

ESTIMATES COMMITTEE E

REPORT TO THE LEGISLATIVE ASSEMBLY OF QUEENSLAND

JULY 1997

ESTIMATES COMMITTEE E

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1. INTRODUCTION

On 4 June 1997 the Legislative Assembly referred to the committees for examination and report, the proposed expenditure contained in the *Appropriation Bill 1997* for the organisational units within the portfolio of the following ministers—

- Minister for Mines and Energy
- Minister for Primary Industries, Fisheries and Forestry
- Minister for Natural Resources

The committee conducted a public hearing on 17 June 1997 to receive evidence from the Honourable T Gilmore MLA, Minister for Mines and Energy, the Honourable T Perrett MLA, Minister for Primary Industries, Fisheries and Forestry and the Honourable H Hobbs MLA, Minister for Natural Resources regarding proposed expenditure within their portfolios.

During the public hearing, in accordance with Sessional Order 21(c), Mr T Mulherin MLA asked questions of the Minister for Primary Industries, Fisheries and Forestry and the Minister for Natural Resources.

Answers to questions on notice asked prior to the hearing and answers to questions on notice and additional information received as a result of questions asked during the public hearing are presented separately in an additional volume of information.

The committee draws the attention of the Legislative Assembly to the following matters which arose during consideration of the estimates.

2. DEPARTMENT OF MINES AND ENERGY

2.1. INTRODUCTION

The committee examined proposed expenditure of \$155,497,000 for 1997-98.

Major new initiatives include—

- major reforms in the electricity industry to create a more competitive and efficient industry;
- an additional \$3.7 million for major reforms in the mining inspectorate to deliver a service which meets the needs defined as part of the Moura Inquiry;

- provision of \$2.2 million for mine site rehabilitation activities to include further residual action at Herberton, Mount Morgan, and Charters Towers; and
- provision of \$0.4 million as a subsidy towards the establishment of a mining research facility to test the suitability of Queensland coals.

2.2. SIMTARS

The minister was requested to inform the committee whether there were plans to corporatise the Safety in Mines Testing and Research Station (SIMTARS). The minister stated that SIMTARS is one of Australia's few nationally accredited laboratories. It was discovered via the Ernst & Young review of the Department of Mines and Energy (DME) that a significant proportion of the work performed commercially at SIMTARS was being cross-subsidised by government funding. Accordingly, the operations of SIMTARS are now being examined to ensure that the work performed on a fee for service basis is charged at the appropriate rate and that no cross-subsidy exists.

Regarding corporatisation the minister stated that at this stage no plan existed to operate SIMTARS as a government owned corporation. Furthermore, the minister explained that any future move towards corporatisation would be carefully thought through and appropriate safeguards would be put in place. Following on from the minister's reply, a departmental official informed the committee that the department was at an exploratory stage of having SIMTARS actually form a company to be a vehicle through which it would undertake specific commercial activities in joint ventures with the private sector.

2.3. RECOMMENDATIONS FROM MOURA INQUIRY

The committee sought details regarding the action DME has undertaken to ensure the recommendations of the Moura Inquiry concerning the mining industry staff are carried out.

The minister informed the committee that 17 of the 25 recommendations from the warden's report have been implemented including the recent demonstration of unitisation equipment at the Collinsville mine. Furthermore the minister stated that quite considerable advances in safety had been made across the electricity industry.

However, some of the required legislative mechanisms, including amendments to the Act, have yet to be put in place. Other outstanding items relate to firstly, the development of training material associated with procedures for granting statutory certificates, secondly, research being conducted by SIMTARS which will lead to the development of further training material, thirdly, a major review of the *Coal Mining Act*, and fourthly, further research and development work on escape and rescue facilities.

2.4. QUEENSLAND COAL BOARD

Information was sought by the committee as to whether the Queensland Coal Board was to be abolished. If it were to be abolished what unit would be responsible for regulations, such as those associated with coal mine workers' health.

In reply, the minister confirmed that the Queensland Coal Board would be abolished some time in 1997-98. The welfare fund and severance pay fund will be transferred to DME with the minister as trustee. The coal industry fund is to be transferred to DME to be used at the minister's discretion. Board functions such as the promotion of generic coal, collection and production of statistics, data collection and the administration of the coal industry employees health scheme will be retained.

2.5. AIRDATA PROJECT

The minister was requested by the committee to outline what the AIRDATA project is and what impact it will have on the Queensland economy.

The AIRDATA project has a budget allocation of \$4.5 million over three years from 1996-97 onwards. The project targets priority areas in the Western Drummond Province, which is a gold bearing area; the overlying Galilee Basin in 1997 where there is the potential for oil and gas, and the Adavale Basin in 1998. 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, royalties, export earnings and employment from the mining of any deposits discovered via this initiative. The impact of the original AIRDATA initiative resulted in 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.

2.6. INTERCONNECTOR

Details were sought from the minister relating to additional costs to be incurred for the interconnector project as compared to the estimated cost of the original Eastlink project.

The total estimated cost of the interconnector for New South Wales and Queensland will be \$384 million compared to the estimated costs of Eastlink of about \$300 million. The estimated capital cost is \$242 million for Queensland and \$142 million for New South Wales.

The minister further explained that 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 the

state will get a major new power station to underwrite the electricity industry so that there is sufficient generating capacity in future years.

With reference to the proposed route for the interconnector, the minister advised the committee that the route would pass predominantly through crown land and through approximately one hundred private properties.

2.7. SOLAR HOT WATER REBATE SCHEME

The minister was requested to provide to the committee the take-up rate for the Solar Hot Water Rebate Scheme. In reply the minister stated that to date the following rebates have been paid to citizens who have installed new solar hot water systems or replaced existing systems: 1,748 rebates of \$500 each; 490 rebates of \$300 each; and 162 rebates of \$100 each.

The scheme provides for: a \$500 rebate for installing a new two panel system or for replacing an existing two panel system; a \$300 rebate for installing a new one panel system or replacing an existing one panel system; and a \$100 rebate for replacing a tank. The scheme will be discontinued when the existing funds have been expended.

2.8. NATIVE TITLE

The committee noted that page 6 of the ministerial program statement states that 86% of all exploration title applications and leases were affected by native title. Accordingly, the committee sought to find out 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.

Currently 264 mining lease applications are being assessed with respect to native title under procedures developed in response to the Wik decision and following the lifting of the freeze. The bulk of mining tenure applications will still be delayed as they are located in areas under native title claim or on leasehold land tenures where native title still exists.

There were 4,601 tenures granted between 1 January 1994 and 23 December 1996 which are subject to native title. These tenures are potentially invalid as none of them went through the right to negotiate process. Currently, efforts are being made to secure validation of these tenures.

2.9. LOSS OF EMPLOYMENT - ELECTRICITY INDUSTRY

The minister was requested to inform the committee of the number of retrenchments or job losses that have occurred in regional electricity boards together with the anticipated total number of job losses in the whole of the electricity industry as a result of restructuring.

In response the minister stated that the total number of redundancies to June 1997 is 370. The total cost of redundancies is \$18 million with the original budget being \$2.7 million. The minister gave details for each electricity board: FNQEB, 32; NORQEB, 22; MEB, 0; CAPELEC, 43; Wide Bay-Burnett, 0; South West Power, 27; SEQEB, 233; Powerlink, 13; and QTSC, 0. AUSTA Electric will need more employees.

The minister stated that over the last three years the distribution boards embarked on a program towards greater levels of efficiency, based on world recognised benchmarks. As a result, several employees of the boards have been made redundant. However, the minister stated that these redundancies are not related to the current electricity industry restructure.

2.10. QTHERM

The committee noted that on page 187 of Budget Paper No. 1, reference is made to funds being provided for the promotion of the Queensland mining industry in Australia and overseas. The minister was requested to provide details of the type of promotion and whether additional funds have been allocated in the 1997-98 budget.

In reply the minister identified the promotion project as QTHERM. This project is designed to promote greater awareness of Queensland thermal coals in the international and domestic marketplaces.

The project originally was scheduled to cease in June 1997. However, an additional \$600,000 has been provided in the 1997-98 budget for a further three years to extend the project to 1999 or 2000.

2.11. MINES INSPECTORATE

Questions were asked in relation to the provision of additional funds in the 1997-98 budget for the restructuring of the Mining Inspectorate. The committee asked if the additional income will fully fund the operations of the Inspectorate.

In response, the minister advised the committee that as a result of the additional funds the inspectorate was fully funded. The initial grant of money amounting to \$750,000 was allocated by the cabinet budget committee in November/December 1996. In the 1997-98 budget \$3.7 million was provided in the form of new initiative funding.

2.12. INTERIM RETAIL ELECTRICITY BOARDS

Following the minister's response to questions on the establishment of three interim retail boards in the electricity industry, the Committee requested details of the membership of the northern board.

In reply a senior departmental official identified the following persons as members of the northern board: Chief Executive Officer of the Far North Queensland Electricity Corporation (FNQEB); Chairman of the North Queensland Electricity Corporation

(NORQEB) and the Chief Executive Officer of the Mackay Electricity Corporation (MEB).

The committee requested additional information as to the level of fees each member would receive for service on the interim board. In response the minister stated that each board member would receive a \$2000 service fee for the term of the board.

2.13. CONSULTANCY FEES 1997-98

In response to questions by the committee regarding details of Professor Don Anderson's consultancy contract with DME, the minister informed the committee that the contract expires in December 1997. Furthermore, the minister stated that under contractual arrangements Professor Anderson is working full time for DME.

Later in the hearing, the committee noted that DME had allocated \$2.9 million for consultancy fees for financial year 1997-98. The committee requested a breakdown on how these consultancy fees were to be spent in the coming financial year. As part of the departmental response it was stated that \$425,000 had been allocated for consultancy fees for Professor Anderson in 1997-98. The expenditure of \$425,000 in 1997-98 is contingent upon Professor Anderson's current contract being extended at the minister's discretion.

3. DEPARTMENT OF PRIMARY INDUSTRIES, FISHERIES, AND FORESTRY

3.1. INTRODUCTION

The committee examined proposed expenditure of \$371,073,000 for 1997-98. This is an increase of \$10.5 million from last year's budget.

New initiatives include:

- the Queensland Centre for Climate Applications (QCCA);
- satellite tracking of Queensland fishing vessels;
- implementing the new animal welfare program;
- implementing the recommendations of the Sugar Industry Review;
- promoting Aquaculture and fisheries development in rural Queensland; and
- increasing the potential for Queensland exports of live cattle, meat and related products to South East Asia.

3.2. PROPOSED RHINOCEROS REFUGE IN NORTH QUEENSLAND

The committee asked the minister about the rhinoceros refuge which the Minister for Tourism, Small Business and Industry, Hon. Bruce Davidson MLA, proposes for north Queensland. The committee noted that the state government had commissioned Mr Tim Nevard, Director of the Centre for Tropical, Urban and Regional Planning, at the Cairns campus of James Cook University to do a study on possible sites for a rhinoceros refuge in north Queensland.

The possible importation of exotic or tropical diseases and the threat this poses to Queensland's native plants and wildlife and primary industries concerns the committee. The minister assured the committee that if the proposal goes ahead, his department would work with the Australian Quarantine Inspection Service to ensure that every precaution was taken to protect Queensland's vast livestock industries and native flora and fauna. The minister plans to discuss the proposed rhino refuge with Mr Davidson after he returns from South Africa. The non-government members of the committee expressed grave concern that the Minister for Tourism, Small Business and Industry did not engage in in-depth consultation with the Minister for Primary Industries, Fisheries and Forestry about the proposed rhinoceros refuge prior to departing for South Africa.

3.3. AQUACULTURE INDUSTRY

The committee asked the minister how the department would use the \$1.8 million in additional funds for a program called Accelerating Aquaculture Industry Development. The minister outlined the major projects which include an assessment of the potential for eel farming, pearl farming, mud crabs and oyster growing and additional research into potential fresh water species. Developing this industry will take the pressure off wild fisheries and allow Queensland to maximise potential seafood markets such as those in South East Asia.

Other initiatives in the aquaculture industry include the issuing of fifteen year licenses for all forms of fishing, unless special circumstances require a shorter period and reducing the use of fishmeal when farming barramundi. The department's Walkerman Research Station, working in conjunction with the Commonwealth Scientific and Industrial Research Organisation has developed a more cost-effective diet for farmed barramundi. The new diet has only 5% fishmeal instead of 30% which reduces feed costs by \$200 per tonne.

3.4. AQUACULTURE INDUSTRY AND RURAL QUEENSLAND

In conjunction with the above projects, the committee asked the minister about the development of an aquaculture industry in rural Queensland. The minister informed the committee of a new initiative called Promoting Aquaculture and Fisheries Development in rural Queensland which will receive \$1.3 million in 1997-98. Under this program, the department will spend \$225,000 assessing the feasibility of developing a glass eel industry, \$840,000 expanding the reef fish breeding research project and \$100,000 developing fish impoundments in central and southern Queensland.

The idea of the impoundments is to attract recreational anglers to rural Queensland and increase tourism and employment in the area. The department hopes that this project will mirror the economic spin-offs that north Queensland received from an influx of tourists coming to fish in the Tinaroo Falls dam.

3.5. LIVE CATTLE EXPORTS

The committee asked the minister about the benefits of providing government assistance to the live cattle export industry. The minister informed the committee that the development of live cattle exports is just one of the priority areas in the beef industry identified by the government. Live cattle exports from Australia have increased from 105,000 to 723,000 head in the past five years. In 1996-97 Queensland exported 380,000 head of cattle to markets in South East Asia. This represents 62% or \$162 million worth of Queensland's live cattle exports.

As Queensland's international competitiveness in the processed beef industry decreases, the live cattle trade will become even more important to the beef industry. It also generates growth in support industries, as better roads and cattle handling facilities, transport, fuel and fodder are needed for the industry to reach its full potential.

3.6. CATTLE TRANSMIGRATION PROGRAM

The minister informed the committee that the transmigration program is an integral part of the live cattle export industry. The department hopes to export 50,000 head of breeder cattle to countries such as Indonesia and the Philippines. This increases opportunities for Queensland-based companies to train people in these countries in the management of breeder programs and basic animal husbandry techniques.

The committee asked the minister if exporting breeder cattle would lead to increased competition in the beef industry and make it harder for Queensland to find a market for their beef products. The minister informed the committee that the countries involved in Queensland's transmigration program see the breeder cattle as a way of keeping people employed rather than developing a cattle industry.

The Indonesian government is giving families who have migrated to the city from the country two hectares of land with eight cows and one bull to encourage them to move back to the country. Collecting and growing fodder keeps the family gainfully employed. The minister commented that this is not a threat to Queensland's beef industry as they "*do not have the land mass that we have to develop a major industry*" (Hansard, 17 June 1997, p.323).

3.7. CORPORATE SERVICES AGENCY

In 1996, the Department of Primary Industries, Fisheries and Forestry (DPI) and the Department of Natural Resources (DNR) established a Corporate Services Agency (CSA) to service both departments. The committee asked the minister how this would produce savings for the DPI and how much it has actually saved. The minister responded that the CSA generates significant savings as the departments can pool their staff resources, only need to purchase one lot of expensive processing and computer equipment and can share training courses. The department hopes to be able to make their new equipment available to smaller departments on a one-off basis in the future.

A reduction in staff numbers by 6.5% from July 1996 to March 1997 has also helped to generate savings. Although the joint CSA will become more cost effective in the future, the minister acknowledged that it was some \$1.3 million over budget in its first year of operation due to one-off establishment costs such as transferring staff to a central location, new stationery and printing.

The committee also asked the minister how the DPI, as the agency accountable for the CSA, handles accountability issues arising out of DNR. The minister informed the committee that both departments have prepared and signed a service level agreement which covers the operations of the CSA. Under the agreement, the director-general of DPI, is accountable for the operations of the CSA. The director-general of DPI liaises closely with the director-general of DNR and the board of management and board of directors in an effort to reach agreement on most issues.

3.8. PAPAYA FRUIT FLY ERADICATION

The committee asked the minister if the department will achieve its target of eradicating the papaya fruit fly by the year 2000. The minister informed the committee that the department is working with the commonwealth government and other states and is making good progress towards this target. The department estimates that papaya fruit fly numbers have decreased by over 90% since November 1995.

From the declaration of the papaya fruit fly outbreak in October 1995 to the end of September 1996, the department spent over \$3.5 million employing more than 250 inspectors to inspect produce. In order to significantly reduce inspection costs but contain the pest, the department introduced a Certification Assurance Program. Growers who adhere to standard procedures in the preparation of their produce are able to certify their own plant produce in accordance with the quarantine protocols. To date, the department has accredited 772 businesses in the papaya pest quarantine area and has detected no papaya fruit flies in certified produce leaving the quarantine area.

The department is providing \$3.5 million to develop a research facility in Cairns to research non-chemical means of disinfecting horticultural produce. Researches will investigate ways of disinfecting produce against the papaya fruit fly and other pests, such as the melon fly which has been found in Western Australia. In addition, the states and the commonwealth have agreed to provide \$7 million for a sterile insect facility which will be built at Walkamin. The facility should have the capacity to produce 125 million sterile flies per week and will complete the eradication of the papaya fruit fly.

3.9. CHEMICALS AND COFFEE GROWERS

The committee raised the issue of the use of chemical sprays to kill the papaya fruit fly and the impact this has had on coffee crops grown on the Atherton tablelands. The minister responded that coffee is the favoured host of the papaya fruit fly and the allegations made by the Mareeba Coffee Growers Association that the treatment of coffee for papaya fruit fly resulted in substantial crop losses is as yet unproven. A DPI coffee expert has inspected all properties which reported lost production and has found no evidence to support or disprove the growers' claims.

Furthermore, DPI has not yet received any formal requests for compensation. With the agreement of the growers and their association, DPI is undertaking a full investigation into the matter.

The minister defended his department's use of chemicals to eradicate the papaya fruit fly saying that inaction could have damaged even more export crops, particularly mangoes which are very important to the economy of the Mareeba area.

3.10. QUEENSLAND CENTRE FOR CLIMATE APPLICATIONS

The committee asked the minister what practical value the Queensland Centre for Climate Applications will provide to rural producers in Queensland. The minister informed the committee that the centre is a joint initiative of DPI and DNR and will receive an additional \$2.44 million from the government (\$1.29 million from DPI) in 1997-98. The centre will use the funds to employ thirty-six new research staff, buy additional computers and build infrastructure to enhance the development of climate risk management tools.

The centre aims to strengthen rural producers' abilities to manage the risks of Queensland's extremely variable climate. The minister estimates that the effects of drought cost the Queensland economy \$6 billion between 1991 and 1996. By researching and developing climate management tools, the centre will help rural producers to mitigate and avoid the harsh effects of drought and frost and become more self-reliant.

3.11. AUSTRALIAN BAT LYSSAVIRUS

The committee asked the minister what funds would be available for research into the containment of this virus and the exact date that the department became aware of the harmful effects of the lyssavirus to humans. The minister replied that \$100,000 was available for lyssavirus research in 1997-98 and that the department had prepared a draft lyssavirus contingency plan for inclusion in the Australian Veterinary Emergency Plan, AUSVETPLAN.

The minister said that the lyssavirus was first detected in mid 1996 in New South Wales. The woman from Rockhampton who died of the virus became ill in October 1996. During this period, the department worked closely with public health officials to develop a means of handling the risks from the spread of the virus. DPI and the Department of Health prepared several joint information leaflets for distribution through the bat carers network and the Internet.

It concerns the committee that departmental officers were not able to provide exact details of when the department was made aware of the existence of bat lyssavirus. Of greater concern was the apparent absence of a more comprehensive public awareness campaign to alert Queenslanders of the risk of this virus prior to it causing the death of a Rockhampton woman.

The department has recently organised a series of meetings on the Queensland coast to inform people about risks and the best way of handling flying foxes and micro bats.

3.12. RECREATIONAL FISHING INDUSTRY

The committee asked the minister about the management of the recreational fishing industry, particularly around Cairns where it is worth \$60 million alone. The minister, with the assistance of the Executive Director of DPI Fisheries, responded that he is trying to negotiate with the commonwealth government's Australian Fisheries Management Authority (AFMA) concerning management of the commercial and recreational sectors of the industry. AFMA manages both sectors and wants DPI to manage the recreational industry but can not provide any resources to help them do this. As commercial fishers often catch billfish or black marlin (the prize catch of recreational fishers) when they are long-lining for tuna, DPI does not want to see the management of the two fishery sectors split between two different bodies. The minister recognises that the marlin fishery is very important to the north Queensland economy and will continue to negotiate with the commonwealth government to ensure that fisheries in Queensland are well managed.

4. DEPARTMENT OF NATURAL RESOURCES

4.1. INTRODUCTION

The committee examined proposed expenditure of \$535,979,000 for 1997-98.

Key initiatives include—

- the provision of \$7.4 million over three years for the establishment of the Queensland Centre for Climate Applications (QCCA);
- the allocation of \$3 million over three years for Torres Strait Islands Water Infrastructure Management;
- the provision of \$4.5 million over three years to develop a comprehensive strategy for the effective re-use of waste water;
- the provision of \$4.5 million over three years for the eradication of major pest plants and animals; and
- the allocation of \$4.89 million over three years to implement the rural revival strategies of the South West Strategy.

4.2. FREEZE ON LAND DEALINGS

The committee referred the minister to his answer to question number 20 of advance questions on notice which indicated that the backlog of land dealings had blown out by 900 or 14% as a result of the decision to freeze land dealings from January 1997 to April 1997. The minister was requested to outline the reasons for the freeze on the processing of hundreds of land dealings in Queensland when other states continued to process land dealing applications during the same period.

In reply, the minister explained to the committee that a different process for handling land dealings exists in Queensland. In Queensland the government believed very strongly that native title had been extinguished by pastoral leases. This interpretation was based on legal advice used by both the previous and the current government.

Furthermore, the minister stated that the freeze on land dealings was a responsible action for the following reasons. For example: people may have been given leases on land that was subsequently sold or people may have carried out work on their leased land only to find out later that it was illegal. The minister stated that if either of the above situations had occurred, compensation claims would have cost Queensland taxpayers a large amount of money.

4.3. LEASEHOLD RENTAL SYSTEM

Inquiries were made by the committee regarding the current position of the review of the leasehold rental system including key outcomes of the recommendations emanating from the review.

The minister advised the committee that a five person committee conducted the review between August and December 1996. A formal report was submitted to the minister 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 for each rental category; the development of a new industry health index for category one, grazing and agriculture, leases; and the establishment of a 1% differential between the rental percentage rates for mainland and island tourist leases.

Cabinet support has been obtained by the minister to implement the majority of the report's recommendations as from 1 July 1997.

4.4. BLACK RHINOCEROS TOURISM SCHEME

Inquiries were made by the committee regarding the biological impact, especially in the control of woody weeds, of a proposed tourism scheme to introduce the black rhinoceros into selected areas of the tropical savannas of north Queensland.

In reply the minister stated that the matter was initially in an investigative phase. Currently, the Minister for Tourism, Small Business and Industry is examining the feasibility of such a scheme, based on data gathered from a visit to South Africa and local expert advice. The minister stated that such a scheme would need to be evaluated in detail to assess issues such as the introduction of diseases, and the impact on the environment. As with any other scheme involving the importation of exotic animals, a range of studies need to be conducted to provide sufficient information with which to make an informal decision on the scheme.

In relation to the control of woody weed, the minister indicated that more in depth evaluations have to be conducted to assess the impact that black rhinos would have on noxious weeds.

4.5. RENTAL ARREARS - LEASEHOLD LAND

The committee noted that the level of rental arrears for 1996-97 is 8% of annual rents payable on leasehold land. The minister was requested to outline what action the Department of Natural Resources (DNR) had taken to address the matter of rental arrears.

The minister advised the committee that the present annual rent payable on leasehold land throughout the state is \$29 million. It is expected, based on current information, that arrears in rental payments will amount to \$2.3 million as at 30 June 1997. This amount is about 8% of total annual rent payable. This year's outcome is a considerable improvement over last year when rental arrears were 10% of the

annual rents payable. However, rental payments on some 2,900 leases presently remain in arrears.

Where rental payments are in arrears follow up action is undertaken by DNR with the issuing of overdue notices at 30 and 60 days after the due date of payment. When rent is outstanding for more than 90 days, the local district office initiates follow up action. If rent remains unpaid and no new arrangements for payment are entered into, the lease may be forfeited and the land and improvements revert to the state. However, DNR can defer payment of rent if it is demonstrated a lessee is suffering hardship due to: consequences of natural disasters; illness or unemployment; economic recession; and severe downturn in the level of markets.

4.6. TREE CLEARING PERMITS

The minister was asked by the committee whether there was a proposal to remove the requirement for leaseholders to obtain a permit before undertaking broad scale land clearing on their properties. In reply the minister assured the committee that current requirements for leasehold landowners to obtain a tree clearing permit before undertaking large scale tree clearing will remain.

Furthermore as part of an ongoing review process, a range of options are being examined by DNR in relation to natural resource management including tree management plans and catchment management plans. The outcome may result in changes but there will always be either a permit system or management systems in place for land clearing.

4.7. WATER INFRASTRUCTURE DEVELOPMENTS

The committee notes that the government intends to expend \$1 billion on a water infrastructure package. The minister was requested to advise the committee on specific water infrastructure developments proposed for 1997-98. In reply the minister stated that the government was committed to spending \$1 billion over the next 15 years on water infrastructure development to provide additional water supplies to underpin economic developments in Queensland.

The Water Infrastructure Taskforce, set up to advise on projects for funding under the water infrastructure package, reported in February 1997. Recommendations from the taskforce report have been addressed in an implementation plan prepared by DNR to be submitted to cabinet.

Projects recommended by the taskforce will be required to meet the full environmental, social and economic assessment criteria. For 1997-98 a total of \$84.4 million is allocated towards the assessment, planning and construction of water resources infrastructure. Furthermore, there is an allowance of an additional \$17 million for higher priority projects recommended by the taskforce.

4.8. NATIONAL COMPETITION POLICY

Information was sought by the committee outlining what progress the Department of Natural Resources has made in meeting its obligations under the National Competition Policy. The minister advised the committee that DNR is affected by all the elements of the National Competition Policy, including compliance with the *Trade Practices Act 1974*, legislation review, prices oversight, competitive neutrality and third party access. A trade practices audit and legislation audit were submitted to Queensland Treasury by 29 March 1996.

Training on the *Trade Practices Act 1974* and the development of a compliance manual is underway. Implementation of various elements of National Competition Policy is ongoing. It is anticipated that reform of the water industry should be completed by the year 2002.

DNR is confident that it will continue to meet all National Competition Policy targets to enable Queensland to gain the full compensation payment from the commonwealth government. Compensation payments to Queensland should amount to \$2.34 billion over 10 years.

4.9. LAND COURT

Questions were directed to the minister regarding the process DNR has implemented to reduce the number of backlog cases in the Land Court and the resultant costs to the department.

In response, the minister informed the committee that the government intended to retain the Land Court as a separate entity. The backlog of cases as of 30 June 1996 was 844, which rose to 1,069 as at 31 December 1996, and then fell to 909 as of 30 April 1997. The build up in the backlog of cases over the last three years was due to the shortage of members at the court and the uncertainty surrounding the future of the court.

An additional member was appointed to the Land Court in April 1996 and a further two temporary full time members were appointed in January 1997. Some use has been made of part time members. The increase in membership of the court has had a noticeable effect in reducing the backlog of cases.

Costs associated with these actions will include the review of the Land Court procedures and the appointment of additional human resources. The cost of the review will not be known until legislative changes are in place. However, the annual cost of one additional member is approximately \$281,000 which includes salary, allowances, support staff and other administrative costs.

4.10. WEED CONTROL IN RURAL AREAS

Questions were asked of the minister regarding the adequacy of funding in the 1997-98 budget for weed control, especially those persistent weeds such as mesquite and rubber vine which have a wide distribution in Queensland. The

minister stated that nearly \$10 million was initially committed to the weed control program over several years.

DNR will endeavour to fund better biological control measures as it is recognised that there will be limitations imposed on spraying as a form of weed control due to costs and environmental concerns. Currently there is a trend away from spraying towards more biological control measures. DNR is allocating significant resources to that area.

4.11. RABBIT CONTROL

The committee referred to funding for the spread of the rabbit calicivirus to stop the proliferation of wild rabbits in Queensland. The minister was asked to outline what funding has been allocated to ensure landowners utilise other more traditional forms of rabbit control to augment the viral impacts.

The minister stated that the rabbit calicivirus has been a great success in a large number of areas. However it has been less successful in the wetter climates. A second round of strategic releases has occurred in 50 places throughout the state. Although the results are improving, the program is not as effective as DNR initially thought it would be.

The department will continue to conduct research, monitoring and extension activities to maximise the impact of the rabbit calicivirus. Field releases have occurred at a total of 80 sites. DNR has allocated \$220,000 in the 1997-98 budget for the employment of a rabbit zoologist and two technicians.

4.12. MICE CONTROL

The committee asked the minister how the department was controlling the spread of mice throughout rural Queensland. The minister responded that when a particularly disastrous mouse plague swept through Queensland about three to four years ago, the then government used strychnine to control the plague. As this is quite a harmful poison and there is a possibility that strychnine residue could contaminate the grain crops, DNR has allocated around \$750,000 over five years for research into alternative mice control chemicals.

The department is keen to ensure that whatever chemicals it uses to control the spread of mice, that they have no harmful effects on the humans who are handling the chemicals. As to the possibility of chemicals contaminating crops, the minister reported that this is a matter for DPI to manage. The minister told the committee that at this stage, he had no reason to discuss formally the control of mice with the minister for DPI. Currently there is very close cooperation between the two departments at officer level on this issue.

4.13. COMET DAM

The committee asked the minister to outline the current stage of development of the Comet Dam.

In reply the minister advised the committee that the construction of the Comet Dam is still under investigation with no final decision being made. A comprehensive investigative process has been carried out to ensure proper ecological and environmental data is available to help determine the dam site. The final decision will occur probably in September or October of this year.

Strong consideration has been given to the human element in the process as the town of Rolleston may have to be relocated if the dam is built.

The dam has a proposed capacity of 1.4 million mega litres with an additional supply of up to 170,000 mega litres per annum. The overall cost of the Comet Dam will be \$150 million.

5. RECOMMENDATION

The committee recommends that the proposed expenditure, in accordance with the estimates referred to the committee be agreed to by the Legislative Assembly without amendment.

6. ACKNOWLEDGMENTS

The committee takes this opportunity to express its appreciation of the level of co-operation and contribution by ministers and departmental officers with respect to the estimates committee process.

The Committee also wishes to acknowledge the staff of the Committee Secretariat - Mr Graeme Kinnear, Research Director, Ms Alison Wishart, Research Officer and Ms Rachelle Francis, Executive Assistant for their valuable support and assistance during the Estimates process.

Tony Elliott MLA
Chairman

7. ATTACHMENT A - ATTENDANCE RECORD

PURPOSE	DATE	MR TONY ELLIOTT (CHAIRMAN)	MR ROBERT SCHWARTEN (D/CHAIRMAN)	MR TED MALONE	HON TONY MCGRADY	MR TED RADKE	MR HENRY PALASZCZUK
Meeting	5 June 97	✓	✓	✓	✓	✓	✓
Meeting	17 June 97	✓	✗	✓	✓	✓	✓
Public Hearing	17 June 97	✓	✓	✓	✓	✓	✓
Meeting	2 July 97	✓	✓	✓	✓	✓	✓

8. RESERVATIONS

8.1. DEPARTMENT OF MINES AND ENERGY

8.1.1. Consultant's Fees - Mr Don Anderson

Non-government members are appalled at the exorbitant consultancy fee being paid to Professor Don Anderson, Chairman of the Queensland Electricity Reform Unit. After receiving \$253,000 for part of a year's work in 1996-97, a prolonged period of questioning finally revealed that a further \$425,000 had been allocated for payments in 1997-98 on a consultancy contract that was not advertised, but simply handed to Professor Anderson.

When asked earlier whether \$425 000 might be Professor Anderson's payment for this year, the minister said he "*...would be surprised if that was the number in any case.*" It would appear therefore that the minister was unaware that he employed the person with the highest remuneration paid anywhere by the state government - with an annual income twice that of the Chair of the CJC.

What makes the matter even more ludicrous is that none of this money, nor the remainder of the \$4.2 million to be paid out in electricity consultancies, needs to be spent. The electricity industry was already preparing for integration with the national market before this reform gravy train got going. The changes proposed are confused, illogical and damaging to the efficiency and the employment base of the electricity industry in this state.

8.1.2. Employment Implications of Electricity 'reform'

Non-government members call on the Minister for Mines and Energy to confront the uncertainty currently pervading the electricity workforce and give them a clear and honest indication of the scope and nature of job losses that will be brought about by his policies.

In a subsequent radio interview about the estimates hearing, the minister told the people of Queensland "*...I don't know whether it's one person or whether it's five thousand, it's pick a number...*". Is it that he doesn't know, or that he just doesn't care, that Queensland electricity workers are expendable for the greater good, however ill-defined that may be.

8.1.3. Payment of Interim Boards

Non-government members were outraged to learn that salaried executives of the electricity industry were paid \$2000 each to sit on an interim board of the new retail corporations. These executives are already paid healthy incomes to operate the retail and distribution networks in their region, so their participation on these committees could be fairly easily identified as falling within their existing scope of responsibilities.

It is simply obscene that the top of the electricity management structure are pocketing \$2000 cash bonuses, when the rest of the workforce are continuously pressured to achieve greater efficiency and cost effectiveness and indeed, are not even sure of keeping their jobs.

8.1.4. Interconnection - “a little further West-Link”

We remain unconvinced that the alternative western route for the Eastlink Interconnector provides net benefits which warrant the additional \$80 million expenditure. The minister has indicated that Queensland’s contribution would be \$242 million of a total cost of \$384 million, but the original Eastlink was only to cost Queensland \$160 million of a total \$300 million.

There will still be around 100 private properties affected, the route will be much longer than Eastlink and it will not be operating until the end of 2001, whereas Eastlink was planned to be operational in early 1998.

The minister claims the route will link with a major base load power station in the south west, but the minister’s stated policy on the location of power stations is that the government has no role in selecting locations, that it should be left to the market. Either the minister is psychic or there is a done deal for a base load power station in the Surat Basin.

8.2. DEPARTMENT OF PRIMARY INDUSTRIES AND FISHERIES

8.2.1. Mr Chris Nicholls

The answers provided to questions regarding the employment of Mr Chris Nicholls were unsatisfactory. Mr Nicholls appears to have spent a considerable number of normal work hours on matters related to his personal appearances at the Connolly Inquiry yet the minister was not able to detail what arrangements had been made to provide leave from his official duties as a policy advisor for this to occur. Given the minister’s explanation that Mr Nicholls puts “a lot of effort in his own time to keep up with work responsibilities” indicates that no formal agreement or arrangement exists between the government and Mr Nicholls to ensure that he spends the required amount of working hours on duties required of him by the minister.

No other public servant or crown employee is permitted such loose employment arrangements and it is an ongoing concern that the taxpayer apparently continues to pay Mr Nicholls’ salary while he appears at the Connolly Commission and attends to matters related to his involvement therein.

8.2.2. Importation of Rhinoceroses

Of major concern is the revelation by the minister that he was only 'very briefly' briefed on the government's proposal to import black rhinoceros into Queensland.

The fact that the executive director of Animal and Plant Health Service could provide no advice to the committee on the impact this project would have on Queensland primary industries other than to confirm "*the potential for rhinoceroses to bring in exotic disease*" underscores the seriousness of the issue.

It was also clear that the Minister for Natural Resources had not been consulted, and had not sought details, about the plan and its potential impact on rangelands.

While the executive director rightly identified the quarantine issue as belonging to the commonwealth government, it is quite extraordinary that a project which could potentially damage Queensland's valuable primary industries could be considered without officers of the Department of Primary Industries being involved.

The minister assured the committee that he 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 industries in particular, at risk and also our unique wildlife*". It is to be hoped that the minister will pursue this matter with his ministerial colleague to ensure that this project does not proceed until such time as his department has carefully researched the implications of the scheme.

8.2.3. Sale of Government Owned Abattoirs

Factual evidence was provided to clearly indicate that advice given to cabinet in relation to the Eidsvold Abattoir Commissioning Committee completely contradicted the actual submission made by that committee. The minister refused to confirm that advice he presented to cabinet in May was flawed. In truth the Eidsvold submission stated that it intended to retain the Bundaberg Abattoir whereas the minister's cabinet submission claimed that it was the intent of that committee to close the Bundaberg works.

The minister's answer that "people" who "have concerns" should wait for the final outcome is entirely unsatisfactory and instils no confidence in the process.

8.2.4. Corporate Services Agency

The minister was unable to answer the question on how much was saved by DPI in the establishment of the CSA nor indeed the exact cost of its establishment other than to admit that due to 'one-off' costs the overall outlays were some \$1.3 million higher than expected.

Non-government members were incredulous that the minister was forced to offer to take on notice a question which goes to the fundamental purpose of the parliamentary estimates hearings. If the minister and his department cannot prepare themselves to respond to estimates committee questioning on a fairly obvious discrepancy, what can they prepare themselves for?

8.2.5. Recreational Billfishing

We were surprised that the minister was unaware that Queensland had been offered the opportunity to manage the state's billfish industry. According to the executive director of DPI Fisheries, this matter is to be considered by a meeting of the (Chief Executives) Standing Committee in July.

Both the minister and the executive director of Fisheries registered their concern at the way the commonwealth manages the billfish industry.

Yet neither the minister nor the executive director of Fisheries would commit themselves to accepting the offer to manage the state's \$100 million recreational billfish industry with the executive director claiming that the offer could not be taken up because it would be impossible to manage given the federal government's control over the commercial side of the industry.

Given that the Queensland Commercial Fishermen's Organisation has declared no interest in this fishing it would appear logical that Queensland should attempt to take control of the entire industry and take steps to declare billfish a non-commercial species.

Accordingly we urge the minister to take up the commonwealth's offer to manage the recreational billfish industry.

8.3. DEPARTMENT OF NATURAL RESOURCES

8.3.1. Freeze on Lease Transactions

The minister failed to adequately explain why Queensland, in contrast with every other state, chose to freeze all lease transactions for three months following the Wik decision. Mr Hobbs tried to create an excuse by explaining "*Queensland has a different process to other states. In Queensland, we believe very strongly that native title has been extinguished by pastoral leases.*" What he described, however, was not a process but a system of belief.

Furthermore, if Queensland does have a different process to the other states, why did the minister say only minutes earlier "*The new administrative arrangements reflect the situation in all other states.*"

The minister also tried to justify the freeze by asserting that if they had processed leases they would have been invalid. This ignores the fact that mining leases are guaranteed validity under the *Native Title Act 1993* once they have embarked upon, and follow the section 29 process under that Act. That was all the government had to do to stop situations such as the closure of Union Mining gold mines in Georgetown which cost 45 jobs. Unfortunately the government preferred to maintain its belief system rather than keep the economic wheels of Queensland rolling.

Hon Tony McGrady MLA

Shadow Minister for Mines and Energy
and Regional Development
Member for Mt Isa

Mr Henry Palazczuk MLA

Shadow Minister for Natural Resources
Member for Inala

Mr Robert Schwarten MLA

Shadow Minister for Primary Industries
Member for Rockhampton