

ESTIMATES COMMITTEE D

REPORT TO THE LEGISLATIVE ASSEMBLY OF QUEENSLAND

8 July 1997

ESTIMATES COMMITTEE D

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1. INTRODUCTION

On 4 June 1997, the Legislation Assembly appointed seven Estimates Committees to inquire into the proposed expenditures contained in the *Appropriation Bill 1997* and the *Appropriation (Parliament) Bill 1997*.

Under the Sessional Orders adopted by the Assembly on that day, this committee was allocated the organisational units within the following departments:

- the Department of Tourism, Small Business and Industry;
- the Department of Local Government and Planning; and
- the Department of Environment.

Estimates Committee D has now considered the estimates referred to it and has met in two public sessions to receive evidence from the relevant Ministers and supporting officers. Accordingly, Estimates Committee D presents this Report to the Legislative Assembly.

Additional information, received as a result of questions asked before and during the public sessions, will be presented to the House as a volume of Additional Information accompanying this Report.

The committee asked twenty pre-hearing questions on notice of the Minister for Tourism, Small Business and Industry, one pre-hearing question of the Minister for Local Government and Planning and twelve pre-hearing questions of the Minister for Environment. Two questions were taken on notice at the public hearing by the Minister for Tourism, Small Business and Industry, one by the Minister for Local Government and Planning and three by the Minister for Environment. Answers were received by the committee to all questions taken on notice.

The question taken on notice by the Minister for Local Government and Planning at the committee's first public hearing involved a planning and environment matter. However, the answer could not be forwarded by the department in time for the committee's second public hearing examining Environment because the onerous nature of the question required the examination of numerous files.

Pursuant to Sessional Orders, the Leader of Government Business appointed Mrs Judy Gamin MLA to replace committee member Mr Rowell who was unable to attend the committee's second hearing. The Leader of the Opposition appointed Mr Len Ardill MLA to replace committee member Mr Gibbs for the same reason. For the purposes of the second hearing, Mrs Gamin and Mr Ardill had all the rights of the committee members that they had replaced.

One non-committee Member, Mr Jim Elder MLA, was granted leave to attend the committee's first public session and asked questions of the Minister for Tourism, Small Business and Industry.

2. EXAMINATION OF THE PROPOSED EXPENDITURE

2.1. ESTIMATES FOR THE DEPARTMENT OF TOURISM, SMALL BUSINESS AND INDUSTRY

The committee examined proposed expenditure of \$159.677 million, a 9 per cent increase over estimated actual total outlays for 1996-97, and a 14.2 per cent increase over the budget allocation for 1996-97.

2.1.1. Restructuring of the Portfolio

The committee notes that the department has undergone significant changes during the financial year. Changes include the abolition of the Queensland Small Business Corporation and the incorporation of its services into the department; and restructuring in both the Queensland Tourism and Travel Corporation and the Queensland Events Corporation. The department continues to undergo change. The Office of Tourism is currently being integrated into the QTTC. The analysis of the department by KPMG has been recently completed. The recommendations of the report are currently being implemented by a steering committee. The KPMG analysis had cost \$95,000 and an additional \$45,000 was allocated for the report's implementation.

In response to questions concerning the adequacy of the Ministerial Program Statements for the department in light of subprogram restructuring, the committee was informed that a new departmental subprogram structure was pending. The department had 108 staff vacancies and temporary positions.

2.1.2. Business Regulation

The committee inquired into recently-announced initiatives to reduce the red tape burden of small businesses. The Minister informed the committee that the "one-stop shop" for business licensing aimed to save small businesses \$36 million annually in compliance costs. It would do this by making 95 per cent of all business licence applications available through a single government office. The one-stop shops will operate out of the department's fifteen business centres throughout Queensland.

\$1.054 million has been allocated over three years to the Gateway Project. The project seeks to develop a single, tailored licence application for a number of common business licences. In July 1997, five Commonwealth and State licences and applications will be covered by the one Gateway form. The number of licences and applications covered by the form should rise to 100 from December 1997.

While the department expects that these initiatives would increase business compliance with licensing requirements, there were no specific calculations available which estimated how much extra revenue would result from the initiatives.

2.1.3. Business Centres

With the integration of the services of the abolished Queensland Small Business Corporation (QSBC) into the department, the department is establishing a chain of Business Centres throughout the State to provide extended services and products for business. The centres would work with industry associations, business and trade groups, and individual businesses to develop seminars to assist and advise small business. Five Business Centres will have been opened by the end of 1996-97, including centres in Townsville, the Gold Coast and the Sunshine Coast. Ten more are planned for 1997-98.

\$796,340 had been allocated for capital works to establish or upgrade the offices of the five Business Centres expected to be operational by the end of 1996-97. This money had been provided to the department by the Department of Public Works and Housing as part of its 1996-97 Office Accommodation Program.

The committee was told that, since the start of this year, 7,030 people had attended workshops on small business conducted by the department. This is compared with 5,051 attendees at workshops conducted by the QSBC during 1994-95.

The Minister said that integrating the QSBC's activities into the department would save \$1.5 million by eliminating duplication costs.

2.1.4. Regional Business Development Scheme

Regional development grants are now delivered through the Regional Business Development Scheme (RBDS) which integrates the seven regional economic development and land use planning schemes formerly delivered by the department. Fifteen Regional Business Advisors will service rural Queensland now that Commonwealth funding for the Business Advice for Rural Areas (BARA) program has ceased. The committee heard that, since February 1997 when the scheme was introduced, 45 projects totalling \$1.7 million have been approved to assist regional areas. The 1997-98 budget for the RBDS will be approximately \$2.5 million.

2.1.5. Queensland Manufacturing Institute

The committee was informed that the Queensland Manufacturing Institute (QMI) has a base allocation of \$247,000 in the current financial year and \$287,196 for 1997-98. Regarding funding for the QMI regional facility in Townsville, the committee was informed that the department currently contributed \$140,000 in seed funding. However, stake-holders such as James Cook University, AIMS and TAFE, recently resolved that they themselves would be funding the QMI facility at Townsville for the 1997-98 year. The committee was informed that QMI Townsville was now generating revenue.

2.1.6. Industry Development

The Minister outlined for the committee various initiatives which were being undertaken by the department to assist the development of various industries, including:

- the Queensland Food Project to advance the food processing industry and recognise market opportunities, especially in Asia. Since its formation, the project has facilitated nine new food processing projects involving capital investment of \$19.625 million and the employment of 272 people;
- the Queensland Wine Project to promote Queensland Wines with the aim of doubling wine industry turnover in three years to \$34 million; and
- Construction Queensland - along with the Department of Public Works and Housing, the Department of Economic Development and Trade, and the Queensland construction industry - to develop a ten-year strategy to increase the efficiency and viability of the construction industry in Queensland.

2.1.7. Small Business Council of Queensland

The Minister reported that the Small Business Council of Queensland (SBCQ) had been established. It is a council of 11 members which will act as an on-going conduit to the minister for the views of small business owners and operators throughout the State. The Council holds monthly meetings with the Minister and has consulted with 300 small business owners since it was established.

2.1.8. Brisbane as a Base Port for Cruise Ship Operations

Queensland Tourism: A Framework for the Future lists 'a marine and cruise ship strategy including assistance with the provision of dedicated passenger cruise terminal facilities'. The committee was informed that, of \$250,000 allocated for fixed capital expenditure for the upgrade of the Sugar Wharf Cruise Ship facility, \$30,000 was provided for a feasibility study by a marine and architectural company into how the existing wharf can accommodate docking by a cruise ship. The remainder of the \$250,000 is to be spent on upgrading facilities for cruise ship passengers.

The Minister informed the committee that the Government had signed an agreement with a company which proposed to operate a cruise line out of Brisbane. The committee noted that two of the cruise line company's current directors are discharged bankrupts. The use of facilities at Sugar Wharf, upgraded by the department, was part of the agreement with the cruise line company, but quite separate from the wider incentive package offered to the company by the State Government under the Government's Major Projects Incentive Scheme.

The Minister informed the committee that the proponent cruise line company was involved in ongoing negotiations to secure a vessel for its operations. There had been some delays in the company's negotiations but the Minister believed the company would make an announcement shortly as to which cruise liner the company will be using to establish their business in Brisbane. The government expected that, as a result of the cruise line company's decision to establish its base in Brisbane, 315 jobs would be created in the first year of operation; about 550 in the fifth year.

2.1.9. IndyCar

The committee notes that the economic benefits of the annual staging of the IndyCar event on the Gold Coast extend to other parts of the State. \$7.9 million of the \$35.4 million economic impact of IndyCar 1997 was generated in parts of Queensland other than the Gold Coast. IndyCar 1997 represented an estimated promotional value of between \$15 and \$18.1 million, with the event televised into 700 million homes worldwide.

The committee asked the Minister questions about the level of the Minister's involvement in past sponsorship arrangements for the IndyCar event and what was being done to make future sponsorship arrangements firmly secure.

2.1.10. Queensland Tourist and Travel Corporation Marketing

The Minister told the committee that, to address Queensland's declining interstate visitation, the Queensland Tourist and Travel Corporation (QTTC) had moved away from generic marketing of Queensland as a tourist destination to destination-specific marketing. A "brand" approach based on consumer awareness is being used, with separate campaigns having been released for Queensland's "developed" destinations: tropical north Queensland, the Gold Coast, the Sunshine Coast, the Whitsundays and Brisbane.

The QTTC is also developing marketing strategies with the Regional Tourism Association's tourism operators which promote the unique attributes of nine "emerging" destinations: Townsville, Mackay, the Outback, Toowoomba, the Golden West, the Southern Downs, Bundaberg, Capricorn region, Gladstone, Fraser Coast and South Burnett. The overall strategy includes linking the various brands. \$4 million is allocated to the campaign for 1997-98. The Minister told the committee that base funding for the QTTC had been increased by \$8.85 million during the last 15 months.

2.1.11. Promotion of Tourism for Far North Queensland

The committee notes that during 1996-97, the Queensland Events Corporation had supported and helped attract events which are expected to have a combined economic impact of more than \$50 million on Queensland. Events specifically impacting on tourism in tropical north Queensland include the World Mountain Bike Championships and the upcoming Eco-tourism Challenge and FIA World Cup Australian Safari Rally.

The committee heard that tropical north Queensland had been granted over \$4 million in funding during the last year. This amount includes grants to the Far North Queensland Promotion Bureau of \$265,000; \$50,000 provided to the Far North Queensland Tourism Bureau for the destination-specific marketing campaign; and \$844,000 in State Government funding as part of a \$1.25 million campaign in North America to follow up US President Clinton's visit to Port Douglas in November 1996.

2.1.12. Other Matters Examined by the Committee

Other matters examined by the committee included the following: the level of funding for business and industry programs generally; liquor industry training; continuing efforts by the Olympics 2000 Task Force to identify opportunities offered by the Sydney Olympics to both Queensland industry and Queensland tourism; the Industry Location Scheme of the Industry Location and Infrastructure Branch; and the continuing development of the department's Internet site, including such features as Olympic-related tender information and the Queensland Industry Information Service (QINDIS) list of more than 9,000 Queensland manufacturing and service organisations.

With regards to tourism, the committee was further informed of details of the Queensland Eco-tourism plan; QTTC responses to media reporting in Asian countries; and general industry support for the department's broad policy document, *Queensland Tourism: A Framework for the Future*.

2.2. ESTIMATES FOR THE DEPARTMENT OF LOCAL GOVERNMENT AND PLANNING

The committee examined proposed expenditure of \$465.64 million, an increase of 12.3% from the 1996-97 budget, and an increase of 9.3% from the 1996-97 estimated actual expenditure. Estimated expenditure for 1997-98 is \$449.057 million for the Local Government program, \$10.874 million for the Planning program, \$1.746 million for the Building Standards program and \$3.963 million for the Office of Rural Communities program.

2.2.1. Regional Open Space System

While ROSS has been discontinued, the committee was informed that the remaining obligations of the ROSS scheme relate to land management and cannot be completed in the 1996-97 financial year. In this respect, the committee was advised that these obligations will be relocated to the Department of Natural Resources. The committee was informed that full expenditure in the 1996-97 Budget was \$847,000, including transfers to other departments to assist with the management of ROSS properties. Actual expenditure under ROSS is anticipated to be \$350,000 this year with a carryover to the Department of Natural Resources.

2.2.2. Planning and Development Legislation

The committee notes the continued drafting of the proposed *Integrated Planning Act* (IPA). The committee notes that a new working draft of the legislation has been prepared, and also assessed by a representative TaskForce. The legislation is expected to be introduced in August 1997. The committee also notes that in the interim, and further to the drafting of the transitional provisions, the department is preparing a training and development strategy. The department has advised local

government of its readiness to assist in the development of planning schemes which may also operate under the new IPA.

2.2.3. Sequencing Planning Schemes

As explained to the committee, the whole-of-government review process of sequencing planning schemes is a key part of the IPA and ensures that State interests are coordinated with projected local urban growth. The committee notes, however, that although State agencies are required to develop physical asset strategic plans and undertake self-evaluations to ensure consistency with regional frameworks, there is no system of evaluating capital works programs against regional and sub-regional plans. The committee was advised that a working model is being developed.

2.2.4. State Strategic Plans

The Minister informed the committee that the draft Wide Bay 2020 Regional Growth Management Framework has been finalised, while a final framework is expected to be completed during 1997. The committee also examined the State Economic Development Strategy and the Regional Framework for Growth Management Update 1996, in relation to the future economic needs of South-East Queensland. The Minister informed the committee that the cost of the FNQ2010 Regional Planning Project is estimated to total \$1.25 million in direct funding (local, state and federal) over three years. The final draft is expected before the end of 1998 and the whole project is likely to be completed within 18-24 months.

2.2.5. Environmental Impact Assessments - s 8.2 *Local Government (Planning and Environment) Act 1990*

The department is responsible for the coordination of whole-of-government assessment of applications for determinations on the requirement of Environmental Impact Statements (EIS) for designated developments under s.8.2 of the *Local Government (Planning and Environment) Act 1990*. Where there are conflicting requirements from referral agencies, the initial agency advice may be reversed.

Under s 8.2, an application must be lodged with respect to designated developments asking the director-general if an EIS is necessary, and, if it is necessary, its terms of reference. The committee was informed at the hearing that, in a twelve-month period, 360 applications for EIS terms of reference were received, with 129 terms of reference issued. The twelve-month period referred to, however, was unspecified. The question was taken on notice.

The answer to the question taken on notice specified that, so far in 1996-97, there had been 300 applications made under s. 8.2 of the Act. 122 EIS terms of reference were issued. Of the 178 applications where a decision was made that an EIS was not required (for reasons stated in s 8.2(4) and Reg 16), 43 applicants were nevertheless required to provide an Environmental Management Plan. This matter requires further clarification. [Also refer to section 2.3.11 of this report.]

2.2.6. Rural Infrastructure

The committee noted that although the Rural Communities Infrastructure program is a new program totalling \$7 million over three years, it is comparable to the previous RLIP (Rural Living Infrastructure Program) which allocated \$15 million over two years.

The committee acknowledges that the infrastructure needs of Aboriginal and Torres Strait Islanders are prioritised in terms of water supply, sewerage and road infrastructure. They are prioritised according to prepared total management plans which are then coordinated with other funding programs. In terms of delivering an integrated and total capital infrastructure for each community, the committee notes that a further \$450,000 has been allocated in the 1997-98 Budget to fund the preparation of community action plans in three or four communities (preferably two Islander communities and two Aboriginal communities). The committee was informed that this trial program is a whole-of-government approach which builds on earlier work, particularly in Yarrabah and Palm Island, and that the selection of the communities will be based on a consultation process with the community and other bodies including the Joint Ministerial Advisory Committee, ACC, ICC and ATSIC.

2.2.7. Application of the National Competition Policy to Local Government

The committee notes that the planned performance for 1997-98 includes administering the \$150 million Financial Incentives Package to local government over five years, of which the Ministerial Program Statements state that \$15 million has been allocated in 1997-98. The committee also notes that a partnership approach is being emphasised to effect implementation of National Competition Policy into local government, so as to achieve resultant productivity gains while minimising the negative impacts on smaller and remote governments. The Minister told the committee that the department continues to provide advice and assistance, notably funding assistance to the 17 larger councils which require public benefit analyses. The department has also extended time frames for examination of anti-competitive provisions in local laws.

2.2.8. Other Local Government Program Issues

The committee was informed of the development of the Rural Councils Support Strategy, which aims to increase awareness of the public sector reform process. It was noted that the strategy is currently in the 'issue identification and strategy development' phase. The Minister outlined a number of outcomes including greater awareness of the reform process itself and new local government directions, and the introduction of a range of training programs and development strategies to increase skills within councils.

The committee was advised that the proposed protocol to be developed with the Local Government Association of Queensland (LGAQ) is progressing and that the introduction of a new City of Brisbane Act is no longer a priority, despite being noted as a planned performance indicator for 1996-97.

2.2.9. Rural Communities Program

It was noted that the Queensland Government Agent Program (QGAP) will be expanded by an additional 14 offices in Queensland to total 42 offices, thus increasing the accessibility and delivery of cost effective services to small and isolated rural communities. Two additional QGAP models were also researched and identified as viable. The committee noted that the Office of Rural Communities had supervised the upgrade of the Blackall telephone exchange to facilitate affordable Internet services.

2.2.10. Private certification of building work

The committee notes that permitting accredited private certifiers to certify building work is a new initiative which will be introduced as a means of ensuring procedural efficiencies and promoting competition, particularly as a viable and cost-effective alternative to compliance checking by local governments. In this respect, the committee queried whether local governments might be able to manipulate building and development standards so as to maintain control over development.

In response, the committee was advised that it was mandatory for local governments to accept the system of certified plans, that the proposed IPA excludes the ability of local governments introducing new standards already covered in the Building Act and that private certifiers were obliged to ensure that plans requiring certification conformed to the requirements of the relevant planning schemes. The committee was advised that the department also expects to monitor development standards in planning schemes and is currently developing residential standards.

However, it was also acknowledged that some councils require both a building approval and development approval. Essentially, this necessitates payment of two approval fees, despite the fact that only a single application is needed in accordance with the Integrated Development Assessment System (IDAS). The committee therefore recognises, that in cases where more than a building approval is needed, a private certifier would be unable to certify those plans.

2.2.11. Other Matters Examined by the Committee

Other matters examined by the committee included the following: the adoption of accrual accounting practices by councils; the Kuranda rail levy; the impact of the proposed Building Code on the avoidance of duplicating building standards; industry productivity and consumer savings; the recommendations of the Qld Commission of Audit as they apply to local government; and the effect of transaction costs and holding charges in the land development and construction industry in Queensland.

2.3. ESTIMATES FOR THE DEPARTMENT OF ENVIRONMENT

The committee examined proposed expenditure for 1997-98 of \$162.224 million - compared with \$170.276 million budgeted for 1996-97 - and a further \$5.42 million

expected as retained revenue. \$132.006 million is allocated for the Conservation program. \$30.218 million is allocated for the Environment program.

The committee claimed \$7.9 million had been underspent by the department on capital works in 1996-97 and asked the Minister why this had occurred. The explanation provided by the departmental officer was unclear.

2.3.1. Staff Matters

The committee notes there are 419 temporary staff in the department. The status of between 150 and 200 of these positions is due to programs funded on an annual basis. Twenty to thirty former Forestry positions on Fraser Island are intended to be converted to permanent departmental positions in the near future.

The Minister advised the committee that the department had paid for two senior ministerial advisors who live in Brisbane to stay two nights at a hotel in the Brisbane CBD in November 1996 because the advisors were on call to assist the Minister in hosting the meeting of the National Environment Protection Council and the Australian New Zealand Environment and Conservation Council held at that time.

2.3.2. Enhanced Protected Area Management

A three-year program totalling \$18 million for enhanced protected area management will commence with an allocation of \$4.1 million in 1997-98. \$3.335 million is allocated for an enhanced national park management component. Two other components exist — \$750,000 for Fraser Island Management and \$395,000 for Coastcare.

2.3.3. National Parks Management

The 1997-98 budget for the National Parks and Wildlife subprogram is \$48.179 million. This is compared with the 1996-97 budget of \$42.870 million and the estimated actual for 1996-97 of \$47.256 million dollars. The committee heard that of the \$5 million increase in the sub-program budget, about \$3 million is earmarked for labour and \$2 million for non-labour costs.

In an answer to a pre-hearing question taken on notice, the committee was provided with figures relating to State funded outlays for Parks and Wildlife stating that labour costs are estimated at \$23.481 million dollars for 1997-98 - compared with the 1996-97 budget of \$18.267 million dollars and a 1996-97 estimated actual of \$22.042 million. (The Ministerial Program Statements state that the total cost of 1996-97 back pay and current year salary was \$4.06 million. This figure related to the Wages Ranger Job Description Benchmarking Project.)

In the same answer, non-labour operating costs estimated for 1997-98 were listed as \$19.96 million; compared with the 1996-97 budget of \$17.72 million and 1996-97 estimated actual of \$8.797 million.

The committee was informed that \$118,000 had been spent by the current government on pre-implementation planning in connection with the former park pass initiative.

Outside of the national park estate, the department has continued to promote good conservation management through such measures as forest assessments, developing nature refuges on private land, and education and information packages directed towards land-holders.

2.3.4. Capital Works in National Parks

Base funding for capital works in the National Parks and Wildlife subprogram is estimated at \$2.338 million. Separate to that figure, estimated expenditure for national park visitor infrastructure is \$1.5 million for 1997-98. An additional \$200,000 is to be carried over.

The committee was advised that \$600,000 is allocated for 1997-98 for a specific program of purchasing expensive items of heavy machinery for proper national park management.

The Minister informed the committee that the department was currently focussing more on enhancing the management of the existing national park estate rather than acquiring more parks which could be prone to under-management.

2.3.5. Sugar Coast Environmental Rescue Package

While the mahogany glider Conservation Plan had not been finalised yet, 14,500 hectares of mahogany glider habitat and other areas of conservation value were acquired in 1996-97 under the Sugar Coast Environmental Rescue Package. The committee heard that latest estimates of 1997-98 funding for the Sugar Coast package were \$2 million to be provided by the Commonwealth and \$0.5 million by the State. The \$2.5 million comprises \$2.05 million in capital funding (acquisitions) and \$0.45 million in recurrent funding.

2.3.6. Wet Tropics

The Wet Tropics subprogram has been allocated a budget of \$11.117 million. The committee heard that this figure comprised \$5.836 million for the Daintree Rescue Package (capital works) and \$5.281 million in operating funding for the Wet Tropics Management Authority. Operating funding consists of: \$1.676 million State base funding; Commonwealth base funding anticipated at \$2.825 million; a \$20,000 research grant; and \$760,000 for other costs related to items such as superannuation and enterprise bargaining.

1997-98 anticipated expenditure from the budget for Wet Tropics includes \$850,000 to the Department of Natural Resources to manage land in State forests within the Wet Tropics World Heritage Area and \$1.2 million to the Department of Environment for national parks management.

2.3.7. Information Technology

Departmental information systems include the Contaminated Sites Register, the Air, Water and Noise Quality Systems and ProjectNet. ProjectNet relates to the approval assessment process and tracks every major development project which the department is involved in. At any one time, it can be used to determine the contact officer and review officer for a particular project.

WildNet collects extensive information on flora and fauna species. The database is then used for a variety of purposes, including managing protected areas and developing tree-clearing guidelines, vegetation retention schemes and forest policy.

2.3.8. Regionalisation of Spending

93 per cent of the department's budget for administrative capital works, such as building upgrades and fit-outs, is allocated for spending outside Brisbane. On a regional basis, the department expects to spend \$250,500 in the south-eastern region; south-western region, \$256,500; central coast, \$280,000; northern region \$132,000; and far-northern region, \$200,000.

It is expected that \$100,000-plus will continue to be provided to develop new products for departmental marketing. This money is disbursed on a regional basis in proportion to the amount of funds that a region raises from marketing departmental products. Income from departmental products in 1996-97 is projected to be \$460,000.

2.3.9. Coastal Management

The committee notes an error in the Ministerial Program Statements at page 11 regarding the Conservation sub-programs table. The 1997-98 estimate for the Coastal Management subprogram is mistakenly shown as \$32.938 million. It should in fact read \$32.193 million - down \$745,000, an incorrect allocation of National Estate Grants to the Coastal Management subprogram. The 1997-98 estimate for the cultural heritage subprogram is mistakenly shown as \$4.387 million. It should read \$5.132 million, accordingly up \$745,000.

2.3.10. Environmental Protection Act 1994

The committee notes that measures are being examined by the department to help small business address licensing fees and compliance costs imposed by regulations introduced under the *Environmental Protection Act 1994*.

The committee notes that the department provided funding to local government in relation to the operation of the *Environment Protection Act*. This includes \$2.65 million to local governments in 1996-97 for fee relief grants for new businesses licensed for the first time under the Act. However, no funding in this regard is allocated in the 1997/98 year.

2.3.11. Advice about Requirements for Environmental Impact Statements

Under the *Local Government (Planning and Environment) Act 1990*, the department operates as a referral agency giving advice to the Department of Local Government and Planning (DLGP) on whether an environmental impact statement (EIS) should be required for designated developments. The committee was informed that the department provided such advice to DLGP on 227 occasions. On 103 occasions, the department recommended that an EIS be required. On 124 occasions, the department recommended that an EIS was unnecessary.

The department stated that information provided to it by DLGP indicates that, where an EIS was recommended by the Department of Environment, DLGP waived the requirement on 7 occasions (where decision making under the Act had been finalised). DLGP makes its decision based on a range of factors. [Also refer to section 2,2,5 of this report.]

2.3.12. Other Matters

Other lines of inquiry pursued by the committee related to matters such as: staffing levels of the Wet Tropics Management Authority; funding for the Great Sandy National Park; development of the Fraser Island airstrip; river dredging; management training and development for departmental staff; the impact of workplace health and safety requirements on departmental costs; the work of the Threatened Species and Ecosystems Unit; and the Regional Forest Agreement.

Questions were also asked regarding progress on the finalisation of coastal management plans and environmental protection policies generally; the South-East Queensland Regional Air Quality Strategy; managing the storage of dangerous chemicals; expenditure associated with the formerly-proposed environment franchise fees; and tracking hazardous waste.

3. RECOMMENDATION

The committee agrees to the proposed expenditures contained in the *Appropriation Bill 1997* for the organisational units referred to it under the Sessional Orders of 4 June 1997.

4. OBSERVATIONS ON THE ESTIMATES PROCESS

In Estimates Committee D's 1996 report to the Legislative Assembly, this committee expressed the view that changes made to last year's estimates process had improved the ability of Parliamentary estimates committees to properly scrutinise the Executive's proposed expenditures. Many of those changes had resulted from the Government's adoption of various recommendations contained in the July 1996 report of the Select Committee of Procedural Review.

In its report last year, this committee welcomed the new procedure whereby the committee could invite particular public officials associated with the department to attend the hearing, at which public officials could be directly questioned. The committee could not, however, compel attendance of public officials.

The committee notes that the procedure was removed from this year's Sessional Orders and replaced with a procedure whereby the committee may give notice to Ministers of its intention to examine specific proposed expenditures in detail. (That notification would, presumably, be then considered by Ministers in selecting which advisors to have present at the hearing.)

The committee also notes the removal from Sessional Orders of the ability of committee members to directly question public officials. Members can, of course, still ask questions of public officials through the Minister - and, indeed, this year they did.

Even though the procedures mentioned above were changed, there was, effectively, little difference in the committee's experience of its public hearings this year from its experience last year.

The committee reiterates its support, expressed in its report last year, of the continuing removal from the Sessional Orders of the previous exemption which deemed the proposed expenditures of Government Owned Corporations to be outside the scrutiny of the estimates process. The committee also re-expresses its support for the mechanism introduced last year whereby the committee may ask up to twenty questions on notice prior to the hearing.

During the course of the estimates process, the committee experienced an unauthorised release of a letter from a Minister addressed to the committee. The contents of the letter were reported in a newspaper article the morning after the letter had been received. This occurred before the committee had authorised the release of the letter.

The committee investigated the matter and agreed that the unauthorised release did not have a propensity to substantially interfere with the work of the committee. However, the committee notes that the incident caused embarrassment to the Minister, the chairman and the committee. The committee considers the unauthorised release to be unacceptable.

5. ACKNOWLEDGMENTS

The committee wishes to express its appreciation of the high level of effort and assistance afforded to it by the various Ministers and departmental officers. The committee wishes to acknowledge the valuable support of its staff during this year's estimates process.

Lyn Warwick MLA
Chairman

ESTIMATES COMMITTEE D

STATEMENT OF RESERVATIONS

TOURISM SMALL BUSINESS AND INDUSTRY

DEPARTMENTAL STRUCTURE AND MANAGEMENT

The Minister was totally unable to justify why the Committee was forced to debate a Ministerial Program Statement Program Structure that was already redundant by the time of this Report. The Acting Director-General was forced to explain when the Minister couldn't, that the new Sub-Program structure would be known one week after the public hearing of the Committee.

The Minister acknowledged that he had been Minister for 16 months but that for the first nine months he had not been "involved in the day to day management of the Department". Straight after a review and restructure was completed in December last year he ordered another review.

That second review, the one the Minister had personally ordered, described the Department under his stewardship as "moribund".

The Minister's answers and general performance strongly suggested he was not in control of the portfolio, that any problems in the portfolio were someone else's fault and someone else's problems.

BUSINESS AND INDUSTRY PROGRAMS

It was clearly acknowledged that there had been a substantial decrease in business and industry programs funded from the Consolidated Fund. In 1995/96 the Government spent \$57.569 million on business and industry programs. It now estimates they will spend \$49 million in 1996/97 but in 1997/98 they have only allocated \$40.671 million. This represents a drop of \$16.898 million or nearly 30% in two years.

This dramatic decline has occurred at a time when manufacturing industry in Queensland is struggling and this is reflected in declining exports and employment levels. The Minister was unable to offer any satisfactory explanation for the decline in funding and also unable to articulate any clear policy direction for this vital sector.

The only argument offered by the Minister was that there had been a significant increase in

Trust Fund expenditure but an examination of Trust Fund expenditure clearly shows the vast bulk of any increase relates to expenditure on development of industrial estates which is recouped almost immediately.

TERRY MACKENROTH
DEPUTY CHAIRMAN
MEMBER FOR CHATSWORTH

BOB GIBBS
MEMBER FOR BUNDAMBA

ROD WELFORD
MEMBER FOR EVERTON

ESTIMATES COMMITTEE D

MEETING ATTENDANCE RECORD						
MEETING DATE	LYN WARWICK	TERRY MACKENROTH	BOB GIBBS	ROBERT MITCHELL	MARC ROWELL	ROD WELFORD
4 JUNE 1997	✓	✓	✓	✓	✓	✓
13 JUNE 1997	✓	✓		✓	✓	✓
20 JUNE 1997 AM	✓		1	✓	2	✓
20 JUNE 1997 PM	✓		1	✓	2	✓
1 JULY 1997	✓	✓		✓	✓	✓
2 JULY 1997	✓	✓		✓	✓	✓

- 1 - Mr Len Ardill MLA attended in the status of a Committee member on behalf of Mr Gibbs under Sessional Orders
- 2 - Mrs Judy Gamin MLA attended in the status of a Committee member on behalf of Mr Rowell under Sessional Orders