 or \$30,000, and at the end of the day you spend \$81,000?

Mr GILMORE: The 1996-97 budget is \$50,000. The actual was \$81,000. Our budget for 1997-98 is \$80,000.

Mr McGRADY: My question is: how can you be so far out?

Mr GILMORE: The increases are due to costs associated with travel which was not planned at the beginning of the financial year. Those trips included visits by SIMTARS staff and an officer associated with the PRINCE project who went overseas.

Mr McGRADY: Why did you not budget that last year? That is the point I am making.

Mr GILMORE: Why did we not?

Mr McGRADY: Yes. Your whole budget would be in total chaos—

The CHAIRMAN: Order! The Minister will answer the question.

Mr GILMORE: I am advised by my Director-General that these recommendations came out of the Moura inquiry. They were foisted on us as we went along.

Mr McGRADY: The point I am making is that the whole purpose of budgets is to estimate how much you are going to spend. It cannot be that far out. This is very small.

The CHAIRMAN: The time allocated for questions from non-Government members has expired. We will go to Government members to finish off the last minutes that are remaining. Minister, I refer further to page 13 regarding the interconnection with New South Wales. As it comes through my electorate and the adjoining electorate of Warwick, I would be interested in understanding just where we are at. I know we have discussed it already, but I would like to clarify some timings or whatever else you might be able to assist me with as

to when this will actually take place and some of the intricacies of it as they relate to my electorate.

Mr GILMORE: I think I mentioned earlier that the two-kilometre-wide study corridor was recently made public. Of course, it traverses the midst of your electorate. I am very pleased with the response we have got from your councils and the support we have received from yourself and other colleagues in respect of the way this thing is done. We anticipate that the final corridor will be agreed by—I saw a number on that, and I just want to make sure I get this right—1998. The final corridor will be approved then. The interconnector will be constructed and energised in 2001. That could be in the last quarter of 2001. So there will be a lot of activity over the next period.

In the first instance, there will be quite a considerable period of consultation with land-holders who may or may not be affected. Indeed, when this was announced on the 6th, packages were posted to all of the land-holders potentially affected in the two-kilometre-wide corridor. That package of information covered all sorts of things, like EMF, construction techniques, what it will look like, the height of the wires, what they are doing and the capacity of the line. So anybody who wanted to sit down for 15 minutes of an evening could very quickly get across the issues associated with it, so that at least when our people go and talk to them on the ground—and they will be doing that—the questions that they raise are coming from an information base which is common across all of these people. We expect that there will be people who consider themselves seriously disadvantaged by that. Regrettably, that is always going to be the case. You are never going to build such a major powerline construction without having somebody who feels disadvantaged. That is just the nature of the business. We cannot build intermittent power lines. I wish we could.

In terms of the development of this—it has been agreed by New South Wales and Queensland on the corridor option. We will be doing an EIAS, by the way, as part of this, so that we get minimised environmental intervention and concerns from the powerlines, and so that we have it up and running in time and on schedule.

Mr RADKE: On page 19 of the MPS there is a note concerning increased rent costs in Brisbane and regional centres. Is the department planning to close regional offices in response to the increased costs? If so, how many local services will be lost?

Mr GILMORE: I am thankful for this question, because these kinds of stories that get around are a bit difficult. You have to refute them, but sometimes it is difficult when they are just rumour and they are bubbling along. We are not going to close any of our offices. In fact, we are going to open a new regional office in Townsville shortly as part of our response to the Moura inquiry and the new and better conditions for the inspectorate and so on. We are going to have three regions around the State, but we are continuing to have our district offices in the same place as they are. It is important to say also that there was a question raised with me recently: are we going to close Charters Towers? There is always

somebody who has a rumour going around. I believe that we have recently advertised in the papers.

Dr DAY: We have advertised for who is interested.

Mr GILMORE: We are looking for expressions of interest for somebody to design, build, own and operate a new office for our people in Charters Towers. They are currently in the back of the old courthouse. They work in appalling conditions. That is certainly not the kind of accommodation that we would have modern operations coming from. I determined early in my Ministry that we were going to do this. That is now out in the street. It is very positive. All the news that is coming out of my department at the moment in respect of regional and district offices is very positive indeed. We anticipate that the staff will respond very positively to that.

Mr MALONE: In the MPS there is mention of funds provided in the budget as a new initiative for the restructuring of the Mining Inspectorate. Is the Mines Inspectorate fully funded following the allocation of these additional funds?

Mr GILMORE: Yes. The Mines Inspectorate has permeated through all of the questioning. It is a very important aspect of what we are doing at present, as I said earlier, in response to the Moura inquiry. We are fully funded. That has taken quite a considerable effort, let me assure you, because there are people in Government with a different

perspective on Government than I have as the Minister for Mines and Energy. So we had to argue the case. The first tranche of money was \$750,000, which came by way of a submission to the mid-year review of the Cabinet Budget Committee in November/December last year. That first tranche of money was designed only to get us up to the end of this financial year. It took into account the fact that we simply could not employ all of the staff in the required time, and so on. It was calculated to be sufficient, and it was. We are on track. The recent Budget, however, gave us \$3.7m, which is new initiative funding. That is not in base; it is a special fund, and there are particular reasons for that. We are now moving forward with some substance in the program for the first time.

The CHAIRMAN: There being no further questioning, that concludes the examination of the Estimates of expenditure for the portfolio of the Minister for Mines and Energy. I thank the Minister and his officers for their attendance. The hearing will now adjourn until 11.30, when the Committee will examine the portfolio of the Minister for Primary Industries, Fisheries and Forestry.

Mr GILMORE: Mr Chairman, might I say to the members of the Committee and to yourself: thank you very much for your cooperation and the quality of the questions. Thank you very much.

Sitting suspended from 11.19 a.m. to 11.30 a.m.

DEPARTMENT OF PRIMARY INDUSTRIES**IN ATTENDANCE**

Hon. T. J. Perrett, Minister for Primary Industries, Fisheries and Forestry
 Mr R. Nieper, Director-General
 Mr T. Johnston, Deputy Director-General
 Mr J. Skinner, Executive Director, Corporate Performance
 Dr W. Hoey, Executive Director, Agriculture
 Dr K. Dunn, Executive Director, Animal and Plant Health Service
 Mr J. Pollock, Executive Director, Fisheries
 Dr R. Clarkson, Acting Executive Director, Drought and Rural Development
 Dr P. White, Executive Director, Rural Industries Export Development
 Mr M. Richards, Acting Manager, Management Accounting Services

The CHAIRMAN: The hearing of Estimates Committee E is now resumed. The next portfolio for consideration relates to the Minister for Primary Industries, Fisheries and Forestry. The time allotted is two hours and 40 minutes. I remind members of the Committee and the Minister that the time limit for questions is one minute and that 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 expiration of those time limits. The questioner may consent to an extension of time for answers. A double chime will also sound two minutes after the extension of time has been given. Three chimes will ring at the conclusion of the 20-minute block.

The sessional orders require that at least half of the time available for questions and answers in respect of each organisational unit be allotted to non-Government members. Any time that expires when the Committee deliberates in private is to be equally apportioned between Government and non-Government members. The Committee has agreed that the first 20 minutes of questioning be from non-Government members. I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in its transcript.

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 the Minister questions. In that regard, the Committee has resolved that it will automatically grant leave to any non-Committee member who wishes to question the Minister. Also in accordance with the Sessional Orders, each of the Ministers is permitted to make an opening statement of up to five minutes. I now declare the proposed expenditure for the portfolio of the Minister for Primary Industries, Fisheries and Forestry to be open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, do you wish to make an introductory statement?

Mr PERRETT: Thank you, Mr Chairman, and good morning to the Committee members. This 1997-98 DPI budget that we are about to discuss boosts departmental funding by \$10.5m, consolidating my back-to-the-bush philosophy adopted in last year's budget. It is a budget that will ensure the department is clearly focused on its role as a rural economic development agency, investing in and enhancing activities that are critical to a stronger and more sustainable primary industries economy. Approximately \$27m of the 1997-98 budget is committed to continuing new initiatives comprising a \$24m second-year allocation for initiatives announced last year and an additional \$4m for new projects.

In this budget, as in the 1996-97 budget, we acknowledge that exports are the cornerstone of Queensland's future economic development. New initiative funding of \$4m in the DPI budget for 1997-98 is clearly focused on the expansion of overseas markets and for high quality food and fibre products, particularly in the Asia/Pacific sector. In the last 12 months, staff numbers have been boosted by 426, including 202 permanent full-time positions, with 375 of those positions in country areas where they are needed to ensure services are delivered to primary producers. The majority of those 426 positions have been filled in the past nine months. Those new positions include extension officers, veterinarians, scientific research officers, stock inspectors and industry development officers. As a consequence, my department is now in a much better position to deliver results and a great deal has been achieved in just one year. The 1997 budget will ensure that even more results are delivered in the next few years. I commend it to you.

The CHAIRMAN: The first period of questioning will commence with non-Government members.

Mr SCHWARTEN: Welcome to the Estimates. I note that you have made available a number of your staff here this morning. I notice the absence of a bloke by the name of Chris Nicholls. He has a higher profile than you have in the Courier-Mail. The concern is that the only time that we ever see Mr Nicholls is when he draws some media attention. Is he still on your payroll?

Mr PERRETT: Mr Nicholls is a policy adviser in my office.

Mr SCHWARTEN: Does he have any leave arrangements associated with his apparent continuing fascination with or appearances at the Connolly commission?

Mr PERRETT: Mr Nicholls has worked in my office to carry out his duties. Much of his time is in excess of normal office hours to keep up with his responsibilities as a policy adviser to me. All ministerial staff are employed by the Ministerial Services Branch of the Premier's Department. The Ministerial Services Branch is responsible for ensuring my office follows stated guidelines with respect to budgetary matters, employment of staff

and general administrative processes. I guess in that regard, the fact that they do work for the Ministerial Services Branch of the Premier's Department, questions relating to staff in my office should be directed to the Honourable the Premier.

Mr SCHWARTEN: Of course, when those questions were asked of the Premier, he said to ask you. I do not know where you ask to get those questions answered. On the occasions that this gentleman has to attend to private business via the Connolly commission, is he still employed on the public purse?

Mr PERRETT: He is employed according to the guidelines that are set down by the MSB. As I said earlier, he does put in a lot of effort in his own time to keep up with work responsibilities to me. As a ministerial policy adviser, it is not regarded that people have to work within normal working hours. I have been quite satisfied with the quality of the work, his output and certainly the advice that he gives to me on fisheries issues.

Mr SCHWARTEN: I note that your Government has indicated an interest in setting up a rhino refuge in north Queensland. I ask: has the Tourism Minister, Mr Davidson, discussed that proposal with you and your department? Is there a possibility of those animals bringing any exotic or tropical diseases with them which may pose a danger to Queensland primary industry? If so, what are those diseases? What quarantine arrangements have you and the Tourism Minister discussed regarding the introduction of those animals? Who in Queensland has the expertise to look after those animals? Will animal handlers have to be imported? What is the benefit to Queensland of having a breeding program for rhinos when the Western Plains Zoo in Dubbo already has such a program? The last time rhinos were imported, they died. Has a copy of the James Cook University report commissioned by the State Government been examined by your Government? Can we have a copy of that report?

Mr PERRETT: My colleague the Honourable Bruce Davidson has briefed me—very briefly, I should say—on the proposal. Obviously, it would have benefits perhaps for the tourist industry. Certainly there is nothing in our budget for that proposal. We do take a very keen interest in the proposal from the point of view of animal and plant health and the problems that may be brought into this country not only for our animal industries but also possibly for other industries as well. In order to give you a bit more detail on it, I refer the question to Kevin Dunn, the Executive Director of our Animal and Plant Health Service.

Dr DUNN: The potential for rhinoceroses to bring in exotic diseases is present. There have been importations into Australia in the past from Africa via the high-security quarantine station on the Cocos Islands. However, that whole matter is subject to very intense scrutiny and risk assessment by quarantine authorities. That is the responsibility of the Commonwealth, namely, the Australian Quarantine Inspection Service, which would be primarily involved in establishing the quarantine

policy and any requirements that might be needed for quarantine securities to ensure that exotic diseases were not brought in with any imported animals including, should it go ahead, the rhinoceros importation proposal, of which we have heard generally.

Mr SCHWARTEN: What sort of implications do you foresee that they would have on your department? What role would you see your department having? Quite clearly, if there is a potential risk, obviously your department would have to take some considerable interest in that regard.

Mr PERRETT: We would not put any of our established industries or native wildlife at risk. As Dr Dunn has said, a lot of the responsibility certainly comes through AQIS, but I can assure you that, as Minister, I would be taking every precaution that we needed to take in Queensland to ensure that we did not put our very vast livestock industries, and grazing enterprises in particular, at risk—and also our unique wildlife. So I can assure you that we will be keeping a very close eye on the project. Following Mr Davidson's visit to South Africa, I will be seeking another briefing from him, hopefully, to be kept totally informed of the suggested project.

Mr SCHWARTEN: Has your department had a look at that report from the James Cook University?

Mr PERRETT: I might refer that once again to Dr Dunn. I certainly have not myself.

Dr DUNN: No, I am personally not aware of the report to which you refer.

Mr SCHWARTEN: Dr Dunn, thank you for your answer. I now draw the Minister's attention to the expressions of interest process in regard to private sector participation in the future development of the meat processing industry, which as I understand it you intend to finalise some time in August. What do you estimate to be the return to the State from the sale of the Government owned abattoirs?

Mr PERRETT: It is very difficult to put a figure on it. At this stage, until we get some recommendations from the steering committee in terms of the process of the disposal of those abattoirs, it is hard to put a figure on it. I would envisage that some of the current abattoirs of the State would have significant real estate value, but that is not the reason that they are being sold. The Government has decided that it will exit from the ownership of abattoirs. We are the only State in Australia that still has some interest in the ownership and running of abattoirs. Quite frankly, I think that it is one of those things that the private sector can do equally well, if not better.

The demand for meat processing facilities across the State has declined in recent years as the industry adapts to new markets and becomes internationally competitive. Of course, the development of the livestock export industry, which has many benefits for northern Australia, has certainly put some pressure on the amount of abattoirs that we have to operate in a viable manner.

The process that we have put in place when we called for expressions of interest brought forward

about 32 expressions of interest. Some of those were real; others were pretty much Mickey Mouse that did not give us any real opportunity to be able to develop them much further. However, the steering committee is now going through a process where it is fleshing out, if you like, those expressions of interest that it considered the best for those particular abattoirs that we want to exit. They will be reporting back to me and I will take it to Cabinet in probably about August, when we will make a decision on which way it will go. At this stage, there is no real decision as to whether those abattoirs will be closed, replaced by new ones on other sites or whether they will be sold, or whatever. That is still taking place in the process of the expressions of interest through the steering committee.

Mr SCHWARTEN: With regard to that expressions of interest process, I understand that you have taken a submission to Cabinet to brief Cabinet on the development of that particular process. I further understand that included in that presentation that you have made is a notation about the Eidsvold abattoir commissioning committee, which read that it proposes new beef abattoirs at Eidsvold and proposes a long-term exit strategy for Bundaberg but asks for the Government to provide a boning room initially and then to close the abattoir once the proposed Eidsvold abattoir comes on stream—it is vague on financial and viability details relative to the Eidsvold abattoir. That is entirely contrary to the document that I have received. In fact, quite the contrary applied. How do you explain that as part of a process that is supposed to guide you down the path of getting rid of these abattoirs and coming up with a meat processing industry that is reflective of the needs of Queensland?

Mr PERRETT: There are lots of things that I would like to be able to tell the Committee today that are commercially sensitive at this point in time. Therefore, I believe that I should not reveal the information that I do have at my disposal. I will say that the steering committee that we have put in place is made up of people whom we regard as industry leaders with a great knowledge in the meat processing industry and of the meat industry itself.

The Government is very mindful of the socioeconomic benefits or otherwise to various parts of the State. Obviously, for that reason Cabinet will have the final say on the recommendations that do come to us. I would like to say that it will be very difficult for any proponent to be able to develop a new abattoir in a viable fashion. When you consider the difficulties being experienced at the present time by existing abattoirs, if a new player in the field has not done their homework, in fact it will have no orders or business to put through that new facility. We are taking all of these things into consideration. As I said, obviously a number of things are to be considered in the development of any new abattoir, whether that be transport infrastructure, available water for the abattoir, the availability of livestock and the effects on other existing abattoirs. The work force has to be considered and also the fact that other workers may be displaced in this whole process. All of those things have to come into it.

Certainly, at the end of the day when the final recommendation comes from the steering committee, it is up to Cabinet then to play the politics with it, if you like, to ensure that the decision that we make will be the best for Queensland and Queensland industry.

Mr SCHWARTEN: Just to follow that up, my concern is that the document that you presented to Cabinet really does not reflect the nature of the submissions that you are getting. I do not expect you to have to go through and read every submission that comes before you. Clearly, the advice that you were given by this steering committee conflicts directly with the original submission. One says that your advice was that they wanted to close the Bundaberg abattoir when, in fact, that is not the intention, as the submission that was provided to that steering committee says.

Mr PERRETT: I certainly read very thoroughly the submissions which I take to Cabinet. Obviously you have a document that I am not aware of. If you have seen my Cabinet submission, you have obviously had—

Mr SCHWARTEN: I have seen it.

Mr PERRETT: You have a spy in the camp somewhere.

Mr SCHWARTEN: Somebody is sufficiently concerned about the credibility of those documents to have given them out. It is item 31 in your Cabinet submission.

Mr PERRETT: If people have concerns, they should wait for the final outcome, which certainly has not been arrived at yet. As I said earlier, Cabinet will have the final say on it anyway.

Mr SCHWARTEN: I accept that, but I am concerned that Cabinet gets the right information in the first place. As you rightly pointed out, somebody who is concerned about this process has given it to me to ask the question. I hope that, as a result of this, we will see some greater scrutiny of the correlation between the submissions and what actually comes to you as the Minister by way of advice.

Mr PERRETT: That is why Cabinet has now given the responsibility to the steering committee to once again flesh out all the proposals that it considered were worth while, including the one from Eidsvold. A very strong lobby group has been in the Eidsvold/Monto area for some time, wanting to establish pig and cattle abattoirs in the area. I know that the steering committee is certainly taking those views and submissions into consideration. During the current fleshing-out process, hopefully the fears that you have raised will be allayed.

The CHAIRMAN: The Committee can decide about that document later.

Mr SCHWARTEN: I am quite happy to let the Minister have a copy of that.

Mr PERRETT: If you have a document there to make available to me, I will certainly be pleased to see it.

Mr MULHERIN: I note from the answers to questions on notice 11, 12, 13 and 14 that cotton has

risen by approximately 18% in value of production, yet the amount expended in research and development in the area has only increased marginally from \$1.37m to \$1.4m in the last year. What is the reason for this? Do you intend to take steps to increase the funding to a more appropriate level to better reflect the growing importance of the product to Queensland?

Mr PERRETT: According to documents that I have, the cotton industry has recorded an 18% increase in the gross value of production to the State economy. At present, it is certainly one of our boom industries.

Because the cotton industry is a very viable industry, it has been able to fund a lot of its research. As you probably realise, as part of our partnership with rural industry to take the DPI back to the bush, we are currently establishing research institutes. Cotton will come under the Farming Systems Institute which I will be launching in Toowoomba tomorrow. Similar to the other commodity-based research institutes, that research institute will involve the collaboration of all the players in the field: the industry, the Department of Primary Industries, CSIRO, universities and any other players. The membership of the board of the institute will be announced at the launch tomorrow. The board will comprise representatives from the cotton industry. It will chart the course of the future direction for research in the various industries. The boards of the research institutes are made up of either seven or nine members. The board of the Farming Systems Institute will have seven members, the majority of whom will be producers.

We hope that the new system of research will have the ability to attract more outside money for research, it will be able to better utilise the dollars that are available and, most importantly, it will reflect the needs of industry itself because it will be driven by the farmers and the producers in collaboration with scientists, who will also be represented on the board. I am looking forward to the new direction that will come from the research institutes. I know that they have been talked about for quite a number of years. I believe that this is certainly a step in the right direction and will put Queensland's research and extension services in the lead as we enter the next century.

The CHAIRMAN: The time for Opposition questions has expired. On page 22, table 2 of the 1997-98 MPS, in footnote 3 you mention that the increase in the 1997-98 Aquaculture and Industry Development Subprogram estimate is mainly due to additional new initiative funding for Accelerating Aquaculture Industry Development. What commitments were made in the new initiative by the National/Liberal coalition Government in 1996-97, and were these commitments implemented?

Mr PERRETT: The 1996-97 State Budget announced a new, three-year initiative entitled Accelerating Aquaculture Industry Development, totalling \$1.8m. Of the total amount, \$812,000 was provided in 1996-97, \$832,000 in 1997-98, and \$205,000 is planned for 1998-99. Fifteen additional staff have been recruited to date and are now

providing improved services to both investors and existing aquaculturalists. Major projects commenced in 1996-97 include improved fish health diagnostic services, additional research into potential fresh water species, a reef fish research project, additional extension services to north Queensland prawn farms, the rationalisation of licensing procedures, an assessment of the potential for eel farming, a marketing project which includes a weekly report and aquaculture product sales on the Sydney fish markets and a project to assist the export of kuruma prawns into Japan. Nine additional staff will be recruited in 1997-98 and four in 1998-99 to expand the projects commenced in 1996-97 and to initiate new projects on pearl farming, oyster growing and production technologies for new species, including mud crabs.

The aquaculture industry is one of the really exciting new industries among my portfolio responsibilities. As we develop this industry, there is no doubt that it has the potential to take the pressure off wild fisheries, which I think is absolutely imperative. We can access potential markets, particularly those in South East Asia. As we know, the Asians have a tremendous love of seafood. Aquaculture and fish farming will certainly produce guaranteed quantities of good-quality seafood. I look forward with a great deal of interest to the development of this industry.

Mr RADKE: On page 3, paragraph 7 of the 1997-98 MPS, you mention that the new initiative for the promotion of aquaculture and fisheries development will be introduced. What are the major components of the new initiative and what funds have been allocated to it?

Mr PERRETT: In 1997-98, \$1.3m will be allocated to a new initiative titled Promoting Aquaculture and Fisheries Development in Rural Queensland. The initiative has three major components. In aquaculture, we are accelerating the glass eel resource assessment. An amount of \$225,000 has been allocated for that assessment, which should cater for four positions. There will also be an expansion of the reef fish breeding research project. \$840,000 has been allocated to that project and three positions will be provided. Funding support for an industry executive officer is also being catered for through an allocation of \$35,000.

Recreational fishing is the next point that I wish to speak about, in particular the development of tourism in rural Queensland through enhanced fishing opportunities in impoundments. We have put \$100,000 into that area. Obviously, those freshwater impoundments are now becoming very popular with a lot of anglers around the State and they are bringing a lot of tourist dollars into some rural areas of Queensland, which is to be commended.

As to commercial fishing—we have allocated \$100,000 and created one position to avoid collapses in the commercial scallop fishery. The first component of the proposal in regard to aquaculture will open the way to investment in eel and reef fish farming as well as enhance the capacity of the aquaculture industry to represent itself and facilitate ongoing development. The second component of

this proposal will provide for additional freshwater fish stock and tourism expansion in central and southern Queensland to mirror the economic spin-off received in north Queensland from recreational fishing in the Tinaroo Falls Dam. The third component will provide a much-needed assessment of commercial scallop stocks to provide early warnings to industry of recruitment failures.

Mr MALONE: On page 20 of the 1997-98 Ministerial Program Statements, you mention that projects commenced in the 1996-97 year will further enhance the aquaculture industry by focusing on production research. What progress has been made in developing improved low-cost feeds for barramundi farming?

Mr PERRETT: The Department of Primary Industries, in collaboration with the Commonwealth Scientific and Industrial Research Organisation, is investigating ways to reduce the dependence on fishmeal in farmed barramundi diets. The aims of the project are to reduce the dependence on imported fishmeal, to replace fishmeal with locally sourced protein and to improve the rate of growth that can be achievable with artificial barramundi feeds. Excellent progress has been made and a commercial diet has been developed. Feed producers have already adopted the new recipe. Feed costs have been reduced by \$200 per tonne and fishmeal content reduced from over 30% to less than 5%.

The barramundi feed replacement project is a joint initiative of industry and the Fisheries Research and Development Corporation. It is part of a nationwide project aimed at reducing dependence on fishmeal and artificial barramundi diets. The Queensland chapter of the project began in 1993. Project funding of some \$100,000 per annum involves the Fisheries Research and Development Corporation, the Meat Research Council, Ridgley Agriproducts Pty Ltd, the Grains Research and Development Corporation and the Queensland Department of Primary Industries. The project is being conducted at DPI Walkamin Research Station facilities and is strongly supported by Queensland barramundi farmers.

The CHAIRMAN: In paragraph 8 on page 19 of the MPS, you mention that there are new licensing databases and that they have been supported by the introduction of 15-year aquaculture licenses. What prompted that? What benefits do you see flowing from that and what has been the industry reaction to it?

Mr PERRETT: The coalition came to Government with a policy of 15-year licenses for oystering. In light of that, the department recommended that all sectors of aquaculture be licensed for 15 years unless special circumstances dictate a shorter period. This recommendation was approved during the 1996-97 year. These longer-term licenses will increase investor confidence by allowing a greater period for commercial ventures to become established and to develop profitable operations. The transferability of an aquaculture licence promotes financial security for licence holders while permitting them the right to sell their operations as licensed enterprises.

The Department of Primary Industries has issued 15-year licenses to over 95% of all aquaculturalists in Queensland, with the remaining licences currently being processed. These licenses do not prejudice the environment, because aquaculture water discharges are controlled separately by the Department of Environment through its legislation and licensing. The extended tenure offered by 15-year licences encourages the use of responsible farming practices with a view to long-term sustainable development. The reaction to this initiative has been highly favourable from both existing industry members and also new investors.

Mr RADKE: As to table 5 on page 22 of the MPS—you mention in footnote No. 2 that the 1997-98 estimate includes additional new initiative funding for fisheries management service delivery activities. What commitments were made by the National/Liberal coalition Government, and have those commitments been implemented?

Mr PERRETT: The implementation of the coalition Government's election commitments has provided additional services to the fishing industry. The initiative has successfully introduced an integrated set of fisheries management, liaison, research and industry restructuring arrangements designed to improve the performance of industry and the status, knowledge and understanding of fish stocks and habitats, and to provide better service delivery to clients. In 1996-97, the cost of this initiative was \$1m and is estimated to be \$2m in 1997-98. In 1998-99, \$4.4m will be allocated depending primarily on the introduction of restructuring arrangements in the commercial fishing industry. It gives me a lot of pleasure to report that all commitments for services to the fishing industry made by the National/Liberal coalition Government have been implemented in 1996-97. Actions are continuing to deliver on promises we have made for future years. I look forward to moving into the second year of this initiative to support the development and viability of our fishing industries.

Mr MALONE: On page 6 of the MPS, the Agriculture Program identifies general priority areas for agriculture. What priority areas for the beef industry are being addressed by the Government?

Mr PERRETT: In consultation with the beef industry, a number of priority areas have been identified to achieve continued economic development. Those include market-driven beef production, the development of live cattle exports, feedlot sector development for export enhancement, quality assured beef and cattle for export and domestic markets, and financially viable and sustainable grazing land management.

In 1996-97, the total Beef Subprogram expenditure for work focusing on these targets was \$17.2m. Achievements include: strategic alliances between industry sectors producing an increasingly market-driven industry; five new store-linked groups involving over 100 producers and accessing over 200,000 head of cattle have been formed; feedback data on each stage of the production chain is being provided on 1,500 head per month; and a draw of cattle from southern, central and western

Queensland. In 1996-97, major progress with the development of live cattle exports from Queensland saw approximately 62% of cattle exported to South East Asia, that is, 380,000 head were of Queensland origin, with a value of \$162m. Increasing support has been given to the quality assurance programs by CattleCare and Q-Care in Queensland. There are 1,645 Queensland properties registered as complying with Q-Care quality control programs, and over 7,000 producers have attended quality assurance training workshops. Long-term viability for grazing properties is being addressed. Management packages are being developed for the major pasture communities, including spear grass and other grasses that are very common to our grass-fed industries, if you like. It should be borne in mind that, while we have seen a lot of development of the feedlot industry in Queensland in recent times, the majority of our stock are grass fed. It is great to see that work being done in the development of new pastures.

The CHAIRMAN: The time for questions from Government members has elapsed. I now call the non-Government members.

Mr SCHWARTEN: I was going to ask you whether or not you supported "Singapore Bob's" \$300,000 allowance to senior public servants, but given that the voice from Singapore has told us this morning that you have to support it I guess you will, so I will rephrase the question. Is there anybody in your department that you will be recommending to take up one of these \$300,000 scholarships?

Mr PERRETT: I have not picked out anybody at this point in time, because that is going to be the hardest job—picking the beneficiary from my team of excellent staff.

Mr SCHWARTEN: You can see them all elbowing for room!

Mr PERRETT: You can see all these good men and women who are getting these pieces of paper to me on time with all of these detailed answers. Since becoming Minister, I have been very impressed at the quality of the staff in the Department of Primary Industries. They are very professional in their outlook. Given the benefit to the Queensland economy of rural industries—something like \$6 billion per year—it is very important that we have people who are skilled in their particular spheres. One of the things that we need to do is continually upgrade the services that we are providing to our clients. To do this, we need to sometimes go abroad, I guess to spy on what the opposition is up to, particularly people who are trying to compete in the same export markets as we are, but also to learn about new initiatives.

Only just last week two of my SES officers returned from the United States, where they took a particular interest in food safety issues. We are all very much aware of some of the dreadful consequences of food poisoning, as has happened in recent times in Victoria in the smallgoods industry and in Queensland in the peanut industry, which is very close to my heart. I believe that this is an area that we need to keep up with. The United Kingdom is well advanced in its new public sector

management. There obviously will be some benefits for us in taking that up, but at the same time I think that we do have a wider role than just going to the United Kingdom. I know that one of my colleagues said that he would like that money to increase the salaries that he can pay to some of his people. I would probably get a bit of agreement around this table if I were to suggest that. With the new progression scheme that we have introduced into the Department of Primary Industries we are providing incentives to our professional officers to improve their delivery of service and giving them the opportunity to develop their skills and not leave the department. That is one of the problems that we have had. Quite often we train them and then somebody comes along and offers them more money and we lose them. One of the things that we need to do is work on ways and means of retaining the best brains, because they certainly do a great job in supporting the agricultural industries of Queensland.

Mr SCHWARTEN: I concur with you on the competence of the officers of your department. On page 2 of the MPS I note that the Corporate Services Agency was established to reduce overheads and administrative costs. What was the cost to the DPI of establishing the CSA? How much has the CSA saved the DPI? Given that the DPI is the accountable agency for the CSA, how does the DPI handle any accountability issues arising out of the operations of the Department of Natural Resources? Will you table the service level agreement which specifies the products and services that the CSA will deliver to the DPI, as specified on page 33? Given your response to question on notice No. 18, what allocation adjustment was necessary in the establishment of the CSA?

Mr PERRETT: The establishment of the Corporate Services Agency provides scale efficiencies and consequent overall savings not achievable through separate support arrangements. Some of the efficiencies and benefits to date are things like staffing levels in the CSA being reduced from 268 in July 1996 to 250 in March 1997—that is a decrease of 6.5% due to natural attrition—with the estimated actual full-time equivalents for the year at 255. Pooling of departmental resources resulted in the elimination of duplication and functional overlaps in the provision of goods and services and the focus of staff on more valued services. Development work on corporate services information systems has been shared between departments, which resulted in lower levels of implementation costs. The costs involved in the development of training courses have also been shared between the two departments, with more staff being trained during 1996-97.

Ongoing improvements in processes and information will be realised with the implementation of best practice systems in 1997-98, eliminating significant cost overlays of operating various systems. The Corporate Services Agency took steps to ensure that expenditure was constrained and that the budget for 1996-97 was established on the basis of a lower level of expenditure for the same services as provided the previous year. The CSA has performed satisfactorily against budget in its initial year though its overall outlays were some \$1.3m

higher due to some one-off costs, new or additional services, investment in new initiatives, initial set-up costs for the new management structure, the transfer of some staff to a central location, printing and new stationery and things like that, things like additional financial services to meet the accrual accounting and reporting needs for both DPI and DNR, and commencement of the implementation process for the new financial and human resource management systems. So there were some one-off costs that contributed to the extra money that needed to be spent in that first year. With the indulgence of the Committee, Mr Chairman, I invite John Skinner to give a bit more detail on the establishment of that particular agency, because I know that it will be of great interest to the Committee.

Mr SKINNER: In response to the question in relation to the service level agreement—a service level agreement has been prepared which covers the operations of the Corporate Services Agency across the two departments. That contains some 150 pages which we would be happy to make available, as you request. That covers product and service categories, service descriptions, outputs, performance indicators—

Mr SCHWARTEN: I can probably get all of that if you give me that. I guess the real question that I wanted to ask was: you have said in the Budget papers that it is an effective way of running corporate services. I am looking for some evidence that that is the case—how much it cost you, what was returned to the DPI, and how much the DPI saved by going to this arrangement.

Mr PERRETT: One of the things that really concerned me when I became Minister was the cost of running the corporate services sector within the department. We looked around for ways that we figured we could make some savings. With the establishment of the new Department of Natural Resources, since the great majority of its functions had been excised from the Department of Primary Industries, it seemed quite sensible to set up some sort of liaison with them. In terms of actual savings, I think that that will gain momentum as we go along and get better at what we are doing. We have offered to make some briefings available to you. I will take the question on notice and get back to you with some figures that you are looking for that will make you happy as shadow Minister. Basically, when we look around, what we are setting up here now is being watched very closely by other departments as well. We could right now be laying the groundwork in what we are doing for greater savings right across Government.

Deputy Director-General Terry Johnston perhaps may be in a position to be able to add a bit more to what you are asking for.

Mr JOHNSTON: I think one of the important things with our CSA is that it is not so much about savings today but savings in the future, although it has already achieved some savings. The big savings will come down the track because of the increasing tendency in Government and the private sector to use more complicated processing systems and more expensive processing systems for data, etc. This

gives us the opportunity to put together an agency which can take advantage of economies of scale by putting in these systems and making those systems available simply on a one-off basis to a range of other departments within this State. If some of the smaller departments have to go it alone with some of those things, they are going to find it very expensive. The big advantage of the CSA is that it will insulate the two departments of servicing, and I think some other agencies in Queensland, against the big costs that are coming.

Mr SCHWARTEN: How do you deal with the accountability question? That would seem to me to be a problem when you are accountable as a lead agency for another department's blues, as it were?

Mr NIEPER: The way we have it established at present is I do accept that responsibility; the CSA is in the Department of Primary Industries; the accountability lines are through me, so therefore I have to accept that as part of my accountability. I therefore have to work very closely with Tom Fenwick in this particular case to ensure that we are in agreement with most of the issues. I will have to work closely with other people who come on board.

We have a board of management that meets regularly and we have a board of directors which meets regularly as well. We are setting it up in a corporate-like structure so that there is that feedback of accountability up to the people who need to have it. In Public Service terms, I am the accountable officer in this particular case. I have my audit team constantly reviewing the activities, so my auditor works very closely with the CSA to ensure that the procedures are there. We do keep a very close eye on it, especially in the forming stages, so that the accountability measures are met. I think you can understand the Office of the Auditor-General is also paying particular attention to it as well, and we will certainly be looking at it very carefully.

Mr MULHERIN: I draw your attention to page 1 of the Ministerial Program Statements where you allude to the establishment of the industry development councils. Which industry development councils have been set up? What is their relationship to the boards that the DPI institutes?

Mr PERRETT: The Beef Industry Development and Advisory Council was set up initially as a trial before we moved into the establishment of other similar groups. I must say that, when I became the Minister, I became aware that the policy councils which had been established initially by former Minister Casey were creating or certainly getting mixed reviews from the various industries. One or two industries said that they were working; one or two said that they were not working at all and some said that they did not really care, that they were just there. We realised that we had to probably do something to at least give them a broadened role not only in providing me with policy advice on the various groups but also to expand their role into things such as industry development. Since we have trialled it with the beef industry where they initially found some problems in finding their feet and finding the direction in which they wanted to go, they have now hit their straps and they are really working well.

That has enabled us to move into the establishment of other councils and we are currently doing that for industries such as the dairy industry and so on.

It is estimated that the cost for these industry development councils other than BIDAC for 1997-98 will be \$80,000. They are progressively being appointed with BIDAC. One that might seem a little bit unlikely is the Emu Industry Development Council. The emu industry is a fairly minor industry but it is one where quite a few people have actually spent quite a bit of money and they are finding difficulty in finding a market for their product. They came to me virtually looking for help. We talked it through with them and suggested that they work together as a team, because they were previously very fragmented. We are establishing this particular council which hopefully will be able to direct them down a path that will lead to some sort of a return on the investment that they have made.

We are in the throes at the present time of establishing the dairy industry and the fisheries development councils, so we are certainly moving ahead with those now. I do not know if we have time—it is up to you—but I could perhaps ask Peter Neville to give you a bit more detail on that if you like or, if you prefer to move to the next question, that is up to you.

Mr MULHERIN: We will move on. If you can just provide us with that information?

Mr SCHWARTEN: I note the reference to the Australian bat lyssavirus on page 16 of the MPS. Given that considerable community concern, especially coming from where I do in Rockhampton where a young woman lost her life to this disease, what funds did you make available last year for research into it and what funds are going to be made available next year? Can you provide us—and this is a matter of contention out in the community—with the exact date when your department made you aware of this particular problem and the potential that it had to kill somebody? What steps were taken by you or your department to publicise that?

Mr PERRETT: The Government has provided \$100,000 for lyssavirus research in 1997-98. A critical part of assessing community risk is knowledge of the level and distribution of the lyssavirus in bats. Over 350 flying foxes and micro bats, most of which were sick, have been examined, and lyssavirus was confirmed in 22 of them. Infection has been demonstrated in black and little red flying foxes and in the yellow bellied sheath tail bat. All three yellow bellied sheath tail bats examined have been positive, and considerable care should be taken when handling these animals. Infected bats have been detected in places as far afield as Mount Isa, Townsville, Maryborough, Brisbane, Ipswich, Toowoomba and on the Gold Coast.

The draft lyssavirus contingency plan has been prepared for inclusion in the Australian Veterinary Emergency Plan, AUSVETPLAN. Studies to measure the level of infection in normal bat populations and to determine how long the infection has been present in Queensland bats have already commenced. I might ask Kevin Dunn if he could come up and you can ask him for a bit more detail on dates and things like that.

The CHAIRMAN: We have one more minute. We want to finish right on time.

Dr DUNN: The lyssavirus was first detected in the middle of 1996, and that was in New South Wales. The human fatality which occurred became ill in October 1996. We were alerted to that by public health officials at that time and worked closely with public health officials to develop a means of handling the risk. We prepared conjointly with the Department of Health several publications for distribution to the community, particularly through the bat carer's network. That is made available on the Internet. There have been several meetings which have been called and attended. Together with the Health Department and a university official, we are conducting a series of meetings up the coast of Queensland at this stage to pass on further information in relation to the risks and recommendations about the handling of bats, etc. This whole thing has been mirrored as well at the Federal level because the lyssavirus is found outside of Queensland as well.

Sitting suspended from 12.30 p.m. to 1.30 p.m.

The CHAIRMAN: The hearings of Estimates Committee E are now resumed. Consideration of the Estimates of expenditure for the portfolio of the Minister for Primary Industries, Fisheries and Forestry will now resume. The question before the Committee is that the proposed expenditure be agreed to. The second period of questions will commence with Government members. Minister, I note on page 8, paragraph 10, of the MPS that the DPI is putting in resources and assisting the live cattle trade. What are the likely benefits of Government assistance to the live cattle export industry? I guess it is a fairly interesting topic at the moment.

Mr PERRETT: Yes. Live cattle exports from Australia have increased from 105,000 to 723,000 head over the past five years. It is predicted that, by the year 2000, exports will be in the order of 900,000 to one million head. Prior to the expansion of the South East Asian live cattle trade, most cattle producers in northern Queensland either supplied bullocks for the United States' manufacturing trade or sent cattle to southern feedlots for finishing.

The live cattle trade offers an alternative market with producers able to sell cattle at a younger age. Live cattle prices during 1996 have been less variable than the United States' manufacturing market and have provided producers with premium prices. The majority of Queensland export cattle have been transported by truck to the Northern Territory and shipped from Darwin. So improvement of the port of Karumba provides the opportunity to export directly, increasing Queensland's competitive advantage.

Growth in the live cattle export industry has resulted in new jobs being created in rural and remote communities through infrastructure development, such as roads and cattle handling facilities, as well as increased demand for associated service industries such as transport, fuel and provision of fodder. Queensland's involvement in the industry is providing opportunities for the provision of client training in basic husbandry technical

support and management of feeder and breeder cattle through consultancies by Queensland-based companies.

Last year, I had the privilege of visiting Indonesia and looking at some Queensland cattle there. It became very evident to us that the Asians do need some advice on things like animal husbandry procedures and management. We also had some very worthwhile discussions while we were there regarding the Indonesian transmigration program. Already, we are starting to reap the benefits of that. It is hoped that we can put about 50,000 head of breeder cattle into that market. I will be visiting the Philippines and Indonesia later in July with a small group of departmental people to follow up on some of the problems that they are having in both those two countries—which are our major importers of live cattle—particularly with my Director-General, Mr Nieper, and the head of our Rural Industries Export Development Unit, Mr Peter White, who will be spending some time in Indonesia setting up a liaison between the Indonesians and Queensland in things like training programs for the management procedures that they really need if they are going to make a success, particularly of that transmigration program.

So it is an exciting new industry, and one that I believe will have long-term benefits for Australia not only in live cattle itself but also in processed beef. As the Asians' standard of living is increasing, they are tending to eat more protein, and they see beef from Queensland as a very good source of protein. That will certainly enhance the cattle industry in Queensland in the longer term.

Mr RADKE: According to the MPS at page 9, paragraph 9, there will be improved delivery and coordination of information to the beef industry through the Queensland Beef Industry Institute. What is the make-up of the institute board and how will this influence delivery of services to the beef industry in Queensland?

Mr PERRETT: The Queensland Beef Industry Institute board has a composition reflecting partnership between industry and Government. It has seven members: four members from the beef industry, including at least two from the grazing sector; the DPI Director-General or nominee; a specialist in research development or extension from outside the DPI; and an operational staff member of the institute. Selection will be completed by mid June. We are currently in the process of that right now.

The delivery of services will be influenced by the board, which sets strategic direction to meet industry and Government needs, and alliances with beef research committees and the North Australia Beef Research Council, which in turn have additional industry contacts. The institute will have a whole-of-industry focus, as indicated in the charter of operations for the institute. A steering committee with majority industry membership developed the charter to have a clear emphasis on identification of priorities for optimal service delivery. The shadow Minister will obviously be very pleased to know that the headquarters for that Beef Industry Institute will

be established in the City of Rockhampton, which I think is very fitting, because Rockhampton is regarded as the beef capital of Australia. Some people would even say that it is the beef capital of the world. The Beef Industry Institute is something that I think will underpin the viability of the beef industry into the future and certainly support it in that area of research and extension of services.

Mr MALONE: Minister, in the Ministerial Program Statements you list the number of staff in animal and plant health and refer to enhanced disease responsiveness capabilities. More specifically, what has the Department of Primary Industries, Fisheries and Forestry done to reverse the reduction of stock inspector resources?

Mr PERRETT: \$540,000 has been allocated during the 1997-98 year for additional stock inspector and veterinary officer positions. Six additional stock inspector positions have been established: two at Wondai, and one at Moura, Winton, Charters Towers and Georgetown. In addition, new field veterinary officer positions have been established at Biloela, Longreach and Toowoomba. This has helped turn around the reduction in field animal health resources experienced in recent years.

The additional positions have enhanced disease surveillance and services to graziers in far-western Queensland, central Queensland and the southern peninsula. This has provided additional support to tick eradication and enabled the establishment of a tick clearance service at Charters Towers to support live cattle exports. So we are doing some real work there. Of course, the tick eradication program has put a lot more stress on some of the staff where we were thin on the ground. Certainly we have needed to appoint more stock inspectors, particularly into those areas where tick eradication programs are taking place, to be able to cope with the workload and to see that program through successfully.

Mr RADKE: On page 14, paragraph 2 of the 1997-98 MPS, you report that the Department of Primary industries identified the flying fox as a major host for equine morbillivirus as well as the lyssavirus. What has the Department of Primary Industries done to protect the community from the threat of morbillivirus?

Mr PERRETT: The Government is contributing \$188,000 to support research of equine morbillivirus in 1997-98. Scientists from the DPI and the CSIRO have received worldwide acclaim for their efforts in resolving the Hendra and Mackay outbreaks of that disease and for their identification of flying foxes as the reservoir hosts of the virus. Detailed virus studies have now shown that the virus is not morbillivirus but probably a new genus in the same family of viruses. Studies on the virus isolated from fruit bats indicate that it is closely related to that found in the horses. DPI tests have shown that about 15% of the four species of flying foxes in Australia have been exposed to the virus. That virus has been isolated from four flying foxes, all during the birthing season.

An experimental bat colony has been established to study the disease in bats. DPI scientists have been working closely with scientists

of the Australian Animal Health Laboratory in the development of new diagnostic methods. That particular laboratory is the only facility in Australia with the necessary level of security to allow studies of EMV in animals. Work is currently being done with guinea pigs, cats and horses. Further studies on horses are needed to enable the control of any future outbreaks in horses while minimising cost and disruption.

Mr MALONE: In your Ministerial Program Statements, you mention that good progress has been made with the eradication of the papaya fruit fly. On page 14 you mention that market access for north Queensland fruit and vegetables will be assisted through progress in the eradication of that pest. Is the eradication of the papaya fruit fly still on track to complete eradication by the year 2000?

Mr PERRETT: Papaya fruit fly activities in north Queensland are estimated to cost \$17.7m in 1996-97. The eradication, monitoring and quarantine management programs are jointly funded by the Commonwealth and other States including Queensland at a cost of approximately \$13.2m, of which Queensland contributed approximately \$2m or 15.4%. \$3m has been provided for the construction of a disinfestation research laboratory in Cairns, while the remaining \$1.5m was provided by Queensland to assist growers by meeting the cost of the supervision of quarantine treatments and the implementation of certification assurance. The eradication program has achieved outstanding success. The probability of complete eradication of the pest is now very high.

The Commonwealth and States have agreed to the joint funding of a sterile insect technology to complete the eradication of papaya fruit fly. Planning for the construction and operation of the facility to produce 125 million sterile flies per week is under way. Surveillance of the rainforest and World Heritage areas in north Queensland has not detected any breeding of the pest in the native rainforest plants. That is very encouraging for us. The quarantine restrictions imposed on the movement of fruit have also proved successful in preventing the spread of papaya fruit fly to other horticultural areas. The Certification Assurance Program designed and implemented by my department has proved highly successful in reducing costs while maintaining access to markets for horticultural produce from the papaya fruit fly pest quarantine area. A reduction in pest numbers of more than 90% has been achieved since the eradication of the papaya fruit fly commenced in north Queensland soon after its detection in October 1995.

Mr SCHWARTEN: How do you work that out? Do you count them?

Mr PERRETT: They gauge it by the number of flies that have been trapped. That reduction paves the way for the successful use of the sterile insect technology. The number of flies being trapped in the pest quarantine areas over the past few months has been very low, with no flies being detected south of Cairns. Low numbers are still being found north and west of Cairns. The papaya fruit fly outbreak was declared in Mount Isa in February 1997, and the

rapid response quickly brought the problem under control. No papaya fruit flies have been detected there since February.

The CHAIRMAN: Page 14, paragraph 4, and page 15, paragraph 4 of the Ministerial Program Statements state that market access for Queensland horticultural produce will be enhanced through the extension of certification assurance to all horticultural production areas. What has been the impact on costs to the Government of the implementation of certification assurance for papaya fruit fly?

Mr PERRETT: Since October 1996, the Certification Assurance Program developed by my department has been implemented in the papaya fruit fly pest quarantine area to minimise the cost to growers and Government of complying with quarantine requirements of the other States. From the declaration of the papaya fruit fly outbreak until the end of September 1996, my department fully funded the cost of official inspection of produce. That required more than 250 inspectors at a cost of over \$3.5m. Since the introduction of CA, official inspection costs have fallen to half a million dollars, with subsidies for CA at \$0.36m. That innovation represents a significant saving to Government while maintaining market access for growers. A substantial proportion of the cost of certification assurance has been met by growers. The CA fee structure has been reviewed to ensure that fees are equitable and set at an appropriate level to recover service costs. The CA program requires growers to adhere to standard procedures in the preparation of their produce. Those procedures are audited regularly to ensure compliance.

Accredited growers are able to certify their own plant produce in accordance with the quarantine protocols. The CA program has been well received by interstate authorities and growers. The scheme has now been expanded to include areas outside of the papaya fruit fly pest quarantine area. At present, 722 businesses in the papaya pest quarantine area have been accredited. The system has been effective. No papaya fruit flies have been detected in certified produce leaving the quarantine area. Growers who are not CA accredited may still export produce from the quarantine area by paying for supervision of quarantine treatments by the DPI inspectors. Overall it is going well and saving us a lot of money.

Mr RADKE: On page 14, paragraph 2 of the MPS statement, you mention that an outbreak of black sigatoka in bananas in Weipa was detected and then eradicated in late 1996. What factors contributed to the successful eradication program?

Mr PERRETT: The Government works in partnership with industry to protect bananas against the introduction, spread and proliferation of any serious disease, insects or other pest. This Government provides approximately \$300,000 annually to match industry contributions to the Banana Industry Protection Board. The board identified black sigatoka disease as one of the major threats to the industry. That disease is not yet established in commercial bananas but occurs in Papua New Guinea and some Torres Strait islands.

Obviously this brief was written for me before the fairly devastating discovery in the Daintree only last week.

We know that there have been four outbreaks on Cape York over the past 15 years, the most recent being at Weipa in 1996. Each has been successfully eradicated. This major new outbreak which occurred at Daintree in June 1997 has only just recently been discovered. The board will provide \$60,000 to continue surveillance for disease and a further \$20,000 to eradicating this particular outbreak. The cost to the DPI by way of salaries and existing regulatory and technical staff is estimated at \$50,000. The industry will contribute another \$100,000 to rehabilitate affected growers. It is a major concern.

Black sigatoka is to the banana industry what fire blight is to the apple industry in the southern States. Certainly, if it is allowed to get out of control it then poses a tremendous problem for the Queensland industry because it would open us up to importations of bananas from other countries that can produce them a lot more cheaply than we can. The banana industry is a developing industry in north Queensland. It is a very important industry and it is one that the department must work in association with the industry to make sure that the current outbreak at Daintree is brought under control to ensure that it does not spread any further.

Mr MALONE: In the Ministerial Program Statements there is mention of services to provide to enhanced food product safety and quality. What is the department doing to assist the industry to adopt quality assurance systems which will support the development of trade in primary products?

Mr PERRETT: The Government is committed to developing paddock to plate quality assurance systems to enhance the value and reputation for safety of Queensland's food products. My department is in a unique position to encourage and assist producers, processors and retailers—the whole chain, in other words—with the implementation of the hazard analysis critical control point, or HACCP as it is commonly referred to, and other internationally recognised QA systems. Our aim is to see Queensland lead the way in the implementation of safe food systems and to put our products on the world market as superior safe. We are actively supporting the implementation of QA systems in small and large exporting firms through the Agribusiness Exporters Quality Assurance Scheme, which funds up to \$50,000 of the cost of the QA system for companies. Approximately \$1.35m has been allocated to 39 companies to take part in this scheme. The Centre for Food Technology has assisted 35 firms in the post-harvest sector to train staff or implement systems. The National Association of Testing Authorities Accredited Food Analysis Laboratories are accredited for testing export food samples to 23 overseas countries.

In the future, DPI will be able to promote, foster and assist all major industries in the adoption of QA to improve confidence in our products and with our trading partners through the newly formed industry development councils. As I said earlier this morning,

food safety is a major problem for all sectors of the industry. If one link in the chain falls down, the rest of the chain, right from the paddock to the plate, also suffers and, at times, suffers quite horrendous consequences. We are certainly very keen to promote in conjunction with other departments like TSBI, the Department of Health or anybody that has a finger in the pie, as it were, to make sure that we are working in unison to enhance the wholesomeness and integrity of our food to not only produce confidence locally but certainly into export markets. Surprisingly enough, most of our export markets are now asking for guaranteed quality and safety. We have this image of clean and green and it is something that we must continue to promote.

The CHAIRMAN: That finalises the time for Government members. It is now time for the non-Government members.

Mr SCHWARTEN: Just prior to lunch, we were asking some questions about the lyssavirus. At that time, there were two important questions that I required to be answered. I do not know whether I need to place them on notice. They were: when did you as the Minister become aware of that problem? What steps were taken either by you or the department to make people aware of that? I do not know whether that can be answered now or whether you will take it on notice. Either way, I would welcome an answer to those questions.

Mr PERRETT: I might ask Kevin Dunn if he can elaborate on that. I would like to publicly make the offer to you to work very openly with you on this issue.

Mr SCHWARTEN: I welcome that.

Mr PERRETT: It is one that we are learning about as time goes on. It is an issue of public safety. We have now identified flying foxes as carriers of both morbillivirus and lyssavirus.

Mr SCHWARTEN: I thank you for the offer.

Mr PERRETT: If Kevin Dunn would like to comment, that would be great.

Dr DUNN: Thank you, Minister. The human case in Rockhampton in October—late October 1996 from memory—was the first incident involving the lyssavirus in Queensland. As I said earlier, there had been a detection of it—the very first detection of it—based in a flying fox that had been found in New South Wales prior to that in about July of that same year. So really, the first occurrence of the lyssavirus in Queensland was detected as the human case and, as I said, that was referred through the public health authorities in the Health Department to this department. In turn, this department would have advised the Minister at that stage.

Mr SCHWARTEN: So in terms of your department, there was no campaign of public awareness on that issue?

Dr DUNN: After the event of the Rockhampton case?

Mr SCHWARTEN: No, prior to that.

Dr DUNN: Prior to that?

Mr SCHWARTEN: Seeing that you were aware of the virus in New South Wales.

Dr DUNN: I think that there was some general awareness that was put out nationally through the New South Wales and Commonwealth authorities at that time of that particular virus. The message was extended through the flying fox carers network during that period. Quite clearly, it was heightened very sharply by the human case in Rockhampton and a lot more flying fox carers at that time focused much more heavily on that.

Mr PERRETT: If I can just follow up on that? I think that it is important to know that at that stage we thought that it was probably a disease of bats; we did not know that it was transferable to humans as easily as it was. As I said earlier, obviously the scientists in DPI are learning a lot about it as they go along. As I also said earlier, they are now being regarded as world authorities on it in so much that some of our people have even been invited to the United States and the like to lecture on it.

Mr SCHWARTEN: Thank you. Obviously, there is a lot of interest among Government members in the papaya fruit fly issue. Clearly, it has cost Queensland a lot of money. I appreciate your frankness about that. What is the hold-up with the sterile facility? It started off at, I think, \$3m and now it is \$7m. Will the good Lord have to return before it is built?

Mr PERRETT: Maybe if he returns, we will not need it because he will be able to dispose of them by other methods. Actually, the research facility that has been built in Cairns should not be confused with the sterile insect facility that is being built at Walkamin. Obviously, the sterile insect facility was one that I had to get the approval for from ARMCANZ for joint funding under the arrangements between the Commonwealth and the other State Governments. I believe that the whole program is going ahead fairly well.

Mr SCHWARTEN: What has been the difference in the cost, though? It was \$3m originally, and then \$7m.

Mr PERRETT: Offhand—and I might ask my Director-General to perhaps comment—the research facility was initially \$3.5m. That money is being spent in Cairns. The sterile insect facility, which will be developed at Walkamin, is something like \$17m. So they are two different facilities. Can you elaborate on that? Once again, Kevin Dunn is the man on all of these issues.

Dr DUNN: Perhaps there is a little uncertainty about the different roles of the two facilities. The facility in Cairns—the \$3m facility referred to—carries out research on the disinfestation of horticultural produce in the papaya fruit fly area, and it looks at other fruit flies as well. Its aim is the development of other, non-chemical means of treatment to meet both interstate and overseas market requirements. In the course of the current year we will be completing the sterile insect facility, which has been under design. The costing of that facility is separate to the Cairns facility. That is given in the Budget documents as \$7m; that is the \$7m facility you are referring to.

Mr RADKE: \$7m or \$17m?

Dr DUNN: It is \$7m.

Mr PERRETT: You have just cut \$10m off it, so that is good! If we stay here a little longer, we might get it for nothing! Once this facility is built, it will have further applications in fruit fly control.

Mr SCHWARTEN: I was just about to ask that.

Mr PERRETT: For instance, if there is an outbreak of melon fly in Western Australia, the facility may be dismantled and sent to WA. It will not be a complete white elephant. We can always expect that there will be further outbreaks of insects and pests from time to time.

Mr SCHWARTEN: On the subject of the papaya fruit fly, I notice that the coffee growers on the tablelands claim that the techniques that were used to get rid of one pest are creating a pest for them. What is your department doing about this? Obviously, with a significant developing industry such as that, you would be concerned about the ramifications?

Mr PERRETT: We certainly are, because coffee has proven to be a favoured host of the papaya fruit fly. Obviously the coffee growers—and thank goodness there are not such a lot of them, although it is very important to the people who have been affected—are very concerned as they have seen the price of coffee go up quite a lot but have not been in a position to take advantage of that. The allegations made by the Mareeba Coffee Growers Association that the treatment of the coffee for papaya fruit fly has resulted in substantial crop losses has not really been proven. We are working with the coffee growers on the subject. The department has not yet received any formal requests for compensation. Four growers have reported crop losses in the order of 15% to 25% and one grower, Ben Colbran, reported a loss of 85%. Of course, current high prices are adding to the pressure from growers.

A DPI coffee expert has inspected all properties which reported lost production and has found no evidence to support or disprove the growers' claims. Protein bait spray that incorporates Maldison is used extensively on coffee overseas without any known effects. As I understand it, we took our advice from places such as Hawaii where they have had a fair bit of experience with this. Officers of the DPI have met with the Coffee Growers Association on several occasions to address its concerns. With the agreement of growers, the department is undertaking a full investigation into the matter.

Treatment of the papaya fruit fly outbreak was essential following positive trapping results in the coffee plantations and the detection of larvae in coffee berries. Failure to treat may have jeopardised the whole eradication program, as coffee appears to be a preferred host for the pest. If chemical treatments had not been applied, the potential loss of production as a result of damage caused by the fly may have been even higher than they already claim.

Mr SCHWARTEN: What do you think the damage to our possible export markets will be as a result?

Mr PERRETT: I am not sure how much we export. I do not think it is a very significant amount.

Mr SCHWARTEN: That was one of their complaints.

Mr PERRETT: Yes. I do not think it is a significant industry. Certainly the damage to the export of other crops, particularly mangoes, which is a very big industry in the Mareeba district, could have been jeopardised if we had not taken the action that we did take in the coffee plantations. At this stage we have not received any formal requests for compensation. The department is working very closely in association with the coffee growers. At the end of the day, we will have to make a decision based on fact and not on the allegations of people who run off to the media from time to time.

Mr SCHWARTEN: I heard what you said before about live cattle exports. It is worrying that 50,000 head of cattle are being exported to set up herds in places like Indonesia. Cattle producers tell me that they are concerned that breeding herds are being established overseas. Do you see it that way?

Mr PERRETT: No, I do not. The transmigration program has been entered into on the basis of relocating city families, to give them a viable livelihood. Currently, they are looking at establishing each family on two hectares of land with eight breeding cows and one bull. The family will be kept gainfully occupied by cutting the fodder by hand wherever they can salvage it and carting it back. It is very much a way of keeping people employed, rather than developing a cattle industry. Obviously, they do not have the land mass that we have to develop a major industry.

I am very much aware of a previous attempt to establish a dairy industry. Some good quality dairy heifers were sent over there. Last year when I was there I made some inquiries about how that program was going. I was told that they had given up producing milk, so the cows were eaten. When we were there last year I saw a Queensland Brahman bull in the rice paddies. He was tethered next to an irrigation channel, in which a duck was swimming up and down. That day they were actually ploughing with a water buffalo, but it was very obvious that at some stage the Brahman bull had been pulling the plough as well. That gave a whole new meaning to "working age bull", I have to say!

Mr SCHWARTEN: The overall concern for the meat processing industry is still there, is it not, especially as another meatworks has just been closed?

Mr PERRETT: As I said before, by the year 2000 it is expected that up to one million head of cattle will leave northern Australia. That has to have a marked effect on the processing industry and that is why the industry is going through some very tough times. In terms of efficiency in the processing industry, our abattoirs will have to operate a lot smarter if they are to stay viable because, quite frankly, some countries with a lower standard of

living and a lesser wage structure than ours are beating the pants off us in terms of processing costs. It makes it very difficult for us to be able to—

Mr SCHWARTEN: They do not have a tariff on them on the hoof, but they do in the box—Indonesia and the Philippines especially.

Mr PERRETT: That is right.

Mr SCHWARTEN: On that basis, as the Minister in charge of processing in Queensland, how do you see your Government assisting these processors to stay in business and employ Queenslanders?

Mr PERRETT: We have currently asked BIDAC, the Beef Industry Development Advisory Council, to do some work on a model and costs. At the end of the day, industry will always have the final say in which way it goes, but the department can assist in the interaction between the two industries. Obviously, because of the high transport costs in Australia, northern producers, who are miles away from the closest abattoirs, pay an absolute fortune to transport their stock to saleyards or processing facilities. Therefore, the live export trade is very attractive to them. Ultimately, DPI needs to ensure that we do whatever we can to promote the right balance between the two industries. If the price of beef were to go up, I think there would be a lot of changes around the place. There are not many spare dollars floating around in the beef industry right now. Obviously, the producers, the processors and the retailers are all doing it pretty tough.

Mr SCHWARTEN: I understand that just recently Queensland has been offered an opportunity to manage the recreational billfishing industry. Are aware of that?

Mr PERRETT: I will defer to Mr Pollock, the Executive Director of DPI Fisheries. Is that the end of the question?

Mr SCHWARTEN: If you are not aware of it, I guess you cannot answer the next question, which is: will you take it on? It is a big industry. It is worth \$60m in Cairns alone.

Mr PERRETT: Absolutely. We have been very concerned about the way it has been managed in the past.

Mr POLLOCK: Yes, we were aware of it. There is a paper in front of us now and it will be considered at the end of July at the next standing committee meeting. As you said, this issue arose initially through requests by the game fishing industry to afford it greater protection from tuna long-lining and its incidental take of billfish. The subject of fisheries management comes into play. We have always seen it as being very difficult to have the Commonwealth, through the Australian Fisheries Management Authority, managing the commercial sector of that fishery and then trying to have the State managing the recreational component.

Through the Minister, we have made submissions to the AFMA to correct that anomaly. It found that it was unable to do that because of existing legislation which meant that—and I am

paraphrasing—it had to extract the maximum economic benefit out of the fishery on a sustainable basis, and that did not allow it to take account of recreational fishing. We have written directly to AFMA. Earlier this year, we also provided a submission along the same lines to the House of Representatives inquiry into AFMA.

As to this latest suggestion from AFMA that we take over the recreational component of it—for the reasons I have stated already, I will recommend to the Minister that we reject that proposal. It would be silly for us to try to manage one component of the fishery. Secondly, there is no mention of any resourcing to go with it. I am very mindful that we cannot manage that if we do not have resources available.

Mr SCHWARTEN: It would be a great pity if in Queensland we were not to take an opportunity to manage a recreational industry that so many Queenslanders depend on for their livelihood. Is that what you are suggesting?

Mr POLLOCK: Yes, I would agree. However, I think the preferable way to manage it is through the Commonwealth, because it has the legislative power and responsibility to manage the whole tuna fishery, which includes the billfish component.

Mr SCHWARTEN: We are talking about black and blue marlin, though?

Mr POLLOCK: Yes, the billfish, or black marlin, component; it is all the one fishery.

Mr SCHWARTEN: Yes, I know.

Mr POLLOCK: I might be so bold to suggest that it would be unworkable for us to manage one element of that fishery with the Commonwealth trying to manage the other element of the same fishery. That is contrary to arrangements that the Commonwealth has taken through the PZJA, where it has acknowledged that it manages that fishery.

Mr PERRETT: One of the problems that has arisen is the fact that the Commonwealth has not been managing it as well as it should have been. I think it has been quite tardy in the management of that fishery. I am trying to negotiate with Senator Parer, who has the responsibility in that area, to try to lift its game. Hopefully through negotiation we will be able to sort it out. At the end of the day, I hear what you are saying. The marlin fishery is a very important one in particular for north Queensland.

The CHAIRMAN: That concludes the time for questioning by non-Government members. Minister, it is important that Queensland produce reaches international standards of quality if it is to maintain competitiveness. According to paragraph 7 on page 9 of the MPS, there is emphasis on this area by the DPI. How does the department plan to assist producers to improve the quality of Queensland horticultural products?

Mr PERRETT: Quality management systems have been promoted by the department as a means of raising the quality of horticultural products in the marketplace and more generally improving business performance. The adoption of quality management systems assists with better specification of the

processes used in the production and handling of horticultural products. This ensures that products achieve and maintain a defined standard with the aim of providing a marketing advantage. Better specification also enables management practices to be improved to increase productivity and efficiency. The department has supported the development of quality management systems for bean production in Gympie, for tomatoes at Bundaberg and for stone fruit and apples at Stanthorpe. It has also promoted quality management systems for pineapples, mangoes and table grapes. Comprehensive training programs and the pilot development of model quality management systems will continue, with potatoes, stone fruit and melons targeted in 1997-98.

Mr RADKE: Minister, paragraph 9 on page 7 of the MPS states that there is an emphasis on disinfection protocols to expand our export markets for horticulture. What has been the department's impact in respect of overcoming quarantine barriers so that Queensland products can access overseas markets?

Mr PERRETT: Currently, disinfestation research is being conducted for citrus, mangoes and pumpkins. Additional work is more systematically addressing the development of treatments for the range of fruit fly which affect market access for Queensland horticultural products. Industry representatives and funders of research, chiefly the Horticultural Research and Development Corporation, are involved with the department in setting priorities for this work in providing funding support. Increasing emphasis is being given to the use of alternative non-chemical disinfestation treatments.

The verification of the vapour heat treatment for the disinfestation of papaya fruit fly for Kensington mangoes was completed in 1996. That led to the reopening of the Japanese export market for treated mangoes from within the papaya fruit fly quarantine zone in north Queensland and assisted in achieving a record level of mango exports from Queensland last season. Further work to develop treatments to enable the export of other varieties of mangoes also commenced. A major project to improve the use of cold treatments for the removal of the fruit fly from citrus commenced in association with interstate collaborators. This work, designed to support access to the Japanese market, will take several years to complete.

Mr MALONE: The key output table on page 10 of the MPS refers to major activities of the Agriculture Program. What were the main achievements of the DPI's Horticultural Subprogram over the past 12 months?

Mr PERRETT: The Horticultural Subprogram incurred total expenditure of approximately \$20.7m in 1996-97, representing \$16.2m in consolidated revenue funds, supported by a further \$4.5m of external funds. The expenditure focused on the six priority areas outlined in the department's Priorities Towards 2000 document for horticultural industries. Priority areas for expenditure included new varieties, improved technology, disinfestation research, adoption of quality management systems, integrated

pest management and the Agrilink information system.

The major achievement was the reopening of the Japanese market for mangoes following the revision of the vapour heat fruit fly disinfestation process. Integrated pest management was supported by the specific allocation of \$300,000, which provided enhancements to the IPM systems and information in respect of apples, citrus, bananas, brassicas and sweet corn. IPM workers helped the apple industry to achieve a 40% reduction in pesticide use. The specific expenditure of \$282,000 enabled further development of the Agrilink information system. Six Agrilink information kits covering potato, onion, strawberry, citrus, subtropical banana and low-chill stone fruit were produced for sale, and a prototype CD-ROM version of Agrilink was also produced. Further modules of Agrilink will be developed over the next two years. Training to improve the capacity of operators in the nursery industry was expanded through the Do Our Own Research Project. A major highlight of this project was the publication of a comprehensive learning guide for use by nursery operators.

The CHAIRMAN: There is reference to additional funding by the Horticultural Research Development Corporation in note 4 on page 12 of the MPS. What new horticultural research activities were supported by HRDC in 1996-97?

Mr PERRETT: The HRDC approved 43 new DPI projects in 1996-97. It increased funding by \$532,000 to \$3.3m. This funding from the HRDC supported consolidated revenue funds to develop Queensland's horticultural industries. The extra funds reflect DPI's competitive ability to attract industry demand for our work. Queensland fruit and vegetable growers are a major voluntary contributor to the HRDC for DPI projects. Nineteen of the 43 additional projects funded by the HRDC were jointly funded with the Queensland fruit and vegetable growers. Six of the HRDC projects focused on improved market access for citrus, mango, stone fruit and general horticulture. The remaining projects aim to improve international competitiveness, increase farm viability and enhance industry development. Nine of the projects were on varietal work.

Mr RADKE: Note 9 on page 12 of the MPS refers to new funding to target export opportunities for Queensland produce. What is the department doing to expand horticultural exports?

Mr PERRETT: In 1997-98 a new initiative will commence with the aim of boosting Queensland's horticultural exports. \$1m per annum is committed to this project for the next three years. It will build on existing activities undertaken by the department, namely, the analysis and provision of horticultural marketing information, the facilitation of market access for horticultural products and the application of quality management systems. Objectives of the project are to develop new and expand existing horticultural export industries—for example, grapes—foster the export focus and export capacity of producers and provide highly focused export marketing information and know-how and address food safety issues.

Mr MALONE: Reducing pesticide use by integrated pest management is a particular target of the Government and one dear to my own heart. What is the impact of the department's work on integrated pest management to date in horticulture, and what is planned for the future?

Mr PERRETT: The DPI has been at the forefront of integrated pest management. The 1997-98 budget for this initiative is \$355,000. It is specifically for developing technologies, information and producer skills in horticultural IPM. The department's work has resulted in 85 Queensland apple growers using advanced pest monitoring and pesticide use analysis techniques. A 40% reduction in pesticide use was achieved, and the year 2000 target is 70% reduction. Also, 65 vegetable growers were trained in pest identification to promote the use of infield pest monitoring techniques. Recommendations are being developed to assist vegetable producers select varieties to provide maximum disease resistance so as to reduce reliance on chemical use. Specific IPM information packages are being developed and delivered to producers in major tropical, subtropical, temperate and vegetable crops. These packages increase awareness of alternative pest and disease management and certainly encourage them to take up the different options and provide growers with information to assist decision making. You can see from that that significant ground is being gained with integrated pest management in horticulture. Hopefully it will not stop there and will flow through to other commodities as well.

The CHAIRMAN: The information systems to meet the information needs of horticultural producers are being enhanced, according to page 8, paragraph 5 of the MPS. What is being done to provide high-quality information on a wide range of horticultural crops?

Mr PERRETT: Comprehensive printed information kits for each of 30 major fruit and vegetable industries are being prepared. The first six—covering potatoes, strawberries, citrus, low-chill stone fruit, subtropical banana and onion—are to be released for sale by July 1997. Each kit is designed for easy use and contains eight high-quality information products for the specific crop which are relevant, accurate, impartial and up to date. The aim is to increase the productivity, sustainability and profitability of growers. Advanced prototypes of the citrus and strawberry packages are on CD-ROM. They have been prepared for extensive field testing. The first commercial version of these will be released in October 1997.

The budget for the Agrilink project in 1997-98 is \$186,000. This will cover salaries of project staff engaged on the project. Operating funds for the project will be met from the sales of kits and CD-ROM products. An Internet version of the strawberry package will also be available in August 1997 on the DPI web, with additional crop packages being progressively added. These days modern farmers, certainly the successful farmers, are more inclined to make use of modern-day technology. Some of these new methods of distributing information to our

producers around the State, and not just in the horticultural industry, are certainly starting to prove very popular. I am sure that as we enter the next century we are going to see some remarkable changes in the use of modern-day technology in the management practices on various agricultural/horticultural enterprises.

Mr RADKE: Following on from that on the delivery of information—I note on page 7, paragraph 4 of the MPS that information delivery to producers has been a focus by the department in the last year. How has the delivery of information to field crop growers been enhanced?

Mr PERRETT: The Crop Link Project is based at Dalby, which is very fitting since Dalby is right in the heart of a major cropping area. It provides a specific information service for field crop growers, including assistance with inquiries and in using the range of DPI information products. The Crop Link Project is redesigning the crop management notes. I am sure that the Chairman of this Committee would be very aware of those, coming from that area and being a grower of many of the types of crops that would be included in the Crop Link Project. The old management notes have proved very popular and very useful in the past, but this is certainly taking it to the next stage where it will all be available electronically. This will make it easier for growers to use and access critical information. They can get it almost when they want it, just at the press of a few buttons if they own a computer. New brochures on critical issues such as frost management in wheat and nematode management are under production, just to name a couple of issues. The capacity to respond with appropriate timely information for producers has been significantly improved. I think that is one of the advantages of the new Crop Link Project. With the new direction that it is taking in disseminating information to producers, no matter what the commodity, that time factor is proving a real boon.

Mr MALONE: In the Ministerial Program Statements there is mention of the AgrilInfonet service. How does the timely and relevant business information provided through the service assist primary producers in decision making?

Mr PERRETT: Many of Queensland's small and medium sized rural enterprises are looking for opportunities to profitably develop their businesses by searching for new products and new markets. Because of the day-to-day pressures of running their existing operations, they have difficulty in finding time to collect and analyse the necessary marketing information. This Government knows that, by assisting smaller firms to gain easy access to the marketing information they require, their owners will be able to make the business decisions that Queensland needs for more jobs and increased wealth. AgrilInfonet is one of a number of new services implemented by my department to provide Queensland's rural businesses with commercially valuable and practical business information and assistance.

Mr SCHWARTEN: Sorry to interrupt you there. I am just interested to know if that is going to become part of the new beef institute.

Mr PERRETT: For sure, and certainly in things like market information, for instance, it will be possible for us to know—if we want to know—how many cows have been killed in the US, what price they are bringing, and so on. There will be all sorts of information both in terms not only of production but also market information, and all sorts of things will be available through it. Like many of our initiatives, it has been developed in partnership with those who will use it. I think that is the good thing about it: it delivers them what they want.

The AgrilInfonet service solves the marketing information problems of its subscribers by linking them with reliable and easy to use routine market information and by assisting them to relocate relevant trade contacts. A key feature of the system is the screening and monitoring of information service providers based on feedback from subscribers. The Queensland roll-out of AgrilInfonet has recently been completed following the evaluation of a pilot of the program and an official launch last December.

The CHAIRMAN: On page 23, paragraph 3 of the 1997-98 MPS, there is mention of the Queensland Centre for Climate Applications and that the centre will ensure that Queensland will maintain its international leadership role in this research. I ask: how will the Queensland Centre for Climate Applications help strengthen and maintain Queensland's leading climate applications research and extension, and what practical benefits will it provide?

Mr PERRETT: I am not going to sit here today and tell you that we will be able to turn the tap on and off. I wish we could.

The CHAIRMAN: We would never agree.

Mr PERRETT: The Queensland Centre for Climate Applications is a joint initiative between the DPI and DNR to coordinate existing activities in managing climate risk into an internationally recognised institute. This Government has committed an additional \$2.44m—the Department of Primary Industries' share is \$1.29m—in 1997-98 to fund additional research staff, computers and infrastructure to enhance our understanding and development of climate risk management tools.

Mr PALASZCZUK: How many additional staff?

Mr PERRETT: Thirty-six new staff will be employed in 1997-98.

Mr PALASZCZUK: Based in Brisbane?

Mr PERRETT: The majority will be located in Toowoomba but there will be a node of the centre at Indooroopilly. It will basically be between Toowoomba and Brisbane. The climate information in application will strengthen Queensland rural producers' ability to manage the risks of Queensland's extremely variable climate, which includes drought and frost. Drought cost the Queensland economy an estimated \$6 billion between 1991 and 1996. The Queensland Centre for Climate Applications research and extension work will build on the major scientific breakthroughs in agriclimateology and translate them into tools that can

be understood and used by producers both on-farm and off-farm. Progress in this area will also assist the rural industry and Government in implementing good drought management policies and strategies as part of my Government's plans to achieve greater self-reliance on rural industries. The Queensland Centre for Climate Applications will also look to provide significant benefits to other potential industries such as tourism, construction, mining, and, of course, Government.

This particular initiative is being received with quite a bit of acceptance out there in the general community. We have even had offers of outside funding from people who are so interested in it that they are even thinking about contributing towards the establishment of this centre.

The CHAIRMAN: Time is just about up for this segment. We had better roll back to the non-Government members again.

Mr SCHWARTEN: I have been looking through this document here trying to find a reference to the funding of Sunfish. How much did they get last year, how much are they going to get this year, and what form of accountability for those funds do they have with you? Do you, for example, table their expenditure for the year in the Parliament, or can we get it here?

Mr PERRETT: We gave them \$125,000.

Mr SCHWARTEN: That was last year?

Mr PERRETT: That was last year. It was promised to them for two years at a time. They have had to tell me as Minister how that money will be spent and they were quite happy to do that, unlike another body that went running off to the media making all sorts of unreal statements.

Mr PALASZCZUK: That is a surprise.

Mr PERRETT: Surprise, surprise. We were hoping that Sunfish would actually get out there and promote responsible recreational fishing in assisting us to deliver on the sort of policies that we are putting in place for that industry. One of the initiatives that they had proposed was to prepare an educational-type video that could be made available to their members.

Mr SCHWARTEN: Have they done that?

Mr PERRETT: It has been done, so I am told. I might get my Director-General to give you a bit more detail on the whole deal.

Mr NIEPER: The video was made; it was launched at their annual general meeting a couple of weeks ago. They have certainly matured as an industry representation group, and I think they are taking on the bigger issues. They are represented on all the management advisory committees that we have in place to try to look at the resource side of it.

Mr SCHWARTEN: How many members are there?

Mr NIEPER: Many thousands—about 8,000. It is a very big organisation. There are a lot of sort of peripheral members to it as well. They are a very active organisation; they have very good committee representation. I was very impressed at their annual

general meeting at the professionalism that they were displaying. I think it is money that is well invested.

Mr PERRETT: I must say that they play their politics pretty hard, too.

Mr SCHWARTEN: I beg to differ. I do not think it is a big organisation—8,000 out of 900,000 recreational fishers. It is not exactly a big organisation, but I take your point. So basically they got \$120,000 last year and they will get \$120,000 again this year; that was the agreement?

Mr PERRETT: \$125,000.

Mr MULHERIN: I refer to your answer to the Committee's question on notice in which you explained your failure to spend \$4m of the \$5m capital works allocation for the replacement of fishery vessels in the following way—

"Funding is provided by Treasury on an annual basis. This funding is accumulated and utilised as required on a planned replacement program."

Are you expecting us to believe that Treasury simply threw \$5m your way—

Mr SCHWARTEN: Generous Treasurer!

Mr MULHERIN: "Aunty" Joan—to spend on new boats should the opportunity arise?

Mr SCHWARTEN: Or do you know a different Treasury from the one we know?

The CHAIRMAN: We all know the one Treasury.

Mr PERRETT: I know; they are all a pack of so-and-sos.

The capital works program with regard to vessel replacement in which the department is involved has been allocated \$17.265m over 15 years. This amounts to approximately \$1.1m per annum to replace departmental patrol and research vessels. This money needs to be accumulated over time to allow replacements at optimum age. Approximately \$4m will be carried over from 1997-98 for the replacement of the PV Osprey and the research vessel Warrigal. So with that arrangement that we have with Treasury, where it is an amount of money over 15 years, obviously what we need is to be able to have the ability to spend that money at the optimum opportunity when vessels need to be replaced. Of course, to get the sort of vessels we require is a fairly expensive operation. That is the understanding that we have with Treasury. I hope it stays that way, because it does give us a bit of flexibility.

Mr MULHERIN: Why were vessels such as the \$2.7m replacement for the Osprey not purchased last year? What effect has that had on fisheries patrol activities?

Mr PERRETT: I do not think it has had a lot of effect. I will put John Pollock on notice. We have certainly put extra funding into the resources for the Boating and Fisheries Patrol, and we have even put on extra officers to carry out that work. Of course, it is very important to us that we can give—

Mr SCHWARTEN: How many more officers are going to be put on this year?

Mr PERRETT: I will refer that to John Pollock as part of the other question.

Mr POLLOCK: I am sorry. I missed the second part of that question. The number of staff in the group?

Mr SCHWARTEN: How many additional fisheries officers are there going to be this year?

Mr POLLOCK: To continue with the Minister's reply—the 15-year program has allowed us to plan well ahead. So it is not as though a boat suddenly rots in the water and we realise that we have to replace it. There is a replacement and maintenance program that we can plan for, knowing what the 15-year budget program is going to provide us. So when the Warrigal is due for replacement, we will replace it, and we just accumulate the funds to do that over the years. We have a full-time staff member who manages the boat fleet—both the research fleet and the patrol fleet.

Mr SCHWARTEN: Basically what you are saying is that the figure in last year's budget was set aside as a contingency for this year?

Mr POLLOCK: For the whole 15-year program. We know we have to replace a boat in three years' time and it is going to cost us \$2.7m, so we do not spend as much this year. In response to the second part of that question—we will put on, across the three subprograms, about 30 staff this year. I guess you were talking about Boating and Fisheries Patrol staff particularly?

Mr SCHWARTEN: Yes.

Mr POLLOCK: I think there are only three new ones to go on. We put on most of the Boating and Fisheries Patrol staff last year—1996-97.

Mr SCHWARTEN: How many did we put on last year?

Mr POLLOCK: I thought you might ask me that. I cannot tell you that off the top of my head. I would have to get that information to you. I could get it to you in five minutes.

Mr SCHWARTEN: I did not take the interest in it last year that I do this year.

Mr POLLOCK: A significant number of the initiatives that we put up were put on in the north and south coast and Gold Coast regions. I will get you those exact numbers.

Mr SCHWARTEN: Where are those new officers going to be stationed—the three new ones?

Mr PERRETT: Excuse me. I am told that we have the numbers on the staff.

Mr SKINNER: In regional positions by industry: in fisheries and aquaculture, 22; fisheries management, eight; fisheries resource management, 16; and fisheries resource protection, 16 positions.

Mr POLLOCK: Boating patrol is 16.

Mr PERRETT: Sorry to interrupt.

Mr SCHWARTEN: That is all right. Do you have placements for the three new ones that you are going to put on?

Mr POLLOCK: Considering last year's and this year's, they went to a variety of places. As I said, four were put on at the Gold Coast and, I think, two at the north coast. I am not sure which centre it was, but it was the north coast, anyway. We opened a new staff centre at Longreach with two staff in it. We opened a centre at Wondai with two staff in it. This year we are appointing an educational liaison officer at Townsville, which accounts for one more.

We have established two new quick response units. They are spread across the State, but when we have an emerging or hot issue, they get pulled together into just that: a quick response unit. I think that occupied four staff. Also, this year we are going to put some money into Aboriginal liaison staff. That is more a training program than a full-time employment thing. We are putting about \$40,000 into that. We are attempting to have one position in Brisbane and one in Cairns where, with the assistance of ATSIC, we will put a person on for 12 months, train them in the ways and practices of fisheries enforcement and fisheries law with the hope that, when we are taking our annual intake of Boating and Fisheries Patrol staff, those guys will be good enough to win a guernsey. So I think that will be a pretty exciting sort of initiative.

Mr SCHWARTEN: Minister, of the \$371m in your budget this year, how much is spent on research and how much on extension?

Mr PERRETT: I cannot give you those figures right now unless somebody puts a bit of paper into my hand.

Mr SCHWARTEN: While you are thinking about it, I will ask you a couple more questions. How many staff will be employed in research and how many staff will be employed in extension?

Mr PERRETT: Funds for DPI research and development and extension are derived mainly from the Queensland Government's Consolidated Fund. The largest RD & E expenditure for Queensland's primary industries occurs in the Agriculture Program, which was called the Industry Services Program in 1993-94 to 1995-96. The Industry Services Program was restructured in 1996-97 with part of the program becoming the new Animal and Plant Health Program, taking into account the effects of these changes on comparative data from historical financial records. RD & E money available for Queensland's major primary industries over three years from 1993-94 to 1995-96 was as follows—we have got all the figures there in comparison.

Mr SCHWARTEN: Do not read them out.

Mr PERRETT: No. Warren Hoey, our Executive Director of Agriculture, has been sitting here all day feeling totally ignored. I might ask Warren to comment.

Dr HOEY: Can I just clarify the question from the honourable member?

Mr SCHWARTEN: Basically, what I am looking for is how much money is spent on extension and how much is spent on R & D, how that balances up, and what the staff numbers balance up like.

Dr HOEY: Okay. The way we provided the figures was in terms of research, development and extension. It was a pretty complex way of doing it, because we had to refer to our project management database. Overall, in Agriculture Programs, it comes to about \$80m in research, development and extension. I think the previous figures—

Mr SCHWARTEN: I am particularly interested in the breakdown between the numbers who are employed in, say, research areas and those who are employed in the areas of extension. They are just grouped together.

Dr HOEY: I understand that. We will have to provide you with that information separately. It is quite a bit of work to do that.

Mr PERRETT: I might add that it is a bit difficult to split, because some people are involved in both research and extension. We will take it on board and get back to you.

Mr NIEPER: With the formation of the institutes, that is, the RD & E component, about 25% of the full-time equivalents go into those institutes.

Mr SCHWARTEN: How much did we get out of the R & D panels last year?

Dr HOEY: We will have to get back to you on that. It is about 30% to 35% above our base expenditure in that agriculture area. If you are looking at about \$80m, you could take 30% of that as a total across all external funding agencies. It has been going down, because the income from the levies into those research funds has been quite limiting. You are seeing a differential effect across industries. Generally the competition has been getting higher. As you could tell from one of the Minister's answers earlier, we were able to achieve greater success from the Horticulture Research and Development Corporation because we particularly targeted an area.

Mr SCHWARTEN: Will the institutes plug directly into those R & D panels, or will that be done via the department?

Dr HOEY: Yes, they will plug directly into that. We regard it as particularly important that they develop those relationships because of the partnership that we are encouraging in the formation of the institutes, and, of course, so the industry recognises where its levy dollars are going. The relationship between the institutes and the Rural Industry Research and Development Corporations will be close, very strong and very necessary.

Mr SCHWARTEN: I was curious to know how the extension versus R & D would distil itself out in those institutes.

Mr PERRETT: If they are to be successful, I believe that they must be industry driven. They must deliver on what industry requires to help it go ahead. Probably we will see a change in the climate in so much as the information that will be derived from those institutes will no longer be the sole property of the DPI.

The CHAIRMAN: The graingrowers are obviously very involved in that one.

Mr PERRETT: Yes. Obviously we will be using organisations. We have seen a bit of that in the dairy industry in recent times. The dairy industry has quite successfully employed its own extension officers. Most of them are former DPI employees.

Mr SCHWARTEN: A concern with the formation of institutes is that, over time, we will lose a lot of the work force out of the DPI. Do you see that happening?

Mr PERRETT: Yes and no—I do not think it will happen to any great extent. We have developed a progression scheme to enable people to gain advancement by staying within their chosen field without having to leave and go into the administrative stream if they want to progress up through the pay scales that are available to them. Previously, if people wanted to get ahead in their chosen field, they got so far and virtually had to leave the department. We have lost this year two of our prominent scientists to universities. That is how good they are. The universities come along and offer them much more money than we can pay. While they are contributing in their new field, it is important to us to be able to try to keep them. I see it very much as a partnership deal. If we keep our feet on the ground and do not get our nose too far into the air, it will work.

The CHAIRMAN: The time for non-Government questions has expired. It is time for questions from Government members.

Mr RADKE: On page 10, table 1 of the MPS, a key output of the Agriculture Program is major extension activities directed at increasing farm viability and profitability. How have services to Queensland cotton, sugar and grain producers been enhanced?

Mr PERRETT: Services to Queensland farmers have been significantly boosted over the past 12 months. Ten new officers have been appointed at centres across the State at Kairi, Emerald, Biloela, Monto, Dalby, Toowoomba, Warwick and St George. Extension services have become quite specialised to deal with the complexity of modern farming systems. A network of local officers with general skills and experience is no longer adequate. Extension officers now specialise in particular technologies and provide services over a broader region. That allows the department to maintain state-of-the-art expertise in the broad range of disciplines that are needed to support production.

Mr MALONE: There is mention in the MPS of agriculture's goal of sustainability and particularly of reducing pesticide use for a variety of primary products. What action is DPI taking to improve the sustainability of Queensland's cotton industry?

Mr PERRETT: The cotton industry is very active in the implementation of sustainable production practices. The DPI plays a key support role through the provision of research and extension service. Ingard cotton is the first commercial plant that has been genetically modified to make it toxic to pests. Ingard cotton contains a protein that kills caterpillars, including heliothis, which are the major reason for spraying cotton crops. The cotton

industry is now well placed to make reductions in the use of pesticides. The DPI is working in partnership with industry to deliver an insect management plan suitable for Ingard cotton, because Ingard cotton does not control all cotton pests and the effect of the heliothis can be variable. Emphasis has been placed on minimising heliothis resistance to Ingard cotton. The DPI is involved in ongoing research and extension to improve the methods of application of pesticides to maximise efficiency and minimise pesticide drift from the target crop. On the Darling Downs, a long-term trial is maintaining grower awareness of the impact of crop rotation on sustainability of cotton production.

Water is the major resource limiting cotton production in Queensland; therefore, the DPI is working with growers to improve the efficiency of irrigation strategies in order to grow more cotton with the same amount of water. To bring all the information together, the Australian Cotton Growers Research Association is producing a book called Best Practice Manual: Managing the Impact of Pesticides on the Riverine Environment. The DPI officers are supporting the industry in the development of that manual.

The CHAIRMAN: Could I ask a supplementary question before we move on? In respect of Ingard cotton, is someone in your department looking at the reasons why Ingard at times breaks down and then seems to pick up again? A theory seems to be abounding around the downs that perhaps when the cotton is watered—regardless of how well lasered that country might be and how well it drains—there is a tendency to waterlog the crop—even ever so slightly—particularly with flood irrigation. The suggestion is that the Ingard breaks down when it is under stress. Do you have someone in this room who is involved in that?

Dr HOEY: Yes, we are involved along with industry in monitoring the introduction of that Ingard cotton. I am not aware of that issue that you raise. What really happens in the plant is that the different varieties of BT cotton express the gene that causes the toxin that kills the pest differently. I am not aware of any impact of waterlogging. Certainly we are monitoring it very carefully, as are the proponents and owner of the BT gene. They are looking at the next stage, which is effectively doubling the genetic capacity of that so it is far more effective. At the same time, we need to be sure that we are not overdosing the environment and building up resistance in pests. We have a fairly important focus on integrated pest management, because we regard the BT gene as one little bit in the armoury. We need to keep it all in balance.

The CHAIRMAN: According to pages 6 and 9 of the MPS, there are significant efforts in bringing about new crop varieties, particularly for overseas markets. How successful is the department's crop breeding program in delivering new varieties to growers?

Mr PERRETT: The DPI cereal grain breeding programs emphasise processing quality that will enhance the national and international marketability of the grain. Resistance to disease is also extremely

important so that growers will not suffer large crop losses. The following varieties were released during last year: Arnham, which is a wheat variety that has an excellent noodle colour for the high-paying South East Asian and Japanese markets, and it has good processing quality for the domestic milling industry; Mawson, which is a rust-resistant hay wheat, which will increase the life of rust resistance in Queensland as it will be grown in place of the rust-susceptible hay wheats; and the barley variety, Lindwall, which is the one you plant if you want a bumper crop.

The CHAIRMAN: That is too late in the afternoon.

Mr PERRETT: Lindwall has an excellent export milling quality and, if sufficient is produced, should enhance Queensland's reputation as a supplier of quality malting barley. The DPI breeding programs in peanuts, navy beans, sorghum, maize, tobacco, barley and wheat are ongoing programs and a number of excellent varieties will be released in the next year.

The CHAIRMAN: Mr Radke would like to ask a supplementary question.

Mr RADKE: Are there any plans afoot for developing a chickpea industry exporting into India?

Mr PERRETT: I might ask for two responses. Firstly, Warren Hoey might comment briefly on that and then Peter White, who heads up the new Rural Industries Export Development Unit that we have established, will talk about market opportunities.

Dr HOEY: We are always interested in developing growth opportunities, and chickpea is something that is showing some potential. The focus of my group is on helping to develop new varieties, resistant varieties and varieties that meet customer specifications, about which there has been some problems. I can now pass to my colleague who can answer on the export side of things, because we are very interested in helping to produce if we do have those export markets.

Dr WHITE: As my Minister has said, the Rural Industries Export Development Unit is a new group within the department formed to recognise the importance of international markets for Queensland agricultural products. India represents a significant opportunity, but it is not going to be an easy opportunity to tap into. It is well known that India has a very high population and, more importantly, it has a high population within that population with a significantly—

Mr SCHWARTEN: Of very wealthy people.

Dr WHITE: That is right. There are very wealthy people. Until recently, India has pretty well had a closed door against trade from countries like Australia but we have noticed that they are starting to open up. I think that it is an attitude change by the Indian Government. They have got over the Raj syndrome, if you like to call it, and they are looking elsewhere for products. Because their people have more disposable income, they have higher consumer demands. It is a perennial issue in relation to the supply and demand of crops like chickpeas, but perhaps it is worth our while to have a look at that on the basis of the question raised today. I will add it to

my portfolio of research to have a look over the next couple of months in relation to the demand for chickpeas.

The CHAIRMAN: I understood that when Neville Harper was Minister, at one stage we went quite close to the Minister taking a group of people—marketeers and so on—to India to look at this chickpea market. It has been one of the markets that has created some dramas for farmers. We will not go into who the players are, or why; I think that all of those people in the room who know a bit about it would understand the problems. I just wonder whether there is an opportunity to go over there in a Government-to-Government type of approach, which seems to work in India. I wonder whether we have any opportunities in the chickpea area in particular.

Dr WHITE: I will undertake to prepare a briefing note for my Minister on the opportunities there for the Minister to determine.

Mr PERRETT: He has been trying to convince me for some time that India is the place to go, but I am still to be convinced.

Mr MALONE: A priority goal of the Agriculture Program is to improve the capacity of primary production enterprise to meet market requirements. What value-adding opportunities are there in the sugar industry to enable it to increase its share of the world market?

Mr PERRETT: I would like to invite Rosemary Clarkson to answer. She has been sitting back there just dying to answer a question and tell you what we are doing in this area—not that I could not answer it myself; I have a very informed brief. I just wanted to make sure that Rosemary does not feel neglected.

Dr CLARKSON: Over the last few years, the department has been searching out some particular market niches where Queensland is seen to have a comparative advantage and looking at ways to turn that into a competitive advantage. So what we have tried to do in the department is to find ourselves an expert in that area and then concentrate on it for a

couple of years, both in terms of adding value in Queensland and also improving investment in value-added products in the State.

One that we are working on at the moment is the sugar value-adding project. Queensland has a great comparative advantage in this area. We also have a huge production capacity and very little value adding—mostly dealing in raw sugar. Obviously, confectionary offers the greatest potential for downstream processing. We have been working in two areas there: one is to encourage the sugar mills to build value-adding plants on to the sugar mills; and the other is to create actual investment in confectionary manufacture in the State. To do that, we have been travelling around to various confectionary exhibitions and talking to confectionary manufacturers both overseas and also from other States. A couple of the companies have expressed a great interest in coming to Queensland and investing in manufacturing.

The CHAIRMAN: There being no further questioning, that concludes the examination of the Estimates of expenditure for the portfolio of the Minister for Primary Industries, Fisheries and Forestry. I thank the Minister for Primary Industries, Fisheries and Forestry and the officers for their attendance. The hearing will now adjourn until 3.30 when the Committee will examine the portfolio of the Minister for Natural Resources. Thank you very much.

Mr PERRETT: Before we close, I would like to thank the members of the Committee, particularly the Opposition spokesman on Primary Industries, for their cooperation. I think that it has been a very wide-ranging debate. We have covered a multitude of subjects. It is one of those portfolios that you could really go on forever and still not get to the bottom of everything that is happening in the department. Certainly, owing to the cooperation of the Committee, I thoroughly enjoyed the exercise. I thank the Committee for that.

Sitting suspended from 3.09 p.m. to 3.27 p.m.

DEPARTMENT OF NATURAL RESOURCES**IN ATTENDANCE**

Hon. H. W. T. Hobbs, Minister for Natural Resources
 Mr T. Fenwick, Director-General
 Mr J. Varghese, Deputy Director-General (Corporate Development and Services)
 Mr R. Freeman, Executive Director, Land Administration
 Mr S. Spencer, Executive Director, Resource Management
 Mr K. Walters, Manager, Finance
 Mr P. Noonan, Executive Director, Regional Infrastructure Development
 Mr W. Eastgate, Executive Director, Resource Science Centre and Knowledge

The CHAIRMAN: The hearing of Estimates Committee E is now resumed. The third portfolio for consideration relates to the Minister for Natural Resources. The time allotted is two hours and 40 minutes.

I remind members of the Committee and the Minister that the time limit for questions is one minute and that 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 expiration of these time limits. The questioner may consent to an extension of time for answers. A double chime will also sound two minutes after the granting of an extension of time. Three chimes will ring at the conclusion of each 20-minute block.

The Sessional Orders require that at least half of the time available for questions and answers in respect of each organisational unit will be allotted to non-Government members and that any time expended when the Committee deliberates in private will be equally apportioned between Government and non-Government members. The Committee has agreed that the first 20 minutes of questions will be from non-Government members. I ask departmental witnesses to identify themselves before they answer a question so Hansard can record that information in the transcript.

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 the Minister questions. In this regard, the Committee has resolved that it will automatically grant leave to any non-Committee member who wishes to question a Minister. Also, in accordance with the Sessional Orders, each Minister is permitted to make an opening statement of up to five minutes.

I now declare the proposed expenditure for the portfolio of the Minister for Natural Resources open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, would you like to make a brief introductory statement?

Mr HOBBS: Yes, thank you. Since its formation, the Department of Natural Resources has focused on its core business, particularly on improving the integration of information for clients and providing fast response times in delivering services. As a result, during the past 12 months my department has improved the focus of its services on client needs and Government priorities. DNR continues to emphasise innovation and continuous improvement, continually rethinking work practices and processes, reviewing policies and driving outcomes tailored to the Government's direction and client service. This philosophy is reiterated in my department's vision: sustainable land, water and native vegetation, with DNR providing quality products and services to build a prosperous Queensland in partnership with clients.

In 1997-98, my department will have a budget of \$535.9m, an increase of more than \$39.8m or approximately 8% over last year's expenditure. This year, the department will begin spending on projects recommended by the Water Infrastructure Task Force. Considerable funds will be spent on water resource projects that have already been announced, that are on the books or that are under way. Funding to develop new initiatives for the community include: the establishment of the Queensland Centre for Climate Application, a joint DPI/DNR initiative to provide Queensland's rural industries with an improved knowledge of climate variability and change, the development of sustainable and self-reliant Torres Strait Islander communities through the transfer of water infrastructure management skills, and further the provision of funding to reduce the impact of major pests, plants and animals throughout Queensland. DNR will work with local communities and land-holders on reviewing Queensland's pastoral regions, developing and implementing a strategy for the desert uplands and developing a comprehensive waste water reuse strategy for both urban and rural Queensland. Ongoing support will continue for existing initiatives including Landcare, and the south-west strategy SWEEP. These initiatives continue DNR's commitment to the sustainable management of Queensland's natural resources.

I look forward to the opportunity of answering any questions that may arise out of my department's estimates.

The CHAIRMAN: The first period of questions will commence with non-Government members.

Mr PALASZCZUK: Minister, I refer you to advance question on notice No. 14 in relation to the Native Title Tribunal and your answer, and I ask: is this move an acknowledgment of the fact that you have a conflict of interest in dealing with matters relating to native title given that your property holdings are the subject of a native title claim, or is it simply a reflection of your inability to properly manage the area as evidenced by the unnecessary three-month freeze on all lease transactions?

Mr HOBBS: I thank the member for the question. Of course, the answer is: no. I will take this opportunity to run through a few of the points that the member has raised. Throughout Australia, native title issues have been taken in hand by either the

Premier or the Prime Minister, which is one of the reasons that that move was undertaken. In my case, a native title claim does exist over my property but it has no reflection on any decision that I have made. Simply, any native title claim on my particular block would fail, so is of no relevance in any manner or form. As the member may recall, I stated in the Parliament that my main block is freehold and that the block in question is a treeless and waterless plain which Aborigines did not frequent. All along, my argument has been that wild ambit claims such as this have done no good to the native title cause. Blame for that can be sheeted home quite squarely to the previous Prime Minister and, in this instance, the High Court's decision. I believe that the present Prime Minister's 10-point plan, if it goes ahead as stated in Longreach, will go a long way to alleviate a lot of those wild ambit claims.

In summing up, I believe quite strongly that I have no conflict of interest in any manner or form. I believe that the way we handled the freeze was responsible and appropriate. Governments must err on the side of caution. How would it be if we had issued licences, permits and leases that were proved to be invalid? That would be like issuing money that was not valid. The Prime Minister and the Federal Attorney-General have backed up my claims and they have backed the actions that I took. I believe that we acted in the best interests of Queensland and, as it turned out, in the best interests of Australia. The new administrative arrangements reflect the situation in all other States.

Mr PALASZCZUK: In your answer, you said that the freeze was a responsible move. I also refer to your answer to question No. 20 which indicates that the backlog of land dealings has blown out by 900, or 14%, as a result of your decision to freeze those dealings from January to April of this year. Why did you hold this State to ransom for three months by refusing to finalise hundreds of land dealings, when every other State managed to process or at least progress the applications that they received?

Mr HOBBS: There is one good reason, which is that Queensland has a different process to the other States. In Queensland, we believe very strongly that native title has been extinguished by pastoral leases. That had been the legal advice that the previous Labor Government used and it was the advice that we used. As I mentioned in my previous answer to you, the freeze was a responsible action, because things may have gone the other way. We may have given people leases that were then sold on or people may have carried out work on their leased land only to find out later that it was illegal. If that had happened, it would have cost Queensland taxpayers a lot of money. It would have been totally irresponsible for the State to allow that to happen without the proper decisions being made.

Mr PALASZCZUK: Do you support the budget initiative to give senior public servants a \$300,000 allowance to undertake a study tour to the UK? As Minister, will you be recommending any of your SES officers for inclusion in this program, bearing in mind the outrage in rural and provincial Queensland—your constituency—over the scheme?

Mr HOBBS: The outrage, as you call it, is all in the eye of the beholder. I will not rule anything in or out. I believe that this is a matter for each department. There are benefits in our public servants enacting world's best practices. In many instances, one cannot understand or carry out world's best practice simply from reading about it in a book. Often there is a reasonable need to travel for that to occur. At this stage, I am not aware that any departmental people wish to apply for the scheme. We are not really sure what the program is likely to be about. I certainly would not rule anything in or out at this stage.

Mr PALASZCZUK: Minister, I notice also that you moved your ministerial office from Woolloongabba to George Street. What was the total cost of that move and how did the public benefit from this large expenditure of funds?

Mr HOBBS: That question was raised with the Minister for Public Works and Housing at a previous Estimates committee hearing, and I believe the matter was adequately dealt with then.

Mr PALASZCZUK: Minister, we are talking about the move of your office. This question comes under your portfolio. I would like you to answer the question from the Committee.

Mr HOBBS: I will answer the first part, because it probably was not answered. As to what reason we had for moving—with the amalgamation of the previous Department of Lands with the DNR, the majority of our staff were in Mineral House and we believed it was far better to operate from that part of town, because it was closer to the Premier's Department and others. It also provides better access for clients when they come into town. The refurbishment of level 13 of Mineral House was undertaken by Queensland Property Management, as part of the office accommodation administered by the Department of Public Works and Housing, to provide accommodation for my office and the executive management of that department.

Mr PALASZCZUK: How much did the move cost?

Mr HOBBS: Those matters were discussed with the Public Works and Housing Minister at a previous hearing.

Mr PALASZCZUK: Do you not have a figure with you?

Mr HOBBS: It has nothing to do with my department.

Mr PALASZCZUK: Do you not have a figure here at all?

Mr HOBBS: We do not have anything to do with that; the other department handles that.

Mr PALASZCZUK: I refer to dot point 14 on page 19 of the MPS and in particular to your plans to evaluate biological control agents in pest weed control. Do you agree with the proponent of the black rhino tourism scheme for north Queensland, a Mr Tim Nevard, who is quoted in the 11 June edition of the Tablelands Advertiser as saying that the "rhino has the potential to exert significant biological control over woody weeds"? I point out that white

rhinos are grass eaters and black rhinos are shrub eaters. Does the Minister support that scheme?

Mr HOBBS: The Minister for Tourism, Industry and Small Business is leaving very soon on a trip to South Africa to look at the possibility of introducing rhinos into Queensland. That is a matter that we need to discuss in detail. I believe that, on the surface, it certainly seems to be a great initiative. For several reasons, it is something that we obviously would have to go through and evaluate very carefully. Firstly, we have to look at the scheme in terms of preventing the introduction of diseases. Secondly, we have to look at what impacts it is likely to have on the environment. Similar to any other scheme involving the importation of exotic animals, you need to conduct a lot of studies. In this day and age, that is appropriate and I support it. At this early stage, it would be inappropriate for me either to rule in or out what can happen. Let us look at the figures and the impact. We can make a decision once we have the information with which to make an informed decision.

Mr PALASZCZUK: Have you had any discussions with Mr Davidson about this matter?

Mr HOBBS: Mr Davidson may have talked with officers of my department, but he has not talked to me personally, apart from the fact that we have mentioned it just in casual conversation very recently. We have had discussion, but it has not been in depth.

Mr PALASZCZUK: Is that the only role that you have had, that is, just a vague knowledge that Mr Davidson is going overseas to study this proposal? Is that the sum total of your knowledge?

Mr HOBBS: Yes. We have not had any further details at this stage.

Mr PALASZCZUK: So you have read about it in the newspaper?

Mr HOBBS: No, it was not quite like that.

Mr PALASZCZUK: So I probably cannot ask you what role you played in convincing a team from the Cooperative Research Centre for the Sustainable Development of Tropical Savannas, based at the Cairns campus of the James Cook University, to undertake its current study into the project?

Mr HOBBS: That is right.

Mr PALASZCZUK: You cannot answer that question, because you do not know? I suppose that I cannot even ask you what levels of funding the State Government is directing into this study and from which department?

Mr HOBBS: I am sorry to ruin your day.

Mr PALASZCZUK: We will try again. I again refer you to plans by your colleague the Tourism Minister to introduce black rhinos into north Queensland—and, remember, they are shrub eaters—and I ask: do you agree with the head of the team driving the project, Tim Nevard, who was quoted in the Tablelands Advertiser of 11 June as saying—

"The tropical savannas of Northern Australia are currently subject to infestation by

various woody weeds, notably *Acacia nilotica*, and severe degradation from overgrazing"?

Do you believe that the principles of ecologically sustainable development will be upheld in these tropical savannas under further grazing and trampling pressure from animals of this size?

Mr HOBBS: That is pretty hard to answer when we have not done all of the evaluations that, as I mentioned before, would have to occur first before this happened. Obviously, an enormous amount of woody weed has invaded this State. Over many years, insufficient resources have been put into addressing that problem. At present, we are putting a lot of resources into evaluating noxious weeds, including woody weed. We may come up with some sort of an answer to that problem.

Mr PALASZCZUK: Black rhinos perhaps?

Mr HOBBS: However, it would be premature for me to rule in or out whether that is a good thing. If we could find anything at all that will trample, eat or otherwise dispose of woody weeds, it would sound like a pretty good idea. Let us wait until we do the evaluation.

Mr PALASZCZUK: We have probably missed out on something for quite a while now, have we not, if that is proven to be correct? Further to the issue of African rhinos being grazed on properties in the tropical savannas of north Queensland, I ask: do you know that an area of between 5,000 and 10,000 hectares within 90 minutes' drive of Cairns and a second area of 100,000 to 200,000 hectares closer to Burketown are being considered for this scheme? Are you and your department satisfied that impacts of these types on such large areas of land are acceptable and, if not, what advice would you like to give to the Tourism Minister to ensure that such impacts do not occur? That advice would probably be: do not go to South Africa.

Mr HOBBS: I would not say that. In all of these instances, there needs to be an investigation. The role that the Minister is playing at present is purely an investigative one. That is fine. Obviously, there is a bit of interest in the rhino project and it may turn out to be an absolute bonzer. However, at this stage, we do not know. We really have to wait until we get some professional advice. For too long in Queensland we have been making accusations about what can and cannot occur, based on the flimsiest of advice. In this day and age, we need to get proper information. That is one of the roles of my department. We are keen to take the emotion out of the debate and to put some fact into it. We will obviously be very pleased to cooperate with the Minister for Tourism in relation to any ongoing effect, impact or whatever that his program may have.

Mr PALASZCZUK: Basically, in the end, what you are saying is that you have had absolutely no discussions at all with the Minister for Tourism—

The CHAIRMAN: The Minister said that before.

Mr PALASZCZUK:—or the Minister for Primary Industries in relation to this venture to import black rhinos into Queensland?

On a different tack, I refer to your Government's plans to raise in excess of \$100m in the coming financial year by selling off surplus areas of Crown land, and I ask: will any areas of Crown land on Bribie Island be sold off as part of the scheme? Will any areas of the island purchased for conservation purposes using Department of Environment funds be sold as part of the scheme? Will any areas of Crown land on the island be used for timber plantations or sand mining?

Mr HOBBS: The sale of surplus land was identified by Dr Vince FitzGerald. My department through its GLMS program has had the job of identifying land that may be available for sale. There is quite a long process. Contact has to be made with the various departments to assess whether land is in fact available for sale or whether they require it or whether another department requires a particular piece of land. We have also been working with local consultative groups to provide input into draft land allocation plans over State land, particularly on Bribie Island. This occurred in response to continued demands for State land to be made available for a wide range of competing community and commercial needs on that island.

The plan will support land allocation decision making, and the planning study was modified in 1994 to include a community consultation process addressing specific issues relating to conservation, economic development, heritage and culture. Recreation and community interests were also taken into consideration. The study area includes freehold land held in the name of the Queensland Government as represented by the Department of Environment. Inclusion of this area is necessary to ensure that sound land use decisions are made in relation to the State land parcels adjoining that property.

The consultative group is chaired by an officer of my department and includes representatives from other State Government departments, the Caboolture and Caloundra local governments and local interest groups, including the Bribie Island Chamber of Commerce, the Ratepayers Association, Aboriginal groups and the Bribie Island Environmental Protection Association. The local State member, Jon Sullivan, MLA, is also a member of that group. Six other State Government departments are involved in the consultation process: Transport; Tourism, Small Business and Industry; Primary Industries through the Forestry Service section; the Department of Families, Youth and Community Care; and Health. Agreement is yet to be reached with the Department of Environment on a number of issues. Bribie Island is a unique area which deserves detailed evaluation before future planning and land use decisions are made. I hope to make a public statement on this matter in the near future.

Mr PALASZCZUK: How soon?

Mr HOBBS: In the near future.

The CHAIRMAN: That just about wraps up the time for that section. We will now move to Government questions. Minister, page 7 of the MPS mentions that a review of the State's valuation system was completed in September 1996 and that

implementation of the review is progressing in accordance with a plan that was finalised in April this year. Earlier this year I recall mention in the press of valuation increases of around 70% for properties at Nudgee Beach. Will the reforms that the Minister is making to the valuation system address big increases in valuations such as these, which we all know are very unpopular?

Mr HOBBS: Last year I initiated a review of Queensland's land valuation system to help restore land-holders' confidence in it. A major finding of the review was the need to correct valuation relativities in various locations across the State. The relativities are right when similar properties are valued consistently. That is where we had to try to get to. My department is addressing the relativities in a number of ways. Firstly, the most recent valuations carried out targeted the elimination of relativity discrepancies in 22 local governments, right from Noosa south to the border and then west to the range, Stanthorpe and Warwick Shires and the Cities of Cairns, Toowoomba and Townsville. In addition, separate projects are under way to address the relativities in the Belyando and Murweh Shires, and community based valuation advisory groups are established in those areas. It is important that we have those community groups because they are the real link. They are able to give advice on what the local issues are and they can then do a reporting process as well. It means that you have that grassroots link. In general, my department takes a conservative valuation approach to provide a level of consistency to help ensure equity between land-holders.

In the Nudgee Beach area, for this year's valuations the sales evidence indicated that there had been a considerable increase in prices which justified an average 72% increase in values. During the previous valuation for January 1996, there were preliminary indications of an upward trend in sales prices in this area, but these were not sufficient to justify increases at that particular time. In other areas of Brisbane, this year sales evidence reflected a downward trend in prices which justified decreases in values of between 12% and 19%. Examples include Inala, Durack and Doolandella. The improvements being made to the valuation system will help ensure that local governments are provided with a more accurate valuation which will allow them to provide a more equitable and even spread on their rating base. It is important that we get the valuations right because local authorities use them, obviously enough, as the basis for determining their rates. We do have to make them fair because we have found in the past that in some instances ratepayers have been paying too much because the relativities have not been correct. It is my intention through this process to make sure that we put in place a fair and equitable system.

Mr RADKE: Page 7 of the MPS mentions that a review of the State's valuation system was completed in September 1996 and that a plan to implement review outcomes was completed in April. I recall when the report was released that communities were given to improving valuation relativities, improving the process for objections and appeals

and making it more accessible to all users and ensuring good working relationships with local governments, which are the main users of the valuation role. Would the Minister advise the Committee on the progress with the implementation of this review—what has been achieved and what is planned?

Mr HOBBS: In May 1996 at Longreach I announced that a review of the State's valuation system would be carried out. A comprehensive review by an independent project manager and a departmental working group was undertaken. During June, July and August last year extensive consultation on valuation issues occurred with industry groups, local governments and many individuals throughout the State. The report and recommendations from the review were released in September last year. The total cost of that review, as a matter of interest, was \$71,500. So I believe, quite frankly, that it was really good value for money.

A plan to implement the recommendations arising from the review of the State's valuation system was completed in April 1997 and a number of actions have been taken or are being developed as we speak. The principles of annual valuation are to be retained. However, some flexibility has been provided, with the option to carry out valuations in an extended cycle of up to three years. Therefore, we are doing away with the annual valuation. In many instances there were not enough sales to make appropriate determinations and points to work from. This option may be utilised where there is insufficient sales evidence or there are no identifiable changes in the market in a particular area.

One of the actions already taken was the appointment in November 1996 of a principal adviser to coordinate valuations across the State. It is very important that valuers across the whole State are working on a similar system. We believe in the past they tended to do their own thing to a certain degree and had drifted off the main game. While the system was still fine, it needed to be refined, and this is one way of doing it.

A brochure titled "What you should know about your valuation" was posted with the revaluation notices to all owners of properties revalued in 1997. Legislative amendments have been introduced to provide for a separate value for each lot in a plan or subdivision, which certainly will be welcomed by the local authorities particularly. In the near future I intend to introduce further amendments to legislation to remove reference to sugarcane assignments in the Valuation of Land Act and to standardise the objections and appeal process for valuations to 42 days. My department is also developing a model service level agreement for valuation services for use by all local governments by June 1998, with a pilot service agreement to be reached with the Brisbane City Council by December 1997. Valuation data is being validated against other databases to ensure quality, and an ongoing data management system is being established.

Mr MALONE: The key output table for Land Services on page 9 of the MPS mentions that effective valuation services have been achieved

through the delivery of annual statutory valuations on time. I recall that, soon after coming into office, you announced that the Queensland valuation system would be reassessed and that one of the first initiatives would be the mailing out of valuation notices to all land-holders. Can the Minister please advise the Committee as to what action his department has taken to improve the notification to land-holders of changes to their property valuations arising from the statutory valuations?

Mr HOBBS: Last year I announced my intention to resume the posting of valuation notices to each landowner when a new valuation is released. This practice had been discontinued with the introduction of annual valuations in 1985. Since then land-holders had to obtain information on new valuations by visiting publicly displayed valuation rolls or by contacting my department. There were complaints from land-holders that they were unaware of the amounts of the new valuations until receipt of a rate or land tax notice. Some landowners missed the opportunity to object to the valuation as well. Business and land-holder's ability to budget for their commitments was affected by the lack of insufficient notice.

There were also complaints that the locations chosen for displaying valuations were not convenient for all local landowners, in particular, elderly landowners, people with various mobility difficulties and people commuting away from their local area who had difficulty inspecting the display rolls. This year 870,000 valuation notices were posted to landowners in five separate issues between 3 March and 1 April 1997. Notices were posted to land-holders in the 22 local governments valued this year. These covered south-east Queensland from Noosa to the border and west to the range, Stanthorpe, Warwick, Cairns, Toowoomba and Townsville. The cost of that initiative was in fact approximately \$500,000, so it was very expensive but I believe well worth the exercise. My department has validated the addresses for service of valuation notices against local government rate notice records.

My department also provided displays of the valuation roll for 28 days at centres advertised in newspapers circulating within the relevant local governments. Continuation of these valuation displays is currently being addressed as part of the review of the valuation process. The posting of valuation notices is part of the reforms I initiated to ensure Queenslanders have ready access to an efficient and equitable valuation system. Based on comment and feedback to date this new notification service has been well received.

The CHAIRMAN: I note on page 7 of the MPS that a comprehensive review of the State's leased rental system has been completed and that changes have been made to improve the rental system's responsiveness to changes in economic and other factors. I recall that you informed the Estimates Committee last year that you had appointed Peter Lund, a grazier from Clermont, to chair a committee, which included representatives of rural and non-rural industries and Government officials, to conduct this review. Could you please tell the Committee what

the present position with the review is and what are the key outcomes of the Committee's recommendations?

Mr HOBBS: Following the industry concern about the responsiveness of my department's existing leasehold rental system, I appointed that five-person committee led by an independent chairman to conduct a review of that system. The committee first met on 21 August 1996 and, after seeking submissions from 86 key stakeholders and receiving 40 written submissions relating to the terms of reference, it submitted its formal report to me on 18 December 1996. Key policy outcomes from the 25 recommendations of the committee's report include: the confirmation of unimproved capital value as a basis for leasehold rental calculations; the establishment of a single percentage rate for each rental category; the abandonment of the present system with its range of concessional and maximum percentage rates; the development of a new industry health index for category 1 grazing and agriculture, leases which reflect the lessee's ability to pay—that I think was a very important aspect of it as well—the establishment of a new regime for the application of minimum rentals to lessors on a category basis; and the establishment of a 1% differential between the rental percentage rates for mainland and island tourist leases in recognition of the difference between the costs involved in the development, management and maintenance of a mainland resort compared to an equivalent island lease.

I recently obtained the Cabinet's support to implement the majority of the report's recommendations as from 1 July 1997. To assist the recovery of the rural industry, I have chosen to establish 0.8% as a percentage rate for category 1 grazing and agriculture leases in the 1997-98 year rather than the rate of 1.1% which was recommended in the report. The adoption of this lower percentage rate not only recognises the need to support the recovery of rural lessees but also endorses and applies the basic rental methodology which was recommended by that report. I have also chosen to set a minimum rental for leases held by other than charitable and non-licensed sporting clubs at \$150 per annum. Charitable and non-licensed sporting clubs will be subject to a minimum rental of \$100 per annum.

Mr RADKE: I note that page 7 of the MPS mentions that the level of rental arrears for 1996-97 is 8% of annual rents payable on State leasehold land. Is this level of arrears an improvement over the situation last year and, if so, will the Minister outline what action his department has taken to address the matter of rental arrears? What capacity does the Minister have to assist with cases where genuine hardship reduces a lessee's capacity to meet the rental payments in any given period?

Mr HOBBS: It is a good question. My department manages the collection of rents payable by the lessees of State leasehold land. The present annual rent payable on leasehold land is about \$29m throughout the State. Based on current information, it is expected that arrears in rental payments will be

about \$2.3m as at 30 June 1997. This amount is about 8% of the total annual rent payable.

As discussed at last year's Estimates debate, the level of rental arrears generally reflects the long years of severe drought and other factors impacting on the rural sector. The rural recovery will take some years of good seasons and market conditions to improve, obviously enough. This year's outcome is a considerable improvement over last year when rental arrears were 10% of the annual rents payable. However, some 2,900 rental leases remain in arrears at the present moment. So it is still a substantial amendment. This is about 12% of the 25,000 rental leases.

Where rental payments are in arrears, follow-up action is undertaken by my department's headquarters with the issuing of overdue notices for 30 and 60 days after the due date of payment. When the rent is outstanding for more than 90 days, the matter is referred to the local district office for follow-up action. If it remains unpaid and no arrangements for payment have been entered into, the lease may be forfeited and the land and improvements will revert to the State. While my department is conscious of its obligations to collect revenue, it continues to work sympathetically as well in partnership with lessees to reduce the level of rental arrears. For example, we are able to defer the payment of rent if a lessee is suffering hardship due to: illness or unemployment; the consequences of drought, flood or fire disaster; economic recession; and severe downturn in the level of markets relating to the purpose of the lease. That gives you a broad outline of the types of things that we can do. It is quite serious out there. The rural industry has been in recession for a long time. In some areas the droughts have been and gone, but in some areas the drought is still coming.

The CHAIRMAN: It sure is.

Mr HOBBS: I suppose that the wool industry probably has been in one of the worst turns it has been for a long time. Our Chairman, for instance, has not had any rain in his part of the woods for many, many years, and he can vouch for the real problems that are out there in the farming and grazing world. We are very sympathetic and we are keen to help where we can. We also have to balance that with the responsibilities of the State to manage the State's land and collect the revenue that is due as well.

Mr MALONE: Page 6 of the MPS mentions that lead agency responsibility for coordination of native title policy across Government was transferred to the Department of the Premier and Cabinet during the year and that the former Aboriginal and Torres Strait Islander Land Dealings Subprogram within the Department of Natural Resources, which previously had this lead agency responsibility, has been disbanded. I am aware that these new arrangements follow the Premier's announcement in March of a risk management strategy in response to the High Court Wik decision. Can the Minister explain to the Committee why the risk management strategy is necessary and what the implications of the strategy are for his department?

Mr HOBBS: Yes. The High Court Wik decision has implications for dealing in State land, leasehold, and natural resources, of course. To ensure that the State did not act illegally after the Wik decision, that is, in breach of the Commonwealth Native Title Act 1993, certain dealings on State land and leases were initially halted. Subsequently, on 13 January 1997, the Director-General of my department issued a memorandum outlining what dealings in land could and could not proceed pending further legal advice. Dealings not covered by that memorandum were considered by my department on a case-by-case basis. The Premier announced on 13 March 1997 that certain other dealings could proceed based on internal and private legal advice. We basically termed it the risk management strategy. The risk referred to is the risk that the State is wrong in law in respect of a particular view on native title.

In accordance with the risk management strategy, and in consultation with Crown law officials, my department has developed a new procedure for assessing native title implications in dealing in land and natural resources. This supersedes that memorandum of 13 January 1997. This procedure allows my department to take the necessary action for dealings to proceed where they are unlikely to affect native title. The procedure is based on current understandings of where native title has been extinguished, or where a dealing is allowed under the Commonwealth Native Title Act, or where the dealing does not appear to affect native title. My department, however, will not do or permit any dealings which clearly conflict with native title interests—for obvious reasons. It is anticipated that the new procedure will allow a significant number of dealings, which were previously frozen after the Wik decision, to proceed.

The CHAIRMAN: Minister, on page 13 of the Ministerial Program Statements I note that your department aims to finalise arrangements for a system of property rights in water during the forthcoming financial year. Could the Minister please inform the Committee of what his department is doing to achieve this deadline?

Mr HOBBS: I thank the member for this pertinent question. The introduction of tradeable property rights in water has been one of my major priorities since becoming Minister. My aim is for the administrative and legislative system to be in place to enable the progressive introduction of tradeable property rights in water to commence in 1998. At the present time, a draft policy paper on implementing a system of property rights in water is being finalised for consideration in consultation with key stakeholders later this year. This paper was presented to my ministerial resource management advisory council on 17 April this year. The council endorsed the paper in principle and agreed that it be issued for consultation with key stakeholder groups following editorial review. We are progressing along reasonably well in that respect.

The viability and the security of a system of property rights in water requires comprehensive water allocation and management plans. These involve a thorough assessment of water resources

on a catchment basis so that water entitlements can be clearly and securely defined and traded. That is a big change from what happened in the past. Way back when, for instance, dams were built, people went out and put their heels in the ground and said, "We will have a dam here." I suppose that, in due course, the dozers came in, and it went along. But in this day and age we have to look at the whole catchment. The community demands that we do a lot more work in relation to the social needs, the environmental needs and, of course, the water needs of the community.

The Government strongly supports the development of water allocation and management plans—otherwise known as WAMPs—in priority areas of the State and has allocated some \$2.9m this financial year for this purpose. WAMPs are currently under way in the Fitzroy, Condamine, Bollon, border rivers, the Barron and Logan River catchments, and they are planned to commence in the Burnett, Pioneer and Burdekin catchments later this year. The WAMP planning process involves community and stakeholder consultation to identify issues and advise on the acceptable balance between competing water uses, including allowances for future demands, and environmental flows in other streams. The water allocation and management planning—WAMP—framework being developed by my department is consistent with water allocation principles agreed to by the Council of Australian Governments—COAG—in February this year.

The CHAIRMAN: We will now move back to non-Government members' questions.

Mr PALASZCZUK: Minister, could I return one more time to the issue of the rhinos? This will be the last question. You mentioned earlier that your departmental officers may have had discussions with the Tourism, Small Business and Industry Department regarding Minister Davidson's plan to import rhinos into north Queensland. Could I ask for any officer or officers who were involved in those discussions to outline the nature of those discussions and what concerns your department expressed about the project?

Mr HOBBS: As I said before, I have had only casual discussion with the Minister on the issue. As I said, he may have had discussions with someone in my department. I have just spoken with my Director-General. He says that he is not aware of any, but there could be. He could have spoken to somebody—or maybe his departmental people have. I think that is something that we can deal with later.

The point is that nothing could occur until we do a proper analysis. I have mentioned this on several occasions, and I will say it again because it is most important that we get it through. Rhinos would not be coming in unless the Government was completely satisfied that there was no health, environmental, biological or whatever risk to animals, plants or whatever within Queensland. So all the checks and balances would be undertaken. I am sure that the Minister, Mr Davidson, would also be very strong in that particular view because, at the end of the day, he would obviously like the rhinos to be a success in the project that he is envisaging, and he

would not want to have adverse publicity. He would want to make sure that he did the right thing. On that basis, you can be guaranteed—you can be quite assured—that all the checks and balances will be undertaken in relation to this project.

Mr PALASZCZUK: I take it from what the Director-General has said that, to his knowledge, there have been no officers at all involved in discussions with Mr Davidson.

Mr HOBBS: That is the answer I gave you.

Mr PALASZCZUK: Speaking of checks and balances—what checks are made to ensure the accuracy of maps sold by the department?

Mr HOBBS: We can move mountains, you know.

Mr PALASZCZUK: One of our MPs, the member for Archerfield, bought one with the Great Dividing Range 26 kilometres off course.

Mr HOBBS: As I mentioned before, the DNR can move mountains.

Mr PALASZCZUK: You certainly have this time with the stroke of a pen.

Mr HOBBS: I thank you for your praise, with respect. Yes, that matter was raised with me. The member for Archerfield pointed out to me that he believed it was inaccurate. That particular map was not made here in Queensland. It was made, I believe, down south. The company that made that particular map was informed of the situation, and I issued an instruction to make sure that we will not be using it in the future.

Let me give you some more details. Topographic maps are produced by the State to support a wide range of land-related activities. Because of the cost of producing these, a new form of topographic map called an image map is being produced. Topographic image maps use an aerial photograph as a background. These maps have now been used for about three years. These image maps can be produced much more quickly and less expensively than line maps, and the production costs have been reduced from \$60,000 for line maps to \$7,000 for image maps, and the production time has been reduced from 10 months to less than two months. Last year, I described to the Estimates Committee how these maps were receiving acclaim worldwide. I also explained that there were a number of users who were having difficulties with the new maps. There have been some complaints mainly from bushwalkers and hikers who use the maps to locate tracks and other features of interest to them. In February this year, officers of my department met with members of the Youth Alliance to discuss these new maps. This group represents the type of users who have concerns. The meeting decided that a number of amendments would be made to the maps to address some of those concerns. In addition, my department will send a proof copy of new maps to the Youth Alliance to suggest any additions before the next lot of printing. I believe that those changes and the new maps will be far better accepted as with any change to the existing product. I take the point that the member has raised. We have to get total accuracy. We are trying to reduce costs as well.

Mr PALASZCZUK: Perhaps Mr Ardill is entitled to a refund. I refer you to page 19 of your Ministerial Program Statements and particularly to your intention to continue baseline vegetation mapping to support the development of tree clearing policies. I ask: is it true that you are examining a proposal to scrap the requirement for leasehold land-holders to obtain a permit before undertaking broadscale land clearing on their properties?

Mr HOBBS: The tree clearing issue is a very important one. It is a very emotional one. It has been totally taken over with emotion. The conservation people were running around, talking about the number of football fields rolling over each year, week or day in Queensland. They were basing that data on the number of permits that were issued. Of course, the number of permits that are issued means nothing at all in relation to what actually is occurring because people apply for a permit. That is a five-year permit. They may or may not even use that permit. We have been able to do a lot more research and "ground truthing" in relation to what happens with tree clearing. As you would be aware, the previous Government started a long process, which we are continuing, to put in place sustainable tree clearing guidelines in this State.

The regional groups, some 37 throughout the State, have met and have signed off on regional tree clearing guidelines. I have already approved some of those, but the majority are about to be approved. As soon as we get the tree clearing guidelines officially sanctioned, they will be put in place. We will have in Queensland the best and the most sustainable tree clearing guidelines in this country. What I would like to do is ask Scott Spencer, my executive director in that area, to expand on some of the details in relation to that matter.

Mr PALASZCZUK: Is the answer: yes?

Mr HOBBS: No. The answer is: no.

Mr SPENCER: We have had some discussions with the State Trees Group, of which I am the chair, about the concept of tree management plans, which are used in New South Wales. We are going to go back with a report to the Minister's MRMAC, the Ministerial Resource Management Advisory Council, on that because industry has been talking about those sorts of things as part of the process of tree management. It has been talked about at that level.

Mr PALASZCZUK: Industry has been talking about it?

Mr SPENCER: Through the State Trees Group to me, yes.

Mr PALASZCZUK: Does such a proposal appear in the minutes of a recent Ministerial Resource Management Advisory Committee meeting?

Mr HOBBS: What proposal?

Mr PALASZCZUK: The proposal to scrap the requirement for leasehold land-holders to obtain a permit before undertaking broadscale land clearing on their properties?

Mr HOBBS: Everyone has to have a permit before undertaking large-scale tree clearing.

Mr PALASZCZUK: That is why I asked you whether it is true that the proposal was being examined. You said, "No."

Mr HOBBS: I thought your question was that we do not have to have those and that we were looking at something else. The answer is that everybody who does any timber pulling has to have a permit on all leasehold land across the State. That is the whole basis of this.

Mr PALASZCZUK: My understanding is that such a proposal did appear in the minutes of a recent Ministerial Resource Advisory Committee meeting; is that correct?

Mr HOBBS: No.

Mr PALASZCZUK: No?

Mr HOBBS: If you are talking about a permit for tree clearing—any tree clearing at all—permits have to be issued. Down the track we are looking at all sorts of options, and they have been talked about. For instance, New South Wales is using what it calls tree management plans, which they are trying to put in place. Perhaps in the future, if somebody puts in place a management plan that may go for 10, 20, 30, 40 years—whatever the case may be—the option may be that a permit would not be required every time because they would get one long-term permit. The answer to your question is that there has to be a permit issued each time.

Mr PALASZCZUK: There has to be. I still go back to the point that such a proposal did appear in the minutes. I would also like to know why the committee then referred such a proposition to your State Trees Group for consideration?

Mr FENWICK: That is exactly what Mr Spencer was talking about. It was an issue that the State Trees Group has considered. My recollection is that at that Ministerial Resource Management Advisory Committee meeting the issue was discussed. It was discussed either in the context of a briefing that Mr Spencer gave to the committee or referred to the State Trees Group that Mr Spencer chairs, simply to make sure it became part of the overall planning for the State tree guidelines and how they were incorporated into the concept of management—

Mr PALASZCZUK: Could I go back to my initial question? Is this under consideration?

Mr HOBBS: At the present moment, there has to be a tree clearing permit issued before any tree clearing occurs. That is exactly what it is at the present moment. Down the track when we issue the tree clearing guidelines—which will come out in the next few weeks or maybe the next few months—we will have those guidelines out.

Mr PALASZCZUK: That is contrary to what your DG has just said.

Mr FENWICK: I do not believe it is. What I am saying is that, in the context of natural resource management legislation and the State Trees Group, we are looking at ways in which catchment management plans and tree management plans can be used as a management control for the way lands are managed in the long term. At the moment there

are tree clearing permits. As the Minister said, you have to have a tree clearing permit.

Mr PALASZCZUK: So from that answer, there is absolutely no examination of a proposal to scrap requirements for leasehold land-holders to obtain a permit before undertaking broadscale land clearing on their properties?

Mr HOBBS: There will always be either a permit system or a management system put in place. Nobody will be able to go out and wholesale clear timber. I know the angle you are coming from. What you are trying to say is that we are going to drop tree clearing permits and go out and flatten all the timber. The answer is: no, no, no.

Mr PALASZCZUK: I was not saying that at all. I was just asking you a question.

Mr HOBBS: I have been around politics long enough, Henry.

Mr PALASZCZUK: I might come back to that later. I refer the Minister to funding for the spread of the rabbit calicivirus throughout the range of wild rabbit distribution in Queensland. As the virus has not performed as effectively as expected in the eastern part of its range, what funding has been set aside to ensure landowners utilise other more traditional forms of rabbit control to augment the viral impacts?

Mr HOBBS: The rabbit calicivirus has been a great success in a lot of areas, probably to a lesser degree in the wetter climates, particularly around Stanthorpe, where it tended to have not as much impact. I guess rabbits there are living in logs and such like and not so much in burrows. Since then we have had more strategic releases, which have been done in about 50-odd places throughout the State. We have found that we are getting better results from that. It certainly was not going as well as we all thought it would. When it was first released from South Australia, it went like wildfire. There were tremendous results. People should be aware that rabbits cost the environment and the economy an enormous amount of money through destruction.

We are continuing to conduct research, monitoring and extension in support of maximising the impacts of the rabbit calicivirus. I mentioned that field releases have been issued—actually, 88 sites altogether. The interaction of the rabbit calicivirus and myxomatosis is being examined to maximise the potential impacts. It is less effective on rabbit kittens than older rabbits whereas the myxomatosis virus is effective on the young rabbits. So that is the situation there. In relation to some of the funding, I might hand over to Scott Spencer, who may have some details in relation to that.

Mr SPENCER: There is \$220,000 allocated in the 1997-98 State Budget for the employment of a rabbit zoologist and two technicians.

Mr PALASZCZUK: How much was that again?

Mr SPENCER: \$220,000 for 1997-98.

Mr PALASZCZUK: Were Government officials involved in the release of this virus in properties under your or your family's control and, if so, under whose direction?

Mr HOBBS: Sorry, say that again?

Mr PALASZCZUK: Were any Government officials involved in the release of this virus on properties under your or your family's control and, if so, under whose direction?

Mr HOBBS: Any of my properties? Rabbits? We have got a few rabbits—not that many. Not that I am aware of.

Mr PALASZCZUK: I refer the Minister to funding for agricultural pest control in the 1997-98 Estimates, and ask: was it strychnine that was used in the mouse plague control about three or four years ago?

Mr HOBBS: Yes.

Mr PALASZCZUK: Has this shown up as a pesticide residue in export grain? If so, how does the Minister intend to counteract this in order to preserve our vital export contracts?

Mr HOBBS: That is mainly a DPI issue. However, I would not mind taking a little bit of time to talk about the mouse plague. It is a very serious situation. It was under the previous Government—and I believe that Mr Casey was the Minister at the time—that the first mouse plague really came along. At that stage, strychnine was used.

Mr PALASZCZUK: Ken McElligott.

Mr HOBBS: That is true. There were some concerns about it at the time. It was really done on the basis of a one-off, and that would be it. Since then some serious issues have been raised by various people. It is quite evident that there is a need to look to other avenues of chemicals and controls to stop the mice. On that basis, we put in place a program over five years—something like \$750,000 over five years—for DNR to do research into that. We are looking at zinc phosphides as one of the avenues to use. This is used in America. In fact, our research station Robert Wicks is doing a lot of work in relation to that issue. They have been having a great deal of success with it. However, we really have to make sure that there are no problems in relation to the handling by humans and that, obviously, there is no residual effect. So to answer your question about the mice: we are very much aware of it. We are doing a lot about it. In relation to any other issue about residue in crops, that is an issue that would be better addressed with the DPI.

Mr PALASZCZUK: So you have not discussed this issue at all with your counterpart in DPI, the Minister for the Department of Primary Industries?

Mr HOBBS: I have had no reason to. Nothing has been raised with me that may be of concern.

Mr FENWICK: There is very close cooperation between the two departmental agencies at officer level on this whole issue.

Mr PALASZCZUK: At officer level; not at ministerial level?

Mr FENWICK: At this stage, there has not been the necessity to bring the Minister in.

Mr PALASZCZUK: I refer the Minister to funding in your 1997-98 Estimates for weed control in rural areas, and I ask: do you seriously believe that the allocation provided will seriously address the extent of this problem across the State, particularly for those persistent weeds such as mesquite and rubber vine which have a wide distribution? If it is your intention to utilise biological controls to bring these weeds under control, what portion of these funds will be directed to develop these controls as opposed to actual on-ground destruction of weeds?

Mr HOBBS: One thing that I can assure you of is that the amount of money that we are putting in is probably double or treble what you guys ever even thought about putting in there.

Mr PALASZCZUK: Be careful.

Mr HOBBS: One of the commitments that we made was to address this issue. It is my intention to put in place a process whereby we can try to control where we can the spread of most of those weeds, particularly where they are spreading out. The core areas—we are going to try to have a separate program for those areas. We also have to put in place a process to find better biological control measures. We cannot go on spraying forever and a day because of, firstly, the cost, and, secondly, in this day and age there are environmental concerns. We have the organic growing of beef and everything else. So there is a trend away from spraying and, quite frankly, there is a trend to getting into more biological control measures. We are putting an enormous amount of resources into that. It is my intention to continue that process. You mentioned mesquite and prickly acacia.

Mr PALASZCZUK: I did not mention prickly acacia.

Mr HOBBS: There are others as well. I refer to Parkinsonia, sickle pod and parthenium. In fact, we have sent people back overseas who, when you were in Government, you brought home. We have sent them back over there to look for various pathogens and basic weeds, bugs, rust and whatever else we can find that will give us some biocontrols that we need. We have to be able to make sure that the checks and balances are put in place so that we do not have other impacts on us here in Queensland.

It is also important to understand that we have to be able to do this as fast as we can. I am not too sure of the figure now—I think it was something like nearly \$10m that we are talking about that we initially committed to this program over a number of years.

Mr PALASZCZUK: Over a number of years?

Mr HOBBS: We are quite keen to make sure that we in fact get on top of it. We want the cooperation of everybody. I believe very strongly that in the past the conservation groups have fallen down on the job. It is certainly my intention to keep that program going.

The CHAIRMAN: We will now go back to Government members, then we will have another block each, and then we will take a short break.

Mr RADKE: Minister, in the first dot point under the 1996-97 performance on page 23, you have indicated that the Government intends to expend \$1 billion on a water infrastructure package. On page 24, the first dot point under the 1997-98 planned performance shows that you are preparing an implementation plan for the recommendations of the Water Infrastructure Task Force. Would you advise this Committee on the specific water infrastructure developments proposed for 1997-98?

Mr HOBBS: Yes. The Government is committed to spending \$1 billion over the next 15 years on a major program of water infrastructure development to provide additional water supplies to underpin economic developments in Queensland. The Water Infrastructure Task Force was set up to advise on projects for funding under the Government's water infrastructure package. The task force reported to me in February 1997 and the recommendations of the Water Infrastructure Task Force have been addressed in an implementation plan prepared by DNR, which will be considered by Cabinet later this month.

Projects recommended to me by the task force will be required to meet the full environmental, social and economic assessment criteria. For 1997-98, a total of \$84.4m is allocated towards the assessment, planning and construction of water resource infrastructure. Funding set aside in the 1997-98 year for major projects, as set out on page 29, include the Borumba Dam, \$2m; the Burdekin River Irrigation Project, \$8.5; Dumbleton Weir, Stage 3, 1.9m; the Walla Weir, \$10.05m; Bingegang Weir on the Mackenzie River, \$1.5m; Mareeba/Dimbulah Irrigation Area, Stage 1, \$1.3m; the Warrill Creek Diversion Weir, \$750,000; the St George off-stream storage, \$11m; and the St George irrigation channel upgrade, \$2m.

There is an allowance of a further \$17m for higher priority projects recommended by the task force, but these will each need to be formally approached as we go through the process. There is no doubt that more emphasis has to be given to our water infrastructure in Queensland if we want to continue to develop. The ravages caused by drought in recent years only serve to show just how important water is for our industries and our people. I might just ask my Director-General if he has any other points in relation to the task force and the water development that we have in the State.

Mr FENWICK: I think that the Minister has covered it very comprehensively. Certainly there is a provision for some extra funds over and above those that the Minister enumerated. The implementation plan currently being prepared for the Minister to take to Cabinet later this month will provide a platform for committing those extra funds to new projects which will form part of the category 1 projects that result from the infrastructure task force report. Those projects cover a wide range of areas across the State. Until such time as Cabinet considers them, it is difficult to indicate which they might be.

Perhaps one I might mention is the Development Incentive Scheme, which was strongly recommended by the task force. The scheme

provides some level of support for individuals who wish to undertake water conservation works on their own properties in areas where Government schemes are unlikely to be constructed or are not available. We expect that this will become a significant part of the program this year as we work through the guidelines and get them into place.

The CHAIRMAN: Has the report of the task force gone to Cabinet?

Mr HOBBS: No.

The CHAIRMAN: Supposing it goes to Cabinet and various things are put on a priority list, do you have sufficient back-up resources, in terms of departmental people who will do the planning, to get it going for the next financial year?

Mr HOBBS: I think that there is going to be a difficulty in obtaining the professional people to do the enormous number of studies that will have to be done. As a department, we will be going absolutely flat strap. One of the exciting things about water development is that some action is happening at last and the department is certainly very enthusiastic about that. We will be outsourcing a lot of the work. I believe that private industry will have to give us a hand in some areas. I will pass over to my Director-General so that he can add a few points. I would suggest that most private companies in Queensland will be very busy over the next few years.

Mr FENWICK: Although we have significant expertise in the organisation, I do not believe that it will be adequate to meet the needs of the capital program that the Government is going to approve. Our challenge will be to involve private enterprise operatives through consultancies and contractors to supplement our expertise. More importantly, we will have to ensure that, in that process, we capitalise on the skills that are transferred from the private sector back into the organisation. It will be very much a partnership between the organisation and a range of private consultants as we work through the whole process.

Mr MALONE: In the Ministerial Program Statements, I note that the department is responsible for the management of the State's water resources; that is obvious. Could you inform the Committee about the safeguards that are being put in place to ensure that new water infrastructure meets appropriate environmental standards?

Mr HOBBS: The coalition Government recognises the importance of the State's economic development and the need to develop the State's water resources. I will run through a few points and then I will ask Peter Noonan, the Executive Director of Regional Infrastructure Development, to say a few words.

The establishment of the Water Industry Task Force was an important first step in determining priorities for future development. The Government is also conscious that the development needs to accommodate genuine environmental concerns so that any such developments are sustainable in the longer term and will not result in major environmental damage. To ensure that the new water infrastructure is developed as expeditiously as possible while

ensuring that the development is sustainable from a resource-management perspective, the Department of Environment has delegated its liaison responsibilities for coordinating the assessment of all water infrastructure operations to my department. This move is in line with a clear separation made within the department between the developer/operator role and the natural resource/regulator role.

The Resource Management Program has the lead agency role for coordinating the assessment of all water infrastructure operations and the development proposals by the Regional Infrastructure Development Program of the department, statutory bodies, local governments and private sector organisations and individuals. This role will not duplicate local government approvals in land use planning; it will, in fact, focus on natural resource allocation and use issues. The focus is wider than works approval and extends to sustainability issues associated with land use changes, involving and obtaining advice from other Government agencies and non-Government sectors such as the Queensland Farmers Federation, the Queensland Conservation Council and so on. Effective environmental management plans and environmental management implementation plans which require an ongoing monitoring, compliance, auditing and regulatory review are among the outcomes. I will ask Scott Spencer to expand on some of those issues.

Mr SPENCER: As the resource management regulator, with my colleague here, I am responsible for ensuring that the appropriate environmental statements are prepared and analysed, and that appropriate public consultation takes place. I have actually taken on new staff to undertake that role. Given the level of development that goes on, we will be appointing case officers so that there will be a single contact point within Government. We will be responsible for the coordination of the role across Government and, as the Minister said, with key community groups.

Mr RADKE: I note on page 19, dot point 6, of the Ministerial Program Statements under the 1997-98 planned performance, that the old growth assessment of forests will be completed for all the south-east Queensland biogeographical region. Can you explain the progress that the Government has made towards completing the project for south-east Queensland forests?

Mr HOBBS: The Queensland Government has developed specific policy and planning processes to assess old growth forests in Queensland. Old growth forests possess important conservation values such as faunal habitats and biodiversity of special significance. An "old growth forest" has been identified and defined as that which is ecologically mature and where the effects of disturbance are negligible.

Currently, the Government is undertaking the old growth assessment project for the south-east Queensland biogeographical region. The south-east region extends from the New South Wales border to Gladstone in the north and to an approximate north-south line through Kingaroy in the west. The project

will provide information on old growth values for the comprehensive regional assessment process. In turn, that process will provide the basis for the negotiation of an RFA, a regional forest agreement, for south-east Queensland.

The old growth assessment project measures the forest biodiversity and is of fundamental value for the understanding of the response of native forests to disturbances such as logging. Other disturbances which are likely to have significant impacts on the status of forests in south-east Queensland include silviculture, grazing and treatment, agriculture and clearing, fire, land tenure, sawmills, mines, quarries and railways to name a few.

The old growth assessment project is on schedule to meet its targets by July 1997. My department will have completed a detailed assessment of old growth attributes of fifteen 1 to 100,000 map sheets covering the major forested areas of south-east Queensland's biogeographic regions and less detailed assessments will be completed for the balance of the region. Additional detailed assessments of priority areas identified by the earlier reserve selection process in the region will be completed by December 1997.

The Queensland Government has signed a scoping agreement with the Commonwealth Government for a regional forest agreement for south-east Queensland which provides for contributions in the order of \$900,000, which includes \$450,000 in cash and \$450,000 in kind from the Queensland Government, and \$550,000 from the Commonwealth Government for old growth assessment. We are working our way through that process. I will ask Bill Eastgate to give extra details on this particular issue.

Mr EASTGATE: I agree with the Minister that the south-east Queensland old growth project represents one of the most thorough studies of its type. The project has developed methods which build on previous work in southern Australia and significantly advance the understanding of this rather complex and difficult issue. Some of the elements in the study include the development of aerial photo interpretation techniques for the identification and mapping of forest structure and disturbance history. The Minister has given you some idea of what those factors are. These are particularly suited to the complex and diverse forests of south-east Queensland.

Detailed field validations are used to confirm the accuracy of aerial photo interpretation techniques. In excess of 20% of the identified forest areas have been validated through those field tests, with about 80% confirmed as correct. That is a pretty good technique for confirming aerial photos. The detailed field measurement of the forest's structural characteristics and statistical analysis of correlations between the characteristics and the logging history also provide a basis for determining the ecological maturity of forests. In addition, dynamic forest growth models are used to predict long-term changes in the forest structure and its maturity. Some use is also made of advanced carbon dating techniques to age the trees accurately and to

contribute to the calibration of the forest growth models and the interpretation of the field measurements of tree size and actual growth stage.

There are also some studies of invertebrate biodiversity, which can be used as a quantifiable indicator of the ecological impact of grazing and other forest management activities. There is also some activity in respect of the investigation and use of satellite radar imagery as a means of directly assessing forest structure and maturity. A whole range of those techniques is being brought to bear to try to address this rather complex issue.

Mr MALONE: Under the heading "1997-98 Planned Performance", the second dot point on page 36 of the Ministerial Program Statements states—

"Legislative reviews, including the application of the public benefits test, will be undertaken by December 1997 to meet National Competition Policy obligations."

The National Competition Policy has major implications for the Department of Natural Resources. What progress has the Department of Natural Resources made overall in meeting its obligations under the National Competition Policy?

The CHAIRMAN: You have two and a half minutes.

Mr HOBBS: The department is affected by all of the elements of the National Competition Policy, and these include compliance with the Trade Practices Act, legislation review, prices oversight, competitive neutrality and third-party access. In addition to the broader National Competition Policy agenda, my department has particular responsibilities in relation to the Council of Australian Governments' reform of the water industry. The former Department of Lands and the Department of Primary Industries independently completed a trade practices audit and a legislation audit on schedule and it was submitted to the Queensland Treasury by the due date—29 March 1996. The purpose of that audit was to ensure that those businesses' activities complied with Part IV of the Trade Practices Act. An audit of anti-competitive legislation, due on the same date, was also completed on schedule.

Training on the Trade Practices Act and the development of a compliance manual is under way. The implementation of the various elements of the National Competition Policy is now ongoing with full implementation targeted by the year 2000. I also anticipate that reform of the water industry should be completed by the year 2002. Officers of my department continue to consult with Queensland Treasury's National Competition Policy Unit to ensure that the requirements of the various reviews and reforms are met and implemented in accordance with the spirit of the National Competition Policy.

The DNR is confident that it will continue to meet all National Competition Policy targets to ensure that Queensland will gain fully from the compensation payments due to the States from the Commonwealth. Compensation payments to Queensland overall should amount to \$2.33 billion over 10 years. I might ask executive director Peter Noonan whether he has anything else to add.

The CHAIRMAN: You have about 30 seconds.

Mr NOONAN: There are many other aspects that the department is involved in. In particular, the Regional Infrastructure Development Unit is dealing with the development of a third-party access code associated with water infrastructure. That is something which needs to follow on from the Parliament's consideration of legislation in that area. There is certainly a great deal of effort going on within the Commercial Water Services Program to ensure that we comply with the various elements of the National Competition Policy.

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

Mr PALASZCZUK: Minister, in your answer to the last question, you mentioned the problem with Parkinsonia. Is there a detailed property-by-property report on the extent of the infestation, and what is the potential for reinfestation by Parkinsonia or some other weed following its being brought under control?

Mr HOBBS: Parkinsonia is a noxious weed that has caused a lot of concern throughout the whole State. As I mentioned before, we are keen to knock these off one by one. We are prepared to put resources into nearly all of these areas. We cannot do them all, but we would like to eradicate as many as we possibly can. As I mentioned before, we are looking at putting some resources into biological controls. That is particularly important. I will get Scott Spencer, the Executive Director, Resource Management, to expand on that. We are enthusiastic about our weed eradication program. I am looking forward to seeing some real benefits and runs on the board in the very near future.

Mr SPENCER: I do not have the exact information you are looking for, but the issue that I would like to bring to the attention of the Committee is the role of pest management plans in this process. We are working closely with local government across the State to develop these plans. They are specifically targeting areas or specific species that are of concern. This year, we have provided about \$1.5m over three years for pest management plan processing. We provide assistance to local governments to purchase capital equipment and also help them with their planning. I cannot answer your specific question, but that is how we are dealing with it on a local government/shire basis.

Mr PALASZCZUK: Could we have a written response to that question? Is that possible?

Mr HOBBS: Is there a real need for that?

Mr PALASZCZUK: Is there a detailed property-by-property report on the extent of the infestation?

Mr HOBBS: It would be most unlikely that there would be a detailed property report. That would involve a lot of resources. We have a rough idea of the extent. All you would have to do is go through some of the programs. There is probably a map of Queensland which gives you a rough idea of where most of these outbreaks are. Obviously, we

try to detail the problem areas as we go along. If you like, we can try to find some data for you.

Mr PALASZCZUK: The reason I am raising this is that this all happened in 1995. I want to see how far we have advanced in addressing the problem of infestation since 1995.

Mr HOBBS: We will see whether we can find you a map or whatever that may give you some further information in relation to that matter.

Mr PALASZCZUK: I refer you to your answer to advanced question on notice No. 2 in relation to the Natural Heritage Trust. You state that Queensland could expect to receive \$30m in 1997-98. Have those moneys been factored into 1997-98 expenditure?

Mr HOBBS: The Natural Heritage Trust is interesting for us. The Commonwealth Government has had Telstra to sell; we in Queensland have not had a Telstra to sell. At the moment, there is ongoing debate with the Commonwealth Government in relation to the funding of a lot of these programs. In Queensland, we are now putting together a good program. However, the Commonwealth has not finalised its intentions. This year's Ministerial Program Statements do not reflect likely funding increases for Landcare in 1997-98. However, initial advice from the Commonwealth indicates that Queensland could expect to receive up to \$30m through the trust. That is what we are saying. We have to try to put that program into place. We still have to work our way through that. I will get Scott Spencer, my Executive Director, Resource Management, to expand on this. But one of the things that I want to emphasise is that we intend to get as much money as we can from the Natural Heritage Trust because we believe that we can push it into a lot of resource management areas that we believe were lacking in the past and particularly in the weed area.

Mr SPENCER: Where we are in the process at the moment is that we are still to finalise our partnership agreement with the Commonwealth. We will be sitting down hopefully in the next few weeks to undertake those negotiations. At the same time, our regional assessment panels and the State assessment panel have been meeting to analyse appropriate projects to go forward for recommendations to the Ministers. But at this stage there have been no final decisions in terms of the amounts of dollars that will be available.

Mr PALASZCZUK: Minister, could I ask you then: why is there such a delay in finalising the schedules for the various initiatives under this fund, and what impact will these delays have on signing the relevant partnership agreements between the State and the Federal Governments to enable these funds to flow?

Mr HOBBS: That is probably a similar answer to the last one in a sense. I will ask my Director-General to expand on that.

Mr FENWICK: One of the major issues in the delay has simply been the delays at the Commonwealth end of the system in coming and getting, first of all, a draft out and then working

through the whole process of negotiation. This has been common right across Australia. Every State has had the same problems with the Commonwealth. Every State has had the same problems with redrafting that original partnership agreement that the Commonwealth issued. Finally we are getting to some sense of rationality about it being a partnership, but it started off as almost a master/servant relationship, and all the States did not believe that that was an appropriate way to go in this process. As Scott has pointed out, we are getting very close to sorting out and finally signing that partnership agreement. In that process, we are helping the State assessment panel and the regional assessment panel through that process. I do not believe that the delays in signing that partnership agreement are going to be untoward and create too many problems, but we need to get it right. One of the major issues we have obviously had is just how we share the funding and to what extent the State has to match the Commonwealth. We are arguing very strongly that the State puts an awful lot of money already into issues that the NHT deals with, and we believe that that should be taken into account as part of the process.

Mr MULHERIN: Minister, I refer you to the Water Infrastructure Task Force and the Elliot Main Channel expansion and the Urannah dam schemes, which would allow the Bowen Shire's horticultural industry to expand. Have planning or appraisal studies commenced on these schemes?

Mr HOBBS: They have not at this stage. Basically the task force has made recommendations, and I have taken those to Cabinet. I will be taking my recommendations for the implementation process to Cabinet in the very near future. As you would be aware, the task force has recommended that a study be done in a lot of these regions. In many instances we have had three or four dams proposed in the one catchment area. Obviously the catchment cannot justify that number of developments, so we have to do studies—we have to make sure that we put in place checks and balances. We do not really want to build dams where the soil is unsuitable. We want to make sure that we are there for the long haul. We cannot afford to go into rehabilitation. Therefore, extensive studies must be undertaken. I am not sure what the final cost is going to be, but there could even be \$5m worth of studies undertaken in the short term, not just in that region but all over Queensland.

We will be doing a comprehensive study of that particular region. One of the options up there is Urannah. There is also the raising of Burdekin Stage 2 and Hell's Gate. There are three opportunities there to provide water. Certainly nearly all of those—maybe to a lesser extent Hell's Gate—can perhaps get into the Elliot channel and down to Bowen. To me, Bowen is an area that definitely needs water. It is a great spot. There is huge horticultural potential there. They have the road infrastructure and everything else. Like many other parts of Queensland, all they want is water and they can do very well. Peter Noonan, my executive director of this area, may like to expand some more on that.

Mr NOONAN: Considerable work has been done previously, prior to the task force, on the possibility of extending the Elliot Main Channel further south, as you would be aware. There have been several issues. Besides the issue of the cost associated with getting the channel down to where there are good soils, there is the issue of having sufficient water supply available to service a large area. Fundamentally there is no point in extending the channel to supply a major area in Bowen if there is not another water supply available to provide that water. Therefore, the issues of reviewing Elliot Main Channel must be done in conjunction with the reviews of a possibility of Hell's Gate, Burdekin Falls Dam Stage 2 or Urannah, and that is why the task force has recommended a concerted study to come up with one answer that the Government can decide upon.

Mr MULHERIN: How long would this study take?

Mr NOONAN: To get the details right, considering it is a combination of both the issues of dealing with Bowen and the issues with the rest of the catchment and those other major dams, I do not believe that it will be able to go to Government for a final decision in less than something like two years.

Mr MULHERIN: Minister, with the loss of 400 jobs through the closure of the Merinda meatworks, what priority do these projects now have with the Government?

Mr HOBBS: Obviously we would like to get them all up. It is one of the main things that I believe about this whole water program. It has been lacking for a long, long time. I believe there is a window of opportunity there and we must get in and do it. With cooperation from everybody—from all sides of politics and from the conservation people as well—we can put environmentally friendly processes in place. With our WAMP studies that are being undertaken, we will be identifying environmental flows and the water needs of the catchments. We believe that we can put in place sustainable water developments. Obviously that would be a great benefit to your region. The number of jobs that would be created would be quite enormous. I guess the first thing to take into consideration when an assessment is done is the real facts, not so much the emotional issues. It would be unwise to build a dam for emotional reasons when the soil is no good. We have to look at all of those aspects first. I certainly hope that we will be able to assist in some manner or form to take up the slack in some of those jobs. There will be huge development once the water program gets going.

Mr MULHERIN: What I am asking is: would you give priority to these schemes getting up in the appraisal stage?

Mr HOBBS: You mean overall?

Mr MULHERIN: Yes.

Mr HOBBS: That is something that we could have a look at. We have to do the studies first to determine which dam should go. If there is an area that particularly needs a bit of a boost along, that is

something for the Government to take into consideration at the time. On a case by case basis it will go back to Cabinet. Cabinet will make the final decision. I cannot predict what Cabinet will say, but if a region was in desperate need of a bit of a kick-start, Cabinet may decide that that is the way to go.

Mr MULHERIN: You would argue vigorously for it, then?

Mr HOBBS: I would be supporting you.

Mr FENWICK: The Minister has already argued vigorously. It is one of those studies that will get off the deck very quickly.

Mr PALASZCZUK: It is a bit like the Cooper Creek problem.

Mr MULHERIN: The horticultural industry in the Bowen area generates \$100m a year. Does the Minister agree with the member for Whitsunday that the only limiting factor to the expansion of this industry is water?

Mr HOBBS: This is one of the few times I probably would agree with the member for Whitsunday! I think she is probably pretty right. This is the general rule across Queensland and Australia. We are a dry continent. That is why my water program is so important not just for job creation but basically to put in place a real economic stepping stone and foundation in Queensland. Once we get it going we can probably generate a couple of billion dollars in extra revenue that was not here before. Certainly in the whole Bowen region horticulture is important. We will be able to link in with southern States. They can have early and late crops and we can come in there. We can then perhaps link up with our northern neighbours for our markets and be able to tap in there. So there is huge potential for horticulture. It is a crop that does not use a lot of water and has a very high return, so they are able to pay a reasonable price for water. Of course, in this day and age water is getting more expensive.

Mr PALASZCZUK: While we are on the topic of dams, at what stage now is the development of the Comet dam?

Mr HOBBS: The Comet dam is still under investigation. No final decision has been made. If you recall, the previous Government made a decision and it went to the wrong spot. We have been through a very comprehensive process in the meantime to make sure that we get some proper ideological and environmental data in relation to where it should go.

At the present moment we are probably looking at somewhere around maybe September or October when we can make a final decision about the Comet dam. There has been an enormous amount of work put into it. We have also been looking very strongly at the human side as well because the town of Rolleston is one that may have to be moved if the dam goes ahead. We have looked at different types of dam structures to reduce the flooding. We have put people into the town to facilitate information to the people, which is the first time that that has occurred in Queensland. We have got a very good ground network going on among the locals.

So, we are very keen to progress it along. We cannot really say whether it is finally going ahead. I know the people out there would love us to say either it is going ahead or it is not, but we have to do the studies. In this day and age we have to be able to go through that rigorous process. We have cultural, environmental and ideological studies to do. We have to make sure that we dot all the i's and cross all the t's. That is really important.

The dam, if it goes ahead, will be a big one with a proposed capacity of some 1.4 million megalitres with additional supply of up to 170,000 megalitres per annum. That will depend on the finalisation of the WAMP process and then we will work out the allowance for the environmental flow. At this stage we do not know what that is likely to be. It will be an expensive dam—\$150m overall—so we have to make sure that we do it right, and we believe we are doing that and we are going through that process.

Mr PALASZCZUK: Is the Nathan Gorge dam in the same position?

Mr HOBBS: Yes, in a very similar situation, pretty well. It is ditto really. We are still going through the process there. We are talking with the locals; we are making sure that we do have all the studies done. We are looking also up there at the impacts upstream and the possibility of another smaller dam to help bring water down to help the Taroom area. We have bent over backwards to make sure that every aspect is covered with this process. It, too, is a major dam—I think its capacity is about 1.2 or 1.4 million megalitres. It will probably cost a bit less—\$120m—but it is a better site and we have been able to go up there and get a preferred site and basically preferred level at this stage.

We have extremely good data and computer information in relation to this type of thing so that we can do an assessment of where the water will go and what impact it is going to have. Environmental people have been saying that there are issues up there. We have been trying to address those and make sure that the dam would not have an adverse impact on the environment, the boggomosses and the like. We have been integrating with the community as well. In the last assessment that we did, we were able to take three more properties out that would have been affected and still get a pretty good supply of water. We are still going through that process with them. It will probably be a similar time—maybe September or October. By then we might have some idea.

The CHAIRMAN: That just about wraps up the time. We will now break until half past five to give everyone a chance to stretch their legs.

Sitting suspended from 5.14 p.m. to 5.32 p.m.

The CHAIRMAN: The hearing of Estimates Committee E is now resumed. Consideration of the Estimates of expenditure for the portfolio of the Minister for Natural Resources will now resume. The question before the Committee is—

"That the proposed expenditure be agreed to."

The second period of questions will commence with Government members. On page 35 of the Ministerial

Program Statements under the fourth dot point under 1996-97 Performance, mention is made of the establishment of a Competitive Service Delivery Unit. It further states that this unit will assist the department in its response to Queensland Treasury's draft whole-of-Government guidelines on competitive service delivery. Could you please outline in more detail what the unit will do and how it will respond to Treasury's guidelines?

Mr HOBBS: In response to the issuing of the draft Queensland Treasury guidelines, the Department of Natural Resources established the Competitive Service Delivery Unit within the Competitive and Business Service area of the department. This unit will review services and, where appropriate, implement the Queensland Treasury guidelines. The Competitive Service Delivery Unit has an approved establishment of four permanent officers and its budget for 1996-97 was \$250,000 with a proposed budget of approximately \$300,000 for the following year, 1997-98. It is anticipated that efficiencies and benefits derived from a review of service delivery across the department will by far exceed the operating costs of the unit.

The implementation of the competitive service delivery guidelines is, however, only one part of the department's approach to the improvement of service delivery. The department is also looking at other ways to improve the efficiency of services and these include commercialisation, partial and full outsourcing of operations, enhancement of contract management processes and the separation of responsibilities along purchaser provided lines.

The Competitive Service Delivery Unit will also coordinate the departmental approach in relation to these options. The role of the unit is to develop a comprehensive departmental approach to service delivery; investigate all options for service delivery; establish a contractual agreement management system which is robust, commercially advantageous, legally sound and which minimises risks; and also advise departmental management on the suitability and viability of service delivery approaches where they can improve the efficiency and effectiveness of departmental services. National Competition Policy impacts on services as well and there are Government-wide initiatives in the service delivery area.

Other roles of the unit include the development and management of contracts, service level agreements and tendering processes and, last of all, recognising, developing and implementing service delivery improvement projects in consultation with the program in regional management. I will ask Jim Varghese, the Deputy Director-General, to give us some additional information in relation to this issue.

Mr VARGHESE: This unit has also completed a business audit of the department's services to assess where services have the potential to be improved through the use of more commercial approaches to service delivery. This report will serve as a basis for service delivery improvement projects throughout the department. Other initiatives that will improve service delivery are: the development of a departmental products marketing plan; the review of

existing contracts for various services with external providers; implementation of National Competition Policy guidelines; implementation of a purchaser/provider model for a Land Services Program; reviewing of alternative service delivery options for the land valuations function; and the development of an agreement, including internal charges, for the operations of State Water Projects as a commercial entity with the department, which is happening on 1 July.

Mr RADKE: Minister, the fourth dot point on page 25 of the MPS mentions the completion of major studies on water resource development in central Queensland. The Water Infrastructure Task Force also nominated several projects in the Fitzroy Basin as high priority for development. How does this fit in with the formulation of a water allocation and management plan—WAMP—for the basin, and are funds being set aside to complete this plan?

Mr HOBBS: Yes, the Water Infrastructure Task Force report nominated several projects in the Fitzroy Basin as higher priority for development. In making these recommendations, the task force made it very clear that all projects should be subject to satisfactory outcomes of normal impact assessment studies. So in recommending that my department allocate additional funds to the water allocation and management plan process, which is the WAMP process, the task force has indicated clearly that all new projects should be considered in the context of the WAMP process. I will ask Scott Spencer to give some details.

Before doing that, I will say that the Fitzroy Basin WAMP process is now at a stage where environmental flow options developed by an independent technical advisory panel are being modelled to enable the impact and options paper on the different environmental flow options to be prepared. The impact and options paper will then be considered by a broadly based community reference panel who will provide feedback on the options and make recommendations to Government.

The final stages of the Fitzroy Basin WAMP process will then be to formulate a draft plan for public consultation and review followed by the adoption and implementation of the plan. In view of the many and often conflicting interests associated with water infrastructure planning, it is proposed that planning and investigations into many of the high-priority projects nominated by the task force will continue in conjunction with the WAMP process. But the Government is committed to ensuring that these projects are environmentally sustainable.

Mr SPENCER: The WAMP process is, of course, a very detailed hydrological modelling system. We are doing some cutting-edge work there. I am pleased to say that our target date for the options and impact statement to go to the community reference panel is the end of July. I saw some model runs today, and there will be more coming out tomorrow. We are hopeful that we will make that time frame.

Mr RADKE: Minister, I turn to the Atherton Tableland restructuring. The schedule of major capital works for water infrastructure development in

1997-98 on page 29 of the MPS includes a further \$3m for increased water supplies in the Mareeba Dimbulah Irrigation Area. What progress has been made with the augmentation of channel supplies to meet the needs of the emerging sugar industry and other agricultural requirements?

Mr HOBBS: This is a pretty exciting area. My department has made solid progress in implementing Stage 1 of the works program to provide additional water for the Mareeba Dimbulah Irrigation Area to support expansion of irrigated agriculture on the Atherton Tableland. The installation of the water management system is almost complete. It is already providing significant improvements in water distribution efficiency. An additional 10,000 megalitres of water allocations were offered and sold at auction in December last year. The average price of \$230 a megalitre for these allocations suggests that cost-recovery objectives for the new works plans should be achieved.

Assessment studies associated with Stage 2 of the works program, involving a proposal to raise the storage level of the Tinaroo Falls Dam and the construction of a new weir at Bilwon north of Mareeba, are now well advanced. These studies already involve considerable consultation with the community, the environmental movement, sugar industry development proponents and water users. So there has been good consultation with all those groups.

Subject to approval of new regulations under the Water Resources Act, permanent tradeability in water entitlements within that Mareeba Dimbulah Irrigation Area is to be piloted during 1997-98. This is expected to activate about half of the estimated 30,000 megalitres of unused allocations associated with what they call sleeper licences, making further water available to agricultural expansion in that region. The Government believes that the expansion of horticulture and sugar, including the development of a new mill on the tablelands, is viable proof of the value of water infrastructure development in Queensland. I would like to ask executive director Peter Noonan to add some more information to that answer.

Mr NOONAN: I think there are two important elements of this project which are worth noting. The water management system is a very advanced arrangement for introducing automatic controls to the channel systems there, which will greatly reduce the losses to water through operating the very long and complex channel system that we have in the Mareeba Dimbulah Irrigation Area. So we are ending up there with remote operating systems to make sure that the various gates and valves can be operated as necessary to best improve the water flows.

The other important aspect that I would mention—to add to what the Minister has said—is that part of the project outline is to increase the capacity of many of the lateral channels in that irrigation area to ensure that the new crops that are being grown there can provide adequate water supplies. When that irrigation area was first developed, it was developed for a set of crops which were there at the time, largely tobacco. The

irrigators have had to use roster systems to maintain their allocations. The increase of capacity of those laterals will allow new crops such as sugar to be viably grown in that area. This will certainly assist in improving the long-term value of that irrigation area.

Mr MALONE: Minister, on page 29 of the MPS an Estimate of over \$10m is proposed for the construction of the Walla Weir. Has the Queensland Government complied with the conditions set by the Commonwealth Government in its approval for the construction of the Walla Weir?

Mr HOBBS: Yes. This has been an ongoing saga for a long time. The Walla Weir was approved in 1993 as one of the 12 projects under the Sugar Industry Infrastructure Package to be jointly funded by the Commonwealth and State Governments and the sugar industry. All projects offered under the sugar package were conditional on satisfactory outcomes from environmental and economic studies. After a comprehensive and long process, the proposal was approved late last year by the Commonwealth Minister for funding under the SIIP program. A condition of the approval was that there be studies undertaken in relation to the lungfish and the elseya tortoise, as well as baseline monitoring of water quality, native fauna, etc. Those studies are well under way. In the meantime, a contract has been let to Thiess to construct the weir. Work has just begun. The weir is expected to be completed by mid 1998. The State is obliged to meet and will meet the conditions of approval. The weir will store approximately 30,000 megalitres, which will significantly increase the reliability of irrigation water supplies in the Burnett section of the Bundaberg Irrigation Scheme during times of low natural flow in the Burnett River. In addition, the weir will provide increased security for urban supplies. That is important. The current estimate for Stage 1 of the weir is \$15.5m; however, indications are that potential delays in the environmental approval process and a somewhat expanded scope for the works may increase that slightly.

The CHAIRMAN: In regard to the South West Queensland Regional Adjustment Program, on page 13 of the Ministerial Program Statements it is stated that methods of funding the South West Strategy for a second triennium would be investigated. Could the Minister please inform the Committee of what has been achieved under that strategy and what is the likelihood of funding for that unique and very important work?

Mr HOBBS: The South West Strategy is the integrated and regional adjustment and recovery program for the mulga lands of south-west Queensland. As most members would be aware, that is a very important part of Queensland. I am very proud to be its representative in this place and, just as importantly, to be a great supporter of the strategy. That particular strategy was conceived and developed by the south-west community. It was really a grassroots-driven process to address a number of the problems in regional areas, such as drought, low wool prices, land degradation, and, in many cases, inadequate farm sizes for today's realities. It provides assistance for enterprise

reconstruction to improve the viability of the pastoral industry. At the same time it also addresses sustainable natural resource management and regional development. So that is particularly very important. It is a pretty fragile part of the country.

The strategy is about to embark on a second round of three-year funding. The State Government recognised that continued funding is absolutely necessary to allow the program to achieve the desired outcomes. It is providing a special allocation of \$1.184m in 1997-98. Some early promising outcomes have already been achieved. The strategy framework and processes are now in place to make real progress over the next three years. To give you some idea of what has happened so far, outcomes at this stage have included 50 approvals for enterprise reconstruction assistance; 420 kilometres of bore drains have been replaced with 640 kilometres of piping, which in itself is significant; 40 properties have been assessed for safe carrying capacity; the enhancement of land-holder skills through property management planning activities; the development of nature conservation strategies and resource economic assessments; and development of a strategic plan for regional development. You can see over a range of those particular issues that there has been a lot of work put into it. Vast improvements have been made.

A three-year application has recently been submitted for matching funding with the Commonwealth's new Natural Heritage Trust. The full implementation of the strategy is reliant on the success of that application. While it is uncertain as to what projects will get up under the Natural Heritage Trust, I am sure a strong case will be made for the South West Strategy. I believe that the program is now starting to get runs on the board. It will be shown as a model for further regional strategies.

Mr RADKE: On page 13 of the Ministerial Program Statements, reference is made to a revival strategy for the Desert Uplands. Can the Minister please inform the Committee of what work the Government is doing to implement that important initiative?

Mr HOBBS: The Desert Uplands Revival Strategy is an important initiative that follows on from the gains and experiences of the South West Strategy. The Desert Uplands region has in recent years been hard hit by the combined ravages of drought and low cattle and wool prices. In some areas, that has led to significant land degradation. That is quite serious. The community in that region has recognised that the only way to address the problems it confronts is to get together and sit down with Government to sensibly work through that process. They have come to see me on several occasions. I think they have done the right and responsible thing. As a first step in that process, a Desert Uplands build-up and development committee was established in 1995. That committee has now produced a position paper, which identifies the various studies that need to be undertaken to provide the very basic information on which strategies can be developed for achieving economic, social and environmental objectives.

Fourteen activities have been identified from the position paper. Those have been prioritised over a three-year period. The activities include resource mapping, studies for long-term carrying capacity, upgrading management skills and promoting enterprise diversification. We thought that those were the important things to tackle first. For the 1997-98 financial year, it has been estimated that an amount of \$450,000 is needed to carry out those required studies. The Government is providing \$132,000 this financial year as a special allocation to kick-start that process. It is anticipated that the balance will come from Commonwealth sources, notably the Natural Heritage Trust and the Rural Partnership Program and also from other State Government department allocations. The Desert Uplands community is solidly behind the work of their committee, which is really good to see. This is very much a community-driven strategy. I understand that the committee held four public meetings in September 1996 to discuss the draft position paper and received 100% support through a show of hands at each meeting. The Government remains committed to working with those land-holders to work through their many real problems.

MR MALONE: Addressing new Land Court members, your Ministerial Program Statements mention the appointment of new Land Court members to reduce the backlog of cases. I understand that the backlog of cases is quite substantial and is due to a period of uncertainty about the future of the court, which prevented the appointment of new members. Could you outline the process that the department has implemented to reduce the number of backlog cases and the cost to the department in doing so?

Mr HOBBS: That was a particularly important issue. In March 1996 I announced the Government's intention to retain the Land Court as a separate entity and to address the backlog of cases awaiting hearing and determination. The backlog of cases as of 30 June 1996 was 844, which rose to 1,069 as at 31 December 1996. The backlog of cases as at 30 April 1997 was 909. The backlog of cases has built up over the past three years because of the uncertainty of the future of the court and the shortage of members. That is that the main reason. In April 1996 an additional member was appointed to the court and a further two temporary full-time members were appointed in January 1997. Some use has been made of part-time members as well. The increase of the membership of the court from two to five is having a noticeable effect in reducing the backlog of cases. The Land Court is also focusing on reducing case backlogs by initiating a review of its powers, procedures and rules to facilitate court-supervised case management to retain flexibility of procedures. This review has been completed and I received the report in October 1996.

The cost associated with those actions will include the review of the Land Court procedures and appointment of additional resources. Detailed costing of the review of the Land Court procedures will not be known until legislative changes are put in place. We have to go through that process first. The annual cost of one additional member is

approximately \$281,000, which includes salary, allowances, support staff and other administrative costs. Therefore, the cost of two additional members is about \$562,000. With the appointment of the two new members, it is not proposed to increase the use of part-time members. In fact, that option maybe scaled down depending on the impact of the additional members and their expected improvement in judicial workload management upon implementation of the review recommendations.

The future of the Land Court is assured. It has had its first review in 99 years. It is up and running. It is here to stay. We will reduce those backlogs to a suitable level very soon.

Mr PALASZCZUK: Minister, I refer you to your waste water reuse strategy, where \$500,000 has been allocated to develop a Queensland Waste Water Re-use Strategy, and I would like to know: what funding has been set aside for the National Party-inspired scheme to pump sewage effluent from Brisbane to the Lockyer Valley for irrigation purposes? What will this money be spent on? By whom? Will Glenys Head, the failed National Party candidate for Mansfield, have any role in administering or spending those funds?

Mr HOBBS: Henry, Henry!

Mr PALASZCZUK: She is the new Wendy Armstrong.

Mr HOBBS: Let me say that the reuse of waste water is a really important project. In fact, the task force recommended that we look very closely at that resource as well. For too long we have resources about us that we do not really utilise properly. We will be putting together a process whereby we can have a lot of community consultation. Our coalition election commitment on waste water recognised that it is a resource that must be reused, or used and then reused where practicable. It is focused on achieving beneficial use while having regard to the environmental and social issues. The key factor of a Government's charter on waste water is to develop a model for use by cities and towns showing the benefit of making use of it.

Most agencies have implemented some form of effluent reuse to meet their immediate needs of disposing of waste water, but there has been no focus towards using it for optimum economic development. There are some cases where that has occurred. Eli Creek is a good example where water from the sewage treatment plant of the Hervey Bay City Council is now being utilised for growing cane, which is a great project.

A steering committee has been established to direct the development of a strategy. This is led by my department and encompasses key agencies in the Local Government Association of Queensland. Output will consist of policy statements, implementation strategies, guidelines for local government and public education information. There will be an extensive consultation on all issues so all sectors with an interest in waste water can collaborate in the strategy. The current aim is to complete an interim strategy and implement an initial public education program by 1998 with a strategy

fully in place by the year 2000. That funding of half a million dollars that you are talking about will allow the acceleration of the development of this strategy. Guidelines for reuse or disposal of reclaimed waste water developed by my department and issued in 1996 for guidance of local governments focused strongly on the reuse of effluent. This document will be updated in 1998, taking into account experience with its use and any new information arising from the forthcoming national guidelines.

The group that you referred to before will be able to have absolute input into that strategy. Down the track, that group, through the various consultations that take place with other groups of a very similar nature, will be able to have input. Let us hope that, at the end of the day, some great innovative thoughts come from those groups, including the one that Mrs Glenys Head is involved in.

Mr PALASZCZUK: So what you are saying is that no funds have been set aside for that project?

Mr HOBBS: I am not aware of any funds being set aside specifically for Mrs Glenys Head, no.

Mr PALASZCZUK: I am surprised, because a couple of weeks ago in a press release the member for Lockyer virtually announced the project.

Mr HOBBS: I think that you will find that the member for Lockyer was talking about the overall concept in relation to the implementation committee that I am talking about. That is as far as I know. I cannot comment on the member for Lockyer's press statements.

Mr PALASZCZUK: This project is a priority one project in the Water Infrastructure Task Force report. It is recommended.

Mr HOBBS: One of the things that has just been brought to my attention in the Water Infrastructure Task Force's report to Government is that one of the particular submissions that came in did come from the National Party of Queensland national waste management policy committee.

Mr PALASZCZUK: What is that body?

Mr HOBBS: This is what it says here, the National Party of Queensland national waste management policy committee. They are a group of people who are very, very interested in reusing waste water, and they have put a lot of time and effort into that.

Mr PALASZCZUK: They must have a bit of money.

Mr HOBBS: Let me finish. The recommendations of the task force are there. At the present moment, I have not taken the recommendations of the task force to Cabinet. That will happen in due course. At this stage, there are no funds available at all that I am aware of under this program that you are talking about.

Mr PALASZCZUK: I do not know whether I should ask this question.

Mr HOBBS: Try.

Mr PALASZCZUK: Do you personally favour this sort of project?

Mr HOBBS: I think that all waste water projects that do have—

Mr PALASZCZUK: No, this project in particular.

Mr HOBBS: I do not have a lot of detail about that particular one. I would favour listening to anybody who can put up a really good program for the reuse of waste water. Presently, so much waste water is being pumped into our river systems, our oceans and the Great Barrier Reef. We have to be able to utilise that water. I would not really mind who it was—whether it was the ALP, the Democrats, an Independent, the National Party—but I think that anyone who is prepared to have some vision at improving the waste products that we have in Queensland should be taken seriously.

Mr PALASZCZUK: To the extent that that party political organisation would be in receipt of Government funds?

Mr HOBBS: The party you are talking about is a great party, of course. I will give the same answer: it would not matter to me as to who or what group was putting in a proposal. That would be reviewed by the strategy group. If it measures up and gets a tick, so be it. That is a community-driven process that would go through all the checks and balances. I have no problem at all.

Mr PALASZCZUK: Thank you.

Mr HOBBS: My Director-General might wish to say something.

Mr FENWICK: Mr Palaszczuk, I think that it is fair to say that there is no funding proposed to be committed to that group. That group simply raised this as a project to the task force.

Mr PALASZCZUK: But the task force had recommended it.

Mr FENWICK: The task force has got it as a category 1 project. It falls into the category of those that are going to be looked at in a lot more detail, like the Burdekin and the Elliot Channel to Bowen.

Mr PALASZCZUK: The Minister was passionate about the Elliot Channel proposal. I just want to know if he is just as passionate about this proposal.

Mr HOBBS: Very passionate.

Mr PALASZCZUK: Good.

Mr HOBBS: As passionate as you can get about waste water.

Mr PALASZCZUK: Could I just direct a few questions to you about your recent visit to St George—I think it was last Saturday or whatever it was. Has Cubbie Station, other National Party interests or any other party in the St George/Dirranbandi area received preferential treatment over the allocation of the water resources of the region or the licensing of works?

Mr HOBBS: The St George issue is a very interesting one.

Mr PALASZCZUK: I know.

Mr HOBBS: Obviously, you have had a few phone calls. I think that it would be appropriate to

run through some of the processes of what has happened out there. The Beardmore Dam at St George was assessed as being smaller than it was originally expected to be. The proposal for an off-stream storage has been around for some time. In a submission to the task force as well, the groups out there put in the proposal for an off-stream storage. It had been advanced for some time and it was a project that I felt was warranted. The main beneficiaries of the off-stream storage are the channel farmers in that region. There is some opposition downstream because in this day and age there is much more knowledge of what extraction means downstream with computer models, the information available today plus much more knowledge of irrigation. Basically, in the past a lot of the areas downstream from St George were grazing areas. Now there is a lot more irrigation. In fact, a cotton gin is going in down there. So it is quite substantial. It is important to be able to balance those arguments.

I did want to see a general agreement between all of the players before an off-stream storage was to be built and what sort of guidelines were put in place before we actually went ahead. A general consensus was reached—not 100%, but a general consensus was reached. So we decided to build the off-stream storage on the basis that instead of filling from the bottom of the river, as the main dam did, a nominal 30,000 megalitres had to flow through first. Therefore, people downstream had a reasonable flow going through. That would at least give them some comfort that their reliability had not been reduced.

The channel farmers themselves have always believed that they should get water from the bottom of the river. I think the channel farmers are getting quite a good run. They basically wanted an off-stream storage and we have given it to them. They wanted an upgrade of the channel system, and we have given them an upgrade of the channel system—in fact, almost double what was required; it will be one of the biggest upgrades in an irrigation system in the State. They wanted a review of the management of the water from the Beardmore Dam itself. They have got that. That is almost completed. So I think that the channel farmers should be quite happy with that. It is unfortunate that a few of them are not entirely as cooperative as probably the average person would think they would be. However, at the end of the day, I think that it is a good proposal and I am keen to progress it along. I guess there are lot of National Party members, both upstream and downstream.

Mr PALASZCZUK: There are a lot fewer now than last year, though.

Mr HOBBS: I would like to debate that issue with you.

Mr PALASZCZUK: We may do that outside. Does Cubbie Station have more storage than the entire St George irrigation project?

Mr HOBBS: I cannot answer that. The development at Cubbie Station was very visionary and controversial and the process has created a lot of enthusiasm among others who wish to do the

same thing. Cubbie has shown the way. In the past, many locals were against irrigation, but they are now applying for licences. Many of them had licences and they were able to build ring tanks and get going. That is why the cotton gin is going in there. There is an huge amount of development going on. Dirranbandi will be a major cotton growing area in the future. There is a lot of enthusiasm in the town. Many people in the bush are down in the mouth because things are crook in the wool and beef industries. However, there is a lot of enthusiasm in Dirranbandi, because of Cubbie Station. Cubbie Station had the vision. Obviously, Des Stevenson faced a lot of complications throughout the very long process that it took to achieve this success. This is a very large project and one that seems to be very successful. It is at the leading edge in the area.

Mr PALASZCZUK: It has three and a half times the capacity of Beardmore Dam and only pays \$1,425 per annum for water, compared to \$20,000 per annum which channel farmers pay.

Mr HOBBS: I will pass over to the director-general, but, firstly, I would say that it is not quite like that when one looks at the whole picture. Approximately \$750,000 per farmer has been spent on the dam. Unfortunately, the figures that you have been given are wrong. You have not been told the full story. They are trying to portray the guys downstream as the baddies. However, if you look at the whole picture, channel farmers use a system that is Government built and Government guaranteed to a certain degree. The people who live on the river rely more on rainfall than on flows and they have to spend money. Your figures do not factor in the fact that the downstream farmers have to pay for ring tanks. They face the costs of expansion and the failure of a season which have not been factored in. I think you will find that, at the end of the day, it balances up. Perhaps my director-general can give more detail.

Mr FENWICK: I think that the comparisons are a little like apples and oranges. My understanding is that the storage at Cubbie is probably about the same or a little more than that at Beardmore, but I do not want to debate those figures.

Mr PALASZCZUK: It is 120,000 megalitres at present, but they are developing it to 275,000 megalitres.

Mr FENWICK: That may be, but the current storage is the same as at Beardmore. The more relevant comparison is that, as the Minister has said, the storage at Beardmore does make available an ensured supply to irrigators through the channel system. As a consequence, they pay a dollar figure for water which reflects that assuredness of supply and the costs of pumping, delivering and maintenance. Cubbie has invested its own capital in building storage systems and taking water off the flood plain to create its own opportunities. As a consequence, no charges are made for that water, just as no charges are made for water harvesting generally. It is a resource that Cubbie has generated as a result of trapping overland flow.

Mr PALASZCZUK: Minister, you have also introduced an incentive scheme for people to

receive an interest subsidy for the provision of that sort of infrastructure. Would a person who owns, say, the Cubbie property be eligible for that interest subsidy?

Mr HOBBS: The development incentive scheme is very innovative. I strongly believe that it will generate within the economy of the State more revenue for the State Government for very little money. In fact, we are using somebody else's capital to develop a process. That is the way it is designed. We also want to look at it on a regional development basis. For instance, if an area would benefit from the provision of a cotton gin or a citrus factory or a sugar mill, we will try to put a bit of money into that area, rather than having bits dotted all over the State. On that basis, I think that it will be a very good scheme.

It is not envisaged that a project like Cubbie Station would benefit from the scheme. The scheme is aimed mainly at family farm operations. The task force said something along those lines, although I cannot think of exactly what it said. Generally speaking, the scheme is aimed at the run-of-the-mill farmer who wants to develop his farm and is in appropriate country to do so. When we give these approvals, it is very important that the soil types are right. It is a good project.

The CHAIRMAN: Time has now expired for non-Government members.

Mr PALASZCZUK: I have lost 15 seconds. Minister, thank you very much for your responses. I thank all the departmental officers who have attended. I thank you for your help.

The CHAIRMAN: Minister, in respect to manure, fertilisers, sewerage effluent and so on, there is an increasing community concern that the waste products from intensive rural industries, agri-industrial processes and sewage treatment plants are disposed of in an environmentally responsible manner. What opportunities exist to reuse rural and urban waste as organic fertilisers and irrigation water in Queensland's agricultural industries? I know you have touched on some of this before.

Mr HOBBS: Yes, but I can answer on a broader basis. Queensland has a wide range of intensive rural industries such as piggeries, feedlots, abattoirs and poultry farms and sewage treatment plants which produce large quantities of organic nutrients in both solid and liquid forms. For example, effluent from the same source produces the equivalent of about 20,000 tonnes of nitrogen and 5,000 tonnes of phosphorous annually. Solid waste from the same source produces a further 10,000 tonnes of nitrogen and 6,000 tonnes of phosphorous annually. It is an enormous amount. I recall that at one stage the Chairman was very interested in one of these schemes on the coast. The nominal dollar value of those nutrients is about \$51m. Theoretically, it could replace 20% of the nitrogen and 40% of the phosphorous supplied as synthetic fertiliser in Queensland each year. There is an enormous resource that we are not really using at this stage.

Our solid waste typically contains much lower concentrations of nutrients than do commercial

fertilisers. Accordingly, greater volumes of material need to be transported and high application rates are necessary to provide the required amounts of nutrients. Therefore, transport costs restrict economically viable reuse areas to a 25 kilometre to 50 kilometre radius from the waste producer, obviously because of the costs that I have just referred to. A similar transport cost problem applies to the 305,000 megalitres of treated sewage effluent discharged in the rivers and estuaries each year. This volume is equivalent to about 25% of the irrigation water released from our service impoundments in an average year. Unfortunately, the volume of treated effluent is largest where the population density is highest, that is, in the cities where agricultural land is the furthest away, making pumping costs rather expensive. However, about 50,000 megalitres of effluent is produced in our sugar towns and where urban and agricultural areas are close to each other. This effluent volume, if used to supplement irrigation, has the potential to increase the sugarcane crop by about 500,000 tonnes annually. That is a significant amount. Officers of my department are examining closely the engineering, environmental and health issues of recycling urban waste for use on agricultural land. Urban waste is too valuable a resource to be just flushed away.

Mr MALONE: My question relates to the local management of irrigation schemes. I ask: what initiatives is the Queensland Government implementing to provide water users with more say in their schemes' management, including local management?

Mr HOBBS: Local management is about water users managing the schemes that supply them with water. It will mean reduced costs through water users controlling things in their own way, such as the level of service that they are willing to pay for. A reference group comprising representatives of the QFF, the Queensland Irrigators Council and staff unions is overseeing the development of a framework for local management. That should be in place by 31 March 1998 and will address issues such as what they will manage, how they will maintain the assets, what price they will pay for bulk water and what form they will take—for example, a water board, a company or a cooperative.

I will ask Peter Noonan to give you some more details in a minute. At a local level, interim local management committees are being established in the eight big irrigation areas to implement the framework. The committees will gradually be established in other projects across the State. Where they exist, these committees are already providing summary and revenue/cost information on the scheme performance and are also involved in forming budgets. By involving users in this way, they are in a better position to advise the department on what it should be doing and to decide whether they want to move to local management. It also means that the department and its clients have a shared understanding of what needs to be done to improve the schemes' performance. In a sense, whether they move to local management is up to them. These committees, comprising representatives of all water users, irrigators, local authorities and industrial users,

will eventually be the bodies through which moves to local management will be negotiated.

Mr NOONAN: It is important to point out that a move to local management will depend on those people involved accepting responsibility. Therefore, they need to know what it is about. A lot of details need to be worked through. Firstly, it is a question of what assets we are talking about managing—for example, is it just the distribution systems or does it include dams, weirs and so forth? There are a lot of issues there. They need to understand what conditions the assets are in. We are doing a lot of work to be better able to describe the condition of those assets. Nobody wants to take over something that is falling apart. I am not suggesting that our assets are in that condition at all. However, people need to know what condition they are in. They need to know what rights and responsibilities are associated with that scheme—for example, their water entitlements, obligations with respect to downstream flows and those types of issues. The Minister has touched on the details of the institutional structure and the types of organisations that will be necessary, the arrangements for boards and all of those types of details that we will have to work through. Lastly, I note that a lot of financial and taxation issues need to be worked through before these decisions can be put into place.

Mr RADKE: Minister, more than 20% of my constituents live in units. I wish to turn to the body corporate and community management legislation. Page 7 of the MPS mentions that the new body corporate and community management legislation is expected to become operational in 1997-98. Although it has been a long time in the making, I understand that this legislation will replace the Building Units and Group Titles Act of 1980 and is intended to alleviate many of the management concerns and issues relating to dispute resolution for people who live in community title developments. Can the Minister indicate when the new legislation will be implemented and what major improvements can be expected from it?

Mr HOBBS: It is quite an experience to bring in leading edge legislation. This legislation is the first of its type in this nation and the same could be said if it were being introduced in a lot of other countries. It will replace the Building Units and Group Titles Act 1980 and will commence on 13 July this year. It is built on new ideas and initiatives arising from extensive consultation to provide a more encompassing and flexible framework that meets the needs of owners and industry. In the management area, bodies corporate will be able to choose a suitable level of regulation from a range of available regulatory modules. Small schemes will have relatively simple rules and procedures, although larger residential schemes will probably choose a regulated environment.

The legislation also deals with the difficult area of management rights, seeking a balance between the needs of owners and letting managers. Under the fully regulated module, the letting manager is subject to a number of restrictions—for example, in relation to the use of proxies and being a member of the committee. Also, a letting manager's agreement cannot be longer for 10 years and may be terminated by the body corporate for a number of reasons, including conviction for an indictable offence involving fraud or dishonesty, misconduct or gross negligence and the failure to carry out certain duties.

However, a body corporate may choose to have a less hands-on involvement by adopting a less regulated module. For example, this may occur where the majority of owners rent their lot and are satisfied to allow a letting agent a large degree of freedom in both managing their lots and representing their interests on the body corporate. For future developments, the legislation prevents a letting manager from having exclusive use over a common property reception area that lasts beyond the end of his agreement. It also makes provision for bodies corporate to address the issue for existing developments. The division of responsibility between body corporate managers and the body corporate has been defined, and details of costs and changes are now required to be disclosed on all body corporate and management contracts. This will allow bodies corporate to make better selection decisions through more informed comparisons.

In the area of dispute resolution, there are sufficient changes to provide a more effective and enforceable resolution of disputes through the use of both departmental adjudicators and outside specialist adjudicators and through mediation. These changes, including the new administrative structure, will also be directed to a speedier resolution of owners' problems. The legislation will make a vast difference in the member for Rockhampton's electorate in that there will no longer be any disputes. He will be able to thank me for putting this process in place.

Mr SCHWARTEN: I shall thank you.

The CHAIRMAN: There being no further questions, that concludes the examination of the Estimates of the expenditure for the portfolio of the Minister for Natural Resources and the Committee's consideration of the matters referred to it by the Parliament on 4 June 1997. I thank the Minister for Natural Resources and his officers for their attendance. I also thank the members of my Committee and those other honourable members who joined us to ask questions. I thank the parliamentary staff, including the staff of Estimates Committee E, Hansard, the attendants and caterers for their valuable contributions to the Estimates process. I declare the public hearing closed.

The Committee adjourned at 6.23 p.m.