

ESTIMATES COMMITTEE E

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| Mr T. S. Mulherin (Chair) | Mr J. Pearce |
| Hon. K. W. Hayward | Mr D. J. Slack |
| Mr R. A. Mitchell | Miss F. S. Simpson |

MINES AND ENERGY; REGIONAL DEVELOPMENT**IN ATTENDANCE**

Hon. T. McGrady, Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development

Mr R. Boyle, Director-General

Mr P. Dent, Executive Director, Safety and Health

Mr B. Coulter, Director, Energy Policy and Planning

Mr S. Bell, Director, Safety in Mines Testing and Research Station (SIMTARS)

Mr P. Chard, Executive Manager, Administration

Mrs K. Taylor, Manager, Budget and Systems

Mr G. Jardine, Chief Executive, Powerlink

The Committee commenced at 8.45 a.m.

The CHAIRMAN: I declare this meeting of Estimates Committee E now open. I welcome the Minister, public officials and the members of the public who are in attendance today. The Committee will examine the proposed expenditure contained in Appropriation Bill 1998 for the areas as set out in the Sessional Orders. The organisational units will be examined in the following order: Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development; and Minister for Health. The Committee has resolved that film coverage will be allowed for the Chairman's opening comments, and at other times radio and print coverage will be allowed.

I remind members of the Committee and the Minister that the time limit for questions is one minute and answers are to be no longer than three minutes. The bell will be rung once 15 seconds before the end of those time limits and twice when the time limit is up. An extension of time may be given with the consent of the questioner. The Sessional Orders require that at least half the time is to be allotted to non-Government members. I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in its transcript.

In the event that those attending today are not aware, I point out that these proceedings are similar to Parliament to the extent that the public cannot participate in the proceedings. In that regard, I remind members of the public that, in accordance with Standing Order 195, strangers—that is, the public—may be admitted or excluded from the hearing at the pleasure of the Committee. I would also ask members and the public to switch off any

mobile phones or refrain from using mobile phones in this Chamber.

I declare the proposed expenditure for the portfolio of the Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development to be open for examination. The question before the chair is that the proposed expenditure be agreed to. Minister, would you like to make a brief introductory statement? If so, the Committee asks that you limit it to five minutes.

Mr McGRADY: The portfolio of Mines and Energy is crucial to this State's economy. Last year, the mines and energy sector generated \$6.5 billion in export income. This export revenue accounted for almost 40% of the State's export income. In this coming financial year it is expected to return in excess of half a billion in royalties and rentals. In fact, the anticipated royalties of more than \$485m will be an all-time record.

The Department of Mines and Energy manages the minerals and energy resources of Queensland for the benefit of the whole community. It does this through a range of programs to ensure continuing development happens in the State, while at the same time ensuring that industry maintains the highest safety and environmental standards.

The budget allocated to the ongoing operational costs of the department is \$33m. \$15.5m has been allocated to new special projects in 1998-99 to implement commitments made during the recent State election campaign. During 1998-99, the Department of Mines and Energy will commit \$2m to promote gas, mineral and petroleum exploration through geological and mapping exercises, improved data extraction and enhancement and imaging exploration reports. This initiative aims to stimulate investment by increasing expenditure on mineral exploration that will create employment opportunities. Mining already accounts for 66,000 persons employed either directly or indirectly in this industry.

\$1.6m will be provided to complete the reform of the electricity industry that will ensure Queensland's successful participation in a mature, interconnected national electricity market. Unlike the previous Government, I intend to reform the industry, not just for competition's sake but to equip it to provide a reliable supply of electricity for both business and the broader community well into the 21st century.

\$5.95m is provided to improve the efficiency of the State's energy system through efficiency gains in energy supply and use, as well as through broadening the State's energy base into alternative, economically viable energy resources. The solar hot water rebate scheme and the remote area power supply scheme will be reintroduced as part of this initiative.

\$3.85m is committed to extra resources to monitor, audit and rehabilitate the environmental impacts of mining, and an additional eight inspectors will be provided within the explosives, gas and petroleum inspectorate to undertake inspections and safety audits within these industries. In addition, a

further half a million dollars will be dedicated to an electrical safety campaign.

These are just some of the highlights contained in this year's budget and I now welcome the Committee's questions on this vital portfolio here in Queensland.

The CHAIRMAN: Thank you, Minister. The first period of questioning will be from non-Government members. They have 20 minutes and I call on the member for Charters Towers.

Mr MITCHELL: I refer to page 44 of the Ministerial Portfolio Statements of the Deputy Premier and Minister for State Development. Whilst it appears you have been sidelined from the establishment of the Queensland Energy Strategy Committee by the Deputy Premier, this Committee obviously relates to your portfolio. What is your understanding of the Deputy Premier's intentions with this initiative and what relationships will it have to your department?

Mr McGRADY: I think we are being a bit naughty. The facts are that the Government has set up a departmental committee to look into the requirements of energy policy in this State. The chairman of the departmental committee is the Director-General of Mines and Energy. There is also the Director-General of the Department of State Development and also the Under Treasurer. There is also a ministerial committee, which consists of the Minister for Mines and Energy, who is the chairman of that committee; the Deputy Premier and Minister for State Development; and the Treasurer. So suggesting that my department has been sidelined I think is being a little bit mischievous.

Mr MITCHELL: It was not in your portfolio statement.

Mr McGRADY: The facts of life are as I have just outlined. There are two committees. One is being chaired by the Director-General of the Department of Mines and Energy and the other one is being chaired by yours truly.

Mr MITCHELL: That was my question. Thank you very much. Page 2 of your MPS refers to your Government's intention to re-examine the structure and the operational regimes of the electricity industry in Queensland and supports many statements made by the Premier, Deputy Premier and you in support of reamalgamation of the various Government owned corporations. Page 203 of Budget Paper No. 2 states—

"The ongoing restructure of the electricity industry will enable the gradual introduction of a competitive electricity market in Queensland, allowing customers to choose their electricity supplier."

Can you explain how you will achieve the competitive electricity market with a re-amalgamation of the electricity industry?

Mr McGRADY: In the two years in Opposition, and then during the recent State election campaign, both the Premier and myself and, indeed, the whole of the Australian Labor Party made it perfectly clear that it was our intention and our hope to be able to

reamalgamate the three generating arms of the Government-owned industry. It is my belief—and nobody has convinced me otherwise at this stage—that the reason why the former coalition Government divided AUSTA into the four entities was simply to package it and prepare it for a massive sell-off. I want to take the opportunity today to make it perfectly clear to all people who are interested that there are no for sale signs on any of the Government-owned electricity instrumentalities. Privatisation is not on this Government's agenda.

I have made it perfectly clear that it is our intention to attempt to reamalgamate the three generating arms of AUSTA. With this in mind, officers of my department have already started to negotiate with the ACCC. As you know, and as most people in the room here know, there are certain benefits that Queensland gets if it goes down the competition policy road. I have made it perfectly clear that if the ACCC indicate or inform us that, by the reamalgamation of the three arms of AUSTA—it is something that we would not die in the ditch over. We certainly would not risk losing the substantial amount of money to which Queensland would be entitled. However, it is our aim—it is my personal aim—to reamalgamate those three generating arms of AUSTA, and I will tell you why. It is an absolutely ridiculous and crazy situation where three State-owned instrumentalities producing a massive amount of energy to this State are working in their own separate and individual ways. As the Minister for Mines and Energy in this State, it is my responsibility to keep the lights on. Yet the three generating companies owned by the Government previously did not talk to each other. We now have some methods in place whereby that can change.

The CHAIRMAN: Time has expired. Do you want the Minister to continue?

Mr MITCHELL: I would not mind hearing the finish of his answer.

Mr SLACK: You made an allegation that the intention of the previous Government was to sell and that we were preparing to sell. But will you acknowledge that we acted on the advice of a committee that we regarded as independent, and the Cabinet took their advice in splitting the electricity generating capacity of the State? Are you making any allegations that there was some impropriety on the part of that committee?

Mr McGRADY: Not at all. If you recall my words, I think I said that it was my belief that the reason why the former Government—

Mr SLACK: You must have some basis on which to say that.

Mr McGRADY: You say that your Government was acting on the advice of a committee. You know as well as I know that, when you select the chair of a committee, you normally do so in the main to get the recommendations that you are looking for. The FitzGerald Commission of Audit made it perfectly clear that they believed that the electricity industry should be flogged off to the highest bidder. Mrs Sheldon, the former Treasurer, on a number of occasions indicated that she had sympathy for that

point of view. The former Minister for Mines and Energy differed at times but, quite honestly, without getting involved in personalities, I would say that, if I was a betting man, my money would have been on the former Treasurer, because it was my understanding and my belief that the former coalition Government would eventually privatise the electricity industry.

Mr SLACK: I was a senior Minister in the Cabinet, as you are well aware, and there was no indication to me of any pre-emptive decision on the part of the Government to determine what that committee would recommend to the Government.

Mr McGRADY: We will never know.

Mr MITCHELL: How does the planned reamalgamation reconcile with the National Competition Policy to which we are a signatory? What effect will it have on the payments from National Competition Policy towards this?

Mr McGRADY: If you recall, I did state that officers of the Department of Mines and Energy have commenced negotiations. If the ACCC rule that we cannot reamalgamate then, as I said, we will not die in the ditch. There is nothing new in that. I have said that from day one. I also emphasise that it is my intention and my belief that those three generating arms of AUSTA should come under the one roof. There are a number of people at the present time working on recommendations for the restructuring of the electricity industry. When I receive those recommendations, I will get some independent critique of those recommendations and then I will take it to Cabinet. But I want to assure the Committee, as I said in my opening remarks, that there will be a restructuring of the Queensland electricity industry.

Mr MITCHELL: With the restructuring, does that mean that you have to bring more people into the competitive market, like private enterprises?

Mr McGRADY: I have also made it clear on a number of occasions that, while we have no plans to privatise any sections of the Queensland electricity industry—

Mr MITCHELL: I am saying private enterprises—

Mr McGRADY: We would welcome—and we have made this clear on many occasions—private investment in the electricity industry, but the bottom line is that there will be no sell-off of the existing assets, which are owned by the people of this State.

Mr MITCHELL: How do industry people feel about this, with all the work that has gone on? Do you have feedback from them at all, now that you are saying that this might happen?

Mr McGRADY: Unlike previous Governments, we have invited all the players in the electricity industry to comment on restructuring. So it is not just going to be a handful of men in cardigans in some room of the Executive Building making these decisions. We have invited and we have received numerous submissions, but the bottom line is that the Queensland Government will make these decisions. As you know more than most, you please some and

you displease others, but you make the decisions that you believe are in the best interests of the State, and that is what we will be doing.

Mr SLACK: The Goss Government signed the competition policy, of which you are aware. In those circumstances, how were you intending to have competition within the industry at that time? How were you proposing to do it?

Mr McGRADY: What you say is correct. The Goss Government signed Queensland up for the competition policy, as you refer to it. We did not participate in the restructuring of the industry. It was a decision of principle that we would go down this path, but I have to be quite honest—

Mr SLACK: In other words, you blindly signed it without having a plan of how you were going to implement it?

Mr McGRADY: Not at all. We signed up on the principle of competition. But like many things, sometimes you see projects being done in a different way, as you and your colleagues will discover in the next 15 years or so that you are in Opposition.

Mr SLACK: I disagree with the Minister.

Mr MITCHELL: I refer to page two of the MPS and specifically to the planned establishment of the Office of Sustainable Energy. What estimated saving do you envisage there will be in power consumption with these target initiatives? Do you have any idea of what savings might be established in such a course?

Mr McGRADY: Once again, this was one of the election promises that we made, and it is an election promise which we have kept in the first year. As you know, we have allocated in excess of \$5m—almost \$6m—in the first half of the year, and in future years we will be allocating approximately \$10m.

That office will employ approximately 15 people. It is a new project. It has received the support of numerous organisations. It will administer the Solar Hot Water Rebate Scheme. It will also administer the Householders Remote Area Power Supply Scheme for renewable energy systems. It will also look into the Green Power Accreditation Scheme. It will also administer the Government's purchase of 2% of green power. It will also become involved in cogeneration and other activities in the alternative energy field. Whether we like it or not, Governments are going to have to address some of those issues.

When you have been a Minister—and Mr Slack will appreciate this—you know that there are certain projects that you undertake in your term as a Minister. From some, you get a great deal of personal satisfaction. In the former Goss Government, the work that my department and I did in introducing the Alternative Energy Program, and, in particular, the rebate to those people who converted from electric hot water systems to solar was destroyed totally when the coalition came to office. The coalition gave no reasons why the program was destroyed. It was just because it was introduced by the former Labor Government. Of almost all the initiatives that the Goss Government introduced, that is the one that

caught the imagination of the people of Queensland. I was quite upset when, in my opinion, for party political reasons, you destroyed a scheme, which, as I say, had captured the imagination of Queenslanders and had been recognised not just throughout Australia but indeed around the world. With this expenditure, we propose to bring those policies back into being.

Mr MITCHELL: Page 16 of the MPS shows that you have allowed for eight staff. You are now saying the number is 15. Is that staffing over a period?

Mr McGRADY: Over a period.

Mr MITCHELL: So the eight figure is for the coming year?

Mr McGRADY: Yes, bearing in mind that, as I mentioned before, the money we have this year is for half a year.

Mr MITCHELL: It is about 9 months, yes. That is \$5m.

Mr McGRADY: \$5.9m, yes.

Mr MITCHELL: Is that for the half year this year?

Mr McGRADY: For the half year, yes. In future years, we will have approximately \$10m.

Mr MITCHELL: You also mentioned non-renewable energy versus renewable energy. I refer again to page 1 of the MPS and your statement that your department will promote diversification to renewable energy systems and efficient alternative energy technologies. While I do not dispute the merits of that, do you concede that that objective does not reconcile with the interests of Queensland coal industry and, therefore, does not reconcile with your Government's much-repeated platform of jobs, jobs, jobs? When all those programs come on line, the coal industry will suffer somewhere down the track.

Mr McGRADY: It is not a matter of coal versus gas or coal versus solar.

Mr MITCHELL: You do not believe it is?

Mr McGRADY: No, it is not. Your colleagues in the Federal Parliament signed an agreement that forces Queensland and other States to reduce its greenhouse emissions. If we simply go down the road of building coal-fired power stations nonstop, where does that leave Queensland? How could Queensland meet the targets that the Federal Government has set? I do not see it as being coal versus the rest. We can work in cooperation. That is the reason we have set up the Office of Sustainable Energy. That is the reason that, in Opposition, we set up a cogeneration task force. That is the reason that the Australian Labor Party, both in Opposition and in Government, has emphasised the need to investigate alternative forms of energy. As the Minister for Mines, I can say that the coal industry has served this nation well, both as an employer of labour and also as a generator of wealth. That is the case for not just the people who work in the mines, but also for the people who work in the railways in those small regional centres. It is my firm belief that the coal

industry will continue to serve Queensland well into the next century.

Mr MITCHELL: You referred to emissions. There are plenty of moves afoot at the coal-generating stations to try to reduce emissions. In the budget so many millions of dollars are set aside for that purpose. Over the coming years, those moves could decrease the emissions dramatically. You cannot more or less toss coal to the side.

Mr McGRADY: Can I make it perfectly clear that there is no intention by me or the Queensland Government to, to use your words, toss coal to the side.

Mr MITCHELL: You seem to be saying that the gas policy is to bring gas on line more quickly than any coal fired station that is out there ready to go.

Mr McGRADY: That could be another question. In the last State election campaign, from memory, we were the only one of the parties to talk about clean coal technology. I cannot recall the other parties talking about clean coal technology. We did. In our specific policy document we referred to the work that has to be done in this area. The days have gone when you could simply dig the coal out of the mine, put it on ships and send it overseas, because community standards are changing in the Asian countries, as you would know. If we are to compete in the world market, we have to be able to blend coal and sell coal that is environmentally friendly. That is the challenge of Governments, regardless of their political persuasions. If we simply ignore clean coal technology and the changes in power stations to utilise coal, we will go down the gurgler quickly. I want to assure you that we have a program of looking at clean coal technology.

The CHAIRMAN: The time for non-Government members' questions has expired. This morning we have discussed the policy initiative of establishing the Office of Sustainable Energy. I recall that that office existed under the Goss Labor Government. Could you advise what funding was provided for renewable and sustainable energy activities by the coalition Government?

Mr McGRADY: I will reiterate what I have said before. When the coalition Government came into office in 1996, the Office of Energy Management had been operating for over 12 months. It employed 21 people and provided services right throughout Queensland—in the regions, in the bush, in the city—designed to encourage the use of sustainable and renewable energy. That office also provided solar hot water rebates and was responsible for the Householders Remote Area Power Supply Scheme. When you live in the city and you simply go and switch the power on and the light comes on, you do not appreciate the needs of people who do not have other sources of power. This is one of the great satisfactions I received.

In the coalition's first Budget, it removed all funding for the Office of Energy Management, leaving the department with a debt of \$800,000, which had to be covered from its operational budget. The coalition set up its own Solar Hot Water Rebate

Scheme; however, only \$1.8m was provided for the scheme as opposed to the \$10.5m provided in this Budget for the next four years. The level of support for sustainable and renewable energy initiatives shown by the previous Government was virtually nonexistent. Even the most casual observer can see that this Government is putting its money where its mouth is in terms of sustainable energy.

The CHAIRMAN: On page 3 of the Ministerial Portfolio Statements I note that the department's actual expenditure on non-labour operating costs was more than \$6m in excess of the original budget. I am interested in the amount of this increase, which is attributable to travel and accommodation costs. Did the department's travel and accommodation expenditure exceed the budget? If so, by how much and for what reason?

Mr McGRADY: The 1997-98 budget for travel and accommodation was \$1.6m. The actual was \$2.2m. I was not surprised to discover that the department had exceeded its travel budget in that year. The department had a budget, as I said, of \$1.6m and exceeded this by \$600,000, which to me suggests poor management. I find this situation totally unacceptable. I have taken steps to ensure that all travel proposals within the department are carefully scrutinised before approval. As all Ministers do, I am personally overseeing all proposals involving overseas travel. There will be no overseas travel unless it is demonstrated quite clearly that it will be to the benefit of Queensland. The reasons for the overspending include some legitimate expenditure. Let me make that perfectly clear. That is some of the increased travel which the restructured Mines Inspectorate had to do. Surely nobody would disagree with that sort of expenditure. However, these costs should be planned for and should be included in the budget. Quite honestly, a budget of \$1.6m and a blow-out of \$600,000; that is simply not acceptable in such a small budget.

Mr PEARCE: On page 8 of the MPS there is mention of an emphasis on marketing activities at the Safety In Mines Testing And Research Station, or SIMTARS, for 1998-99. That is understandable, given the semi-commercial nature of the operations of that division. However, I am interested in the spending on hospitality and entertainment in other areas of your department. How much was spent on these items in 1997-98? Did the department pay for any ministerial entertainment costs?

Mr McGRADY: It is quite interesting, when you start checking through some of the records. This is one area which I believe should be watched very, very carefully. I have looked at some of the large payments. For example, I discovered that the former director-general spent nearly \$7,000 on hospitality, including a dinner at the famous Augustine's restaurant, which cost over \$1,500. That dinner had among its guests three Cabinet Ministers, nine public servants, two other people who were invited but could not attend, and five overseas visitors. The norm is that if you are going to provide hospitality, and in Government it is important, you do not have nine public servants and three Cabinet Ministers to entertain five people. There are facilities at Parliament

House, which I personally always use. In this case, a dinner of \$1,572 was paid for by the department because, as I understand it, the former Minister's office had run out of funds. So I think that it is an area that has to be closely monitored. The new director-general has certainly assured me that those sorts of practices will not occur during our term in office.

Mr PEARCE: I refer to the senior executive staff and an understanding that they are entitled to a car paid for by the Government as part of their salary packages. Could you tell the Committee how many senior executive staff in the DME take advantage of this entitlement? What is that cost to the Government?

Mr McGRADY: The majority of the department's expenditure on motor vehicles is linked to regional offices and to the Mines Inspectorate. I do not think that anybody would object to that sort of expenditure. Of the \$1.2m spent in 1997-98, more than \$135,000 was spent on cars provided to the SES as part of their salary package. This figure has increased since I was previously the Minister for Mines and Energy, because the previous Government restructured the department to create more senior executive positions. I was also surprised to discover that the former director-general was allowing senior staff to have their cars washed and cleaned at the department's expense. The present director-general has stopped this practice. That will save something like \$5,000 a year, which is not a great deal of money, but at the same time I think that it demonstrates and it sends the message right throughout the department that we are watching the dollars and cents.

Mr HAYWARD: I note on page 19 of the Ministerial Portfolio Statements that the office of the director-general spent \$1.4m more in the 1997-98 year than what they originally budgeted for. You have mentioned previously overseas travel. I was hoping that you could outline to me and the Committee the details of overseas travel undertaken by the former director-general, including the cost of that travel.

Mr McGRADY: The 1997-98 budget had allocated \$50,000 for overseas travel. The actual was \$73,000. In this year's budget, we have allocated \$40,000. During that year, the former director-general travelled overseas twice. Both times, he was accompanied by the former Minister.

Mr MITCHELL: Mr Chairman, is the Minister talking about the 1997-98 Budget or the 1998-99 Budget? All questions by the Government members have been about last year's Budget.

The CHAIRMAN: We are talking about the director-general spending \$1.4m in the 1997-98 Budget. The member for Kallangur is asking questions in relation to—

Mr MITCHELL: Last year's travel.

The CHAIRMAN: The budget expenditure for last year in relation to travel.

Mr MITCHELL: I did not hear what this year's was. The question was just on what was spent last year, not this year.

The CHAIRMAN: The Minister is relating travel to this year's budget.

Mr McGRADY: They are in the Budget documents.

The CHAIRMAN: Yes.

Mr McGRADY: As I was saying, the director-general was accompanied on both occasions by the former Minister to Germany and the Netherlands. The purpose of this trip was to attend the German/Australian Business Conference. In December 1997, he travelled to China with the former Minister. The purpose of the visit was to sign two memorandums of understanding. As I mentioned, the total expenditure on overseas travel was \$73,000, although there was a budget of \$50,000. Once again, it just indicates to me the lack of direction and the lack of management of these particular budgets.

Mr SLACK: You are not objecting to the travel; you are just objecting to the way it has been managed.

Mr McGRADY: No, I believe that any travel should be in the interests of Queensland.

Mr SLACK: Are you suggesting that the travel was not in the interests of Queensland?

Mr McGRADY: No, you will recall that when we were in Opposition, you were probably the most frequent traveller, yet the Opposition never, ever criticised you.

Mr SLACK: I agree. That is why I am asking the question.

The CHAIRMAN: It is Government members' questions.

Mr SLACK: I appreciate that.

The CHAIRMAN: You can take the point later.

Mr HAYWARD: At page 3 of the Ministerial Portfolio Statements, in relation to expenditure on non-labour operating costs, what was the budget for conferences and seminars in 1997-98 and what was the actual expenditure on these items?

Mr MITCHELL: But there is no reference to this new Budget at all. It is all in last year's Budget.

The CHAIRMAN: It is on page 3, so I am allowing the question.

Mr McGRADY: Mr Hayward, I thank you for that question, because once again this demonstrates the lack of leadership in that particular department. In 1997-98, \$125,000 was budgeted for conferences and seminars. The actual expenditure was \$189,000. Going through the records, one discovers that one little safari consisted of 25 officers of the department all attending the same conference in Townsville at a cost of \$45,000—25 officers of the department all went to the same conference at the same time at a cost of \$45,000. That particular division has overspent its budget year after year after year. Even though the director-general and I made the position about travel clear, the same department came forward quite recently with a request to send 17 of its officers to another safari in New South Wales. That just shows a lack of leadership. I do not care how important conferences are, there is no way 25 officers from the same department should attend the

same conference at a cost of \$45,000. I assure this Committee that that certainly will not happen as long as I am the Minister of this department.

Mr HAYWARD: Referring again to the non-labour operating costs that are outlined on page 3 of the Ministerial Portfolio Statements, how much was spent on staff training in 1997-98 and what were the major types of training contributing to the cost?

Mr McGRADY: Training and staff development is important for any organisation and the question you have asked is legitimate. In 1997-98, the budget for staff training was \$350,000 and the actual was \$315,000, which is a drop. Significant resources from the department were devoted to training mines inspectors on topics such as risk management, quality auditing and communication. Over 100 staff were trained during that year in the use of the new financial systems, so I am not opposed to people travelling or, indeed, expenditure on training. I think it is vital for any department and it is certainly vital for any Government.

The CHAIRMAN: On page 15 of the Ministerial Portfolio Statements, I noted that the Queensland Electricity Reform Unit spent over \$7m in 1997-98. I understand that a significant amount of that expenditure relates to consultancy costs and, in particular, a consultancy for London Economics. How much money was paid to London Economics in 1997-98 and what benefits accrued to Queensland as a result of that consultancy?

Mr MITCHELL: It is already in there if you want to read it.

Mr McGRADY: I will answer the question. The budget figure was \$3.7m, the actual was \$5.2m and this year's budget figure is \$2.5m. The increase was due to problems associated with the commencement of the Queensland market.

Some of the main beneficiaries of the restructuring of the Queensland electricity industry have been consultants. I was quite appalled to discover the amounts that had been paid to some consulting firms and to discover the deals that had been done as part of their contracts. The most significant consultancy was awarded to London Economics, which, by the time it is finished, will have been paid around \$4.1m for its part in the restructuring campaign. Whilst I recently and very reluctantly agreed to extend its contract, I have to say that I was tempted to stop the contract there and then, particularly as the Queensland Electricity Reform Unit, by the decision of the previous Government, comes to the end of its natural life on 31 December and the existing contracts for \$3.5m had run over. However, a number of critical issues remain to be resolved and that is the reason why the director-general and myself were basically forced to extend this consultancy. The chairman of the reform unit, who is also a consultant, is being paid \$220,000 from the current budget for six months work. This is a real issue; it is a blow-out from a budget estimate of \$3.7m to an actual of \$5.2m. Quite honestly, when one delves into what happened, it is quite serious.

The CHAIRMAN: On page 17 of the Ministerial Portfolio Statements, I was interested to

read that a new departmental structure was established to enhance regional service delivery. Will the northern regional office of your department remain based in Townsville and, if you plan to move the office, what will be the cost associated with the move?

Mr McGRADY: At the present time, and from the early 1990s, the north-west of Queensland, through the Carpentaria/Mount Isa mineral province, has seen exceptionally high activity with the advent of the Century mine, Cannington, Ernest Henry and, naturally, the Mount Isa mine and some of the developments that have taken place there. The department's office in Mount Isa was always considered to be the regional office. At the change of Government, the new Minister downgraded the Mount Isa office—and that area is creating some \$30 billion worth of exports for the State—and opened up the regional office in Townsville. At the time I made it clear that I was opposed to such a move and that, at a change of Government, we would reinstate the Mount Isa office as the regional office. Let me say that that is what we have done. The office that was opened in Townsville will continue to remain open and it will be classed as a district office. As I say, it will continue to service that particular area.

Some increase is expected in environmental compliance monitoring, but this is part of the new initiative that funds have been provided in the budget for. The costs of the relocation are marginal: \$23,000 in a one-off capital cost and \$15,000 a year after that. The cost will, of course, be offset by an improved service capacity in the northern region. As I said before, although I may be accused of being a little bit parochial, Mount Isa is a world-class mining centre and certainly remains the centrepiece of mining in Queensland. I do not think anybody in this room would doubt that. I do not think anybody in this room, other than the most ardent coalitionists, would disagree with the decision to upgrade the Mount Isa office to a regional one.

The CHAIRMAN: The time for Government members has expired. I call on the member for Burnett.

Mr SLACK: At the end of the non-Government members' last bracket of questions, you made allegations that we were not serious about environmental issues relevant to the coal industry. You quoted what the ALP policy had been coming into the last election. Will you acknowledge that our emphasis on the development of the Surat Basin, as I have said many times, was to ensure that we had developed a coal that had particular environmental qualities such as low ash, low carbon dioxide emissions and low sulfur emissions, and that we certainly were looking at upgraded technology with power station development to lessen the amount of greenhouse gases that were likely to come from the coal industry?

Mr McGRADY: Mr Slack, you would know that whenever the coalition Government brought any legislation before the Parliament or whenever you embarked on any major projects in the State, you had the support of myself as the shadow Minister for Mines and Energy and, indeed, the Opposition. I

think it is fair to say that Governments do not provide jobs and development; Governments create an economic climate for these projects to take off. You would also have to admit that the work that Wayne Goss and his Government, including me, did in the Carpentaria/Mount Isa minerals province—

Mr SLACK: That was not the question I asked you, though.

Mr McGRADY: I know. But you have asked the question and I will give you the answer.

The work that we did in establishing the Carpentaria/Mount Isa minerals province was a credit to that Government. Likewise the work that you and your department did in the Surat Basin has never received any criticism from the Government. We have to understand as legislators that community standards are changing. What was acceptable 5, 10 or 20 years ago is not acceptable today. In fairness to some of the mining companies, they were the first to understand that. When you travel around some of the mining complexes, it is a credit to the owners of those mines. At the same time, there were still a couple of cowboys in the industry, and I suppose there always will be. That is the reason why Governments have to ensure that environmental standards are in place.

I have not criticised the former Government, and if I came across as criticising you in your environmental policy in regard to the mining industry, I did not mean to. But if you want to start talking about some of the environmental policies of previous Governments, they certainly stand condemned. Mr Mitchell and I know of the amounts of money which Governments—taxpayers—are pouring into cleaning up some of the mess which was made by some of the cowboys of yesteryear.

Mr SLACK: We accept that.

Mr MITCHELL: I definitely agree with that last answer, and there is a lot more to do yet across the State. Do you believe the reamalgamation of the electricity industry will be turning back the clock to the days before national competition? Do you believe it will make Queensland electricity uncompetitive and would result in a loss of jobs and investment dollars to Queensland?

Mr McGRADY: No.

Mr MITCHELL: Why?

Mr McGRADY: In all fairness to you, I think I have explained that. If you honestly believe that I as the Minister or the Government would enact policies which were detrimental to Queensland and, more importantly, admit it, you must think we are fools. The answer to your question is: the reason we want to reamalgamate the three generating arms of AUSTA is that we believe it is in the State's interest. Would you expect me to give any other answer?

Mr MITCHELL: Do you believe that it will be in the best interests of Queensland, given all of the work that has already been done?

Mr McGRADY: Of course I do.

Mr MITCHELL: Does industry believe that, though? I do not believe it does.

Mr McGRADY: There are differing views in the industry about what you did with your restructuring and what we will do. That is what a democracy is all about. People are entitled to have different points of view. If ever industry all agreed to every single aspect of a policy, there would be something wrong. The Queensland Mining Council never, ever claims to be speaking on behalf of all of their members.

Mr MITCHELL: They tell me they are.

Mr McGRADY: No, they do not. They never, ever claim to be representing the views of all of their members. There is always some division within their ranks. That is the same with the National Party, the Labor Party or any other organisation. But obviously the path we are going down, we believe, is in the interests of the Queensland economy.

Mr SLACK: In relation to the amalgamation, put it on the line: do you believe that you will achieve the amalgamation or do you think in your hearts you will not achieve it?

Mr McGRADY: Again, I think it is rather a silly question.

Mr SLACK: No, it is not a silly question. It is a relevant one.

Mr McGRADY: Do you honestly believe that we would have gone down this path if we had not done our homework in the first place?

Mr SLACK: You have already referred to the National Competition Policy and we have referred to the requirements of competition within the industry. In light of that and the discussions that you have had with the authorities—and I would assume that you should have had those discussions prior to the election when you came out saying to the people that you would amalgamate—what is the current situation? Are you going back on that or do you believe it will be achieved?

Mr McGRADY: As I said before, we had discussions with numerous people before we announced our policy. We believed at the time that it was possible to reamalgamate those three generating arms of AUSTA. We still believe it is possible. Discussions are taking place with the ACCC. That will form part of the restructuring of the electricity industry. As I have said prior to and after the election, if the ACCC states that if we go down that path our competition payments could be removed, obviously we will not die in the ditch. I have made that perfectly clear before and after the election.

Mr MITCHELL: What amount of Federal funds are you talking about?

The CHAIRMAN: Is this a new question?

Mr MITCHELL: This one flows on from that last one. You mentioned the funds from the Federal grants for the National Competition Policy.

Mr McGRADY: Those funds would be paid to Treasury.

Mr MITCHELL: What sort of money are we talking about?

Mr McGRADY: We will take that question on notice. I will find out from the Treasurer the exact amount for you.

Mr MITCHELL: There are different allocations for different projects under the National Competition Policy.

Mr McGRADY: It is obviously a substantial amount of money.

Mr MITCHELL: I will place that question on notice. Aside from the reintroduction of the Solar Hot Water Rebate Scheme, which is mentioned on page 14 of the MPS, has your department done any costings on expected savings to consumers from the use of solar hot water rather than gas or electricity? If so, do you have any figures on that?

Mr McGRADY: Based on the work we have done, it is my understanding that the average householder would save approximately one third on their electricity account, although I hasten to add that it would depend on which part of the State you live in as per the climate.

Mr MITCHELL: You have no dollar amount for that, but people will save one third on their accounts. Page 31 of Budget Paper No. 2 states that \$35m is provided over four years to improve the efficiency of the State's energy system through efficiency gains and energy supply and through the broadening of the State's energy base into alternative economically viable energy sources. How much do you project the Solar Hot Water Rebate Scheme will save the State through efficiency gains? You were asked a question about that before, but you did not give any detailed answers in respect of savings in that area.

Mr McGRADY: As I mentioned before, the Federal Government committed the nation to reducing greenhouse emissions and, as such, we all have a responsibility. That is one of the reasons why we wanted to introduce these alternative energies into the State. I do not think we can estimate the actual costs we would save. If this assists you in any way, we have estimated that we would save approximately 3.4 tonnes of CO₂ per year.

Mr MITCHELL: Sorry?

Mr McGRADY: Some 3.4 tonnes of CO₂ would be saved over a standard electric system. So it is a contribution.

Mr MITCHELL: I was wondering what you have looked into in respect of savings in that area. I wish to touch again on the relocation of the mining regional office from Townsville to Mount Isa. You state that that involved a \$23,000 one-off payment. Is that just for setting up the new office? I know it is not a great deal of money, but it is in my area and I just wanted to check it out.

Mr McGRADY: I beg your pardon, it is in my electorate.

Mr MITCHELL: It up in my area; it looks after my area.

Mr McGRADY: You are endorsing the action of the Minister?

Mr MITCHELL: No, I do not believe it is the right move. We have just spent \$130,000 setting it up in Townsville. I do not know whether it is just for change's sake that you now want to move it to your electorate—

Mr McGRADY: I find this absolutely amazing that a member who presents a country area would be advocating the policy—

Mr MITCHELL: I might let the Minister know that I am 130 kilometres from Townsville and about 780 kilometres from Mount Isa.

Mr McGRADY: I find it amazing that a member who represents one of the far-flung electorates would be suggesting that you close down or reduce the facility in the bush and send it across to—

Mr MITCHELL: Mount Isa was not reduced.

Mr McGRADY: It was.

Mr MITCHELL: It was not reduced.

Mr McGRADY: The situation was that the Mount Isa office was a regional office. Your Government reduced it down to a district office.

Mr MITCHELL: Same amount of staff.

Mr McGRADY: You opened a new office in Townsville and at the time I said, "I do not see too many mines in Flinders Street, but I certainly see plenty of mines in the north-west."

Mr MITCHELL: The mining companies are in Flinders Street and Sturt Street and everything else associated.

Mr McGRADY: That is right, but the action is out there in the north-west. The \$23,000 which you are referring to would be alterations to the office and items such as that. I think this is an important issue. I want to take you up on this. People pay lip-service to the ideals of decentralisation, and yet at the first opportunity the coalition, which purports to represent country people, downgrades an office in the north-west of the State and transfers some of the activities across to Townsville. To suggest that the reason for doing this is that some of the mining companies have their offices in Townsville—

Mr MITCHELL: Most of them.

Mr McGRADY:—or most of them really begs the question: where do you as a member for one of the far-flung electorates and, indeed, your party stand on this issue? I have been noting some of the comments that you have been making regarding fly in and fly out operations.

Mr MITCHELL: We will come to that one later.

Mr McGRADY: That is right and I welcome that. You are suggesting here today that the activities should take place in Townsville, the largest centre of the population—

Mr MITCHELL: With the district office in Mount Isa.

Mr McGRADY: To the detriment of country Queensland.

Mr SLACK: The question, though, is whether it is to the detriment.

Mr McGRADY: Mr Chairman, this is what has been suggested here in the questions and the criticisms which have been levelled at me for taking the action which we did.

Mr MITCHELL: I have not got to that. I just asked about the \$23,000. You are just surmising that I am being critical.

Mr McGRADY: I make no apology at all for upgrading the office in country Queensland and downgrading, if you like, the office in Townsville. There are no mines in Townsville. The nearest mine to Townsville would be in Charters Towers City—on the outskirts—and now we have a situation where two National Party members of the coalition are suggesting that the office in the north-west be downgraded and the one in Townsville be upgraded. I find that quite serious.

Mr MITCHELL: I was wondering about the areas to be serviced. When you are in Mount Isa you are something like 1,000 kilometres from most of the district offices. Charters Towers is about the closest, I should imagine. I believe that there would be more expense in the regional office operating those other district offices from Mount Isa than from Townsville on an ongoing basis.

Mr McGRADY: Is that a question or a comment?

Mr MITCHELL: Do you believe that?

Mr McGRADY: No, I do not believe it.

Mr MITCHELL: Why? What about distances you travel? You have Mareeba; you have Charters Towers.

Mr McGRADY: If I can answer the question, it is an important question—

Mr MITCHELL: I want to know what is going on.

Mr McGRADY:—as far as I am concerned, because the suggestion here today is that all activity in the mining industry be centred along the coastline.

Mr SLACK: That is not correct and you know that. That is not what the questioner asked.

The CHAIRMAN: Let the Minister answer the question.

Mr McGRADY: That is the implication of this question. Let me say that the mining industry—are you suggesting that the office in Emerald be transferred to Rockhampton or Mackay? Are you suggesting that the office in Georgetown be transferred to a larger centre of the population?

Mr MITCHELL: Is that a regional office—Georgetown?

Mr McGRADY: It is not a regional office.

Mr MITCHELL: I know.

Mr McGRADY: It is the same principle.

Mr SLACK: By the same token, the Minister is misleading the Committee in that there was not a suggestion that the office in Mount Isa be closed. The facts remain that the office in Mount Isa had the same staff when the coalition opened the office in Townsville as it had after. So there was not a transfer of staff, there was not a closing of that office. You are implying that the coalition is looking to close those offices, which is patently incorrect.

Mr McGRADY: I will take that as a question. Let me just say that the coalition downgraded a department office in Mount Isa and opened a new office in Townsville. The shadow Minister claimed that the reason that happened was that the mining

companies have their offices in Townsville. I am saying that, if we are going to do anything at all about regional development and if we are going to do anything at all about decentralisation, that was a retrograde step. The fact that we have upgraded the office in the bush, if you like—to me I would have expected at least your support on that, and I have to say I am a little disappointed.

Mr MITCHELL: I was asking are you still looking at the travelling costs?

Mr SLACK: Will there be more costs associated with it?

Mr MITCHELL: There would be more costs associated with it.

Mr McGRADY: Of course. What happens if we close down the department office in Charters Towers? When you come lobbying to me, I will say—

Mr MITCHELL: Is that next on your agenda?

Mr McGRADY: No, it is not. If we go down the path that you are suggesting, the extension of your argument is that because extra costs are involved why do we keep the office in Charters Towers open? You are presenting a good argument and really you should just analyse what you are saying.

Mr SLACK: Could the Minister indicate the difference in cost? Do you know what the cost difference would be?

Mr McGRADY: As I said before, we have not yet worked out the full staffing of that office. It would be a one-off cost of \$23,000—that is in capital costs—and then about \$15,000 a year.

Mr SLACK: There will be extra costs to the industry associated with it as well?

Mr McGRADY: Maybe, but so what?

The CHAIRMAN: The time for non-Government members' questions has expired. On page 13 of the Ministerial Portfolio Statements, the establishment of a wholesale electricity market in Queensland is mentioned as an achievement in 1997-98. What is the status of the wholesale electricity market in Queensland at this time?

Mr McGRADY: The intramarket was introduced on 18 January this year, as you probably know, as a precursor to the national electricity market in which Queensland will be a full participant. A Queensland intramarket code has been established and governs the operation of the Queensland intramarket. This code is based largely on the national electricity code with provisions, where required, to meet our State's circumstances. The Queensland intramarket is operating under the national electricity market software and is managed by the Queensland system operator, a ring-fenced business entity of Powerlink. I have got with me here Gordon Jardine, who is the chief executive officer of Powerlink. Gordon, maybe you might like to elaborate on that.

Mr JARDINE: The market has been running in Queensland since January and it has been very successful in that it gives the Queensland market

participants, such as the generators and the retailers, an opportunity to experience what life will be like under the full national market using systems and codes that almost totally reflect that particular market. It is all about giving the Queensland participants that opportunity. They have had that opportunity and the national market is due to commence in mid November. We are working with the National Electricity Market Management Company to ensure that all the Queensland participants are fully ready to participate on equal terms in that particular market.

Mr McGRADY: Just adding to that, we had a meeting one day last week with Stephen van der Mye. He assured us that the market would be ready on 15 November. There seemed to be some doubt in certain quarters whether or not it would be ready, but we have been assured that it certainly would be.

Mr PEARCE: The first dot point under Energy Monitoring and Regulation on page 13 states "access principles for the Papua New Guinea to Queensland gas pipeline to be completed". Given that the Chevron pipeline is a real interest to the people of central Queensland, could you tell us the status of the Chevron pipeline?

Mr McGRADY: When in Opposition, the now Premier and I visited Papua New Guinea. The Premier in particular has taken a great deal of interest in the concept of a gas pipeline from Papua New Guinea into Queensland. As a Government, we are doing all we can to encourage this. One of the reasons is that we believe that is one of the ways in which we can get a base load power station in the north of the State.

Since the advent of the Beattie Labor Government, there have been numerous discussions. The negotiations are being run, if you like, from the Office of State Development. I notice from the Hansard transcript of the Deputy Premier's Estimates that a great deal of discussion took place on the Papua New Guinea pipeline into Queensland.

I am certainly hoping that the pipeline becomes a reality. It will provide many thousands of jobs in the construction stage. It will provide, as I said a moment ago, the opportunity for a base load power station in the city of Townsville. Of course, that would bring enormous benefits to that city. It is basically a commercial decision which has to be made, but the Queensland Government is standing there certainly giving all the encouragement it can to that proposal.

Mr PEARCE: I turn now to page 17. Under the heading Program Performance Assessment, Office of the Director-General the MPS states—

"A Departmental National Competition Policy legislation review program was established and Trade Practices Act awareness sessions for executive management were organised."

There have been earlier questions and a lot of comment with regard to the National Competition Policy. I am interested in the area of the petroleum and gas Acts. Could you advise the Committee as to the current status of the review in that particular area?

Mr McGRADY: National Competition Policy requires each participating jurisdiction to review, and where necessary reform, all legislation containing measures that restrict competition. This, together with the implementation of the National Gas Access Code, has necessitated the review of the Queensland gas and petroleum Acts.

The Gas and Petroleum Acts Review Steering Committee and three working parties comprising officers from the Department of Mines and Energy and other stakeholder representatives have been established. The work of this steering committee will be to examine the feasibility of combining the Gas Act and the Petroleum Act. It will also be looking at plans to draw together the reports and deliberations of those working groups I mentioned a moment ago. It will be seeking to coordinate stakeholder and broader community consultation and also provide drafting instructions for the legislation which would be required. A discussion paper is expected to be released very shortly to allow all interested parties to input into the development of the legislation. The legislation is expected to be finalised during the present financial year.

Mr PEARCE: I notice under Resource Development on page 7 that royalty reviews will be conducted on nickel and selected industrial minerals. Given that this is an ongoing issue—it is always a concern to mining companies—could you tell the Committee the status of the royalty reviews being undertaken by your department?

Mr McGRADY: Last week in Sydney a coalmining summit was called by the Minister for Mines in that State. It was attended by many industry representatives and trade unionists. Also, the Premier of New South Wales and the Queensland Government, through myself and the director-general, were in attendance. We discussed a number of issues. Prior to the last State election, I indicated that if we were elected we would have a similar summit of the whole of the mining industry—not just coalmining. That took place last week in Moranbah. Obviously, one of the issues discussed was that of royalties.

I take a personal view that royalties are a way in which mining companies make their contribution to the State, because the royalty is paid on the amount of ore or product which comes from underground. That is the way in which the State can get some reward. I do not believe "royalties" should be seen as a dirty word, but in some quarters it is painted that way. Royalties are the way the people of the State get a reward, and so they should. It is the Government's responsibility to ensure that the community of Queensland is receiving that return. That should never be forgotten.

A mid-term review of the implementation of the new domestic coal royalty regime has finally been finalised. Further reviews are on the agenda on nickel and the various commodities under the industrial minerals category. It is also intended to examine legislation anomalies that have become evident in some regimes, such as phosphate, salt and other stones.

The royalty regime applying to nickel needs examining. Currently, nickel does not have a specific royalty regime but falls into a catch-all provision of 2% of gross proceeds that was intended for minor items only. There has been no nickel production in Queensland since 1992 when operations at Greenvale ceased. However, present resources are expected to start production from the Marlborough nickel project from early 2000. During the Goss years, the royalty regime was used as a way of trying to encourage value adding. We gave a reduction in royalties for any of the companies that actually value added.

Mr HAYWARD: There are numerous references in the Ministerial Portfolio Statements to ensuring continuity of electricity supply. Can you outline what measures are being undertaken to ensure that blackouts do not occur this summer?

Mr McGRADY: If you recall, in Opposition we expressed our concerns about some of the problems in the electricity industry. When I became Minister, I immediately held discussions with senior officers of the electricity industry in the State. I was somewhat saddened to hear that the situation was very tight and that we did face the prospect of blackouts. Whilst I expected to have some problems in the summer, I did not expect the problem to be arriving at my doorstep so soon. One of the first things I did was establish a task force whereby two consultants would go into the power stations to work out what needed to be done in the maintenance area.

I have also established an industry-wide reference group to ensure that the State's electricity system is in the best possible position to meet expected record demand and to inform the public so as to ensure their cooperation in periods when reserves are tight. This group involves the chief executives of Tarong, CS Energy, Stanwell, the Ergex network and retailer Ergon, one regional distributor, the Chairman of the QERU, that is, the electricity reform group, and the director-general of my department. The steering committee is chaired by Bryan Coulter and comprises Gordon Jardine and Alan Gillespie. They provide direction and coordination to a number of project teams addressing the individual issues. Four project teams have been established to investigate measures to minimise possible problems in summer. They will cover a number of areas, such as generator readiness, market operations and trading impacts, Government initiatives and public information processes and readiness.

What I am saying to you in short is that we understand that there is a problem there. We are doing the best that we can to minimise that particular problem. As I have said on numerous occasions, I fully expect the summer to be very, very tight. But I believe that, once we get over the summer period, we should have a straight run from then on in. The last power outage we had was quite an amazing one. To use the words of a person who is no longer in this hallowed hall, it was a one-in-a-billion chance or sheer bad luck. That was the expression used.

Mr HAYWARD: It is obvious from the department's Ministerial Portfolio Statements that the

Office of Sustainable Energy is the most significant new initiative in terms of funding for the department in 1998-99. Questions have been asked by the member for Charters Towers regarding the rebate schemes. What else is happening in your department? What are they doing to reduce greenhouse gas emissions?

Mr McGRADY: As I mentioned before, this is an important part of the activities of the Department of Mines and Energy. Whereas the Energy side of the portfolio was almost driven to be nonexistent under the previous regime, there is a great deal of confidence in the department now because of the money that we have received from this budget and, of course, a guarantee of double the amounts of money in the coming years.

As I said, the big carrot part—the one that the public perceives to be important—is the \$500 rebate on solar hot water systems. Also, as I mentioned before, there is the Householders Remote Area Power Supply Rebate Scheme, which was in existence under the Goss Government. We are paying more attention to this. We have the Green Power Accreditation Scheme. There would be the Government's purchase of 2% of green power, there would be funding for advanced bagasse technology development and a Sustainable Energy Innovation Fund.

I come back to the success that individuals and organisations can have with a Government that listens. In Opposition, I had some discussions with people from the co-generation industry. They felt that Governments—plural—were not doing enough to encourage co-generation. So we set up a task force. We had a full day in Parliament House when industry groups got together. They discussed all the issues, and they made 10 recommendations to the Opposition. We gave a commitment that, in Government, we would honour those recommendations, and this is Stage 1—or this is part of that commitment to the people who participated in that exercise. So where you have a group of people who are dedicated to getting an item on the agenda and you have a Government which is prepared to listen, you can in fact get some successes. This is all part and parcel of this Office of Sustainable Energy. I hold high hopes for its success. Already we have had a number of organisations and individuals compliment the Government on its initiative in setting up this office and, of course, making the funds available.

The CHAIRMAN: The time for questions from Government members has expired. I call on the member for Charters Towers.

Mr MITCHELL: I refer to page 50 of Budget Paper No. 3, where expenditure on Callide C is listed at \$27.9m in 1998-99, compared with \$146m in the May Budget papers, made up of \$128m by CS Energy Shell and \$18m by AUSTA. I do not know why there has been a dramatic slowdown in your commitment or the public commitment to the construction at Callide C.

Mr SLACK: Just before the Minister answers, I seek leave of the Chairman for the member for Callide, Mr Jeff Seeney, to join the Committee.

The CHAIRMAN: Leave is granted.

Mr McGRADY: I am sorry, I missed the last sentence.

Mr MITCHELL: There seems to be a dramatic slowdown in the funding and the public commitment to the construction of Callide C. Can you give me a reason for this? There seems to be a great discrepancy between this and what was outlaid in the May Budget.

Mr McGRADY: When we came to office, our responsibility and our duty was to examine what contracts had been entered into by a previous Government. I would have thought that anybody who was involved in Government would have accepted that to be the norm. On day one of our Government we were accused of taking steps to abandon plans for the construction of Callide C. That was totally and utterly false. It was wrong. It was mischievous, to say the least.

Mr MITCHELL: The Premier did mention that you had to revise everything.

Mr McGRADY: He did not say that we revised. What the Premier said was that we had to examine what contracts had been entered into, and that is what we did. Once we went through the situation, the contracts for Callide C had been signed and sealed. I made that position perfectly clear, both privately to an individual and in a ministerial statement. Then we had the nonsense that occurred under parliamentary privilege, when certain allegations were made.

In the restructuring of the electricity industry, the two shareholding Ministers technically own the industry and yet have no say at all in the decisions which are taken by the various companies which control the power stations. Therefore, I do not believe that I am in a position to defend the financial decisions of those companies. I am not trying to shirk my responsibility. We will give you an answer. The people of Queensland have to understand that, in the restructuring of this industry, the two shareholding Ministers have no say at all in the decisions of the industry; they are taken by the boards. Having said that, I want to say once again—and I want it recorded in Hansard—that this Government fully intends that the Callide C project will continue to happen. A lot of the nonsense that has been spoken about it is simply that. I will call on Mr Jardine, the chief executive officer of Powerlink, to answer the financial side of that question.

The CHAIRMAN: Mr Mitchell, considering the answer time has expired, would you like Mr Jardine to answer?

Mr MITCHELL: I will make that another question for Mr Jardine in relation to the September Budget compared with the May Budget. There seems to be a huge discrepancy as far as what the coalition put up and what is now put up by the Labor Government in this Budget.

Mr JARDINE: The budget has come from CS Energy, which is the corporation responsible for building the Callide C Power Station in a joint venture with Shell Coal. It has advised that the budget for 1998-99 is in the range of \$67m to \$70m for this financial year. After that, it will spend around

\$350m to \$370m in subsequent years, as the total contribution of CS Energy towards the joint venture for Callide C Power Station. CS Energy also notes that those specific amounts are subject to confidentiality agreements between them and their joint venture partner. As you might appreciate, in a competitive electricity market, generating companies are competing with each other; therefore, they have certain amounts of information, particularly their cost structures, which are commercial in confidence.

Mr MITCHELL: Do you believe that, as a result of the lower funding, there has to be some delay? I am quite concerned that \$18m has gone out of the AUSTA Electric budget for site accommodation. How will they start a project if they do not have the workers on site? The \$18m is no longer in the budget to start the site accommodation for work to carry on at Callide C.

Mr McGRADY: I am advised that site works commenced in August of this year for the building of two 420-megawatt stations. The September Budget figures differ from the figures in the May Budget because CS Energy was able to negotiate revised payment terms for the project, including reduced up-front payments.

Mr SEENEY: How did the so-called revised payment schedules relating to the Callide C project come about? Has there been a ministerial direction to CS Energy to renegotiate payments into the next financial year or has there been a ministerial direction to AUSTA Energy not to proceed with the provision of the site accommodation budgeted at \$18m for the project in this financial year?

Mr McGRADY: I am not aware of any ministerial directives from me. I cannot speak for Mr Hamill, but I am sure we would do those things in cooperation. From memory, I cannot recall.

Mr MITCHELL: You said that you believe that the site accommodation started in August. From where was that funded? We had \$18m in the May Budget. I cannot see any site accommodation money in your Budget to pay for that.

Mr McGRADY: My answer was that I was advised. As I said before, you have to understand and appreciate that these are companies and the boards make those decisions. I am not privy to those decisions. At times I am advised of what they are doing. I have no say at all. Therefore, I do not believe that it is my responsibility to come before an Estimates committee to defend decisions of those corporations if I have no say at all. This morning, we are giving you the information based on advice that we have received from those corporations. The relevant point is that some of those figures are commercial in confidence.

Mr SLACK: I refer to the answer that you gave before that you did not recall any ministerial directions. Are you saying that it is possible that there could have been ministerial directives?

Mr McGRADY: No, I am not. This is Parliament. You would know more than anybody the volumes of correspondence that go through your desk. I simply cannot recall it.

Mr SLACK: It is a pretty important one.

Mr McGRADY: It is important. I cannot recall it. The answer is: I do not believe I did. I am 99.99% certain that I did not. If somebody produces a document—

Mr SEENEY: Certainly there must have been some communication between you and those companies about the amount of money that needed to be budgeted for that project for this year.

Mr McGRADY: I do not recall discussing the amounts of money.

Mr SEENEY: So it was a matter of whatever they asked for they were going to be given?

Mr McGRADY: I do not recall ever discussing the amounts of money required for Callide C. When our Government came to office, in relation to projects such as this, while I had an input, while I was involved, it came from the Minister for State Development in cooperation with my department. That is what the Office of State Development is about—getting the big projects up and running.

Mr MITCHELL: I still cannot understand—in that period from May until now, they have dropped something like \$100m in that Budget. I would have thought that in the previous Budget in May everything was set and ready to go. That is the money that we needed to get the project going. Within three months, we lose \$100m off the project.

Mr McGRADY: I have been advised that the May Budget papers were written in February. If you want, we will take that question on notice.

The CHAIRMAN: Is that fine with you, Mr Mitchell?

Mr MITCHELL: Yes.

Mr McGRADY: I emphasise again that Callide C is happening. Callide C is going ahead. Any nonsense about our trying to defer it is exactly that.

Mr MITCHELL: Is it still going to follow the original time frame?

Mr McGRADY: My understanding is: yes.

Mr SEENEY: Given that Callide C is usually referred to as an \$800m project, how far will the project realistically advance this financial year with a Budget allocation of \$27.9m? What work will be done on site in Biloela? What will be the real impact on the local Biloela community, local jobs and local businesses this financial year with such a small budget allocation, given that it is realistic to assume that much of that figure will be swallowed up in planning and design costs?

Mr McGRADY: I will take that question on notice and get back to you. Surely you would not expect me to know the time frame of the activities that are planned in the building of that station this year. What you and the Biloela community should understand is that this Government has agreed that the Callide C Power Station will continue as per the original plans. There is no political mileage in this. The power station will go ahead, despite the nonsense that has been forthcoming from a number of people in that community. You talk about trying to assist regional development. Some of the statements I have heard would frighten potential investors in the

Biloela area away. The power station will be built, the power station will go ahead, and the power station will make an important contribution to the generating needs of this State. End of story!

Mr SLACK: It is not a question of the erroneousness of the Opposition's questions; it is matter of some nervousness about the Government's commitment to Callide on the basis of its stated commitment to Chevron. The question really is: is the Government supporting Chevron at the expense of some of the other power stations? Is there any loading of the dice in favour of Chevron in that power stations such as Callide fall back in relative importance in relation to the Chevron project?

Mr McGRADY: The decision to go ahead with Callide has been taken by the board. When we came into office, the Government wanted to examine what proposals were on the table. We did that. We have made it perfectly clear that Callide C will go ahead. I have said it in the Parliament; I have said it publicly; I am saying it again in these Estimates: money is in the Budget for it. End of story! Callide C will go ahead. I cannot be any more precise than that.

Mr SLACK: It is not a question of whether it will go ahead; it is a question of the time frame.

Mr McGRADY: You have just heard Mr Jardine from Powerlink announce what moneys will be spent this year and next year. In the restructured industry, the corporations make those decisions. The present Government stated quite clearly that we would honour all contracts that were in place. We have examined the contracts. Callide C is going ahead. Quite honestly, you are wasting the time of this Committee. I do not know what else you need me to do or to say to try to convince you that Callide C will go ahead under the time frame that it was originally planned. These words can come back to haunt me if you want. I cannot be more precise than that. Callide C will go ahead.

Mr MITCHELL: I thought that it was our duty to ask because, when you look at page 30 of the Budget papers, CS Energy is the only one that is not listed individually whereas other corporations are. When you look and see a change of nearly \$60m-odd you think, "What is going on?" All the rest of it is costed individually, yet we have CS Energy at \$138m. We want to know what it is for and whether it is still going ahead.

Mr McGRADY: As Mr Jardine said, some of that information is commercial in confidence.

Mr MITCHELL: Yes, but when you look at the May Budget, CS Energy is listed with the Callide expansion—Callide B, Mica Creek and Swanbank. It does not appear in your Budget papers. I believe that it is our duty to find out where this money is and what is going to happen.

Mr McGRADY: Do you accept the undertaking that I have given you that Callide C is going ahead? There will be no Government interference. It is going ahead.

Mr SEENEY: There is certainly no question in my mind that it is going ahead. The question is the timing for the project. How realistic is it that Callide C is going to be on line by May 2001? How realistic are

the expectations of the local community that this project is going to be completed in that time frame, given the amount of money that has been allocated in this year's Budget to progress the project? That is the question. Your emphasis on whether or not it is going ahead is really avoiding the issue. The issue is: is it going to be built between now and 2001 or is it going to be built between now and 2005?

Mr JARDINE: CS Energy has advised that the timetable, which is to have the first unit up at 2001 and the second one subsequently and very quickly thereafter, is the timetable that they are working to on the project. Their budget for this particular year, 1998-99, on that particular project—the Callide Power Station joint venture with Shell Coal—they have advised is very close to \$70m.

Mr SEENEY: That is not the figure that is in the Budget document. On page 50 of the Budget documents the figure that is used is \$27.9m.

Mr McGRADY: Mr Chairman, could I suggest that at the conclusion of the Estimates I ask the chairman of the relevant company to give me a statement, which I can then forward to the Opposition?

The CHAIRMAN: I think that we have exhausted every avenue. That might be the way ahead. Is that fine with you?

Mr SEENEY: Yes. Given the projected growth in the electricity demand between now and 2001, what are the consequences for the reliability of supply? What are the consequences for the consumers of Queensland if this project is not on line by 2001?

Mr McGRADY: The project will be on line.

Mr SEENEY: Even with \$27m in this year's Budget?

Mr McGRADY: Oh, ye of little faith.

Mr MITCHELL: It has happened before.

Mr SEENEY: You cannot build a powerhouse without any money.

Mr SLACK: In the lead-up to the election certain statements were made about Tarong and the championing of Chevron. It would appear to a normal person that there was some weight being given to Chevron. In light of that, it is legitimate to ask these questions about Callide.

Mr McGRADY: This is what the Estimates are about. But I have said—

Mr SLACK: I take your point.

Mr McGRADY: I have said several times that Callide C will go ahead.

Mr SLACK: Other power stations are being proposed by private enterprise out of the Surat/Dawson expressions of interest process. Are you championing those projects remaining in the major project category and are they remaining in the major project category? Are you doing everything to facilitate the speedy expedition of what they are doing?

Mr McGRADY: As far as I am aware, there has been no change or any reduction in the amount of

enthusiasm which the former Government had for some of these projects. We have on many occasions had discussions with some of the proponents of these projects, as you would probably be aware.

Mr MITCHELL: On Callide B again—

Mr McGRADY: Callide C.

Mr MITCHELL: No, there was \$2.6m in May Budget for the environmental performance of Callide B Power Station to reduce flue gas emissions. Again, I do not see that in the capital works budget or in the Budget papers of your budget.

Mr McGRADY: I am informed that that is still going to be funded. In the document that you have in front of you, they are simply the highlights. I am informed that it is still going to be funded.

Mr MITCHELL: It is surprising, because it is listed there in the coalition's Budget papers and then three months down the track it is wiped off. When these sorts of things first come to light we have to ask: where has this money gone and is it going ahead?

Mr McGRADY: On page 130, halfway down the page it is headed "CS Energy". There is a total figure of \$138.912m. I am informed that the funds are included in that figure. Likewise, if you want confirmation of that, I would be more than happy to get it for you.

Mr MITCHELL: Would you mind because, there again, it just does not show up in the MPS. I have looked at that \$138m, but it is about \$60m short of the \$198m that was in our May Budget. I believe that, in relation to CS Energy, there are discrepancies all the way through. At certain times the Premier has made statements about the cost of gas-fired electricity versus the cost of coal-generated electricity. I know that you are promoting—and it has to happen and it will happen—the Chevron pipeline. In relation to the cost of electricity provided by the Chevron pipeline down the line versus coal-generated electricity, do you think that it will be a viable operation to have gas-generated power in certain stations rather than coal-generated power?

Mr McGRADY: As I have said before, my view is that coal and the other forms of energy can coexist, and they will. The more discussions you have and the more activities that take place on the gas side of the industry, the prospect of the price of gas coming down becomes real. People talk about competition. You have heard of the proposal for the Papua New Guinea pipeline. You also may have heard of the proposal from Tri-Star and Transfield. I believe that you are going to find in the years ahead more and more of these proposals. As people from your side of politics keep on saying, the more competition you get, the chances are that prices will be driven down. That is the name of the game. Queensland is blessed with many natural resources. We are just now discovering the tremendous volumes of gas that we have in the State.

Mr MITCHELL: In the State alone.

Mr McGRADY: Yes. It is another form of energy. Private enterprise is out there now trying to harness this gas. There is a lot of work taking place with coal bed methane. In future years that could be another energy source. This is why my portfolio is such an exciting portfolio at this point. I say to people that, when I was the Minister in the previous Government, the bulk of my work was on the mining side of the portfolio. That has changed dramatically. Now, most of the work from my office is centred on the energy side of the portfolio.

The CHAIRMAN: The time for questions by non-Government members has expired. It is now the Government members' time. This morning, we have discussed the continuity of electricity supply in the State. It has been referred to a number of times in your department's Ministerial Portfolio Statements. Are there any long-term strategies to increase Queensland's capacity to generate its own electricity?

Mr McGRADY: There is a significant amount of action being taken to ensure that the State's electricity supply is prepared for the coming summer and, indeed, the years beyond that. Firstly, can I state that the problems currently being faced by the industry are not caused by a shortfall in generating capacity; they are caused essentially by problems relating to maintenance. These problems in turn were caused by the previous Government, which split up the industry and, I repeat, in my opinion, in preparation for selling off the assets. When the previous Government split the generators into three competing corporations, they all tried to maximise their profits and reduce their costs. I believe that one of the major areas that suffered as they cut back on their spending was maintenance. So the system has been allowed to run down because of the short-term interests of the generators to maximise their returns.

Mr MITCHELL: Is that because there were not any power stations built?

Mr McGRADY: Mr Chairman, can I seek your indulgence and get some protection?

Mr MITCHELL: You know exactly why it happened, because power stations were not built when they should have been.

The CHAIRMAN: Let the Minister answer his question.

Mr McGRADY: Another effect of the breakup of industry was the loss of ability by the Government to have any say in ensuring a coordinated and strategic approach to industry development. To fix those problems, as I mentioned before, we have set up a task force to conduct an independent audit of maintenance issues throughout all the power stations. The problems will be identified and action will be taken by the start of the summer period. We have also set up a summer readiness group to ensure that all the generators will be able to work with each other, not against each other, to minimise and manage any problems in the coming summer. On a longer term basis, we will be restructuring the Government owned corporations to ensure a coordinated and strategic approach to industry development. Other factors will also help overcome

some of the current problems being faced. These include the commissioning of a strengthened transmission line from Calvale to Tarong in November to increase the reliability of the system. This process was started in 1995. Also, we will get Tarong Power Station back to full capacity as a matter of urgency during November by bringing a replacement transformer from Perth. That is certainly on its way now.

As for addressing demand—a number of projects are in train, including increasing peak capacity in the State during the next few months by some 440 megawatts when two new power stations are commissioned near Townsville, the commissioning of a 303 megawatt power station near Oakey scheduled for January 2000 and acceleration of the 500 megawatt interconnection with New South Wales with a new target completion date of early 2001. Let me say that the greatest act of political—I was going to use a word that I will not—was the decision by the incoming coalition to scrap the Eastlink project. If they had allowed the interconnector to run as per the original plans, this State would have been able to access power at the present time.

Mr MITCHELL: It would not have been available until 1999.

Mr McGRADY: Start running for your dates. I am saying that this State would have been in a position to access power today.

Mr MITCHELL: It would have had half of south-west Queensland offside.

Mr JARDINE: I can confirm that, because the timetable for Eastlink would have it going through its commissioning phases now. When those lines go through their commissioning phases, they can be used to import or export power.

Mr McGRADY: As a political act, the incoming coalition Government destroyed the timetable. You understood the error of your decision and you came back with a similar scheme under a different name. As long as I live, I will never ever allow you people to forget what you did. The people who were instrumental in preventing Eastlink are now running around as One Nation candidates.

Mr PEARCE: Minister, on page 2 of the Ministerial Portfolio Statements, reference is made to the establishment of a task force to reverse the adverse impact of fly-in/fly-out operations on local development in regional and remote communities. Can you tell the Committee a little more about the initiative and what it means?

Mr McGRADY: This demonstrates that people say one thing in Government and a different thing in Opposition. I remember when asked about the policy of fly-in/fly-out operations, both the former Premier and the former Minister for Mines and Energy stated that that was a commercial decision for the companies. The former Minister also indicated that the days have gone when the Mount Isas, the Moranbahs and the Dysarts of this world are required. The shadow Minister is now running around the countryside talking about the evils of fly-in/fly-out operations. On this issue, we speak as one. I

certainly hope that we will get the coalition's support on some of the initiatives that we might be taking in this regard. The greatest impost on regional development today is the increasing practice of companies employing their personnel from other States, flying them in to earn a fistful of dollars before they go back from whence they came, leaving precious little in the local economies. Populations are decreasing in mining towns because of this practice.

Mr SLACK: Labor's fringe benefits tax did that.

Mr McGRADY: I welcome the commitment given by both major political parties in the recent Federal election campaign to a relaxation of the fringe benefits tax on buildings and structures. I certainly hope that the incoming Government will maintain that commitment.

There is something very wrong with a taxation system that allows companies to get a tax deduction on the cost of airfares to fly people from Perth, or wherever, to mining areas yet they still have to pay the fringe benefits tax as Mr Slack has just referred to. The Queensland Mining Council has made public comments to the effect that fly-in/fly-out operations are here to stay and that it would not be involved in any moves to try to examine that. Today I am happy to announce that at the recent mining summit held in Moranbah, Mr Michael Pinnock announced that his council would participate in any seminar or conference that discussed the effects of fly-in/fly-out operations.

Most of us in this room want to do all we can to encourage regional development. However, we cannot do that when the major industry in the region recruits its work force from other States or other parts of this State. I intend—and my department has started working on this already—to bring forward some discussion papers and a seminar will be held to discuss these issues. I certainly hope that we get the support of the coalition to change a practice that, in my opinion, is destroying country Queensland.

Mr PEARCE: One of the performance indicators cited in the MPS for the department's Safety and Health Division is to "improve mines and quarry safety and health performances". Bearing that in mind, I draw your attention to the tragic accident at Watson last year. Could you advise the Committee what is being done about safety in the petroleum industry?

Mr McGRADY: As the member would be aware, this budget allocates an additional \$500,000 per year to the Gas and Petroleum Operations and Explosives Inspectorate, of which \$250,000 will be allocated to gas and petroleum operations. In recent times, gas safety statistics have shown a modest improvement. Although we can play around with the figures, basically we must do all we can to prevent fatalities and serious injuries where they occur in any industry. There is some evidence that this slow-down may not continue and we are putting extra facilities in place, because the extensive growth of the industry and the introduction of open-access competition to the downstream gas markets will result in attempts to reduce costs and that often occurs through a relaxation on safety issues. That is something that we have to be very careful of.

The tragic double fatality in December last year that the member just referred to has given stark evidence of unsafe working practices in the petroleum industry. Considerable effort will need to be expended in the next few years to recover from that particular situation. The department has initiated a program of major audit systems for gas inspections that are particularly aimed at large installations such as LPG terminals. The requirement to have competent persons performing duties at those terminals is also being monitored as part of the audit process and individuals are subject to a testing of their knowledge and abilities. The audit process concentrates on process and management, which are inevitably the root cause of major incidents.

The same rigour is being applied to petroleum installations and a comprehensive new audit program that commenced this financial year. Petroleum installation audits have been occurring since January 1998 at the rate of approximately one to two per month. This will be substantially increased as new appointments are made. In this regard, the Government will provide, as I said before, an additional half a million dollars for extra resources in the Gas and Petroleum Operations and Explosives Inspectorate. Further recruitment action will be completed in the next quarter, and the audit inspection of gas and petroleum installations in this State will be intensified.

Mr PEARCE: Earlier, you referred to environmental damage being done by cowboys in the mining industry. I draw your attention to page 130 of the Capital Outlays Budget Paper. You will note that \$1m is to be spent on the Charters Towers Mine Shaft Repair Program. That would be of interest to the Opposition spokesperson. Could you give the Committee some details as to the current status of that project?

Mr McGRADY: I certainly will. Again, this is one of the proud achievements of the former Goss Government. Whilst other people talked about shaft repairs, it was the previous Minister, Ken Vaughan—the first Minister in the Goss Government—who initiated the program at Gympie. That was a great success and we are still spending money there. We have now moved into Charters Towers. I note the member for Charters Towers thanking the Government for the work it is doing.

Mr MITCHELL: I have done that on a few occasions.

Mr McGRADY: I know you have. The member is always the first to admit that we are a good Government. I appreciate that.

Mr MITCHELL: We did a lot during our two and a half years in terms of boosting the funding.

Mr McGRADY: You did nothing at all in Gympie.

Mr MITCHELL: That is false.

Mr McGRADY: No, it is not; it is true.

Mr MITCHELL: Anyway, Charters Towers is going very well?

Mr McGRADY: Under the Beattie Government. The program to make safe the

abandoned mine shafts in your city, Mr Mitchell, commenced in May 1997. Eighty-three shafts have been investigated and made safe by the department. Of these shafts, 25 were capped with reinforced concrete, three were plugged with concrete and the balance backfilled. In addition, the council, as a contractor to the department, has capped 13 shafts and has had eight shafts excavated ready for capping. I am aware of the recent subsidence of the Mills Day Dawn United shaft, where Towers Motors is sited. Investigations are continuing and a strategy for repair, including full costs, will be presented for my consideration shortly. We will be going to Charters Towers in the next few weeks.

Mr MITCHELL: That one is a really bad one.

Mr McGRADY: Yes, I know it is. We will be checking on those proposals. As Mr Pearce said, some of the cowboys of years gone by have caused some of these problems. The Goss Government started this work and it was continued by the coalition Government. We certainly will continue with this work. It has to be done.

Mr MITCHELL: Yes, it has to be done.

Mr HAYWARD: Page 7 of the Ministerial Portfolio Statements refers to activities planned for the north-west minerals province and the Mount Isa project area. Could you elaborate on the work planned and the budget allocated to this, I am sure we would all agree, important mining district in Queensland?

Mr McGRADY: I do not think people in Queensland have yet come to understand the importance of the Carpentaria/Mount Isa minerals province. It was a dream and a vision. Wayne Goss and the Goss Government set up a group of people to investigate what could be achieved. I think it was one of the great success stories of mining in Queensland and also one of the great success stories of the Goss Government. It is a vital part of the State not just for the State of Queensland but Australia as a whole.

Since the discovery of silver, lead and zinc ore bodies at Mount Isa back in 1923, the province has produced four giant world-class deposits, each with a metal value in excess of \$20 billion. By comparison, the gold content of the Golden Mile at Kalgoorlie has been valued at about \$20 billion also. Other Australian minerals fields, such as Broken Hill, Kalgoorlie and Mount Morgan, contain only one giant world-class deposit. To turn around the decline of mineral exploration in Queensland, the Government is refocusing on our main assets—the Carpentaria/Mount Isa minerals province for minerals, the Bowen Basin for coal and the Cooper Basin in the south-west of the State for oil and gas. We intend to review all current resources to identify areas attractive to industry. An example is Restricted Area 298, north-west of Lawn Hill, where a Century-type setting has been identified as a result of some of these studies. The budget allocated to the enhancement of the State's information system for minerals and development of a comprehensive database of mineral occurrences, deposits and mines for the Mount Isa region is \$600,000 in this financial year.

Mr HAYWARD: On a different issue, on page 14 of the Ministerial Portfolio Statements, under the heading of the Office of Sustainable Energy, reference is made to the establishment of a "green" accreditation scheme for generators and retailers of electricity. Can you provide some information about this scheme?

Mr McGRADY: The markets of some Government owned corporations and experience in other energy sectors in Australia and overseas indicate a willingness in the market to pay a premium for environmentally friendly products. This has a strong interest in the electricity industry, with a number of retailers and generators proposing green energy products and services. While there are only small amounts of renewable energy available in Queensland at present, a number of retailer corporations have entered the market with green products. It is expected that plans to implement the Prime Minister's 2% renewable target will include an accreditation program to ensure that new renewable installations meet the spirit and definition of "eligible renewables". The department is developing an accreditation program for the State. This will be available for retailers in the near future. The State run accreditation program will ensure that information about green energy products is truthful and audited, which would in turn encourage consumer uptake of such products. Without this program, some market participants may try to exploit consumers to gain a market advantage. Generation types that would be accredited would include solar, wind, biomass fired, waste fired, geothermal, wave and tidal. Annual reports and an auditing process will be undertaken to ensure actual quantities of green energy sold by retailers match their energy purchases from renewable sources.

The CHAIRMAN: We will now adjourn for morning tea.

Sitting suspended from 10.52 a.m. to 11.13 a.m.

The CHAIRMAN: The hearings of Estimates Committee E are now resumed. The consideration of the Estimates of expenditure for the Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development will now resume. I call the member for Burnett.

Mr SLACK: You made some statements about Eastlink and it was said at the time that, rather than question you because it was the Government's turn for questioning, we would come back to it. I am in a position whereby it has been said to me and I have felt all along because of what I believed were authoritative statements to me that it would not be up and running in 1998 and that there were significant environmental issues to be overcome with it—and you will agree, no doubt, that there were mass demonstrations at the time and the environmental groups as such were against the Eastlink proposal. Bearing that in mind, obviously you would also acknowledge that the provision of Westlink has not met those same environmental objectives about which people were objecting in regard to the Eastlink proposal. I am not questioning Gordon Jardine's authority or integrity, but if possible I would like to see the programs that were proposed—and that is a

question on notice—for the facilitation of the Eastlink connection of 1998 and the time frames that could have been involved in relation to overcoming the environmental issues that arose out of that proposal or for that particular route that was envisaged. But you will, Minister, acknowledge that those problems did exist.

Mr McGRADY: I will acknowledge that there was an orchestrated campaign by individuals and organisations opposed to the interconnector. Some of these concerns which were expressed were legitimate concerns. From memory, I recall we had an option of nine corridors and an extensive consultation process was under way. Allegations were made that there was no consultation. The whole thing in my opinion became a tremendous political beat-up, with the former Premier and now Leader of the Opposition referring to the interconnector as an extension lead over the border. I think that was the greatest insult of all and I think the now Opposition Leader would live to regret that description of the interconnector.

What made me angry was that, whilst the coalition in Opposition appeared to be totally opposed to the interconnection between Queensland and those other States as a matter of principle, within a few short months of forming Government it then came out with the baby of Eastlink, namely, Westlink. When you go through the history of the interconnector, you see some of the actions taken by individuals and, indeed, the coalition, which dragged former Premier Joh Bjelke-Petersen out of retirement to address rallies and the like when prominent Opposition members organised meetings against the concept of the interconnection. I think that was a sad day for Queensland. I, I think along with everybody in the State, acknowledge the need for the interconnection. Certainly the coalition does, because its Westlink is basically the same as our Eastlink. I just felt that that was a typical example of where people put party politics ahead of State good.

Mr SLACK: I am not going into the politics of what obviously took place, but having said that there were environmental concerns, they were quite legitimate. There were environmental groups who were fundamentally opposed to the route that was being proposed by you, Minister. In those circumstances would you consider that you had an overreliance on that route that you were proposing and the Eastlink connection to solve the industry's problems?

Mr McGRADY: No, because if you recall—and I probably do more than you for obvious reasons—we set out with nine corridors before we established the final route. We suffered—some people as I said before had a genuine—

Mr SLACK: Excuse me interrupting, but you still had to deal with the environmental issues that had not been resolved.

Mr McGRADY: Of course, but I am saying that the statement made by your leader and the then Leader of the Opposition that Eastlink was simply an extension lead over the border suggested to me that the coalition was opposed to an interconnection.

Mr MITCHELL: No, we were never opposed to it at all.

Mr McGRADY: "An extension lead over the border" to me indicates that you were opposed to the principle of an interconnection between Queensland and the other States.

Mr SLACK: You have to acknowledge, though, that it was a requirement of National Competition Policy to start with.

Mr McGRADY: The point is—and I do not want to take too much time over this, but it is an issue that I feel very strongly about because I was deeply involved with it—when you go back over the history of this matter, you find that people were dragged out of retirement, people who are now One Nation candidates were activists within certain political parties. You can go through the whole list of those people who were opposed to Eastlink; some were genuine, in my opinion, and some were not. It was an orchestrated campaign by the National Party.

Mr SLACK: I guess what we are getting down to, though, is this time frame that you keep repeating, that you could have gotten it up in 1998.

Mr McGRADY: I did not say that at all.

Mr SLACK: I thought you said before that it would be on stream now. I thought you made that statement earlier.

Mr McGRADY: No. I asked Mr Jardine to clarify what I said, and what I said is that if it had been allowed to run the course which we had in line, we would have had access to power at this point, and Mr Jardine confirmed what I said.

Mr JARDINE: I should clarify that. The construction timetable had Eastlink finished construction by now. Right now it would have been into its commissioning period. While it is being commissioned, you can access the power. That was the point I was making.

I can clarify the situation relating to the environmental issues. The environmental impact study and the environmental impact statement had gone through all the draft phases and all the public consultations in late 1995 and January 1996. So the final environmental impact statement for Eastlink was ready to go out of our organisation and out of our New South Wales counterpart's organisation in February 1996. When the Government changed, that document did not go out.

Mr SLACK: But considering the objection that had been mounted by the environmental groups, it would not be unrealistic to say that it could have been subject to judicial review at the end of the day. That would have taken it right out. That brings us back to the issue of a reliance on Eastlink as the provider of power. In reality, there was an overreliance on it.

Mr McGRADY: The point I make is that the then Opposition, the coalition, was out to destroy this project. The words used by your now leader—it was simply an extension lead over the border—to me indicated total opposition.

Mr SLACK: Irrespective of whether that is true, the reality is that there were environmental

people who felt very strongly about that particular route. They were objecting to it and had means by which they could hold it up for a considerable amount of time.

Mr MITCHELL: We were never opposed to this. I think you finally got around to saying that at the end of your answer. It was just the direction we were a bit concerned about because of those problems. Minister, what are your thoughts on the interconnector? We have talked about all the people wanting to get into power generation in Queensland with the National Competition Policy and competition in Queensland. We are looking at Callide and hopefully Tarong. I might ask you about that later. That will not be for another two or three years with the interconnector. You are saying now that it might be next year. Is that the case?

Mr McGRADY: January 2001.

Mr MITCHELL: I would look at having Queensland generators well and truly in place before pulling power from New South Wales. What are your thoughts on that?

Mr McGRADY: As the Minister for Energy, my responsibility is to ensure that there are sufficient quantities of power in the State. As I said before, the problems we have been experiencing in the last couple of months are not due to the lack of generating capacity. At the present time there is about a 20% margin. If Eastlink had been allowed to go ahead, over a period of time that could have been increased to 25%. So the problem is not capacity. When I was Minister formerly, I carried around in my pocket like a prayer book a piece of cardboard which set out our plans. That is why I sometimes get somewhat disappointed when people say that the Goss Government had no plans.

Mr MITCHELL: Does that plan go back to 1990-91 when the Goss Government was actually told we were going to have problems?

Mr McGRADY: No, it does not. It deals with what was coming on stream in 1995 and thereafter. We can all go back in history. The allegations made today that the Goss Government did not plan for future generation are totally and utterly wrong and untrue.

Mr MITCHELL: Why did it not happen? It is nearly six years.

Mr McGRADY: The two final units of Stanwell were switched on during our period of Government.

Mr MITCHELL: Commissioned in 1988.

Mr McGRADY: The two units at Stanwell came on during our time in Government. The decision regarding the Collinsville Power Station, generating 180 megawatts, was taken in our period of Government. Callide A, generating 120 megawatts, was during our period of Government. The generation in relation to the sugar industry also occurred in our period of Government. The Eastlink project, as we have just recently discussed, is for 500 megawatts. We were planning the peaking loads at Townsville at about 440 megawatts.

Mr MITCHELL: That came on in our time.

Mr McGRADY: I am saying that it is all down here.

Mr MITCHELL: I know the list you are talking about.

Mr McGRADY: There are documents in the public arena in which we stated our plans. We were discussing proposals for a large coal or gas fired power station—a base load which would have come on line in the year 2003 or 2005. They were the plans we had. For people to say that we did not have a plan is totally and utterly wrong and incorrect.

Mr MITCHELL: Maybe there was a plan, but it was a bit short on action. That seems to be the case.

Mr McGRADY: I have just explained.

Mr MITCHELL: I know that you have just explained, but nothing happened from 1992 to about 1996.

Mr McGRADY: Not true.

Mr MITCHELL: About 37 megawatts at Barcardine. That is about all. That is all that came on line.

Mr McGRADY: You are not being fair.

Mr MITCHELL: I am being fair.

Mr McGRADY: The two units at Stanwell—

Mr MITCHELL: I am talking about the Goss Government. Our Government commissioned those in 1988.

Mr McGRADY:—came on during the Goss years. The decision for the Collinsville Power Station was made during the Goss years. I was deeply involved in it.

Mr MITCHELL: But the demand was about 2,000 megawatts. We are talking about only 300 or 400 megawatts.

Mr McGRADY: The plan was there.

Mr MITCHELL: Yes, but the action was not.

Mr McGRADY: The action was there, with all due respect.

Mr MITCHELL: Maybe we will not let you forget, just as you will not let us forget about Eastlink. Are there any reports from the maintenance task force at this stage, or is it too early to know the findings in relation to the maintenance of our generators?

Mr McGRADY: We do have a time frame. On 6 August we commissioned the task force. The terms of reference were to undertake an independent review of the maintenance practices of the Government-owned generating corporations. I have had one discussion about the way in which the report is coming. I will ask Bryan Coulter to give you some additional information.

Mr COULTER: The task force has been running for a little over a month now. There has been one preliminary report to the Minister on some of the issues. The final report is due in mid to late October. In the meantime, we are looking at some of the issues coming out of Mr McGuigan's report so that we can move to early implementation of some of the recommendations.

Mr MITCHELL: I note the comments made by the Treasurer when he appeared before the

Estimates committee that there would be a higher level of dividend flowing from the electricity industry because of the restructure. What impact will this have on consumer prices? What do you feel about that? Do you know how much has actually gone back into the Budget this year because of this?

Mr McGRADY: Last year, the former Government ripped \$850m from the electricity industry.

Mr MITCHELL: After you took \$1.3 billion over the previous four years.

Mr McGRADY: The situation with regard to dividends is that the Government and the owners of any business are entitled to a dividend payment. As such, the previous Government and this Government also have taken dividends from the industry. As I said a moment ago, this Government is not taking large capital payments from the Government owned corporations. In addition, the likely tax equivalent payments amount to about \$41.8m, the likely retail surplus payments are \$161m, and a special restructured dividend amounts to \$95m. The total payment to the Government from the electricity sector is, therefore, approximately \$669m. These figures are similar to those received in the previous year. The figure for the previous year was \$423m, and the tax equivalent was \$79m.

Mr MITCHELL: One Treasury official said that it was because of the restructure that they were able to get that higher dividend.

Mr McGRADY: It does not matter what the reasons are. As I said, the Government and the taxpayers of this State are entitled to a dividend—a reward—for the enterprises that they own. That is the way that business is done.

Mr MITCHELL: I certainly hope that, with the real amalgamation, this figure does not drop back down by \$160m.

Mr McGRADY: I would not imagine so.

Mr MITCHELL: I just wanted to get your thoughts on that.

The CHAIRMAN: The time for questions from non-Government members has expired. On page 14 of the Ministerial Portfolio Statements, under the Office of Sustainable Energy, there is a mention of grants for alternative energy sources. I am aware that there has been some discussion about a project to develop technology that will enable energy to be produced from bagasse. The Mackay Sugar Research Institute has been involved in wanting to advance this project. I think it is called the Biomass Gasification Project. Is that one of the projects under consideration?

Mr McGRADY: There is \$350,000 in the budget for this bagasse initiative. Mackay certainly is the centre of the sugar industry. This bagasse initiative aims to develop advanced bagasse conversion technology to provide for more efficient conversion of Queensland's large bagasse waste resource. More than 10 million tonnes of bagasse are produced each year. The initiative is seen as having the potential to deliver significant quantities of carbon-neutral energy to the national grid. This

initiative will provide the means for Queensland to make a significant contribution to the national goal of 2% renewable energy contribution, as outlined by the Prime Minister's recent greenhouse statement, to which we have referred on a number of occasions this morning. A consortium consisting of the University of Queensland's Chemical Engineering Department, the Sugar Research Institute, AUSTA Energy and the Department of Mines and Energy is undertaking this project.

The initiative is being developed on a well-defined timetable, with the immediate priorities including the formation of an appropriate legal entity representative of major stakeholders to progress the agreed work program. This legal entity will make particular provision for liability, intellectual property and commercialisation issues. Another priority is the development of a detailed work program for the duration of the initiative, with a schedule of performance milestones to be developed as the basis for the payment of these funds.

The CHAIRMAN: Once this technology comes to fruition, is there an export potential there, bearing in mind that there is other biological material around the world that could be converted to energy?

Mr McGRADY: There certainly is. There is a potential for numerous by-products, if you like, from the work that is being done now.

The CHAIRMAN: In the program outlays for the Mines Program on page 10 of the MPS, two trust funds have featured which have not been included in the document prior to the 1998 Budget. I refer to the Coal Industry Fund Trust Fund and the Coal Industry Welfare Trust Fund. Could you please explain the functions of these funds?

Mr McGRADY: The Queensland Coal Board had been in existence for a long, long time. It had many powers—most of them totally defunct. It was an organisation which was set up within the Department of Mines and Energy. It basically had its own secretariat and its own staffing. Many people questioned the need for a coal board in the present economic climate. It was during my years as the Minister that I took steps to progressively disband the Coal Board. As an example, we had three full-time directors of the Coal Board and, from memory, the cost to the department was in excess of \$400,000 just on salaries and allowances. In the restructured Coal Board, we had three people on the board and, from memory, it cost about \$1,800 a year. So there is a massive saving. In fairness to the incoming Government, they continued down that path.

Under the Coal Legislation Amendment Act 1997, the Queensland Coal Board was officially wound up, starting from 1 January this year. There were a number of funds administered by this board. The welfare fund was transferred to the Department of Mines and Energy, with the Minister as the trustee. The welfare fund will be used for the benefit of employees in the mining industry, and their families, until it is run down. The proposed life span will be as short as possible. Some of this money has been used for public projects in the township of Moura.

The Coal Industry Fund has been transferred to my department to be used at the Minister's discretion. There is some discussion and debate taking place within the department as to how that money should be spent. As I said, there are different points of view. The money could be used to promote Queensland coal. As to some of the issues we discussed earlier this morning, such as clean coal technology—maybe there is some scope for some of the money to be used in that area. We have not arrived at any decision, but we will be doing so in the very near future.

The CHAIRMAN: The issue of resources for environmental monitoring is raised on page 2 of the MPS. Could you please tell the Committee how much has been approved in this budget to improve the level of environmental monitoring previously undertaken by your department?

Mr McGRADY: Expenditure is absorbed in the department's base budget, which I mentioned earlier this morning. However, this year's budget includes an additional \$1.25m, and \$2.5m in each of the next three years, to supplement those base funds. Under the Mineral Resources Act, the holder of a mining lease must submit a plan of operations that is consistent with the accepted environmental management strategy and must conduct mining activities in accordance with the EMOS and the current plan of operation. The plan of operations is submitted with an environmental audit statement about the plan's consistency with the EMOS. Although the Act does not restrict the company's choice of who does the audit, the Act requires that the Minister must be satisfied that the plan is appropriate for the mining lease and is consistent with the EMOS and that the persons preparing the statement acted responsibly and honestly. The department has the opportunity to check the audit statement when the plan is submitted. The department also conducts a program of compliance assessments which combine desktop comparisons of the plan of operations with the EMOS commitments and site inspections. An unsatisfactory plan can be and sometimes is rejected. If inadequacies are discovered during a compliance assessment, the leaseholder can be directed to improve the plan. It is also possible to force the company to prepare a new plan.

The number of compliance assessments has increased steadily since the program commenced in 1994. The number in 1994 was 7; 1995-96, 35; 1996-97, 87. In the 1997-98 year, it was 104. That represents less than 10% of the mining contracts in Queensland, implying that, on average, a mining contract will be inspected once every 10 years. Because many of the mining projects are not operating or are very small, the frequency of compliance assessments for major mines is obviously much higher. In order to more closely monitor mining operations throughout the State, the Government has fulfilled its election commitment of increasing the level of environmental monitoring of mine sites by committing that extra \$2.5m that will go towards that activity.

The CHAIRMAN: On page 2 of the Ministerial Portfolio Statements, reference is made to a key initiative of the department to stimulate investment by accumulating key resource data. Could you please provide more information on that initiative?

Mr McGRADY: In the last Budget, no money was allocated for that initiative. \$2m has been allocated for this particular project. The initiative builds on initiatives that I introduced back in my term as Minister under the Goss Government. During that term, I was responsible for implementing the original AIRDATA Program, which was the first time that Queensland had gathered airborne geophysical data which could be provided to the industry to encourage exploration and investment in the State. I also established the Pacific Resource Information Centre, or PRINCE as it is known in the industry, to assist in managing petroleum data.

Although the coalition Government funded those initiatives to some extent, the funding levels were not adequate to maintain our State's competitive edge in the exploration market. Queensland's mineral exploration expenditure has declined by 27% over the last two years. Its share of total exploration in Australia has declined at the expense of other States from 17.3% to 10.3% during the same period. Queensland is competing in the global market for investment in exploration expenditure. Mining companies are increasingly diverting their exploration dollars to South America, Asia and Africa, away from the traditional exploration areas such as Australia. Queensland needs to market its high mineral potential and its stable and secure economic environment to attract the high-risk venture capital required for exploration.

Exploration initiatives undertaken by other States have generated increased exploration activity and expenditure in those areas they have targeted. They have achieved that by taking a comprehensive and integrated approach to data collection, dissemination and promotion, taking full advantage of recent IT developments. The funds provided in this Budget will be used for the integrated package of activities, which will include collection and analysis of geophysical data in an area of north Queensland which early indications show has mineralisation similar to that around the Mount Isa area. We also propose the development of a database containing information on Queensland's mineral prospectivity that can be easily accessed by prospective clients and imaging of data contained in exploration reports to make it more accessible to clients in the industry.

Mr PEARCE: Your department is responsible for safety in the explosives industry. There is a reference on page 8 to new legislation. When is it likely that that legislation will be introduced?

Mr McGRADY: Peter Dent is here. Peter is one of those persons in the department who loves to talk about safety in the industry. I will throw that one to him. I did warn him of this, by the way.

Mr DENT: The explosives legislation is currently being reviewed. An authority for preparation of the new Explosives Bill was introduced by the Government in August. The new thrust of the legislation will be to modernise it, to

have general application across mining as well as other areas in Queensland, rationalisation of the licence system and a national licensing scheme. It will address new technologies and products. In effect, it will ensure that the legislation will cover the industry and public from the exposure and use of those inherently dangerous materials. Hopefully the legislation will be introduced during the next quarter to six months.

Mr PEARCE: It was recommended by the report into the Moura incident that the Explosives Inspectorate be restructured. I have not heard anything, so I would appreciate it if you could tell the Committee whether any funds have been provided for that restructuring process.

Mr DENT: For the Explosives Inspectorate?

Mr PEARCE: Yes.

Mr DENT: Yes, the Budget has provided \$500,000, \$250,000 of which moneys are to be directed to the Explosives Inspectorate. It will allow for the employment of four additional explosives inspectors across the State. There will be one in the southern area and three in the regions. Recruitment was advertised only in the last few weeks. We hope to recruit to those positions during the next quarter and substantially increase the inspectorial regulatory cover of the use of explosives in this State. Queensland is the biggest importer, manufacturer and user of explosives in Australasia, with some 250,000 tonnes being used annually. That funding will increase the number of inspectors from three to seven.

Mr PEARCE: There is a reference to the Mines Inspectorate being restructured on page 6. I know that that is as a result of the inquiry into the Moura mine disaster. Have all of the recommendations of that inquiry been implemented?

Mr DENT: Yes. There were 23 recommendations that were made by the inquiry into the Moura disaster and a number of comments, which the Government interpreted as recommendations. In April this year, the conclusion of all of those recommendations was acknowledged with a function by the then Minister involving the Government, the unions and the mine owners who, over the three years since 1994 when that tragedy occurred, contributed substantially to the completion of all of those recommendations. Some of those will be reflected in the new legislation about to be introduced. Unlike the previous Moura disaster in 1986, all of the recommendations have been fully consummated to date.

Mr PEARCE: You mentioned the new legislation. When will that new legislation be introduced? It has been a long process. Are we any closer to getting it into Parliament?

Mr McGRADY: For the benefit of those people who are not familiar with this, I point out that in my former term as Minister I commissioned a tripartite committee consisting of the Queensland Mining Council, the department and the trade unions to review the Act. Work was progressing on that. Then we had the tragic accident at Moura, so I suspended the activities of that group because,

obviously, there would be some recommendations coming from the Moura inquiry that would have to be implemented in that legislation. Once the Moura recommendations had come down, the previous Minister recommissioned the tripartite committee. It was doing its work.

Just prior to the recent State election, the former Minister was ready to bring legislation into the Parliament and the State election halted that. I have now had a number of meetings with both the relevant unions and also the Queensland Mining Council. Approximately 98% of the work has been unanimously agreed to. There are still one or two major issues where agreement between the two sides has not been arrived at. I told both sides from day one that if we could not get agreement, then I would simply take legislation to the Cabinet and then, obviously, take it into the Parliament. I have received permission from Cabinet to prepare the legislation. I have almost completed my discussions with both sides of the industry. I am forming a personal opinion as to what should go in that legislation and I will be relaying that to both sides. Then I will get the legislation drawn up, taken to Cabinet, and then taken to the Parliament. We would hope to have that in the Parliament in the next session.

Mr DENT: In the next session, yes.

Mr PEARCE: It is all about health and safety and, being a former miner, I appreciate where you are trying to go with that. I understand that there has been a reduction of about 6% in 1997-98 in accidents in mines and quarries. Could you tell the Committee if there have been any significant incidents occurring in underground coalmines since the Moura disaster? Could you provide details of those incidents?

Mr DENT: For the 1997-98 year just concluded, the statistics are just being published now. They show a reduction in fatalities from 10 the previous year, 1996-97, to one for last year. They show for both coal and metalliferous surface and underground a reduction in lost time in injury frequency rate of about 20.5 down to 15—quite a substantial reduction. The duration and severity rates have reduced dramatically by some 45% and 30% respectively. So that is a very good performance for the industry last year compared to the previous year.

Of course, one swallow does not make a summer. We have a long way to go. In terms of serious incidents, regrettably there has been an increase in incidents over the last nine months in underground coalmines in this State with heatings and spon. com. On a number of occasions there have been emergency evacuations of those mines and the need for the Mines Inspectorate to assist in the recovery of those operations for the resumption of normal operations. We have had to talk to the senior executive officers of those mines and, with their full cooperation, put in place remedial matters for correction.

The new legislation will ensure that there is a system of compliance or enforcement that is far more detailed, apparent and visible and applied by the inspectorate. The new legislation will also contain a higher level of responsibility for the chief executive officers and an improved system of audit by the

Mines Inspectorate. A far more vigilant and competent inspectorate has already resulted from the restructuring of that group since it was initiated early last year.

The CHAIRMAN: The time for Government questions has expired. I call on the member for Charters Towers.

Mr MITCHELL: Earlier today you said that you could not recall giving a ministerial direction to CS Energy over the Callide project. I wonder if I might jog your memory on this one. Do you remember signing with the shareholding Minister, the Treasurer, a letter to CS Energy demanding a second review of Callide contracts as you were desperately looking for a way to stop that project? Do you recall the letter? Could you tell us when you and the Treasurer revealed that direction as you are required to under the corporatisation legislation?

Mr McGRADY: I made it clear this morning in all my answers that when the Government came into office we had a duty—we had a responsibility—to review all contracts which had been entered into. I also made clear that we investigated the Callide C contract.

Mr SEENEY: Twice.

Mr McGRADY: We investigated the Callide C contract. In line with the Premier's promise, we have now stated quite clearly that Callide C will proceed. I make no apologies at all, nor does the Government, for checking what contracts had been signed, where we stood and what we were accepting as a new, incoming Government.

Mr MITCHELL: Why were you trying to stop this contract at all? What is the basis for that?

Mr McGRADY: "Trying to stop this contract" are your words. I think that it is important to understand that when a Government comes in, it has to find out what deals have been done and what contracts have been signed. That is simply what we did. I am sure that the taxpayers of Queensland would be out there cheering the fact that we wanted to know what we were accepting when we came into office.

Mr SEENEY: So why was it necessary to review it twice?

The CHAIRMAN: Is this another question?

Mr McGRADY: As I said before, we simply wanted to know what the situation was. The bottom line is that I have stated on 100 occasions that Callide C is going ahead. End of story.

Mr MITCHELL: Right, we have got that, but I refer to the fact that earlier this morning when we were querying the commitment of CS Energy to the Callide project, it was Mr Jardine from Powerlink who provided the Committee with the advice that there was to be some \$70m this financial year. As you know, Powerlink is not a generating arm of the industry; it is a transmission arm of the industry. How did Mr Jardine have this information? He is effectively from the competing arm of the industry. How can CS Energy or Shell now engage in commercial in confidence negotiations with Powerlink when Powerlink has the inside running?

You said that it was Shell and CS Energy, not Powerlink that was—

Mr McGRADY: No, it was my decision to invite Mr Jardine to the top table to answer questions on the electricity industry. I am sure that Mr Jardine will answer the question that you directed to me.

Mr MITCHELL: As you said, they are confidential negotiations between the two; they have nothing to do with the Government whatsoever. How does Powerlink get to be involved?

Mr McGRADY: I will put that question to Mr Jardine.

Mr JARDINE: In the industry structure, Powerlink has a very special role to play in the electricity market under the Electricity Act and under the various national market codes, including the Queensland interim market code. Our role is to offer non-discriminatory access to all generators who want to connect to the grid. Powerlink's role, therefore, is not to compete with generators; Powerlink's role is simply to provide non-discriminatory access so that all generators can have the same and equal access to compete with each other.

All generators who want to connect to our grid have to come and negotiate connection arrangements with us. As part of those connection arrangements, we have to do our own due diligence to ensure the financial viability of any connecting generators to the grid. So we are a neutral player. We have to deal with all generators on a non-discriminatory basis.

In relation to the information this morning, CS Energy was made aware that I was accompanying the Minister this morning to this Committee and provided some information to me solely for the purpose of providing it to this Committee. It did provide it to me on the basis that it was commercial in confidence information exclusively and solely for the purposes of this Committee.

Mr MITCHELL: So it did come from CS Energy that you were to answer, knowing the figures and everything, in terms of this figure of \$70m?

Mr JARDINE: Correct. The information was provided by CS Energy to me solely for the purpose of the Committee.

Mr MITCHELL: It also told you that we are going to be up and running by 2001? Is that the story?

Mr JARDINE: As part of its connection agreement and its connection discussions with Powerlink as owner of the transmission grid—part of that connection agreement is the timing of when they are up and running, yes.

Mr MITCHELL: And what time did they give you? The same as what the Minister has?

Mr JARDINE: That is the discussions that they have been having with us in relation to that connection agreement.

Mr SEENEY: Could I ask Mr Jardine whether he or the people from CS Energy were aware of the figure in the Budget documents of \$27.9m when you

provided us with a figure of \$70m for the project this year? Were you aware that that figure of \$27.9m was in the Budget documents?

Mr JARDINE: I am not sure which particular part of the Budget document you are referring to.

Mr SEENEY: Under Capital Outlays by region, page 50, Callide C is mentioned with a budgeted figure of \$27.9m. The figure that you gave us this morning was \$70m. Surely if you were aware of that figure in the Budget documents, you would have expressed some surprise to the CS Energy people when they indicated a need for \$70m. There seems to be a discrepancy there.

Mrs TAYLOR: Those figures were provided to me by CS Energy. They were only intended to indicate the highlights of the capital expenditure from CS Energy. CS Energy specifically asked that in the figures section of the Budget paper only one amount appear for its total capital expenditure on power stations for commercial-in-confidence reasons. They provided that figure to us.

Mr SEENEY: That is the \$138m?

Mrs TAYLOR: That is right.

Mr SEENEY: But we are trying to establish what money is going to be spent on Callide C.

Mrs TAYLOR: They asked that the \$138m not be split up originally.

Mr SEENEY: It is easy enough to split that up by working through the Capital Outlays by region, where projects like the Mica Creek and Stanmore Power Stations are listed. Callide C is listed with a budgeted allocation of \$27.9m. There is a big difference between \$27.9m and the \$70m that the Committee was told this morning was going to be required for CS Energy's expenditure on Callide C.

Mrs TAYLOR: The \$27.9m appears in the text section, which is not supposed to reconcile with the figures. It is just an indication of some of the highlights, so that people reading this document will understand the main areas of expenditure. It is not meant to express the total amount spent on the Callide C Power Station.

Mr SEENEY: I take that as given, but it is irrelevant. The indication was that \$27.9m was going to be spent and this morning we are told that \$70m is going to be spent. If \$70m is going to come out of the \$130m in the tables, rather than \$30m, are other projects not going to be done? Will Mica Creek not be built? There is a big difference. What else out of the \$130m will not be completed so that the extra \$42m can be found?

Mr McGRADY: As I said previously, we are not privy to the confidential discussions undertaken by these companies. I thought I explained that earlier on. However, I am more than happy to ask for an explanation from the chairman of the company. If they are prepared to give it to me, I will pass it on to the honourable member.

Mr SLACK: Why was CS told to provide one figure and the other people provided detail?

Mr McGRADY: I am informed that CS Energy asked if it was in order to provide the one figure and

the officers said yes. As I have said, I will be more than happy to ask the chairman for this information and to pass it on to Mr Mitchell, who can then pass it on to you.

Mr MITCHELL: On page 66 of Budget Paper No. 3, mention is made of the \$38.6m provided for the transmission line from Gunpowder to Century and associated substations. As we all know, work on that project has been delayed by native title and your good friend Jason Yanner. Since Century hopes to be in production next year and native title issues have also delayed the alternative energy supply of diesel over the Gregory River bridge, what action is the Government taking to get those projects moving?

Mr McGRADY: First of all, it is not a native title issue.

Mr MITCHELL: Was the bridge not a native title issue?

Mr McGRADY: The main problem is a cultural heritage issue.

Mr MITCHELL: It is something the same.

Mr McGRADY: This is an issue. It is a concern to me and I have made some public statements about what is happening. My information is that NORQEB simply bid for the work. As such, it is in there in a commercial sense. I have commented many times that some people were intending to try to prevent the Century mine from becoming a reality. They missed that opportunity. Now that handful of people are using the back door to try to prevent this mine from coming into being.

I know this area more than most people. The Century mine will be developed in an area of almost total unemployment. If we are to provide employment for the Aboriginal people of the Gulf Country, projects such as this will in fact provide those jobs. The vast majority of the Aboriginal people of the Gulf Country are supportive of the mine going ahead. My view is well known and, at the recent State election, I secured in excess of 90% of the vote at Doomadgee and Mornington Island, which are the two main centres—

Mr MITCHELL: That is another 2% that we have to get hold of, that is all.

Mr McGRADY: At a recent ATSI election, one of the key opponents of the mine secured 15 votes. I use those figures to demonstrate the wide support in the Gulf Country for the Century mine. As you would imagine, legal action is pending and I would prefer not to make any comment on what is happening. All I can say is that the Government is involved in this, and it is my hope and desire to get the matter sorted out as soon as possible.

Mr MITCHELL: What can Government do about the negotiations concerning the proposed \$800 a day sitting fees?

Mr McGRADY: With the native title legislation that the Government is looking at now, I would certainly hope that the question of cultural heritage could be taken on board. I am sure it will. Commissioner O'Shane, a commissioner with ATSI,

recently suggested that sitting fees be standard across the State. There is a lot of merit in that suggestion. Whilst the \$800 is an ambit claim, it was certainly made, and there are other instances around the State where a handful of individuals are, in my opinion, making outlandish claims for cultural heritage clearance programs and, at the end of day, you and I pay.

Mr MITCHELL: If it drags on for any length of time, corporations such as NORQEB just cannot afford \$800 a day on their contract.

Mr McGRADY: That is \$800 by 75 people.

Mr MITCHELL: What funding has been allocated for native title negotiations? As I believe there will be increased claims with the new legislation and considering that there is a backlog to be sorted out, is there any funding to cover those ongoing problems?

Mr McGRADY: As you all know, native title is an issue that both the previous Government and ourselves are working through. One would have to admit that the current Government is doing all that it can to resolve the issue. It is not simple. The first piece of legislation that we brought into the Parliament was the validation Bill, which certainly went some way to resolving the particular problem.

In a forum such as this, all I want to say is that the matter of native title is being addressed and worked on in the Premier's Department. The Premier himself has taken a personal role in trying to resolve the issue. The Federal Government obviously has a role to play. As late as last night, the Premier and other department officers were discussing what the legislation should be. It is also fair to say that the Queensland Mining Council, Aboriginal groups and others are a part of the process that has been introduced by the Premier. The money is being administered from the Treasury, but money has been allocated in the Budget for my department to employ additional staff when required.

Mr MITCHELL: I could not find it, that is all.

Mr McGRADY: A sum of \$2m has been set aside in the Treasury Advance. As I say, at the appropriate time we will be employing staff to try to break down the backlog.

Mr MITCHELL: I believe that with the legislation that has gone through to date, we can move on a few more claims and the best way to do that is to try to get it moving. I draw your attention to page 31 of Budget Paper No. 3 regarding capital outlays in south-east Queensland and the apparent omission of \$16.6m for new plant projects in the Brisbane area and another \$420,000 to be spent on the enhancement of the electricity market system provided by the coalition Government of 1998-99. Why have you not proceeded with those outlays and what is the implication for the Brisbane area? The \$16.6m mentioned on page 31 of Budget Paper No. 3 was provided in our Budget but it no longer exists in yours.

Mr McGRADY: As I mentioned once before, these are simply the highlights. I take your point. I will take that on notice and get back to you.

Mr MITCHELL: You might also like to take on notice why there has been an omission of \$6.3m for the South East Queensland Energy Management System for the Brisbane area?

Mr McGRADY: We will also take that on notice and get back to you.

Mr MITCHELL: We have spoken about amalgamation in relation to generation, but are there any funds or any thoughts in your budget in respect of similar moves in the transmission and distribution arm of the industry?

Mr McGRADY: What do you mean by "funds"?

Mr MITCHELL: Are there any plans to amalgamate any of the transmission areas?

Mr McGRADY: Are you talking about the regional electricity boards and that sort of stuff?

Mr MITCHELL: Yes.

Mr McGRADY: As I said, a restructuring of the industry is now taking place. I think it would be very wrong of me as the Minister to indicate my personal views on whether or not we should retain seven regional boards or whether there could be some other plan. If you have an independent group of people who are making those recommendations, you have to allow them to make the recommendations. I will have my say. I will be making the final recommendation to Cabinet, so I do not think it is appropriate for me to express a personal view at this point in time.

Mr SEENEY: You spoke earlier about the deposits of gas being investigated in Queensland. Are the companies that are working on those gas deposits in Queensland going to be given the same priority as Chevron when it comes to providing a resource for a base load power station in north Queensland?

Mr McGRADY: Can you tell me what priorities Chevron has been given?

Mr SEENEY: I would suggest it has been given every assistance by this Government in a whole heap of ways. I cite firstly the assistance it was given with respect to the native title legislation. That would probably be a good place to start.

Mr McGRADY: I said before that the energy industry in Queensland today is an exciting industry. The decision by Tri-Star and Transfield to spend vast amounts of money around the Injune area demonstrates to me at least that there is a huge potential. Quite honestly, our Government stands ready to support anybody who is prepared to invest in this State and, as a result of that investment, bring benefits to the people of Queensland. I do not think we should start comparing one with another.

Mr SEENEY: The question was: will they be given the same opportunity to provide gas to the base load power stations that Chevron is? Will they be given the same opportunities?

Mr McGRADY: Has my time expired, Mr Chairman?

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

Mr HAYWARD: I understand that funds relating to the interconnector which will allow Queensland to connect into the national electricity grid are not included in the department's budget. I understand that that is because they are the responsibility of Government owned corporations. But given the monitoring role that your department has, can you please outline the current status of the interconnector project?

Mr McGRADY: That is Mr Jardine's baby, so I will let him answer it.

Mr JARDINE: Powerlink is responsible for the construction and operation of the Queensland section of the interconnector, and we are obviously liaising very closely with our New South Wales counterparts on that. The stage where we are at on that is that the environmental impact study for the interconnector has been completed and has been published along with an environmental management plan. The precise route for the interconnector has therefore as a consequence of those studies been finalised. The resumption notices for the easements have been issued some weeks ago. The final proclamation of the route is not expected until early January, because we have to allow time for any objections that come in on those resumption notices and so on to be heard. The construction will start, we expect, in late January 1999. As was mentioned earlier, we have worked with our New South Wales counterparts on coming up with a compressed timetable for the construction phase of the interconnector so that that is up and running in early 2001.

Mr PEARCE: On page 19 of the MPS there is reference to the Queensland Mines Rescue Brigade. I understood that the Government was no longer funding the Mines Rescue Brigade. Could you please explain to the Committee what the reference on page 19 is all about?

Mr McGRADY: The expenditure for the Mines Rescue Brigade this year is nil. As you would be aware more than most here, the whole concept of mines rescue has changed. Whereas it used to be run from the Department of Mines and Energy, it is now basically a private company. In Opposition we opposed this legislation. I still believe that the way it used to be was the better way for the industry, because the Mines Rescue Brigade is such an important organisation. When we had the Moura disaster, I received a telephone call early in the morning to tell me what had happened. I contacted the then Premier and we flew up to Moura. The Mines Rescue Brigade officers were there doing what they could to assist their colleagues who were trapped in the mine. It is a very, very important organisation. The Minister does have the right to intervene under special circumstances. I will be watching with a great deal of interest how the newly formed rescue brigade operates, because it is vital that we have an effective Mines Rescue Brigade in Queensland. The criterion must not be money. It is something that we just simply have to keep as a tool to try to improve safety in the mines.

Mr PEARCE: Would you be able to tell the Committee the reasons why the employment of the

manager of the Queensland Mines Rescue Brigade was recently terminated?

Mr McGRADY: Firstly, I am aware that the previous gentleman's services were terminated. But as you would appreciate, I have no say or control in that decision. All staff of the Mines Rescue Brigade transferred to the Queensland Mines Rescue Service on 1 January this year. All staff of the Mines Rescue Service other than the State manager are subject to award conditions. The State manager, I am informed, entered into a confidential employment contract with the board of the service. The chairman of the board has advised me that the board has exercised its right under this employment contract to terminate the employment of the State manager and the company secretary in accordance with the confidential contract conditions. The State manager ceased employment on Tuesday, 8 September this year.

The board has further informed me that Dr Bevan Kathage has been appointed interim chief executive officer and company secretary of the Queensland Mines Rescue Service from that date. He is well known throughout the Queensland mining industry, and I am informed that he is well qualified to undertake the role of an interim chief executive of that service. The position of chief executive officer of the service was advertised on Saturday, 12 September. I do not have any further information.

Mr PEARCE: So you are saying that you do not have any control over the way that the board operates?

Mr McGRADY: I have no control whatsoever over the way in which the board operates. As I said a moment ago, in exceptional circumstances I can move in.

Mr PEARCE: Are you happy about that?

Mr McGRADY: I am not happy and, as I said, I opposed this legislation when I was the shadow Minister. What is happening more and more these days is that Governments or Ministers are expected to take the flak when things go wrong but they have no say at all in the decisions which are being made. You have the situation in Sydney with the water crisis. To some extent you have the same situation in Queensland with the electricity industry, and this is just another example. I would venture to say that most people would believe that the Mines Rescue Service is still under the control of the Department of Mines and Energy and indeed the Minister. That is not the case. Therefore, I simply stand by as an interested observer. I receive reports from time to time when it is considered I should be made aware of what is happening. As I said, I do have emergency move-in provisions, but again the grounds on which I can do that are stipulated.

The CHAIRMAN: On page 14 of the Ministerial Portfolio Statements I noted that the Office of Sustainable Energy will be purchasing green power. Would you please explain to the Committee what this is all about?

Mr McGRADY: This particular year we will be spending about \$600,000. The budget includes \$3.2m over four years to purchase green power.

Encouragement of renewable energy sources is seen as a key mechanism to assist in meeting Australia's greenhouse gas emission targets which I mentioned before which were agreed to at the famous meeting in Kyoto. My department is of the view that, in taking the lead and sourcing 2% of Government electricity requirements from renewable sources, the Government will provide a clear signal to the electricity market as well as raising the profile of green energy within the community. The initiative is also expected to stimulate investment in renewable energy sources.

Funding of this initiative will allow the Government to pay a premium for the supply of green energy. However, the additional cost of green energy purchases will be partially offset by energy efficiency measures. In order to maximise the benefits of the measure, particularly the opportunity to offset costs through energy efficiency initiatives, the Department of Mines and Energy will work cooperatively with the Department of Public Works and Housing, which has the responsibility for most Government buildings. The department is currently developing implementation plans for the introduction of the scheme. Once an appropriate implementation plan has been developed, tenders will be called for the supply of renewable energy.

The CHAIRMAN: I also note on page 15 of the Ministerial Portfolio Statements that \$5m has been allocated to the Office of Sustainable Energy in 1998-99. Given that such a significant level of funding has been provided for the issue of renewable and sustainable energy, is your department planning anything to encourage private enterprise to become more involved?

Mr McGRADY: The primary objective of this initiative is to foster the development, demonstration and commercialisation of new, improved or sustainable energy technologies in the State. These technologies include resource utilisation and manufacturing processes with the State's broad economic development policy objectives which enhance the State's competitive advantages. Through this fund the Government will have the capacity or the capability to directly support innovative projects as well as facilitate the leveraging of additional funds from the energy sector and broader investment community.

The Kyoto greenhouse protocol will be an important guide to the operation of the fund, particularly in respect of the market opportunities which will emerge for energy supply, conversion and use technologies that reduce overall greenhouse and energy use intensity. The establishment of this fund follows the demise of the Commonwealth's energy research and development corporation and will provide a timely means for this State, its organisations and individuals to access funding support for energy innovation activities.

The CHAIRMAN: Much has been said today about the continuity of supply of electricity, and it is referred to a number of times in your department's documents. Could you please inform the Committee if the Stanwell Corporation still intends to relocate the 34 megawatt Mackay gas turbine to Brisbane?

Mr McGRADY: My understanding is that they do—I received correspondence recently from the corporation. From memory, the Stanwell Corporation, which owns and operates the gas turbines to generate electricity, reports that it is uneconomical to operate them at the present location in Mackay. Stanwell has three options to make the operation of the Mackay gas turbines economically viable. Those three options are the decommissioning of the gas turbine, relocating it to a position where it can receive better returns or upgrading the machine to improve the overall efficiency and continue to run at Mackay. After a comprehensive investigation, Stanwell has decided not to relocate that turbine and will operate it at least until the end of the coming summer period. Stanwell has evaluated the other two alternatives and hopes to resolve the issue in the next six months. I apologise for before. That correspondence came in late last week.

The CHAIRMAN: Did they consult you at all or just write to you and advise you that that was what they were doing?

Mr McGRADY: My understanding was that we have received reports from one individual who had an interest in this matter, namely, yourself and my office liaised with Stanwell to get the result which we did get.

Mr PEARCE: Is it true that Treasury has given approval to SIMTARS to form a private company and, if it is, would you just mind expanding on it a little bit?

Mr McGRADY: In previous Estimates or at every opportunity I have had, I have always paid tribute to the work of SIMTARS. It is one of these organisations which is out there doing so much for the mining industry. In fact, last week or the week before I attended its 10th birthday party to celebrate 10 years of providing this work for the industry. I stated in my address to the gathering that, whilst I see no problem with SIMTARS doing commercial work or doing work as a fee for service, the bottom line is that, as far as I am concerned and as far as the Government is concerned, SIMTARS is there to provide a service to the industry and to ensure that the industry gets safer. Many of the projects that we do certainly go in that direction. I think at this point Stewart Bell might come forward. Stewart is the newly appointed director. He was appointed just a few weeks ago. I will give Stewart the opportunity to say a few words.

Mr BELL: SIMTARS is focused on mine safety as our primary role. In this calendar year we have been involved in three or four occasions where mine hearings have progressed to a stage where our services were required. In particular, I mention the north Goonyella episode in January where we have had gas monitoring people on site for a period of six weeks. More recently we were involved in an incident at Cannington mine near Mount Isa. Once again we provided the sort of service the mines require. I am a great believer that the commercial business of SIMTARS runs, subsidises and supports safety services.

Mr McGRADY: I will come back now. It is true that SIMTARS has set up a private company. In fact,

recently a number of people from India came over here whom we met during the celebrations. The private company has been formed. Let me say that is just looking after one aspect of it, that is, its overseas business. I have mentioned this to the director, and I think we have a meeting today or tomorrow to go through the commercialisation of SIMTARS. As far as I am concerned—and as far as the Government is concerned—I have no problems at all with fee for service, but at the end of the day the prime reason for SIMTARS being in existence is to provide a service to the Queensland mining industry. I do not want to have a situation in which our officers are out there doing private work when they are needed when a disaster occurs. I have mentioned to the director that there has to be this happy balance, and I am sure he understands that.

Mr PEARCE: I guess that has been my concern, that we are accustomed to the quality of service that is provided and if we go down a new road is that quality of service going to be maintained?

Mr McGRADY: As I say, I think there is scope there for fee for service and there always has been, but at the end of the day SIMTARS is there to ensure that Queensland mines are safer.

Mr PEARCE: Each of the program outlays tabled in the Ministerial Portfolio Statements includes an increase in 1998-99 in capital expenditure when compared with 1997-98. Could you please outline to the Committee the major areas of capital expenditure planned for 1998-99?

Mr McGRADY: The major areas of expenditure proposed in this year's budget are the establishment of the Solar Hot Water Rebate Scheme, which is \$1.5m; the establishment of the Remote Area Power Supply rebate Scheme, which is \$1.25m; the capping of the shafts at Charters Towers, which we are spending \$1m on; and the location and repair of shafts at Gympie. That will continue in this financial year, with most of the identified shafts due to be capped by June 1999. We have allocated \$1m for that.

And of course there is the hardy annual: the rehabilitation of a waste rock dump at Horn Island. This should be completed. We have allocated just over \$2m. This is where we talk about cowboys, when we see the damage done at Horn Island. We have spent literally millions of dollars trying to get that island back to the way it should be. I could say a lot about Horn Island, but I do not have the time.

The CHAIRMAN: The time for Government members' questions has expired.

Mr SLACK: In relation to the answer you gave to a question asked by the member for Callide, what form does your policy on the provision of incentives take? You spoke of giving incentives for power generation. Do you have a policy on it? What form does that policy take? For instance, are you intending to give incentive packages to private enterprise development of power stations in the coal industry?

Mr McGRADY: I asked the member for Callide what incentives we had given the Papua New Guinea

gas pipeline and he came forward with what he thought we were doing and I said that we would consider any project. This comes under the portfolio of the Minister for State Development. Obviously, as the Minister for Mines and Energy I would be involved. But at this point in time, to my knowledge—

Mr SLACK: Have you a policy or not? Obviously it is a very sensitive area in relation to commercial competition.

Mr McGRADY: It would be a policy which would come from the Minister for State Development. Obviously I would have some input into it.

Mr SLACK: But you have not developed a policy in relation to it?

Mr McGRADY: No.

Mr SEENEY: Do you see any advantage in gas to those proposed base load power stations in Townsville being provided by onshore companies using local resources, as opposed to importing gas from a politically unstable neighbour? Can you assure us that those companies developing and exploring onshore gas deposits will be given the same opportunities to supply gas to those power stations?

Mr McGRADY: First of all, it was Papua New Guinea, or the Chevron as it was known in those days, which had done the work and had negotiated with both the previous Government and this Government. We welcomed it. The leadership of the Opposition keeps on telling us in the Parliament that it supports it, too. It is a commercial decision which that company and the associated companies will make. I have already mentioned the project over at Injune with Transfield and Tri-Star. I have been informed of what is developing there. In fact, I travelled to Injune last week or the week before and participated in a ceremony there.

I want to see a base load power station in Townsville, because that is important. If we are to talk about the people of the north getting some of the benefits of competition policy, we have to have a base load power station in that city. Personally, I do not lose sleep over whether it comes from Papua New Guinea, from Injune or from anywhere else. I just want to see development in this State. I want to see the jobs which would come from the pipeline coming from either Papua New Guinea or indeed Injune, which is 700 kilometres away. The people in the industry tell me that it could be a win-win situation, but I want to see development in this State and I want to see a base load power station in Townsville to service the needs of the north.

Mr MITCHELL: You would also be aware of the latest development with your builder doing a contract with Transfield, taking one to Yabulu.

Mr McGRADY: Obviously I will have discussions with Queensland Nickel and these other people.

Mr MITCHELL: Queensland Nickel I meant, yes.

Mr McGRADY: They are all wanting to build power stations. It is great, is it not? This is what has happened with the change of Government. Everybody wants to come into Queensland and develop.

Mr MITCHELL: We heard earlier from different people looking at the power situation that they thought onshore was dearer than from New Guinea. It does not seem to be the case.

Mr McGRADY: Well, we will see.

Mr MITCHELL: It is good that we had the initiative to get it going and get people starting to think about it.

Mr McGRADY: Get which?

Mr MITCHELL: All the gas pipelines.

Mr McGRADY: From where?

Mr MITCHELL: From around the State. From the south-west corner.

Mr McGRADY: And who got them going?

Mr MITCHELL: We did.

Mr McGRADY: Who's "we"?

Mr MITCHELL: The Borbidge Government.

Mr McGRADY: Oh, come on!

Mr MITCHELL: Anyway, you mentioned earlier about legal action pending. The only one I know of at this stage is Pasminco considering legal action against NORQEB.

Mr McGRADY: Potential legal action. That is the reason I do not want to become involved in a discussion on this matter. I have expressed my point of view regarding the transmission line from Gunpowder to Century. Really, I do not want to progress that any further.

Mr MITCHELL: Somebody has to, though, otherwise there could be a stalemate for a long time.

Mr McGRADY: I will just say that you and this Committee know my views and my history in trying to get the development up in the north-west of the State. You do not think I would be sitting there saying my prayers, do you?

Mr MITCHELL: It has been a long, drawn-out saga, for sure. I refer you to page 131 of Budget Paper No. 2 and the remote area power supply trial. I have asked a question on notice in relation to this issue, but can you explain how this project that you intend for \$1m will be superior to the \$5m remote area supply trial funded by the coalition in its Budget, which was applied to the Barcoo and Boulia Shires? Can you also explain your reasons for not proceeding with this project, particularly in light of the reference under Key Issues on page 1 of your MPS to the equitable and reliable provision of energy to remote underpopulated areas?

Mr McGRADY: Thank you for that question, Dorothy.

Mr MITCHELL: I have a follow-up question. I already have two questions on notice in relation to this matter. I will just see if you give the same answer.

Mr McGRADY: I have been waiting for this all morning. I note with interest an article in the Longreach Leader, attributed to you, in which you said that it was obvious that Labor had learnt nothing since the days of the Goss Government and still seemed intent on reducing services to people living in the bush. Really, I have to say that in my term as Minister our Government did more for the people of Boulia than did any previous Government. You know as well as anybody what we did. We spent literally millions of dollars on trying to promote a scheme which would give the people of Boulia, and in particular the properties outside of Boulia, a reliable power system.

I mention the four properties on which we did the pilot scheme. Where they used to drink Sunshine milk, they now drink fresh cow's milk. Where they used to have a cool stubbie, they now drink a cold stubbie. Where they could not sleep at night, they now have airconditioning, and they have a freezer. That is part of what the Goss Government did.

When I came into the Minister's chair, the first thing I did was find out about this \$5m which had been allocated in the Budget which was never carried through. There was \$5m allocated for this year, but nothing for future years. When you start doing your sums, you realise that this is all about providing grid power to the remote communities. The total cost is about \$94m. So I said, "Why would there be \$5m in this year's Budget and nothing next year or the year after?" The answer I got was something like, "None of us really know, except Tom had been to Boulia and he had made some commitments." That is not the way to run a Government. If you are going to do a power scheme, you put money in this year's Budget, and then it should be followed up next year and the year after, because \$5m will deliver nothing at all.

So what I did—and what we are doing—is looking at what can be done to bring power to the remote communities. But I am not using gimmicks or playing games. I have left \$1m in the budget to investigate what we can do. Boulia is in my electorate. Boulia has had quite a lot of money spent in that particular area. How about the people of the Barcoo? How about the people in the other remote parts of the State? Are they not entitled to something? What I want to do is bring power to the people of remote Queensland, but I am not playing games. And when I bring in a scheme, there will be money this year, the next year and the following year. There will not be \$5m because I made some commitment at a barbecue in Boulia.

Mr MITCHELL: You are talking about the HRAPS scheme for the home. Is this still a more reliable power for the rural and remote areas than a grid power situation?

Mr McGRADY: Again, this is a debatable point. When I spoke to the people in Boulia—you would know more than most about the number of outages you have in those remote areas, when you have storms and everything else. If you have an outage, or if a line breaks down 200 kilometres away, you have to have somebody ready and prepared to move out to fix it. I believe that grid power is the

most reliable; but then this is why we have had these studies done. The people in Boulia who live on those properties and who have those schemes on their properties would say to you that they are quite excellent; is that right?

Mr MITCHELL: Only for certain areas. But once you start getting into some heavy machinery stuff, like welders and all that, they are not—

Mr McGRADY: But they are still well satisfied with the work that we did in Government, are they not?

Mr MITCHELL: I think that a lot of people are. But I still believe that the future has to be grid power for rural and remote Queensland.

Mr McGRADY: You asked why \$5m was allocated for this year and nothing for the following years. When people in the department say to me that Tom made some commitment—

Mr MITCHELL: That is one area. You will find that most of these areas would be in different pockets, with \$5m for that one. It is like the Harveys Range. I have been trying to get power up there for about the last—

Mr McGRADY: As you know, \$5m will not bring grid power to Boulia.

Mr MITCHELL: It is straight out of Boulia—10 properties, as you already said.

Mr McGRADY: How about Barcoo and the other places? What I want to do is look at a system whereby we can bring grid power to those communities. It is going to be very expensive. Quite honestly, I do not have the funds at this time, but at least there is \$1m there to start the work.

Mr MITCHELL: Is that just a study?

Mr McGRADY: I have said that we had to bring down this budget fairly quickly. There is \$1m in the budget to look at what we can do. I will be quite honest with you; we have not determined what we are going to do, but at least there is money there to look into what we can do.

Mr MITCHELL: I share all your concerns about fly in, fly out. Has the task force that you are setting up approached the Federal Government on tax relief, which Mr Slack has already mentioned, because of the proposed fringe benefits and other taxes in the package?

Mr McGRADY: I have written many times, as the member for Mount Isa, to the Prime Minister and other Ministers. It was part of our election commitment that we would set up a task force. As I said earlier today, Michael Pinnock, on behalf of the Queensland Mining Council, has stated that he would be prepared to have the council join in such a task force. I would envisage local authorities to be involved, I would envisage the trade unions to be involved and, maybe, the local chambers of commerce.

Mr MITCHELL: I think you would have to.

Mr McGRADY: This would be the first time, to my knowledge, that any Government has addressed this issue. In fairness, it is fairly new. As I said before, if we simply sit back and allow this practice to

continue, you will see the death of inland Queensland. I am sure that you and I agree that that is not what we want. At the same time, I have to come back to you and say that it was your Premier—your Minister—who made it perfectly clear that they were not prepared to take any action at all on fly in, fly out; that was a commercial decision of the companies. Your previous Minister questioned the need in places such as Dysart and Mount Isa, and that was a shocking thing for a Minister for Mines to say.

Mr MITCHELL: With the incentives, there is a better reason to go ahead with these sorts of things—fringe benefits tax, and so on.

Mr McGRADY: We will see what is delivered.

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

Mr HAYWARD: Previously, you made some reference to Horn Island. In Budget Paper No. 3, an amount of \$2.08m is allocated for the rehabilitation of a waste rock dump at Horn Island. What progress has been made with the rehabilitation project at Horn Island and, probably more importantly, what is the timetable for its completion?

Mr McGRADY: I have visited Horn Island on a number of occasions. When one sees the damage that was done to that particular island and the amount of money that is being spent by the taxpayers of Queensland, it is quite horrendous. I was told, in the early days of my former Ministry, that officers of the department had been instructed at the highest level to stay away from Horn Island. And when you see some of the individuals who were involved, you wonder why.

The department has been responsible for the rehabilitation of the abandoned goldmine at Horn Island since the leases were cancelled in 1990. The major part of the site has been rehabilitated, including the tailings dam, the plant site and sulphides pond. The waste rock dump and low-grade ore stockpile remain to be rehabilitated to complete the work at the mine site. These dumps contain a number of nasties. The study by environmental consultants on rehabilitation options for the waste rock dump has been completed. The study indicated that the preferred option for the waste rock dump is re-profiling followed by capping with clay to inhibit the occurrence of acid mine drainage and then a policy of revegetation. The local land council on the island has endorsed the preferred rehabilitation strategy as outlined in this report.

In November 1997, the consultants were commissioned to prepare a detailed design for the waste rock dump to identify sources of the clay and the rock and the topsoil that would be required. Their report, which was completed in June of this year, indicates an estimated capital cost of \$2.27m for the project. The project is currently delayed because the Cape York Land Council has asked for further consultation and an independent review of the preferred rehabilitation strategy for the waste rock dump. The land council has also requested further information about the Horn Island rehabilitation project through freedom of information access. The

Department of Mines and Energy is continuing its yearly program of monitoring surface and ground water quality, soil and, indeed, vegetation. Rehabilitation areas are being monitored for vegetation cover and erosion to ensure the site is self-sustaining and that site stability is being achieved.

Mr HAYWARD: Going on to expand in general about the issue of rehabilitation of abandoned mine sites, what measures does the budget include to rehabilitate the abandoned mine sites around Queensland which, in particular, pose a threat to the safety of people and the environment?

Mr McGRADY: \$4.1m is provided in this year's budget. When Labor came to power in 1989, it inherited an environmental mess in some of the mining operations around the State. Nobody would deny that. Policies were put in place that would ensure that the mining disasters of the previous National/Liberal Party Governments would never happen again. However, much of the mess still has to be cleaned up. As a Government, we are committed to that ongoing operation. Furthermore, not only are we committed to a safe environment for all people who work in the mining environment but also we are committed to ensuring that the people who come into contact with old mine sites are no longer exposed to danger. Therefore, we have committed an additional \$8.5m over the next four years to rehabilitate the old abandoned mine sites around the State.

In 1998-99, just over \$2m will be spent on rehabilitating the Horn Island site, which I mentioned before. That was a gold and copper operation that closed down in 1990. The rehabilitation project will continue. Also in 1998-99, a further half a million dollars will be spent on the shaft repairs at Gympie. That follows on from a project, as I mentioned earlier this morning, that was initiated by Ken Vaughan, the first Minister for Resource Industries in the Goss Government. The aim of that project was to determine the extent of the hazard due to mine subsidence in the Gympie City area and to effect repair on a priority basis. I would say that that is one of the great achievements of the Goss Government.

Mr HAYWARD: My next question relates specifically to the electricity industry. What is the industry doing to ensure it meets potential problems with the millennium bug in the year 2000?

Mr McGRADY: At a Cabinet level, all Ministers have had one major briefing. We have also had a discussion at the Cabinet meeting very recently. All Government departments have been allocated money to address that problem. Since July of last year, the different Queensland electricity groups have increased their efforts to implement planning and remedial measures to counteract the problems that will happen in the year 2000. Most Queensland electricity entities have addressed computer software system problems, but the major concerns lie with embedded systems incorporating some of the chips, etc. The State's three major generation entities in particular rely upon those to operation their intelligence, information and control systems. Within Government, there is an understanding of the major

problems and recent decisions were taken by Cabinet which will certainly go some way to assist the electricity industry in its battle with this problem. Ron, perhaps you would like to elaborate on that.

Mr BOYLE: The Year 2000 Project Office within the Department of Communications, Information, Local Government and Planning has been established. In consultation with the Department of Mines and Energy, it is engaging independent consultants to overview the electricity industry planning to date. An amount of money has been set aside. CMPS & F will undertake a major review of the electricity sector preparedness and, if necessary, possible contingency plans. AUSTA will be one of the subconsultants and funding for the review is being drawn from a special budget within the year 2K project office within Minister Mackenroth's department.

Mr HAYWARD: On page 133 of the Capital Outlays Budget Paper, reference is made to the Calvale/Tarong transmission line. Can you tell the Committee what that project is about?

Mr McGRADY: It is going to bring major benefits to Queensland.

Mr JARDINE: The Calvale/Tarong transmission line is being built to increase the amount of electricity that can be transferred between central Queensland and southern Queensland. At this stage most of the load in Queensland is in the south; most of the generating capacity is in the centre. As we speak today, the transfer capability of the existing transmission system between the centre and the south is somewhat constrained. The Calvale/Tarong transmission line increases the capacity of electricity that can be moved between the centre and the south. That will make a major improvement to the security of supply in the State and, in particular, in the southern region. The line is almost completed. It is due for completion by the end of November, in a couple of months' time. Those benefits will accrue from that date.

The CHAIRMAN: The monitoring of Government owned corporations is obviously a significant activity of the Energy Program. Is it true that you are flagging your intentions to privatise the electricity industry assets by approving the takeover of Allgas by Energex?

Mr McGRADY: One of the last decisions that David Hamill and I made in Opposition and one of the first decisions that we made in Government was the Energex takeover of Allgas. The Energex board was anxious to get some sort of response. They had made certain decisions. They wanted to conclude those arrangements. Unfortunately for Energex, a little thing such as an election came along and interfered with the plans. We went through a situation in which the Government did not have the view that it was going to form Government. The Opposition did not quite have the numbers. Meanwhile, the Energex board members were running around trying to get some response. We were constantly being harassed in the newspaper to make a decision. I think it is fair to say that we made it perfectly clear that we would not be rushed into the decision. We sought and received advice and

certain commitments were given. At the end of the day, we agreed that Energex could purchase Allgas.

Although in this instance the two shareholding Ministers had to give the approval for the takeover, the directors of the company made the decision. If something goes wrong, you know who will wear the flak. It will not be the chairman and directors of Energex; it will be the Government and in particular the Ministers. I have already mentioned this on two occasions today. I will repeat it for the third time: there are no plans, no intention, no desire on the part of this Government to privatise any of the existing assets of the Queensland electricity industry. It is not on the agenda. It is not being discussed. It will not happen so long as this Government is in office.

Mr PEARCE: Being on the Public Accounts Committee, I understand that it is the practice of many agencies to use corporate credit cards for travel expenditure. Could you inform the Committee how many staff of the department have corporate credit cards? Were they used to pay for costs other than travel during the 1997-98 period?

Mr McGRADY: American Express cards are held by each of the SES officers and are primarily used for travel-related expenditure. I am informed that occasionally other staff travelling overseas on departmental business are also issued with a card. In 1997-98, \$41,000 was spent using the Amex cards; 19 cards were issued in the department. If a card is to be used for entertainment, that must be approved prior to the event by the director-general in the case of SES officers, or by the Minister for the director-general.

I would certainly trust that senior staff of the department use the cards in accordance with these guidelines set out in the department's financial management practices. Can I also say that when I was previously the Minister I set up a protocol in the department where any department officer who received any entertainment or gifts or anything else in the case of entertainment had to get the approval of their immediate officer before they accepted any hospitality. Also, there was a register in the department where that was detailed. In the case of the director-general, he had to receive permission from the Minister. Let me say this: one of the first decisions taken by the new director-general in the coalition Government was to abandon that protocol. Let me say that one of my first acts when I became the Minister was to reintroduce that system. So any officer who receives an invitation for hospitality has to get approval from the person he or she reports to. In the case of the director-general, he has to get the approval of the Minister. I believe that is one way to protect the department officers because, if you recall, there were many accusations being bandied around the place.

The CHAIRMAN: Time has expired. The time allotted for the consideration the Estimates of expenditure of the Minister for Mines and Energy and the Minister Assisting the Deputy Premier on Regional Development has now expired. I thank the Minister and his officers for their attendance. The Committee will now adjourn for lunch. The hearings will resume at 2.10 p.m.

Mr McGRADY: Mr Chairman, just before you go, can I thank you and all the members of your Committee for the way in which you officiated at the hearing today. I believe that this is important. From a Minister's point of view, it is important because it ensures that you get a far better understanding of the portfolio and of what is happening within the department. I certainly hope that we on this side of the table imparted knowledge to you. The commitments that we made about those questions on notice, we will get them back to Mr Mitchell as soon as possible and he will then do what he does best.

Sitting suspended from 1.02 p.m. to 2.10 p.m.

HEALTH**IN ATTENDANCE**

Hon. W. M. Edmond, Minister for Health
 Dr R. Stable, Director-General
 Mr R. Pitt, Deputy Director-General (Planning
 and Systems)
 Dr J. Youngman, Deputy Director-General
 (Health Services)

The CHAIRMAN: The hearings of Estimates Committee E are now resumed. I welcome the Minister for Health, public officials and members of the public who are in attendance this afternoon. The next portfolio to be examined relates to the Minister for Health. I remind members of the Committee and the Minister that the time limit for questions is one minute and answers are to be no longer than three minutes. The bell will be rung once, 15 seconds before the end of those limits, and twice when the time limit is up. An extension of time may be given with the consent of the questioner.

The Sessional Orders require that at least half the time is to be allotted to non-Government members. I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record the information in the transcript. If you have a mobile phone, I would appreciate it if you would refrain from using it in this Chamber and switch it off.

I declare the proposed expenditure for the Minister for Health open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

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

Mrs EDMOND: Yes, thank you, Mr Chairman, I would indeed. There are two very clear differences between the 1998-99 Health Estimates of this Labor Government and those of the previous Government: this Minister's commitments are fully funded and this Minister will be supporting, not burdening, our public hospitals and our public health system.

Queensland's public hospitals are under ever increasing pressure from our growing, ageing and demanding population who continue to abandon private health insurance. So what did the coalition do? Keep up the modernisation process started by Labor and pump in some funds? No, they froze capital works for six months, throwing projects back almost 12 months behind schedule. Then they gave them another load to bear, more than half a billion dollars over eight years for Mr Horan's hospital tax—money that would have had to have come from funds for service delivery. Then they produced a list of savings which Queensland Health had to find out of its own budget—more than \$150m in their two and a half years in Government. Then to top it off, they let the Capital Works Program fall behind—a vital program designed to redress longstanding neglect over decades of past conservative Governments.

One of the first actions of this Government was to drop Mr Horan's hospital tax. Like the goods and services tax we now face nationally, it is an unfair and short-sighted imposition that strikes hardest in all the wrong places. This Labor Government has dropped the hospital tax because we believe that efficiencies in the public health system should go back to the clients—the people who need health services—and not back to Treasury.

Unlike my predecessor, I did not turn up as the new Minister with a list of extra savings and cuts demanded by the Treasurer. Unlike my predecessor, I went in to bat for Health in the Cabinet Budget Review Committee and, as a result, the first Labor Health budget is bigger than Mr Horan's—3.8% bigger, \$129m more than he planned to spend on Health in 1998-99. This Government has the Capital Works Program back on track, over its \$80m underspend from last year, creating jobs and modern health facilities in the way it was intended when Labor kicked it off in 1992.

In 1998-99, the \$621m Health capital works program is a massive and far-sighted investment in new and refurbished hospitals and health facilities. It is an investment that will also create 9,000 construction jobs. Most importantly, the money is there, all accounted for and listed in the Budget papers. That is a claim my predecessor cannot make about the May Ministerial Program Statements.

There are no unfunded commitments here, no snappy media headlines with neither substance nor dollars behind them. This Labor Health budget is about delivering services to those who need them and about building a sustainable health system—a health system that strives to keep Queenslanders well rather than trying to treat them once they are unwell. This is the only way forward for Australia's public health system, and that is why Labor's health policies and the Estimates we discuss here today are unashamedly biased towards preventive health areas and health maintenance. Our Health budget will create around 900 more jobs for health workers, delivering services in long-neglected areas like mental health. Our \$29m boost to mental health services will go some way towards providing access to specialist mental health services, particularly in regional Queensland.

The family is the cornerstone of our society and under Labor the health system will seek to support families through expanded services, in child health centres, free parenting training—sensible practical measures to reduce the breakdown in families and family problems. Our school nurses will help our high school students at the time that they are most vulnerable to issues like sexuality, drugs and alcohol, and body image.

The previous Government made much of its elective surgery achievements and selectively used statistics to prove its case. This Government's waiting list strategy is open and honest, and is focused on health outcomes, not media outcomes. We have provided more than \$18m for extra elective surgery and other measures to cut public hospital waiting lists. Access to elective surgery is an ongoing health issue and we have provided \$14m of

recurrent funding for extra surgery, increasing to almost \$18m next year. It is not just the coalition's one-off buckets of money to douse media spot fires.

I quite expect that the next quarterly elective surgery waiting list will show longer waiting lists in Queensland's public hospitals than in July, as they do every winter. I will be pleased to see that because I know it will be the truth and so will anyone else who cares to look, because they can look now, thanks to the Government publishing the elective surgery waiting lists.

The October elective surgery report will begin to reveal the previously untold story—the one about the waiting list to get on the waiting list. I know the pressure on public hospitals under the previous administration to produce good figures but not necessarily good results, and I recognise the hard work and commitment of health workers Statewide on this issue. However, I have made it clear that I want results and that means more patients getting onto waiting lists faster rather than having to wait for a specialist outpatient appointment. Once they are on that list, I want them getting off faster and I want those improvements across all categories, particularly those waiting, forgotten, at the end of the queue for their complex surgery. I am looking for a turnover in the categories; not where it is easiest to push through numbers. Public hospitals are not cattleyards.

In closing, I should like to acknowledge the efforts of the Queensland Health staff who have been involved in drawing up this Labor Health budget. These papers have been drawn up on a short time line to implement a completely different health policy focus. As I am sure do my ministerial colleagues with their respective portfolios, I appreciate the professionalism of all those involved.

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

Miss SIMPSON: I refer you to services at the Maryborough Base Hospital. Can you please inform the Committee of any difficulties associated with Mrs Ada Kingston accessing treatment in Maryborough? I refer to a letter dated 18 August 1998 that was sent by a district manager of the Fraser Coast District Health Service to Dr John Kingston, the member for Maryborough, which I will table.

Mrs EDMOND: I am sure that the member would realise that it would not be appropriate in this Estimates hearing to detail particulars of a patient's treatment in a particular hospital. I am happy to talk about the Maryborough Hospital and I will, but I think it is totally inappropriate for us to be discussing a particular patient's treatment at the Maryborough Hospital.

Miss SIMPSON: This has been raised in the Parliament previously and I believe that it is relevant to the Budget process. In the letter, the district manager outlines a special situation where he approached a local doctor to provide treatment for Mrs Ada Kingston at the local private hospital. Is that a normal occurrence?

Mrs EDMOND: It is not a normal occurrence for public hospital doctors to treat patients in a

private hospital without authorisation to do so. I know that that was what was being asked and that special arrangements were made for that to happen in the end. To my understanding, the particular doctor involved had no access to working in the private hospital involved and would need to be accredited by that private hospital to provide those services. I think that Dr Kingston has not understood, in the answers given to him in Parliament, that while a doctor who works in a public hospital may have the right to private practice within that public hospital, it does not give him the right to private practice in any other hospital that he may so desire at any time that he may so desire without the approval and accreditation of that private hospital. Dr Youngman, would you like to comment further? You know this particular case.

Dr YOUNGMAN: The particular private specialist is under an option B arrangement for private practice, which restricts him to private practice within Queensland Health facilities unless given express permission by the medical superintendent to practice outside a Queensland Health facility on the basis of a particular need that cannot be met within one of our facilities.

Miss SIMPSON: The letter that I have tabled describes this as a "one-off exemption". Why was this exemption given when your district manager states in his letter to Dr Kingston that the treatment had been classified as being no longer clinically urgent?

Mrs EDMOND: I ask the Chairman to make a ruling on this. I cannot not see that it has any relevance. If the honourable member is asking about services at Maryborough Hospital, I am happy to answer. However, this is a particular patient case and it has absolutely no relevance. Unless Miss Simpson can refer to somewhere in the Estimates papers where it is referred to, I have to ask the Chair whether he thinks it is appropriate that we are discussing a particular patient and particular circumstances at a particular—

Miss SIMPSON: Minister, I am sure that you would not want to hide this.

Mrs EDMOND: At a private hospital, the approval process—

Miss SIMPSON: Why was there a one-off exemption?

Mrs EDMOND: That would have to have been given by the private hospital. You really need to ask the private hospital—

Miss SIMPSON: The district manager gave the one-off exemption, not the private hospital.

Mrs EDMOND: Mr Chairman, the member for Maroochydore does not seem to understand that private hospitals do not come under the Estimates for Queensland Health.

Miss SIMPSON: Your district manager gave the one-off exemption. I am asking why the exemption was given when your district manager states in his letter to Dr Kingston that the treatment had been classified as being no longer clinically urgent? Will all other patients in a similar situation to

Mrs Kingston receive the same one-off exemption provided by your department?

Mrs EDMOND: Because it is a clinical decision and a clinical matter, I will ask the deputy director-general to answer it. However, I stress that this has absolutely nothing to do with Queensland Health Estimates. It has more to do with private hospital business, which is totally outside the range of these matters.

Dr YOUNGMAN: The member would appreciate that in this particular case, without getting into clinical details, the patient was actually moved from a private hospital to a public hospital and back to a private hospital. It would be totally inappropriate to move a patient of this age between facilities unnecessarily. On that basis, the medical superintendent gave permission for this particular specialist to operate in the private hospital.

Miss SIMPSON: I would like to ask a question with regard to the Medicare Agreement, which is now called the Australian Health Care Agreement. The former coalition Government only signed an in-principle agreement with the Commonwealth Government, giving you an opportunity to reject the agreement. When did you agree to sign the new Australian Health Care Agreement?

Mrs EDMOND: Firstly, I am very pleased that that was the case, because it allowed us to work with the other States to increase the funding that became available to Queensland as a result—

Miss SIMPSON: So you altered the agreement?

Mrs EDMOND: We increased the funds—

Miss SIMPSON: Did you alter the agreement?

Mrs EDMOND: The funds available to us have been increased by in the order of \$26m—

Miss SIMPSON: Was that as a result of your action or that of the previous Minister?

Mrs EDMOND: It was as a result of action taken by all of the States in concert and I gave them my support in that. There was an increase—

Miss SIMPSON: So it was not your actions?

The CHAIRMAN: The member for Maroochydore will allow the Minister to answer the question.

Mrs EDMOND: There was an increase by all of the States which had refused to sign off previously to that, because they did not see it as a good deal. In fact, of the \$74m extra that Queensland Health received from the Australian Health Care Agreement this year, \$27m was made up of the extra funding we acquired after the sign-off by the previous Minister. We signed off on the agreement on 28 August 1998 as a result of extra funding being made available that would allow us to pick up a whole range of programs that were being defunded by the Commonwealth Government prior to that. Out of the Queensland State Budget we would have had to find an extra \$21m for one group of things and extra funding in other places to fund the whole range of programs that were being funded by the Commonwealth Government. This had placed us in a very awkward

position. These were very worthwhile programs. They included a substantial amount for the AIDS/HIV program. The lung transplant program would have ceased because we would not have had the funding for it. It took away \$6m worth of post-acute funding that had been used in the past for palliative care and for helping patients when they were released early from hospital. Queensland Health was facing an embarrassing black hole prior to us signing the Medicare Agreement and getting that extra funding. I am really pleased that we did have that opportunity and we were not locked in and excluded from that process by the earlier signing.

There has been a lot of talk about the Australian Health Care Agreement and about how much extra funding we got. As I said, for this year there is something like \$74m more from the Commonwealth than was anticipated if we had continued the previous agreement. There is not \$150m, as I heard the member claiming in the media. There is nothing like \$150m. If you can find \$150m, that was before your Treasury got their hands on it.

Miss SIMPSON: \$103m out of \$150m—

Mrs EDMOND: There is \$74m extra, and of that, \$27m came after the previous Minister signed off. But that pales into insignificance compared with the extra funding—

Miss SIMPSON: I take it that you are actually happy with the agreement that has been signed because of the significant increase in funding? I note that page 70 of Budget Paper No. 2 shows that the new Australian Health Care Agreement provides Queensland with a 14.7% increase in funding for 1998-99, which increases the funding to over \$1 billion. That is a very substantial increase, is it not?

Mrs EDMOND: It is a \$74m increase—more than was anticipated under the previous estimation.

Miss SIMPSON: So you are happy with the agreement that has been signed?

Mrs EDMOND: There are elements in the agreement that I am quite comfortable with. There are other elements that I am not comfortable with.

Miss SIMPSON: Why did you sign it?

Mrs EDMOND: Excuse me, I have three minutes to answer each question you ask. Further to that, there are elements that we are concerned about. In particular we are concerned about the indexing factors and the fact that in out years this may be a problem. However, for this year we are quite comfortable with it.

The other problem that we do not believe there is sufficient recognition of is the fall in private health insurance. While \$600m went into a black hole to try to prop up private health insurance last year, there is anticipated to be a trebling of that amount over the next couple of years with no real outcome. Last year, for all of that \$600m going into propping up private health insurance the actual rates of people covered went down over the year. If that trend continues, we are not convinced that the funding arrangement has built into it significant recognition of the impact that will have on public health needs in Queensland. That is going to be an ongoing issue. We signed the

agreement on the proviso that the Premier would be able to continue negotiations on that issue with the Prime Minister at a later date. I think almost every other State in Australia has also signed on that proviso, because there is a real problem.

The other problem is that around half of the funding that has come from the Commonwealth is tied to specific grants and is not always in areas that we want to spend money on. While we would like to increase funding in some areas, we have to find those increases from within the State Budget because they simply are not there within the Commonwealth. Their funding is tied, for instance, to quality assurance. \$13m is locked up in quality assurance. We do not even have any clear outline from the Commonwealth Government at this stage what that quality assurance will involve. We believe it is to do with the PBS system that it is implementing. The National Development Fund, which is \$37.7m, is at the discretion of the Commonwealth Health Minister. It is not a quantum of money that we have any real control over. Some of the ideas are pretty harebrained.

Miss SIMPSON: It has been well documented that the in principle Health Care Agreement that the previous Minister signed ensured that in gaining the initiative money by signing earlier we would not be cut out of increases when the other States signed. That is on the public record. It is a bit cheeky for you to take credit for that. My question is with regard to the Commonwealth money which—

Mrs EDMOND: I am sorry, was that a question?

Miss SIMPSON: No. You have mentioned the Federal Government program cuts. I refer you to page 70 of Budget Paper No. 2 and your previous answers when you claimed that certain moneys had been chopped from the agreement. Is it not true that the programs you claim to have been cut in Government question on notice No. 9 have been funded within the new Australian Health Care Agreement? You were just playing politics; that was always in the base?

Mrs EDMOND: No. Those programs have been cut from Federal funding. They were tied programs which received funding outside of the agreement prior to that. They are expected to be picked up by the State. That imposes a significant impost on the State for the continuation of those programs.

Miss SIMPSON: And that was—

The CHAIRMAN: The member for Maroochydore will let the Minister answer the question.

Mrs EDMOND: For example, the Post Acute Program has been defunded by the Federal Government. Let us go back a couple of years to when the Commonwealth defunded the oral health program to the tune of \$19.7m. Queensland is the only State that found funds from within the State Budget to pick up that program. I pay credit to my predecessor for doing that. But this was the only State that did that. Every other State was forced to drop those programs. In this situation, we would

have been quite entitled, as other States are, to drop these programs—the State Post Acute Program, the Heart/Lung Transplant Program and the HIV Viral Load Testing, that is nearly \$1m alone, that the Commonwealth just unilaterally decided not to fund. They were funded outside of the previous Health Care Agreement. Yes, we are now picking those up. We have been able to pick those up only because of the extra \$27m that was provided after we took office. While you may like to take the credit for that, you were not in Government and I was the Minister who sided with the other States in pushing for those extra funds.

We picked up all of those important programs, for example, the day surgery program. Over \$20m worth of programs were defunded by the Commonwealth Government. We would have had to take funding out of others areas of health, if we had not got that extra funding. We are very grateful for receiving that extra funding. Without that, there would have been big holes in Queensland Health's budget.

Miss SIMPSON: I suggest to you that you do not know what you are talking about. That was included in the base. They were rolled up and included. With regard to the new initiatives—

Mrs EDMOND: Excuse me. I have to answer that. That is totally untrue. It is simply positively untrue. Any advice you are getting to the contrary of that is untrue. It has no basis whatsoever. You can check with my staff. I will ask the director-general whether he would like to respond to that. He knows that it is not true, and every other Health Minister in Australia knows that those areas have been defunded. Would you like the director-general to answer that?

Miss SIMPSON: I refer you—

Mr SLACK: The Minister has indicated that she requires—

Mrs EDMOND: You were making an allegation that is totally untrue. I cannot let that go.

Miss SIMPSON: I am sorry. You asked me a question. If you want to take your three minutes, you are welcome to do so as Minister.

Mrs EDMOND: I have asked the director-general to comment whether he knows where that is in the base funding; he has had a lot more to do with it than I have.

Dr STABLE: The programs the Minister commented on—HIV/AIDS at \$9.7m, Post Acute, Heart/Lung Transplants, HIV Viral Load Testing, Magnetic Resonance Imaging and Day Surgery—were not funded by the Commonwealth. The funding did expire and there was an issue as to how they were to be funded.

Miss SIMPSON: And is that now included in the base?

Mrs EDMOND: It is included in the—

Miss SIMPSON: Untied funding which is now included in the base of the agreement?

Dr STABLE: Now that the funding has been provided through the Australian Health Care

Agreement, that funding has been allocated through the Budget process to those areas to pick up the funding of those programs.

Miss SIMPSON: So that money which was previously in those tied programs has been included into the base of this agreement?

Mrs EDMOND: Tied—

Miss SIMPSON: So there has been an increase in funding into the base of the agreement to pick up those programs?

Mrs EDMOND: I am not sure how many times I have to go over this. As I said earlier, there was not sufficient funding that was untied in the agreement that the previous Minister signed off on. There was an extra allocation of some \$26m that was made in August of this year, which we accepted and signed off after we received it and which enabled us to replace that in the base funding. But it was not there prior to that arrangement. Prior to that, almost all of the funding was tied and there was not room to fund those programs from within the tied grants.

Miss SIMPSON: I refer to Opposition question on notice No. 1 where you state that the \$79.925m in new initiatives and Labor Government commitments has been provided through the Consolidated Fund. Again, these initiatives have been funded through increased funding in the Australian Health Care Agreement, have they not?

Mrs EDMOND: It is interesting you should ask that. One of the things that I found very interesting when I took office was having a look at the long, long list of commitments that had been made. They seemed to come in on a daily basis from the previous Government and were totally unfunded. Unlike that, all of the commitments that I made were actually costed and funded out of our Budget. When you say "out of the Health Care Agreement", can I make something quite clear that you do not seem to understand? The Health Care Agreement provides funds to Queensland Treasury that go into consolidated revenue and then what happens out of that—and you will be aware of it if you just look very briefly at the Budget papers, where it is indicated—is that \$1.055 billion in this year's Budget comes out of the Australian Health Care Agreement. There is \$3.772 billion in Queensland Health's budget. That is a significant increase. There is \$128.86m more in the Budget that we brought down in September than there was in the May Budget, and the May Budget already took into account extra funding from the Health Care Agreement.

So there was an increase in the coalition portion of that of \$75m, but there was an increase in the State Budget of \$128m more than the May coalition Budget. That is a 3.8% increase in the Budget from what was produced in May. Overall, there was a \$288m increase from last year's Budget. That is a huge increase. In fact, it is almost four times the amount of increase in the Commonwealth funding. So to say that our proposals—our commitments—are funded by the Commonwealth increases is just a nonsense. In fact, almost all of the commitments—we did pick up the commitments made by the previous Government. We went through

them and decided that they were proposals that we needed to keep up, but our commitments were funded fully by the State Treasury out of consolidated revenue.

The CHAIRMAN: The time for non-Government members' questions has expired. Minister, I refer you to your answer to a question on notice about funding for the Noosa and Robina Hospitals, and I ask: if no money has been allocated in the Forward Estimates, what other funding options would be available to meet the commitment to provide public patient services at these two hospitals?

Mrs EDMOND: The Noosa and Robina Hospitals are going to be a huge problem for Queensland Health. The problem is that we had absolutely no planning for these hospitals, yet something like over \$900m of public health funding is locked in over 20 years on the basis of an election commitment on the back of an envelope for Noosa and Robina without any of what you would expect if you were going to plan major hospitals: without any epidemiology studies, demographic studies, growth studies or real needs analysis. In fact, it flew in the face of any of the commitments or planning that had been done prior to that.

The previous Government had two choices, and that was to allocate extra money in the budget or to use growth funding. The decision that was made in Cabinet—and the member for Burnett will be aware of this—was that this had to be funded out of growth funding, which was already savagely overcommitted and that meant that it would have used up the entire growth funding for all of Queensland for many, many years to come to fund those two hospitals alone. There would have been no extra services in Bundaberg, Charters Towers, Townsville, Mackay or Rockhampton or anywhere else because of that commitment, particularly as there was also the capital charge which was going to be ripping out of the system something in the order of \$155m over the first three years of its impact.

However, one of the first things we did was to remove the capital charge. We will now free up some of the growth funding that we will be able to put into that, but it does remain a serious issue. I notice the member for Maroochydore looking astonished. She does not seem to be aware that the capital charge would have annihilated the growth funds forever. It was going to be a huge impact. It would have had to come out of the budgets of other hospitals to fund those two hospitals. However, as a result of freeing up the capital charge and sensible planning, we are hoping to manage it, but I am not pretending it will be anything other than a very, very difficult issue over years to come and one has to wonder about the value for money we are getting from it.

The CHAIRMAN: My next question also relates to Noosa and Robina Hospitals. On page 21 of the Ministerial Portfolio Statements it states that contracts were let in 1997-98 to non-Government operators for the Noosa and Robina Hospitals. Who is involved in the contract negotiations, what were the costs involved and what dates were these contracts signed?

Mrs EDMOND: Again, this was an issue. I have the departmental figures on that. One of the concerns that I had when I took office was the very recent signing of those engagements. I think the fact that the Noosa contract was signed on 15 May and the Robina Hospital's contract was signed on 19 May 1998—members may recall that the State election was called on 19 May 1998 at 2 p.m. So those projects were signed off very, very late to the election period.

The representatives who were involved in the tendering process, etc. were, I understand, Dockerill Health Projects, who were the financial consultants, and Allen, Allen and Hemsley who were the legal advisers. I understand that Allen, Allen and Hemsley are now also employers of one of the very close associates of the previous Minister and one of his advisers, so they must have worked very, very closely together. The decision by Crown law was that the legal advisers with experience in public sector infrastructure projects involving the private sector should be engaged to provide that advice. The Deputy Director-General of Planning and Systems, Mr Ross Pitt, who is at the table with us, had been directed by the former Minister for Health to initiate both projects under the control and management of Queensland Health and approved a proposal on 7 March 1997 to seek a consultancy for legal advice on both of those projects. To date the legal costs for both projects are close to \$500,000—\$436,912.

As I say, I still have concerns about how those projects are going to be managed. There is still an enormous tangle of things to be worked out in terms of what particular services are going to be provided and how they are going to be provided. The experience in other States is that this is a most expensive way of providing public health services. In fact, the reports of the Auditors-General from both New South Wales and Western Australia have panned the use of build, own and operate schemes as being the most expensive way of providing public health services in the area. That includes where they were done with some planning and rationale beforehand, particularly in this instance where no planning was done to justify them operating there.

The CHAIRMAN: Can you inform the Committee if the former Government made any other commitments which were unfunded to treat public patients in private hospitals?

Mrs EDMOND: I can indeed. As I indicated earlier, I inherited pages and pages. I think the first few months of my time as Minister was dotted by constant letters from members of Parliament and from other places assuring me that large sums of money had been promised to their particular district—building programs and so on.

Just in recent times I had letters about promises and a supposed contract that was signed in the election period—I have actually written back to that member asking for documentation of those contracts, because it would of course be quite inappropriate, improper even, to have signed contracts during the election period—for hospital beds in the Crows Nest and Killarney Hospitals. I

have asked Queensland Health to search out any information on these contracts. I am told that these contracts do not exist, and in fact the media statements claiming that contracts had been set were nothing more than a media stunt by the previous Health Minister and by the member for Crows Nest, Mr Cooper.

As I said earlier, that media statement was actually issued during the State election campaign, only a few days out from the poll, when the coalition was in caretaker mode and it would have been totally improper to have signed a contract. If the member for Crows Nest has, as he suggests, evidence of a contract, I would be more than happy to sight it. Other than that, there is only a media statement with Mr Havers, the former ministerial media adviser, listed as a contact. It definitely does have both Mr Cooper and Mr Horan during that election period claiming that they have signed a contract to provide significant funding so that private hospitals in Crows Nest and Killarney could be set aside and kept for the purpose of public hospitals. It worries me because, again, it is not a viable proposition.

Toowoomba Hospital, as I am sure you are aware, is one of the hospitals with a huge budget overrun and a very poor performance in terms of meeting its targets, including elective surgery targets. In fact, I think the last figure I saw had it with an overrun of \$2.3m. I know that at the Estimates hearing last year the previous Minister said that there were no budget overruns and that these were negative carryovers, but to me it is the same thing.

We are working on the problems at the Toowoomba Hospital. Senior departmental people have gone up there to help them through their budget problems, but their budget problems would not be helped by handing over hundreds of thousands of dollars to Killarney and Esk Hospitals in case they ever need beds there.

Mr HAYWARD: You would be aware of claims that funding has been reduced for capital works at metropolitan hospitals. Are there differences between the amounts allocated on page 24 of Budget Paper No. 3 and the May Budget papers? Can you explain why these differences have occurred?

Mrs EDMOND: I am aware of the claims and I was amused by some of them, particularly the claim that the budget allocation for Redland had reduced. I say at the outset that I will not continue funding for building programs that have finished earlier than expected, as happened in Redland. It was ahead of schedule.

I do have figures. Most of the changes in the figures have come about because of projects finishing either earlier or later. \$80m of capital funding that was not used in last year's budget was used in a way to bolster district budgets, to make it look as though they were getting more when there was no hope of ever expending it. That was an embarrassment. The Treasurer and the Premier both said at the outset that that would not happen this year. They wanted the amounts put in for capital works to be realistic and to be targets that would be met.

For example, there was a reduction in the amount for the PA Hospital this year to something that we know we can meet. That is largely because the refurbishment of the psychiatric unit has been delayed, because nobody allowed time for movement of patients from PA Hospital down to Redland, after Redland was completed and before work could be started on the PA psych unit. You actually do need to move the patients out before you can refurbish.

The Mater Children's Hospital has also had a decrease. That is a project I am very keen to see get going. It is one which disappeared off the Capital Works Program under the previous Government but which is back there now. It was reduced because there has been a delay in the planning for the Mater Children's Hospital. It has nothing to do with Queensland Health. It is under the control of the Mater and it had slowed down on it. I have to say that where there has been a reduction it has been because there has been a delay and the expectations have just not been there.

Of course, other hospitals have actually had an increase. There is an increase in the allocation for the Royal Children's Hospital development, as there is for the Prince Charles Hospital, because it is moving on. If we go through the Capital Works Program, we will find that there is an increase of about \$1m over the total for the year.

Mr HAYWARD: I refer to page 26 of the Ministerial Portfolio Statements and to page 12 of the May Ministerial Program Statements. Are you aware of claims that the Nambour and Caloundra Hospitals' budgets have been cut?

Mrs EDMOND: Yes, I am. Again, it seems to be that the Opposition is confused about the difference between recurrent and capital. It was being claimed that the budgets for Nambour and Caloundra Hospitals have actually been cut. There have been adjustments in the capital works estimates for a couple of reasons. The first reason is that Nambour Hospital had to be slowed down because the previous Government ripped \$4m out of it to put into Caloundra Hospital, which meant that a lot of the work that was planned for Nambour had to be replanned. It is only now that the master plan is finished. It was not done. You actually cannot start building until you have the master plan signed off. It has actually now recently finished the master plan and it is going through consultation with the staff and the major user groups.

The other important thing to note is that there has been a significant increase in recurrent funding for the services—in the order of \$3.2m. There is a \$3.2m increase at Nambour for services including the mental health beds, and particularly focused on intensive care, which was being very stretched by the heavy accident load they have up there, and renal dialysis, which was full. The capital funding is now what we believe is a realistic expectation of what will be spent. The funding is there. In the order of \$1.921m for Nambour and \$1.916m for Caloundra can be processed for 1998.

The reason Caloundra was reduced in the initial forecast is that it was planning to get going quickly

on a car park to make it look as if there was something happening. However, the plans were such that building the car park first would have actually delayed the building process after that and it was not in the appropriate place. The May figures show that there was an expectation to spend \$1.7m at Nambour last year. In fact, it spent about half of that. We are saying: let's be real. The Treasurer has insisted on us putting in real figures in our capital works, not using an inflated capital works figure to try and make it look as if a district health budget is getting a lot more than it really is and more than what is expected to be spent there.

We have programs that are realistic and achievable and that also involve consultation with the staff. That is why I am insisting in relation to Nambour that, instead of rushing in just to be seen to be spending money, the correct process is gone through and that staff are talked to. I know the chairman knows that it is very important to talk to and consult with the major user groups in the hospital and make sure that the refurbishment and rebuilding processes are appropriate.

Mr PEARCE: Page 36 of Budget Paper No. 3 identifies the major hospital and community capital works projects for 1998-99. Can you explain what funds have been allocated to the Maryborough Hospital redevelopment, what this funding provides for, and how it compares to the funds allocated by the previous Government?

Mrs EDMOND: \$17m in total is provided for Maryborough, with \$5.385m allocated for 1998-99. That is still the total project. We believe that is a realistic and achievable project. The previous Government's allocation showed \$8.298m in the MPS. The people who know Maryborough will know that the Maryborough Hospital redevelopment is already running about a year behind schedule. In fact, in the past, the only thing that had been done was some bitumen on the car park. Only after I raised concerns about the fact that it was running so far behind did work start on the mental health building.

The Maryborough Hospital plans remain, although I have seen a lot of media misinformation about what is planned there. In fact, the same 24-hour accident and emergency services as are there now have always been intended to remain there—contrary to some comments that have been made—and will remain there. The maternity and obstetrics services that are there now will remain, as long as the providing doctors are happy that they can meet the on-call arrangements. The same paediatric unit and staffing are there and will remain there. That always was going to remain there, except that it is going to be refurbished. The same specialist services that are there have always been planned to be kept there. They will have a new mental health service starting early next year. Indeed, I think that we are in the process of hiring a psychiatrist to start there early in the next year, together with a significant number of community mental health staff and staff associated with the unit.

There was debate about the intensive care unit. The advice that I have received—and I think it is advice that is consistent across-the-board—is that

we were not looking at taking away services, but at amalgamating the long-term ventilated patients from ICU. All the advice is that you need in the order of 50 to 100 patients a year to maintain the expertise—not to get but to maintain the expertise—of the specialist staff, both the clinical and medical staff and the nursing staff. Last year in Maryborough, there were something like just under 30 patients in that category, 11 of whom came from Maryborough. There were very genuine concerns about maintaining that expertise. We have established a working party to try to work out ways that we can maintain that expertise, but there is still concern about it. We will be significantly extending the services in Maryborough.

The CHAIRMAN: The time for questions from Government members has expired.

Miss SIMPSON: With regard to the Australian Health Care Agreement, which has increased from \$4.3 billion to \$5.6 billion, which is a substantial increase, and the fact that you are awash with funds, can you please detail precisely where all the Health Care Agreement funding has been allocated in your 1998-99 budget? In particular, where is the extra funding being spent?

Mrs EDMOND: I think that I have to reiterate, for the benefit of the member, that the Australian Health Care Agreement provides funds to consolidated revenue, not directly to Queensland Health. Then the amount that Queensland Health gets for its budget comes from consolidated revenue. The Australian Health Care Agreement is seen as an income stream into consolidated revenue, and what comes out is substantially more.

As I indicated earlier, there is something like \$1.055 billion coming from the Australian Health Care Agreement out of a total of \$3.722 billion. Where that is going is quite clearly spelt out within the Estimates papers. That is exactly why we have Estimates papers. It goes into providing services in hospitals. It goes into providing services in Community Health Centres. It goes all across-the-board. It would be impossible to document. That is why we have an MPS—

Miss SIMPSON: Labor Government initiatives.

Mrs EDMOND:—which actually spells out where this funding is going. And yes, there is a significant number of new initiatives—

Miss SIMPSON: Out of the Australian Health Care Agreement increased funding.

Mrs EDMOND: The Australian Health Care Agreement funding, which the member keeps mentioning—as I indicated earlier, for this year the increase was \$75m over what was expected to be received if the previous commitment had continued. Yes, about one third of health funding does come from the Australian Health Care Agreement. You are right. Bingo! And two-thirds of it comes out of the State Health budget. So if you go across-the-board and you go to hospitals, you can say that about a third of the funding comes from the Australian Health Care Agreement and two-thirds from State Health funding. That is basically what happens. But quite a

lot of the amount that comes from the Federal Government is tied. For example, there is tied funding that goes to mental health. There is a significant proportion that goes to mental health from the State. There is tied funding that goes to HACC services. There is 66% from the Commonwealth and one third from the State. There is tied funding that goes into residential care. There is tied funding that goes into a whole range of programs. So where we spend that funding is very clearly spelt out throughout the MPS in each program statement in each segment—whether it be mental health, community health, rural health or whatever. So if you want to know the details of where it is spent, I suggest that you go through the MPS.

Miss SIMPSON: I refer to Government question on notice No. 1 regarding the Noosa and Robina Hospitals and your claims that these projects were unfunded. I also refer you to two Queensland Health briefing papers, which you received on coming to Government. Neither of these documents raised concerns about future funding for these hospitals. In fact, the briefing paper regarding the Noosa Hospital states that, on 23 April 1998, the Governor in Council approved expenditure of \$348m for the purchase of public patient services from the Noosa Hospital over the 20-year term. The briefing paper regarding the Robina Hospital states that, on 14 May 1998, the Governor in Council approved expenditure of \$561m for the provision of public patient services from the Robina Hospital over the 20-year term, and I ask: why have you misled Parliament about the funding of Noosa and Robina Hospitals when you were fully briefed that the coalition had received funding approval from the Governor in Council?

Mrs EDMOND: My understanding is that the Governor in Council approved the signing of the documents. I do not have a copy of the ECM, but it does not show—

Miss SIMPSON: You received the briefing paper.

Mrs EDMOND: I know the brief you are referring to. I will refer to another one in a moment. It did not indicate where this funding was coming from. However, I refer you to a Cabinet document under the previous Government which actually says that—

"Queensland Health needs an allocation of full recurrent funding to facilitate the provision of public health services from the community hospital to be developed at Noosa. Early discussions with Queensland Treasury officers indicated that growth funding was to be used to fund this additional service provision. However, with two new hospitals proposed at Noosa and Robina, this would effectively eliminate all growth funding for all Queensland public hospitals for a good period of time, given that some growth fundings are needed to pay the capital charge for existing additional capital funds."

That was the advice—

Miss SIMPSON: And you will table that advice as well?

Mrs EDMOND: That was the advice that the previous Minister took to Cabinet, and it was still approved that he go ahead with this. I can only say that—

Miss SIMPSON: And you will table that advice?

Mrs EDMOND: He was obviously crossing his fingers and hoping that he would not win Government.

Miss SIMPSON: Will you table that advice in full?

Mrs EDMOND: Yes. I am surprised that you do not have it.

Miss SIMPSON: If you want a copy of the other advice where this has been approved by Governor in Council—this was a briefing to the Minister when she came to Government.

Mrs EDMOND: I do not have any advice showing where there is funding other than—

Miss SIMPSON: After you came to Government.

Mrs EDMOND:—it being funding from growth funding. As I said, growth funding—

Miss SIMPSON: You said it was unfunded.

Mrs EDMOND:—was already overcommitted.

Miss SIMPSON: You claimed that there had been no work done and no planning done. Your briefing documents prove that you have misled Parliament.

Mrs EDMOND: That is not true. Growth funding was already overcommitted. There was no capacity for growth funding to fund Noosa and Robina, particularly as, under the previous Government, it would have had to have funded the capital charge. You seem to be forgetting that the capital charge was to be ripping out something like half a billion dollars over the next eight years—\$156m, I think, in the first three years that it was introduced. I assure you that the growth funding is nowhere near that order. If you were to take the capital charge out of growth funding as well as try to introduce new services, try to match the growth of the community, and try to introduce extra services such as renal dialysis services where they are needed, there would be no capacity. The growth funding was about three-times committed. You may believe in the magic pudding, but I do not.

Miss SIMPSON: I refer the Minister to her answer to Opposition question on notice No. 2, where she indicates that the Beattie Labor Government has now committed to meet the coalition's targets for waiting times for Categories 1 and 2 elective surgery. In Opposition question on notice No. 1, you acknowledged that the coalition set a target of less than 5% long waits for Category 3 patients. Will you also commit to reaching that target? What is your time frame for doing so?

Mrs EDMOND: We have agreed to maintain the targets for Categories 1 and 2. What we have also done—and quite explicitly—is change the direction. In relation to waiting lists, I am concerned that so much emphasis was being placed on

percentages that we were forgetting about patients, particularly those who needed more complex surgery and patients who had been waiting a long time. We have introduced a more rigorous way of addressing waiting lists in terms of where we are going with them, because I was concerned that we were not getting the focus right. In the waiting lists that were published in July, there was an example of Gympie Hospital, where 50% of people were waiting too long for orthopaedic surgery. But it was one patient. That is what that percentage means. It does not mean anything. In other areas you had 5% waiting, but it was hundreds of people. We are looking at that. We are using the Waiting List Strategy to address where the problems and the clear needs are.

We are also looking at putting in extra funding and making that funding recurrent. Last year all of the available funds were poured into waiting lists as an election strategy, just to get it down in time for the election. But there was no funding to carry on this year. We are putting more funding into recurrent hospital funding for elective surgery so we can address that. We are addressing the needs of people who are waiting too long by putting an extra \$6.8m into addressing complex surgery. Those people who are waiting not a few days over the 30-day cut-off or the 90-day cut-off for Category 2, but the Category 2 patients who are waiting three years are the people we are trying to address. Those are the people who have been forgotten at the end of the waiting list, because they often have surgery that cannot be done very quickly to keep the numbers up. That is one of the areas that we are addressing quite seriously. We are looking at doing it in a more effective way in a long-term way rather than just one-off funding for media purposes.

Miss SIMPSON: I will remind you of some of your comments in Opposition. You have already mentioned some of your comments about percentages. I remind you that we maintained that it was the waiting time that was important; you maintained that it was the number of people on waiting lists. Is that correct? You used to complain about the number of people—

Mrs EDMOND: I still think that what I said was that percentages were ridiculous, because, as I indicated earlier—

Miss SIMPSON: You were worried about the numbers of people on waiting lists.

Mrs EDMOND:—I would rather have 50% of 20 people waiting than 5% of 5,000. There is a very real reason for that. What we saw happening, particularly in 1997, was that a huge pool of people was used. I think the number of people waiting peaked in the second half of 1997. The massive pool of people was used so the percentages looked good, because the base was so good. If you look at your maths, you will see that the bigger the base, the easier it is to get a small percentage in contrast to having only small numbers. In November 1997, the gross number of unfortunate people waiting had blown out to record proportions, as you will see if you look at the figures that were released in July.

Miss SIMPSON: What are you going to do to reduce the number of people on hospital waiting

lists? I ask you specifically: what is your target to reduce the number of people on waiting lists in Queensland's 32 major public hospitals? What is the time frame for achieving that target? We still have not heard what your target is to be and whether you will reduce the numbers of people on waiting lists for Category 3 surgery as well.

Mrs EDMOND: My target is to improve access of people to surgery, not just to play with figures for the media.

Miss SIMPSON: No targets?

Mrs EDMOND: By that I mean that we will be looking at a whole range of things, including the people who cannot get on the waiting lists and who did not show up in the previous figures—the 1,200 or 1,500 people on the Gold Coast whom you are not worried about. I understand at Nambour there is a similar figure. At Townsville it is about 1,000 or so people who could not even get on the waiting lists to be counted. For the benefit of Mr Slack, I am not sure how many are at Bundaberg.

We are concerned with increasing access. I have asked the department to also keep data on the waiting time for people to get appointments with specialists at the hospitals, so that we can take that into account. We will know how many people out there cannot even get on the waiting list. As part of the strategy, because access is all about availability of beds, we will look at the waiting times for people in accident and emergency as well. The reason we are doing that is that there are significant links between them. Part of the initial study is showing that, where they have started collecting data, none of the hospitals that has been looked at so far is meeting any sort of benchmark. All the performances are fairly poor in the accident and emergency area. Those are issues that are really important.

We are not just playing with a few figures and presenting a few figures as we see fit to the media. We are about being open, putting it all out so that people can make choices, so that GPs can make choices about where they send their patients to get the best deal. Looking at the whole access issue also means making sure that arrangements are made so that people can get timely outpatient appointments. If you cannot get an appointment to see the specialist to find out what category you are for three or four years, there is no point worrying about how long it is going to take you to get the surgery after you get there, after you get categorised. That is just a nonsense statement to make. We are looking at the whole issue. We are looking at access to surgery, rather than surgery waiting times, although that is an important issue. Again, the time people are waiting and the numbers of people who are waiting are far more important to me than the percentages. You can get percentages any way you like, either by increasing the gross number of people waiting—which is what happened under the previous Government to record levels—or by gatekeeping, by preventing people from getting appointments with a specialist to get on the waiting list and then being able to access surgery.

Miss SIMPSON: We were concerned with the amount of time people were waiting and not just

numbers on the lists. You were concerned only with the number of people on the list. I refer to your ministerial statement that you made in State Parliament in which you said that you had \$103.5m for waiting lists. Can you please outline to the Committee in detail where that money will be spent?

Mrs EDMOND: Money will be spent on elective surgery.

Miss SIMPSON: That is as specific as telling us that you have no target for Category 3 surgery.

Mrs EDMOND: If the previous Minister and his advisers gave you any advice, you would be aware that there will be a range of funding procedures throughout the year. There is a lot of money—there is almost \$100m of not only elective surgery funding but also for palliative care; a range of initiatives funding—that has not been distributed around the States yet. If you were asking me which hospitals are going to get which funding across the State—

Miss SIMPSON: This is the \$103.5m for waiting lists, which you told Parliament that you had and, as you would know, was the money that came from the early signing of the Medicare Agreement.

Mrs EDMOND: Can you show me that particular statement or where it is referred to?

Miss SIMPSON: The one that you made? I do not have it with me.

Mrs EDMOND: Have you got it there? It will probably have the breakdown on it.

Miss SIMPSON: No, you did not provide a breakdown.

Mrs EDMOND: \$103m.

Miss SIMPSON: The \$103m that you had for waiting lists.

Mrs EDMOND: I do not remember saying that there was \$103m for waiting lists.

Miss SIMPSON: We will pull that up in Hansard and come back to that. I refer to what you have just talked about with the accident and emergency waiting lists. I refer you to the answer to Opposition question on notice No. 6 regarding waiting lists for emergency departments, where you claim that the previous Government did not collect any valid information regarding specialist outpatient services of emergency department services. Is it not true that Queensland public hospitals already have targets in emergency departments that are based on nationally agreed waiting times for triage categories?

Mrs EDMOND: I have to say that that is not my information. My understanding is that the initial work that has been done has shown that none of them were meeting those. There has been work that has been started—

Miss SIMPSON: I can refer you to a departmental briefing note.

The CHAIRMAN: Maybe Dr Youngman can answer.

Mrs EDMOND: Yes, I will ask Dr Youngman to answer that question.

Dr YOUNGMAN: There are standards that have been set, basically, which emanated from

Queensland and which have now been adopted nationally with regard to prioritising patients who present to accident emergency departments. These collections are kept in a number of our facilities; not in all of our facilities. They are not a mandatory reporting requirement of Queensland Health. Certainly, the major facilities such as the Royal Brisbane collect such data. It is mainly looking at the time people wait rather than the number of presentations.

Miss SIMPSON: I understand that the Minister previously said that she did not believe that there were any hospitals that were meeting the standards.

Mrs EDMOND: No, that is not true. I was under the impression that the Gold Coast Hospital had actually already introduced a program in the emergency department called the RAT scheme—the rapid assessment trial. They had actually set a trial going. In fact, in my policy statement I actually referred to the Gold Coast Hospital's trial. I am sorry, I am not sure if it was in the policy statement or in the speech I made with it. I actually referred to the fact that the Gold Coast and some hospitals had set trials and that what we would be doing would be—while some hospitals I believed met the benchmarks—to make sure that they all did. I understand since that that, in fact, most hospitals did not meet the—

Miss SIMPSON: You are contradicting.

The CHAIRMAN: Hold on. The time for non-Government members—

Miss SIMPSON: My supplementary question.

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

Miss SIMPSON: You are contradicting what you just said.

The CHAIRMAN: I refer you to your Ministerial Program Statements which state that there is a commitment to provide growth funding to the Home Medical Aid Scheme. Can you advise the amount of growth funds that has been allocated to this scheme and what percentage increase this is on the scheme's existing allocation?

Mrs EDMOND: This is a good news story. One of the things that we did manage to do was convince Treasury that if the State Government provided extra funding we would access more funding from the Commonwealth, and that has been a significant increase. It means that, for this year, we have been able to increase the subsidies for people. As you are aware, the scheme does provide subsidies for disadvantaged people living in the community who have health-related disabilities. It is very important. It is one of those schemes that are accessed by the aged and people with disabilities for a range of things from subsidies for oxygen to incontinence pads, which gives them some dignity in living.

At the end of last year, there was a significant overrun or waiting list for aids in the order of \$1m. What we have been able to do is not only increase the funding for this year to a more appropriate level—by almost \$1m—but also we have added \$1m

to meet that backlog so that, hopefully, we will be able to wipe out the waiting list for things like wheelchairs and aids. We have recognised the needs of this important and often forgotten group of people, because they are often not in hospital. It is something that affects so many people and it just gives them the extra bit of help that they need to be able to live within the community with some dignity and some assistance.

There has been a 20% increase in the actual funding over the scheme compared to last year. We have been able to reorganise it, or we are planning to reorganise it on a zonal basis so that it is not all out of Prince Charles Hospital in Brisbane but can be coordinated in a better way across the State. We are hoping that that provides a more efficient service so that we can get service delivery out to people in a more effective way.

This is one of those schemes that the important role that it plays in providing care to people in the community is very much underestimated. Mr Chairman, I am sure that you have had, as I have had, letters from heartbroken people talking about their distress when they cannot get the assistance that they need for a loved one. I remember last year just before Christmas we probably all got letters from people because the funding for incontinence pads ran out and people who were having their loved ones home from nursing homes or who were trying to keep them out of hospital for Christmas were finding that they were faced with huge loads of extra washing as a result and were getting quite distressed. I know that I had a lot of calls over the Christmas period about it.

The CHAIRMAN: Thank you. I know that that will be well received in the community. A constituent of mine waited 12 months for a safety helmet.

Mrs EDMOND: Yes.

The CHAIRMAN: In the Ministerial Program Statements on page 43 under the heading 1998-99 Planned Performance, it states—

"The Queensland Health human resources management information system project will be implemented in the majority of health service districts by 30 June 1999."

Can you provide additional information about the project and, in particular, reports that additional funding is required?

Mrs EDMOND: The legislative program is a major embarrassment for the previous Government. I was surprised to see in today's paper that the shadow Minister is talking about bringing in a private member's Bill or something on mental health, because the Mental Health Bill has actually been sitting there for two and a half years waiting for some action and some decisions to be made on it. We do have a significant problem with the legislative program. There are now a whole string of Acts that have to be changed before their time lines run out in the middle of June next year. Most of those have been through extensive consultation and extensive planning. The major problem is that these programs have just not been proceeded with since the change of Government in 1996. So although there had been

enormously extensive consultation periods on Bills such as those relating to the Mental Health Act, the health practitioners registration Acts and the Health Act itself, nothing had happened. We now face the embarrassment of having to do all of these within a few months, which is going to be a massive program for the legislative branch of the department. In fact, if we do not get them up before June next year, which is going to be extremely difficult, a lot of the regulations attached to those will fall over and we will be in the embarrassing situation of being without legislation on very important health issues. This is unforgivable, particularly as so much work had been done.

Consultation on the Mental Health Bill started in 1993-94. As the member for Kallangur would well remember, it went through the consultative process and a draft Bill went out in 1995. It was expected to come before the House in mid 1996 and it still has not happened. It has been sitting there, waiting for some decisions to be made. Unfortunately, the previous Minister was not able to make decisions. We have a whole drawer full of decisions waiting to be made. That is a problem with the legislation as well. We will be doing everything we can. I have issued instructions that it is to be proceeded with as quickly as possible. Another one that the member for Kallangur will be interested in is the Radiation Substances Bill, which is still in the process and is still in the bottom drawer. We are hoping to introduce a number of those this year.

Mr HAYWARD: Page 14 of the Ministerial Portfolio Statements refers to geriatric services. You would be aware that the former Premier announced the establishment of a school of nursing specialising in geriatric nursing. I was interested in knowing what the status of that project is.

Mrs EDMOND: I know that he made a statement in his election campaign speech at the Sheraton Hotel, and I have been quite embarrassed when people came to me expecting that, because a statement had been made, funding would be provided, that planning was in place and so on. Unfortunately, once again those were promises designed to buy votes at the expense of the users of health services, including the elderly and the health service providers.

The \$200,000 that the then Premier referred to had already been allocated as a contribution to the Year of the Ageing to a range of aged health services around the State, including 60 and Better programs and so on. That had been done prior to my coming into Government. The only way that we would have been able to put up the \$200,000 that the former Premier was talking about was to rip it out of all of those community-based ageing projects. As I am sure the member for Burnett would agree, that was not the way to go, particularly as community projects such as the 60 and Better and Healthy Ageing programs are so worth while. They do far more than get old people on buses to go on trips and run exercise programs. I have talked to a number that provide buddy programs, so that when members of their group come home from hospital after surgery or an illness, they make sure that services are

provided for them. They pop in and see them to make sure that they are okay and that nothing is happening. They provide an informal monitoring role within the community as well as keeping themselves fit, interested and invigorated. It would be a shocking shame to take that \$200,000 off those very worthy groups to try to meet the previous Premier's election campaign statement.

I recognise the worth of the project and I met with the proponents of the project earlier this year. It was with some embarrassment that I explained to them that they had been conned. They also explained to me the benefits of their proposal for a centre of excellence in gerontological nursing and the aim of having a chair in that field, particularly based around the PA Hospital and QUT. I have encouraged them to look at funding through the university and other sources. We will all work together through that process.

Mr HAYWARD: I am sure everyone in the room is aware of the increasing demands of the ageing population. The Ministerial Portfolio Statements identify the Residential Care Program for Queensland Health. In relation to this program, can you advise what action is being taken towards meeting Commonwealth accreditation standards for State Government nursing homes?

Mrs EDMOND: One of the difficulties we have had brought to our attention is the fact that the Commonwealth has introduced a range of accreditation processes, the first round of which we are going through now. However, at the same time that the Commonwealth has taken an awful lot of money out of aged care and particularly nursing homes, it is also bringing in new accreditation standards and building certificates that we have to meet by January 2001 if we are to safeguard our Commonwealth funding. Last year that totalled \$35m, including the residents' fees. As I think was made clear to the previous Minister, the estimated need to meet those standards was of the order of \$120m. While no funding was identified at the time, I was hoping that with a change of Government on Saturday we would have received some help, because the Federal Labor Opposition promised to provide a substantial amount of that funding and that would have taken some of the pressure off. We now have a renewed problem. Unfortunately, the coalition Government has not made any such offer and, indeed, is only talking about taking funding out of aged care and not increasing it.

In January of this year, the previous Government announced a \$17.5m allocation to address the most immediate needs of fire and safety issues—but that is all it will do; it will not address the accreditation issues—and to counter some of the occupational health and safety matters that were seen as immediate and urgent. The September Ministerial Portfolio Statements allow an increase of \$7.5m, which increases the total to \$23.5m over the May MPS of the previous major capital works for residential care, so we can make a start in meeting those standards. It is going to be a long and difficult process. We will have to deal with it within the total Capital Works Program. Treasury has indicated that it

sees the Capital Works Program as extending past the year 2006 so, while that is outside the time line, it gives us the capacity to adjust within that to meet those more urgent needs.

Certainly we have increased funding and we will be getting on with the project. We are committed to retaining all of the existing State Government nursing homes, meeting the accreditation standards, and improving aged care in the process.

Mr HAYWARD: Earlier today you made reference to the cessation of Commonwealth funding in relation to oral health in Queensland. Can you explain what steps you have taken to maintain recurrent oral health services in Queensland?

Mrs EDMOND: Again, I think members will be aware that this was one of the services that was unilaterally cut by the Federal Government previously. I acknowledge that the previous Minister actually maintained that service. However, it means that there has not been an increase in oral health services for some time.

In the meantime, there has been an increase in demand for oral health services. As the member for Burnett will know, there has been a significant problem in Bundaberg with waiting lists out to about four years for non-urgent cases. We are very hopeful. We have been very active in pursuing dentists for that and addressing some of the administrative problems involved there. A chief dentist has now been appointed who may already have taken up that position, but will do so soon if not already. Also, we have made offers to three people for the other positions. We are hoping to fill all of those positions by the end of the year or early in the new year, which would significantly go towards addressing that. The same applies in other areas.

We are committed to providing active recruitment programs and to providing extra funding, for instance, at the Palm Beach, Smithfield and Edmonton Community Health Centres to provide oral health care in those centres. Smithfield and Edmonton in particular were ones which the previous Government had not funded. While they were new community health centres that had been built and were planned under Labor, only about half of the recurrent funding needed was there to provide service delivery. We have now met the needs for providing that funding for service delivery with an increase of \$400,000 over what was originally provided, which will allow an extra range of oral health services and other services to be provided at those centres. Overall, the oral health work force has grown. We are also working towards making the salary packages for dentists more attractive by including a senior dentist category for specialist dentists and by improving their career structure. One of the problems we faced was that senior dentists were tending to leave because there was no career structure for them. We are hoping to retain them now. We also have 25 students graduating as dental therapists this year, which will help address the backlog in dental therapy.

The CHAIRMAN: The time for questions by Government members has expired.

Miss SIMPSON: I return to the figure of \$103.5m that you read into Hansard as part of a ministerial statement regarding the Australian Health Care Agreement. As you would be aware, that earlier signing money was designated for elective surgery. Please detail how that \$103.5m will be spent?

Mrs EDMOND: I am sorry. Are you saying the \$103m from the AHCA was for elective surgery?

Miss SIMPSON: The money that was gained to Queensland out of that pool of funds for the early signing of the Australian Health Care Agreement was designated for elective surgery. You read the figure of \$103.5m into Hansard in your ministerial statement. I ask: how are you spending that \$103.5m in incentive funds which Queensland gained as a result of signing that Australian Health Care Agreement early?

Mrs EDMOND: I have a copy of the statement. Nowhere in my statement does it say that the \$103.5m is going into or has to go into elective surgery.

Miss SIMPSON: But that was part of the agreement for taking that money.

Mrs EDMOND: No. I am sorry, this is something for the previous Minister. There was funding as a bonus for signing early. My understanding was that that was \$15m, which the previous Minister distributed prior to my coming into office.

Miss SIMPSON: \$103.5m.

Mrs EDMOND: There was \$15m that the previous Minister went around the State and distributed in April of this year that was the original bonus. \$31.24m was kept by the coalition Treasury as part of the initial early signing. I think the member is confused when she constantly thinks that the—

Miss SIMPSON: Your statement and the document you tabled in Parliament does not add up to \$103.5m.

Mrs EDMOND: I have the statement I made in Parliament. It does not say that. It states there was an extra \$103m. But the funding that the member is referring to was actually spread over five years. So five into \$103.5m is not \$103.5m.

Miss SIMPSON: With respect, the document you tabled in Parliament did not outline in full the spending of the \$103.5m.

Mrs EDMOND: I think the member is mistaken. What I said in Parliament was that there was an extra \$103.5m this year.

Miss SIMPSON: Yes, you said in this current financial year.

Mrs EDMOND: Excuse me, I am being very patient, because this has nothing to do with the MPS. I am trying to remember media statements by your previous Minister. He said that there was a bonus of \$102m. That \$102m bonus was over five years. He claimed there was a \$102m bonus for signing early. But part of that is spread over five years. He spent the \$15m he got as a bonus for signing early in April of this year when he got it. It

was spent before I was Minister. It was in the previous year's expenditure.

Miss SIMPSON: With respect, in your statement you said that there was an extra \$103.5m in the current financial year—

Mrs EDMOND: Yes, but that was not—

Miss SIMPSON: You said that this is the incentive payment for signing early.

Mrs EDMOND: I go on to say—

Miss SIMPSON: I am quoting your words, by the way.

Mrs EDMOND: I said—

"Minus this incentive, the agreement would have been very poor, providing less to Queensland than had been provided in the previous year."

It was \$103m more than was originally offered. It was not \$103m more than we would have got under previous agreement.

Miss SIMPSON: This is incentive money.

Mrs EDMOND: You are telling me what I am saying, and I am not saying that at all. I will read it out, if you like. I stated—

"On top of this, the Health budget would have had to absorb the previous Government's unfair tax on capital works, which has been abolished by my colleague the Treasurer.

Contrary to media reports and enthusiastic assertions from the member for Maroochydore, the latest renegotiation of the Australian Health Care Agreement ... has brought no significant benefit to Queensland ... Certainly, we are receiving \$74.6m more than was forecast in the Health Forward Estimates for the current year."

That is a figure I have consistently used today. I stated further—

"Unfortunately, those funds are not available to be used at Queensland's discretion."

I am surprised you want me to repeat all of this. I continued—

"Of the total, \$38.4m is tied by the Commonwealth to existing programs, another \$21m will have to be used to fund activities which the Commonwealth has dumped and around \$25m is needed to maintain the current effort to cut elective surgery waiting lists."

That is the only place where it even mentions elective surgery waiting lists. I continued—

"For the information of members, I will table the break-up of this funding"—

and I did. The break-up of that funding was as follows: of the \$74.6m in additional funding, \$38.7m was in funds tied by the Commonwealth to specific areas, that is, funds which must be applied to those particular purposes and expenditure accounted for to the Commonwealth—for example, mental health, palliative care, quality assurance and the National Development Fund. As I mentioned before, funds totalling \$21.322m were required by Queensland to

take over operation of the following discontinued Commonwealth programs: viral load testing, magnetic resonance imaging, AIDS Medicare, Day Surgery Program, the Post Acute Program and the Heart/Lung transplant and the Home Renal Dialysis Programs. Funds of around \$25m are needed to maintain the current effort to reduce elective surgery waiting lists at Queensland public hospitals. \$19.8m has been provided so that a number of previously separate programs can be funded—and this is the broad banding—within the Australian Health Care Agreement, including the Artificial Limb Scheme, the National Funded Centres Program, the Bone Marrow Donor Registry and the transfers of pathology laboratories programs. As I said, I do not know what you are asking me to do. That is the break-up of that funding.

Miss SIMPSON: I noted before that you were accusing the coalition of fudging the waiting list figures, and I ask: as Queensland Health staff are still the same people who are putting these figures together, are you saying that your DG has fudged the figures?

Mrs EDMOND: I am saying that there was a focus on percentages. The previous Minister only released those percentages that he thought were helpful. We have been quite open and accountable and we are publishing all of the percentages, all of the figures and all of the numbers of patients. We are actually releasing details which show the number of patients waiting, the percentage of patients waiting, for what category and from what hospital so that GPs can make, I guess, informed judgments about where to send patients so that the Health Department can make informed judgments about where more services are needed. For instance—again, if I keep picking on the member for Burnett it is because I have recently been in Bundaberg and talked to them up there—an orthopaedic surgeon was a big issue in Bundaberg. They employed an orthopaedic surgeon and we will be continuing that. That orthopaedic surgeon was going to have to resign because the funding was a one-off. We will be continuing that so that it is recurrent funding so that they can continue providing that service in Bundaberg.

That is what we are about with waiting lists. We are also about looking at the number of people who could not even get on the waiting lists for surgery, the people who could not get through the gate who were waiting for three, four or five years in some places. There were something like 1,200 at Nambour; I am not sure how many in Bundaberg; I understand there were over 1,000—probably 1,500, I think was the figure used—down at the Gold Coast; and between 800 and 1,000 at Townsville where people could not get an appointment for years to see a specialist at the hospital to find out what category they are: whether they are one, two or three. You had to hope that the GP who was referring them had enough push and knowledge to work out what category they should be in, where they should fit in and whether he should be pushing harder to get him on.

You should speak to the member for Nerang. He has harassed me about a patient whom he

believes was not categorised accurately and was kept waiting under the previous Minister. I have said to him that he really should take that up with the previous Minister because it was his system that failed him and not mine. I think it is important to realise that there are more ways of looking at people waiting. I am more concerned with those people who are waiting two or three years for surgery or two or three years to get on the list than those people who are missing out on being operated on within 90 days by a couple of days. Those people are still outside the 90-day limit so they still count as long waits whereas their wait is still in the order of months whereas other people are waiting in the order of years and deteriorating while they do so.

Miss SIMPSON: As I mentioned earlier, I note that you said in that question on notice that there had not been any meaningful data gathered with regard to emergency department services, and we now know that it is on the record that there are a number of hospitals that are, in fact, collecting that data and have systems in place and it has been noted that Queensland has actually set some of these benchmarks. Why did you mislead the Parliament?

Mrs EDMOND: The issue of benchmarks is that, if hospitals were doing that—my understanding is that they were not asked to report on that in any official way. I said in my policy statement that we would be giving them the wherewithal, and I think that should be recognised as a significant improvement. We are giving them \$2.5m this year and \$5m in the full year to actually start doing some real work on this and address the waiting times in accident emergency. The member opposite may be quite happy with the fact that we have had reports of an 88 year-old lady with diabetes sitting for nine hours at the Princess Alexandra Hospital and only being found and only being seen when her frantic daughter wondered why she had not turned up at home and she went around every other member of the family who had turned up and asked why.

Certainly the information I have from the department is that there was insufficient information to undertake benchmarking between the hospitals, that there was considerably more work to be done and we are now giving them the wherewithal to be able to do. That means it is about putting patients first. It is about thinking about the patients rather than point scoring. It is about making sure that you do not have elderly people waiting in waiting lists. It is about having the money to put in computer systems in accident emergency departments so they will know where there are beds available in the hospitals so they do not have to sit down and ring around for half an hour while they are not seeing other patients. It means that we can work through and address those issues and meet the standards. It is not just about pulling standards out of books but about actually meeting standards and improving the standards in Queensland public hospitals across-the-board.

I am not going to apologise for actually giving Queensland Health and hospitals the funding to do that. I think that is the way we should be going. Other States have done it; other States report on it on a quarterly basis like other States report on their

waiting lists, and Queensland now does, too. It is something that you can run away and hide from and put under the rug, but I am not prepared to do that. The data collected from the emergency departments in eight Queensland hospitals this year showed that none met the acceptable waiting times in all of the triage categories at particular times. Sometimes that is a problem of a huge workload, as in the winter months. I know that they were suffering at the Gold Coast because there was a huge workload. I think they had record numbers through. But \$2.5m will go a long way to being able to start setting up systems so that this problem does not recur in the future. It will give us the opportunity to benchmark waiting times and it will give us the ability to then do something about it—not just a benchmark but to actually then improve on the problem.

Miss SIMPSON: I refer you to the answer to the Government question on notice No. 3 in which you claim that coalition election commitments resulted in a \$200m gap in Queensland Health's budget. Can you please outline in detail how you arrived at this figure as there are no individual amounts in your answer?

Mrs EDMOND: This figure arises from the steady stream of election promises that came to me after assuming the position, some of which were amusing, some of which were tragic, where people had been led to believe and encouraged to believe that there was something actually happening about their health needs, and I have mentioned some of them already. We had a Minister who seemed to be prepared to go around the State and say, "Yes, halleluia, I will give you the money" on every street corner. We had a new community health centre promised at Bribie Island. How many millions would that have cost, and then ongoing capital of a few million. A new community health centre at Coomera, a new community health centre at Jimboomba—

Miss SIMPSON: So you have no details of the costs. You said there was \$200m of unfunded promises and yet you are providing no details.

Mrs EDMOND: Just a few examples: there is a \$0.8m estimated cost for the Bribie Island health centre, \$10m was promised for the medical school in Townsville but no allocation had been made for it, but there is an allocation for ours. In Townsville again in relation to the bone marrow transplant, \$680,000 was promised, as well as \$1.6m in ongoing funds that had to come out of their growth fundings, which were only half that. So that was another unfunded promise. Charters Towers also wrote to me about this. Charleville's 60 and Better Program bus \$6,500; a private hospital contract for Crows Nest, a quarter of a million dollars—just like that. Another private hospital contract for Killarney, another \$250,000; Cairns redevelopment, there was a promise of \$3.2m which was totally unfunded; educational facilities in Cairns, \$1.8m unfunded; Blackall Hospital upgrade—we have not got it funded and we have not funded some of the other community health centres, but I would expect them all to be about \$1m.

The Bowen staff were promised their accommodation would be increased. New scanners were promised for Bundaberg, Cairns, Nambour and

Toowoomba at \$1.5m apiece. Money was promised almost everywhere the Minister went for waiting lists, to increase throughput and to purchase diagnostic equipment. There were also promises that he would keep the post-acute care program of \$5.3m, but there was no funding for it. The hospice on Bribie Island was promised funding, the aged care facility at Winton was promised a quarter of a million dollars, cardiac services at the Royal Brisbane Hospital—heaven knows how much that will be. Do I go on? Palliative care—\$5m was promised for a hospice at Noosa.

Miss SIMPSON: Could I ask you to table this document?

Mrs EDMOND: I think it would be more appropriate to ask the previous Minister.

Miss SIMPSON: You have nothing to hide. Please table the document.

Mrs EDMOND: I would seek advice on that. These are private documents that have been drawn from my studies of the previous Minister's—

Miss SIMPSON: Surely, Minister, if you can read the figures you have no problem with tabling the document.

Mrs EDMOND: I will have a look and see if we can give it in a better format this afternoon.

Miss SIMPSON: I ask that you table the document you are quoting from.

Mrs EDMOND: These figures have been drawn from the public statements made by the previous Minister, including media statements by him and his colleagues.

Miss SIMPSON: Why will you not table the document, Minister? If you have such confidence here in a parliamentary forum, put it on the record.

Mrs EDMOND: It is drawn from a whole range of different issues. There are different pieces of documentation.

Miss SIMPSON: I will ask my next question, seeing that you are refusing to table this document.

Mr SLACK: Is there any real reason you cannot? We can get it photocopied.

Mrs EDMOND: I am just trying to think whether there is. It is not produced in a format that I think would be very useful. I am surprised that the previous Minister did not give you any information.

Miss SIMPSON: I do not know why you want to hide this document.

Mrs EDMOND: I am not trying to hide it. These are all things that are on the public record in media statements.

Miss SIMPSON: I will challenge you in this regard—

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

Mrs EDMOND: I will see if in the break we can put it together in a form that is useful.

Mr PEARCE: Numerous pages of the MPS identify Queensland Health staffing resources. Given

the Premier's commitment to job creation in Queensland, what role will your department play in accelerating job creation?

Mrs EDMOND: Queensland Health will be one of the major creators of jobs in the next year. I say that for the simple reason of the huge increase in the budget. Obviously there are 9,000 construction jobs as part of the \$621m Capital Works Program. More than that, there is an increase of 995 full-time equivalents in the service delivery area. That is 660 jobs over and above those in the May Budget statement. The biggest increase is in hospitals. There is an increase in FTEs in hospitals of 415. While that is a huge increase, the biggest proportional increase is in public health, with an increase of 16.5%, and mental health, which is up 6.5%, or 246 jobs. We have made a considerable effort this year to put a lot of funding into the creation of jobs in community service delivery areas. That is a deliberate effort.

We need extra resources in the community but obviously, with the increase in activity that we are expecting in the Queensland public hospital system, it is important that we increase the range of services and the staffing to go with that in the hospitals.

Particularly in the communities there was an historical shortage of resources. The increases in both the HACC funding, which will provide increased staffing, and the mental health funding will have a significant impact. Other initiatives of the State Government, such as the school nurses working within the community and greater numbers of child health nurses, along with a range of other programs, will also have a significant impact.

Of all the years I have been studying the Health budget, this is probably the biggest single increase in jobs. In fact, in some years the number of staffing jobs has actually gone down. This will be the biggest increase in jobs in the health service delivery area that I have ever seen. I would welcome any comments from other people. Certainly, it is about delivering services and it is about recurrent budget expenditure. It is not just about putting money into capital works but about actually putting money into recurrent budgets so that service delivery on the ground can be provided to the people of Queensland where it is needed.

Mr PEARCE: There is a real shortage of nursing, not only in rural Queensland but right across Queensland, and in fact nationally. What are you doing to try to address that problem?

Mrs EDMOND: Nursing is a critical shortage area. In fact, it is recognised on the national training profiles that nursing numbers are of concern. There is actually a critical shortage of qualified nursing staff. It is most obvious in the acute care areas—in the critical care units, in the operating theatres, in emergency departments, in renal dialysis and in midwifery. There is also a maldistribution of nursing, where rural and remote areas are hardest hit, as is the aged care sector. There is an incredible shortage of nurses. I have been concerned about that and concerned about the poor retention rates—the fact that increasing numbers of nurses are leaving the profession.

As a result of that, and from talking to professional staff, as part of our policy we have established a nursing task force to look at training, retention and work force issues. We have allocated \$255,000 for that task force. We are pulling together people with significant experience—people from the department. It will be chaired by the principal nurse adviser. It will also include people from the unions, people from the universities and nurses on the work front so that we get a broad range of people looking at the issue.

A similar task force in New South Wales did highlight a range of workplace issues which it is now trying to work through. We will be drawing on its experience. We will not repeat everything it did, but we will use the information it gained about the need for family friendly, flexible work practices and management of workloads and staffing. We will be looking at what it found and what it is doing.

I have asked the task force I have set up to review both the pre and post registration education training and staff development needs, to develop guidelines for the management of nursing resources and workloads, and to promote the introduction of family friendly rostering. I know that was a significant factor when I went back to work, as it is for a lot of women in particular who are going back to work after having children. The task force will also look at management practices.

We are also looking at how to best provide relief for staff in rural hospitals. One of the problems is that, even when you do manage to recruit experienced nursing staff for those rural and remote hospitals, they feel trapped if we cannot provide relief staff so that they can get away for a break—for holidays and so on. They are more likely to stay there for the longer term and go back if they know that they can get away for breaks and for professional experience and to maintain their accreditation in a range of areas.

The CHAIRMAN: Page 22 of the Ministerial Portfolio Statements, under 1998-99 Planned Performance, refers to significant upgrading of services and facilities at the Gold Coast Hospital. What funds have been provided to assist the district in meeting current demand for services?

Mrs EDMOND: I have been concerned about the growth patterns at the Gold Coast Hospital. It is an issue that was a concern of mine before coming into this place. The biggest issue that you have there is the rapid increase in growth and the fact that, at times of the year, they have almost a doubling of the population with visitors. When I came into this office, I was surprised to find that only \$750,000 was allocated to the Gold Coast Hospital in their budget increase for this year and only \$1m last year. I knew that, going back a few years, we had increased the budget to the Gold Coast Hospital by something like 24%. When the member for Kallangur was Minister, I think that we increased the budget for the Gold Coast Hospital quite significantly—in the order of about 24%—to recognise that huge growth. So I was surprised that the increases in the last budget and this year's were so small.

As a result of some concerns raised by the medical professionals on the Gold Coast, I had fairly urgent meetings with them down there. As a result of that, we have increased the funding to the Gold Coast Hospital by \$2.5m in this year's budget—over the \$750,000 in the May Budget for the Gold Coast. There will be more funding, of course, in the one-off funding from the \$100m in new initiatives funding, etc., that has to be allocated. There has also been a significant increase in funding to the whole district, some of which will take pressure off the Gold Coast. But as I said, that \$2.5m is more than the \$1.5m provided over the previous Government's provision for the Gold Coast. I hasten to add that it is also \$200,000 more than the Gold Coast Hospital redevelopment business case said that they needed. So we are hopeful that that will meet their urgent needs. I have also set up a high-level committee to work through the Gold Coast Hospital's needs, not just in the immediate future in this first year but over one-year, two-year and five-year programs for the Gold Coast to take into account the fact that the Robina Hospital will be coming on line. Even though there is concern about how much pressure that will take off, we have to make sure that it does take off some pressure.

Another factor that is a problem at the Gold Coast is that the redevelopment has been delayed. The redevelopment process has caused problems during very busy periods this year, with the unavailability of theatres, etc., while they were being refurbished. They have been difficult issues for the Gold Coast Hospital staff to work through. Many of the issues at the Gold Coast Hospital will not be resolved until the redevelopment is completed. That is why we were keen to get it done, and I am disappointed that it is running so far behind schedule. We will have to try to make Robina work. There are significant management issues about how we make Robina work with the Gold Coast Hospital—a private hospital work with a public hospital. We need to consult very closely with the health professionals involved, and we will continue to do that. As I said, I met with them urgently, and I will be meeting with them again. The local member, Merri Rose, from the Gold Coast was also at the meeting, as were senior health professionals, and we will be continuing the process and working through it as best we can.

The CHAIRMAN: Are you able to advise the Committee of any overruns in hospital budgets?

Mrs EDMOND: Yes. I understand that, in previous years, overruns were not called overruns or budget blow-outs; they were called negative carryovers. However, I think the same applies. I think it was just a play on terms. They were there last year. They negatively carried over quite a lot. It was the same the year before. With some of the hospitals, the negative carryovers or budget overruns are because of rapidly increasing pressures. There have been a number that we are concerned about, particularly Toowoomba, the Royal Brisbane and Townsville.

Probably the most difficult case is Toowoomba, where there has been a large overrun of something like \$2.3m. Also, Toowoomba has not met its targets.

It has failed to meet any additional activity and medical DRG, so it is hard to understand why they are having such problems. Some of the other hospitals involved, such as the Royal Brisbane and Townsville, have had significant growth in their throughput, and there have been other particular problems. But in Toowoomba, it is very difficult to understand that they have probably the worst elective surgery waiting list problem in the State. They failed to meet additional activities, yet they have a significant overspend. I hasten to add that I have heard that it was because of significant political interference in Toowoomba. If that is the case, hopefully it will be resolved in the near future.

The Royal Brisbane Hospital did have significant problems, including problems with radiation oncology. They had to do an awful lot of after-hours work because of the breakdown of one machine. There was something like a six-month delay between the time that the hospital indicated that they needed to order a new machine—because the linear accelerator could not be repaired—and the time that the Minister actually got around to approving the tendering process. I think that only happened after I raised it in Parliament. You may remember that we had people working almost around the clock to treat patients. That has a significant overtime burden. There was also a substantial increase in patients, particularly in the elective surgery area and in cardiac services.

The redevelopment of the Royal Brisbane Hospital, while it is still going to be some years away, will improve a number of the inefficiencies they have there. It is a very difficult hospital to operate in terms of its poor layout and the fact that it is sprawled over a significant area.

The CHAIRMAN: I noted on page 23 of the Ministerial Portfolio Statements that there was a reference made to partnerships to co-locate private facilities with public hospitals. Could you outline the current Government's policy position on co-location?

Mrs EDMOND: One of my prime concerns with co-location is that we have all of them going ahead without seeing the result of any. I have to say that, being a naturally cautious person, I like to see that something works before I go in feet and all to seeing that it happens. Unfortunately, I think we have seven that are committed and under way at the moment.

While the benefits of co-location are fairly well documented in smaller hospitals and regional hospitals and seem to work quite well, you get into much more complex issues and it is much harder to find the benefits of co-location when you are looking at the major tertiaries. The usual benefits are the increase in the number of patients to make viable a whole range of services that are not viable by doubling, I guess, the number of patients there and, therefore, being able to attract a better range of specialists, provide more expensive equipment, etc. But when you have the major tertiary hospitals, you do not have that problem. We already have hospitals of a significant critical mass that can meet those needs. My position, I believe, is to make sure that there is a public benefit rather than a benefit for any

particular group within the co-location. I am not here to provide incentives for private hospitals or to increase their profits. I am here to make sure that the public of Queensland get the best range of health services and that there is a significant public benefit. That is why I held off on the co-locating of the major tertiary hospital sites until I had made sure that that was the case.

I am quite encouraged that once staff realised that that was my intention, they went all out to make sure that there was a public benefit. They actually started talking across-the-board to service providers and the unions, who had been largely excluded from the process. The work force that had largely been excluded from the process started to be involved in the process. There are significant industrial issues that have to be resolved if we are to have private and public groups working on the one campus, with some staff moving between the two. We have made sure that that is the case. I am now convinced that there will be a public benefit. I would still have preferred to have gone through a staged process so that we could see the public benefit and work through a lot of the issues before we progressed onto others, but that is not possible. We are quite comfortable with the fact that there will be a public benefit on those sites if we proceed with the system that we have now set in place.

Mr HAYWARD: In the Treasurer's Budget Speech there was discussion about the Government's initiative to improve management systems and resources to reduce waiting times in emergency departments. Can the Minister indicate what funds have been provided and how the Government proposes to achieve that?

Mrs EDMOND: As I indicated earlier, we have put in funding. It is \$5m per full year. In this year it is \$2.5m. In expectation, it will take a little while to get that up and running. The aim is to put in place the infrastructure and the computerised systems that we need in accident and emergency to provide better access to where beds are available. One of the reasons you have people waiting around accident and emergency departments is that nobody has the time to look after them. Everybody is too busy looking after other people coming into accident and emergency to find beds if there is a high bed load at the time.

The improvements will provide access to beds in the wards to enable people to move through the system fairly quickly and, if necessary, find beds at other hospitals if a patient cannot be dealt with at that hospital. If they need to be transferred, where is the best and optimum place to transfer that patient? We will have the technology in place to find that out. Often that is done manually. Someone sits behind a phone and rings around. That takes somebody out of action in accident and emergency for a period. I have heard people say that they spent three hours on the phone trying to find where to send a patient who needed to be moved to a tertiary hospital from a regional hospital. I do not think that is acceptable. In some instances, people need ICU beds and that person may have to be transferred from Rockhampton to Brisbane for that care. They need to

find out which is the best hospital the patient can go to. In the meantime, that patient may be staying in accident and emergency in Rockhampton. It is a case of putting systems in place so that we can manage the bed movement better, so that we know where the beds are, so we know who is coming into accident and emergency and when and what their triage category is so that they are categorised fairly quickly. It is often the people who are least able to speak out for themselves, the aged and people who are less pushy, who are left sitting at the back in the corner afraid to speak up and remind people that they have been waiting a long time. We have all heard stories of people who have been popped on a trolley behind a curtain and, because they have been fairly quiet, forgotten, when their need is great, too. We want to make sure that that does not happen in future by putting systems in place, by putting the access to the bed availability in front of people very readily and having the category that they are listed under when they are triaged immediately available.

The CHAIRMAN: The Committee will now adjourn for afternoon tea. The hearing will resume at 4.35 p.m..

Sitting suspended from 4.17 p.m. to 4.38 p.m.

The CHAIRMAN: The hearing of Estimates Committee E is now resumed. The consideration of the Estimates of expenditure for the Minister for Health will now resume. I call on the member for Maroochydore.

Miss SIMPSON: I ask the Minister a question with regard to the legislative program. I refer to the Mental Health Act. Will you support important changes to the Mental Health Tribunal and the Patient Review Tribunal which were at an advanced stage under the former Government?

Mrs EDMOND: The Mental Health Act has been at an advanced stage of review since 1993. There were a number of changes mooted by the previous Government. I am trying to think which ones the member is referring to. There were some outlined in the media. My understanding of what is in the Act does not reflect that. Certainly, we are looking at changes to the Mental Health Act. It is one of the many Acts that I understand needs to be addressed before the middle of next year. It certainly has a high priority.

There are a number of policy proposals that were put forward relating to the tribunals. We are discussing with a range of interested parties, including legal bodies, the mental health service consumers, the service providers and the victims of crime groups. We have been having discussions with them. I have met with a number of those people. We are also targeting them in the next round of consultations. I am almost embarrassed on behalf of the previous Government that it has not moved in two and a half years. The review of the Act was started in 1993. Much of the consultation and development of the policy basis was done, completed and included in the release of discussion papers in May of 1993. A green paper bringing together that formulation of policy into a more coherent form was produced in October 1994. It was expected that it would be through the House before

the end of 1996. I remember the previous Minister saying that he would introduce it before December 1996. However, it is still waiting. We are finishing off what needed to be done since then.

My intention is that, as soon as there is an exposure draft of the Mental Health Bill ready, it will be distributed widely. The legislative project group is working on that now within Queensland Health. We have increased the funding available for the completion and implementation of that Act. There is \$2.7m available for implementing the new Act. Yes, it will change a number of the structures. We are still working out the final form of those structures in consultation with the various groups involved and discussing it with the Attorney-General's Justice Department. The legislation was not even listed as an activity in the previous MPS for this year. I am not sure why the member has a sudden interest in it. It is certainly a piece of legislation that we think is very important and we will be dealing with it.

Miss SIMPSON: I suggest that you are actually misleading this Committee if you suggest that that piece of legislation was not going to be handled by the coalition. I refer you to the briefing document to you on coming to Government, which listed that particular piece of legislation.

Mrs EDMOND: Can I draw your attention to the May MPS, which does not list it as something that they were attending to.

Miss SIMPSON: You received the briefing document when you came into this office as Minister, which clearly listed this particular piece of legislation. Perhaps you did not read it.

Mrs EDMOND: Sure, the briefing document on all of the pieces of legislation told me how important they were and how far behind they were running. I did not need to be told that by the briefing document; I was aware that that document was due to be introduced into the House in 1996, as was legislation relating to the Radioactive Substances Act, as was the health registration Act and as was the Health Act. I cannot remember—there was a whole string of them—there were about seven Bills that were supposed to be introduced and even the previous Minister said that they would be introduced by the end of 1997. They still have not been introduced. I am in the process of going through them as a matter of urgency, because it now has become critical that that legislation is produced and passed before the middle of next year—what will be a significant embarrassment to all concerned. I have to say that I am surprised that you can even sit there and raise it as an issue when for two and a half years we could not even get the Minister to make a decision on what he wanted to do. That is why we have been waiting.

Miss SIMPSON: What have you been doing?

Mrs EDMOND: I have been here a couple of months and I have made a decision.

Miss SIMPSON: But what are you doing with the Act? What are you changing?

Mrs EDMOND: That is being put in process and when we have gone through the consultation process you will be informed in due course. What is

important is that I am actually making decisions. I have actually started introducing legislation into the House. We will be getting those Bills through as quickly as we possibly can.

Miss SIMPSON: You raised an issue about budget overruns in hospitals, but your own budget papers in the Ministerial Portfolio Statements on page 3 state clearly, "As expenditure was within the approved budget no budget supplementation was necessary." Does that mean that your director-general will still receive a \$60,000 performance dividend, which was part of the contract negotiated by the previous Health Minister, Mr Beattie?

Mrs EDMOND: The performance contract of the director-general is based on overall budget requirements and the overall budget of Queensland Health. While some hospitals, in particular Toowoomba, have suffered from a problem in budget overruns, the overall Health budget has not. Can I say that what is even more important this year is that there is going to be a record Health budget. There was a significant increase in the budget. One of the issues that I found when I came into Government was that for all of the hospitals in Queensland, the total increase in their recurrent budget was \$2m—\$2m! We have increased the budget to Nambour Hospital by more than \$2m. If you look at the May MPS for the recurrent expenditure for hospitals, you will find that the total increase was \$2m—0.1% of an increase.

We have increased the budget to hospitals across-the-board by a factor of \$3.1m. That shows that we are serious about increasing both the care and attention to patients. We have increased the recurrent budget by \$63m more than the coalition Government did in its May Budget. How anyone could sit there and query budgets when they increased the total recurrent expenditure for hospitals across the entire State of Queensland by \$2m just amazes me. If you want the reference page in your MPS, I can give it to you. It is page 10 of the May MPS. It shows that the estimated actual for current outlays for district health services in Queensland was \$1.975m. It was going to go up to \$1.977m. This is a ridiculous state of affairs. We have increased that by \$63m.

Miss SIMPSON: I therefore ask you to table the 1998-99 growth funds allocations for Queensland. On 15 September you tabled a document in the Parliament, part of which was blacked out, outlining the coalition's allocation of 1998-99 growth funds which, interestingly enough, had \$3.5m of growth funds for Maryborough, which exceeds the \$2m that you just mentioned.

Mrs EDMOND: And \$6.2m was needed for Maryborough.

Miss SIMPSON: Which exceeds the \$2m allocation that you claimed for all of Queensland. In the interests of accountability, I ask you to please table in detail your growth funds allocation for 1998-99.

Mrs EDMOND: I am surprised at some of the statements that the member has made. She seems to be implying that the May MPS is inaccurate. Is that what you are implying?

Miss SIMPSON: No, I am asking for clarity and accountability of Government—

Mrs EDMOND: I refer to you page 10.

Miss SIMPSON:—to table the growth funds allocation for Queensland. You tabled a document that showed \$3.5m extra in growth funds for Maryborough Hospital under the coalition. What I would like to see is the allocation for the 1998-99 growth funds allocation across Queensland that you were bringing in in your Budget.

Mrs EDMOND: You would be aware that the budgets of the hospitals and the districts in Queensland are not finalised. While the initial funding goes out earlier—and all of them have it—can I say that every health district in Queensland, even on the initial funding arrangements, has received extra funds than they did last year for all of the programs that they are continuing.

Miss SIMPSON: So will you table that document when you finalise—

Mrs EDMOND: I do not have that document.

Miss SIMPSON: When you finalise your figures? When is that going to be?

Mrs EDMOND: No, I will not.

Miss SIMPSON: Why not?

Mrs EDMOND: I do not have that document with me. That is a document that is used for the Budget process—which goes to the Cabinet Budget Review process—and is not available for tabling.

Miss SIMPSON: Why not? You tabled one in the Parliament of the coalition's.

Mrs EDMOND: That was one that was produced for June. The changeover briefs, which you have also got a copy of—you have got a copy of all the changeover briefs. So you have that document.

Miss SIMPSON: What document, Minister?

Mrs EDMOND: The one you are referring to there that is not blacked out.

Miss SIMPSON: I do not have a copy of the one that is not blacked out—of your own allocations.

Mrs EDMOND: No, and we are still going through that process.

Miss SIMPSON: When will you table that before the Parliament?

Mrs EDMOND: Can I ask, Mr Chairman, if the member continues asking questions, do I continue getting three minutes to answer each one?

The CHAIRMAN: That is right, Minister.

Mrs EDMOND: I was saying that all the districts have received their preliminary budgets. There is still nearly \$100m worth of new initiative funding and so on that has to be distributed, and that will be distributed over the coming year. As your predecessor was fond of saying, some of that will not be distributed until the day before 30 June, and that will probably be the case. I can say categorically that all districts already have an increase in the year for programs that they continue to deliver. That is significant compared to what was allocated in the

May Budget, where there was a total \$2m increase across the entire State and a significant number of hospitals and districts did not receive an increase. The recurrent total hospital increase is \$61m more than you provided for, or \$63m more than was spent last year. There is another \$100m to be distributed across the State.

Miss SIMPSON: And you are refusing to detail how you are spending that money.

Mrs EDMOND: The details of that are still to be determined. We are still going through that process.

Miss SIMPSON: You are not giving a commitment to the Committee to bring that information.

Mrs EDMOND: I am giving the same commitment as the previous Minister did on every other occasion when he said that these details—

Miss SIMPSON: No information—

The CHAIRMAN: The member for Maroochydore will let the Minister finish answering the question.

Mrs EDMOND: The previous Minister made it clear, and I have since found out that he is quite correct, that the budgets are a moving feast. They are not finalised until quite late in the financial year. There are significant funds and I think that the previous Minister was still distributing funds in the few weeks out from the election. There are significant funds—as I said, up to about \$100m in new initiative funds and for a range of other programs that will be distributed before the next financial year.

I can guarantee the member that there will be no Horan health tax taken out of those funds. There will be no clawing back of that money from the hospitals involved in capital works. There will be no extra savings. The previous Minister came in and dragged something like \$150m of forced savings out of the hospital budgets. We will not be doing that, and you have my commitment on that. We will be doing everything we can to spend the \$3.722 billion record Health budget in the best way available to improve access to health services for people across Queensland.

Miss SIMPSON: After the Maryborough experience, you are asking us to trust you. That is a little bit hard to do. I refer to a letter under your signature that was published in the Northern Miner on Tuesday, 29 September 1998, in which you announced that spending on health in Charters Towers will rise by \$313,000 to \$22.579m in 1998-99. I also refer to an article in the Innisfail Advocate of Thursday, September 24 1998, in which you announced that spending on health in the Innisfail area would rise by \$473,000 to \$15.31m and an article in the Townsville Bulletin in which you announced that health spending in Townsville would increase to \$156.6m this financial year. Why have you shown complete contempt towards this Committee by refusing to provide the breakdown in the district health budgets?

Mrs EDMOND: What you are saying is what I have already said: the districts have received their preliminary budgets, but there is a further \$100m—

Miss SIMPSON: You are putting out press releases, but you will not stand and be accountable to the Parliament and table it here.

Mrs EDMOND: What you have said has confirmed what I was saying before, that all of the districts have received increased funding—

Miss SIMPSON: But we have to trust you, though.

The CHAIRMAN: The member for Maroochydore will desist.

Mrs EDMOND: All of the districts have received increased funding for the programs that they are continuing. You are asking for final figures, and those final figures are not available because there is still—

Miss SIMPSON: Give us some indicative figures then.

The CHAIRMAN: The member for Maroochydore!

Mrs EDMOND: Almost \$100m worth of extra funding is still to be allocated and we still have to determine that. For instance, there is a huge increase in the amount of mental health money. We are still working through that. There is an increase in palliative care funding. There is a whole range of things. There are significant new initiatives that go far beyond what was planned for by your Government. We are still working through where that funding will go and the parameters that we will use. For instance, the school nurses programs have to be allocated and we are looking at where they are needed. We do not promise hospitals without planning and doing demographic studies and needs analysis before we lock Queensland Health into spending \$909m over 20 years. We will not do that without doing the planning. We want to make sure that the service delivery is where it is shown that it is essential to have those services, and we will do that. We will work out which hospitals are meeting their targets for elective surgery and which have the capacity to do more when we are determining that funding. Over the next year—and it is only a few weeks out from the Budget that provided this funding—we will be going through that process and working out where we can get the best delivery of service and where the most needs are. We will do that over a period and we will provide the funding that is much needed. As I said, some of that has been indicated already. However, while we have more than doubled what you were going to provide on the Gold Coast—

Miss SIMPSON: How do we know?

Mrs EDMOND: We have told you and you can ask them. It has been in the media. We have increased it, but that is not the final figure. We expect that there may be an increase above that.

Miss SIMPSON: We will just have to trust you.

Mrs EDMOND: Yes, you will have to trust me. You can also talk to my predecessor and he will assure you that never in the history of the coalition

Government did it give any of that information on the grounds that it was not available until the final figures had been devolved. That is still the case.

Mr SLACK: In your Budget submissions, you would have to put those figures together to justify the submission for the amount of money. In that process, you would have identified the areas and the regions where that money would be spent and the programs on which it would be spent.

Mrs EDMOND: The member is absolutely right. In the Budget process, we put up all the proposals that we want to put up. As the honourable member would know, Treasury does not fund all of them. Once you get the Treasury allocation, you have to cut your cloth to suit it. This year we have been very lucky that we have received a record \$3.722 billion budget, which, as I said earlier, is a significant increase on the coalition Budget of May this year. As a result of that and as a result of the significant new initiatives, we have a lot of work to do to finally determine where it goes. A lot of that funding is bundled. We recognise that we will need a certain allocation for mental health resources around the State. Some of it will go to finite units. As you know, Bundaberg had a far greater need than a lot of other areas.

Mr SLACK: That was allocated in our Budget and identified.

Mrs EDMOND: Yes, and we have further increased what they were doing. In your Budget, while there was a range of new initiatives, there was no funding attached because many of those new initiatives were not in fact funded.

Mr SLACK: Are you saying to me that the announcement that I made post our Budget on the analysis of Bundaberg—

Mrs EDMOND: Show me where the dollar figures are. That is your MPS.

Mr SLACK:—was that \$1.1m was allocated for mental health, if my memory is correct.

Mrs EDMOND: We have increased the funding for mental health across the State significantly.

Mr SLACK: I understand that. I was specifically advised that—

Mrs EDMOND: That was not the final allocation of funding for Bundaberg. That was the initial round of funding for Bundaberg. I can remember on at least three occasions the previous Minister going to Bundaberg and announcing new amounts of funding. That will be the same. There will be a continuing analysis of needs and a continuing distribution of funding across the year.

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

Mr PEARCE: I wish to ask a couple of questions about mental health and also rural health. When we compare the May and September MPS we see that the estimated allocation for capital works at Mosman Hall—this is on pages 24 and 31 respectively—drops from \$980,000 to \$100,000. Can you explain this in more detail for the Committee?

Mrs EDMOND: I am sure this is an area that the member for Charters Towers would have been interested in. One of the problems that we had was that there was a six months' capital works freeze by the previous Government in 1996, which meant that planning for Mosman Hall, along with many other projects, was delayed quite significantly. As a result of that, that delay has carried through. We have seen the \$80m underspend in Health capital works in 1997-98. One of the disappointing things about that is that that is about 1,600 jobs that just did not happen because that \$80m was not spent. As you would be aware, that is something we could not afford.

The current Government allocation of \$100,000 is what is realistic. What has happened in the past is that capital works funding has been used to try to make a Budget look better and bigger before an election. We have gone back to the capital works branch. We have asked them in particular to look quite seriously at their capital works and say how much they realistically believed they would be spending this year and whether they were in a position to go on with extensive building.

With respect to Mosman Hall, the \$100,000 that is there is for the continuing planning of the process. It is not bolstered for electioneering purposes; it reflects what will be done this year at Mosman Hall. The additional \$800,000 could have been spent if the previous Minister had made some of the planning decisions that needed to be made before they could get on with that. The final decision was not made until the coalition had lost power. There was a controversy about whether the psychogeriatric beds in that area should be at the adjacent Eventide, where the people concerned could be best treated and looked after in a secure aged care environment, or whether they would remain at Mosman Hall. The decision has been made that, while there will be redevelopment of Mosman Hall, in particular in the rehabilitation area, those 10 psychogeriatric beds will be in a much more suitable environment at the aged care facility at Eventide. They will be specialised beds. They will be able to receive the specialised care that they need. That was important to the people involved, and that was a decision that was agreed to by the local district health council—district health services, the Mosman Hall hospital executive and everybody else involved. I think everybody recognised how important it was that we put the care of that particular group of people to the front line.

Mr PEARCE: You are aware, like every one of us, that youth suicide is a serious issue. It is one that attracts a lot of media attention. I refer you to page 27 of the September MPS, which refers to the Queensland Government's Youth Suicide Prevention Strategy. Can you explain to the Committee what your commitment is as Minister to addressing this important issue?

Mrs EDMOND: This is a really distressing issue. Like anybody else, I have been horrified to see the statistics, particularly in relation to young men. Young men in particular seem to be seriously affected and at risk of suicide. One of the initial steps we have taken which has been greeted fairly well by I think everybody concerned has been the planned

introduction of school nurses, who will work in the schools. You will have the same nurse in the same school on the same day of the week so that young people can get to know them. They will be seen as part of the school community and they can get private confidential advice and counselling or referral, if they need it, to other health professionals. They can also keep an eye out for signs that may indicate that a young person is having trouble— isolation, bullying and so on. We see that as a practical move on the ground. Certainly, I have had a lot of interest from coalition members who want them in their electorates. I think they see it as a good move, too.

In July 1997, Peter Beattie released the 10-point Strategy for Hope for Queensland Youth. We are very much aware of the issue. Several months later, we did notice that Mr Borbidge, the previous Premier, also released a youth suicide strategy, and that has gone into the department. This year, \$1.74m has been allocated for the implementation of the Youth Suicide Prevention Strategy. This links into—and I am concerned that it may overlap a little—the Young People at Risk Program which was already in place and which was established by the previous Labor Government.

As I said, those programs will be supplemented by the School Nurse Program. There is \$700,000 for its implementation for half of this year. Over time we aim to see 100 nurses placed in schools accessing about five schools for each nurse depending on the size of the school. We see that as a very practical response. We are concerned about this issue and it is one of the other reasons that we have put the significant focus of our mental health money into community mental health and particularly addressing the needs of young people and providing extra services for young people. We have to recognise that it is not just a mental health issue, it is an employment issue. A lot of young people feel despondent. The biggest benefit we can provide for them is jobs and hope for the future.

Mr PEARCE: Whilst on the issue of mental health services, can you give the Committee some idea of exactly what commitment you have made as far as increasing funding for mental health services for Queenslanders?

Mrs EDMOND: Yes. Mental health is a major commitment, particularly in the community mental health area. The 10-year Mental Health Strategy that the previous Government brought down in 1996 was based on the 10-Year Mental Health Plan brought down I think by the member for Kallangur in 1994, which outlined the services needed. One of the problems with the strategy when it came down in 1996 was that there was limited funding attached to it. We have significantly increased that. That is partly a result of my talking to professionals in my time in Opposition about what was needed. They said the plan was a very good plan. What it needed was the funds to go with it. We set about providing those funds. There will be a significant increase. The big increase is in the State initiative. The Commonwealth has also increased this area so there is funding coming from a range of areas—from Commonwealth

funding, from State growth funding and from State new initiative funding.

The State new initiative funding is where the significant increase is this year. In half-year terms we have increased the funding to \$6.5m, or \$13m for the full year. That means there has been an increase to nearly \$26.5m in recurrent funding for mental health across the State. It is a \$4m increase over the May Budget statement, but that increase will be increased next year when we go into full year funding, when there will be a \$9m increase.

Mr PEARCE: I just have a question on an area in which I am interested, and that is Emerald. What specific services will be provided to the town of Emerald?

Mrs EDMOND: There were three areas that I was particularly concerned about from correspondence I had received in Opposition, I have to say. They were Bundaberg, Redcliffe and the Central Highlands area in Emerald. I know that there is a very active mental health lobby group in that area which had a lot of conversations with me over that time, and I know that you represented them.

Mr SLACK: The Bundaberg one was allocated under us, the \$1.1m—

Mrs EDMOND: And there is an increase under us.

Mr SLACK: What is it?

Miss SIMPSON: They are erecting a building and they are not going to fill it until January because they have slowed it down.

Mrs EDMOND: The Emerald Hospital redevelopment does include capacity for a special care suite for a short-term mental health in-patient care area within the hospital. I know there was also concern about community mental health facilities. We are in the process of recruiting extra clinical staff for that new unit when it comes on in Emerald, but there is also a significant increase in the community mental health area for the Central Highlands. There is an increase of four staff plus an administrative person to support them over that time.

Miss SIMPSON: It was supposed to be open in September.

Mrs EDMOND: That is a good news story and I know that I have talked to people up there who are very, very happy with that allocation. In increase terms, it is about \$200,000 per year over that which was provided under—I think \$400,000 was promised in the previous MPS by the previous Minister and in full year terms \$560,000 will be going to the Central Highlands district. I know that it is an area that has previously been neglected and I know that they have had a lot of concerns about accessing services up there, but I am delighted that, as part of the record recurrent budget for mental health, we are going to be able to increase those services.

Mr PEARCE: The Patient Transit Assistance Scheme is one that is an emotional issue for rural Queenslanders. I refer you to page 2 of the September MPS in relation to growth funds for the Patient Transit Assistance Scheme. As you know, a lot of people in rural Queensland rely on this scheme

to access tertiary health services. Administration of the scheme is perceived to be inefficient and inequitable. Can the Minister advise whether this funding will improve the scheme's operation?

Mrs EDMOND: Yes, this is a difficult area. It is probably one of the areas—and I know country members in particular will be aware—that creates a lot of concern. I think that a lot of that concern is based on the fact that in different places the guidelines seem to be dealt with differently so that some hospitals seem to be more, I guess, supportive than other hospitals. Whether that depends on their local budgets, I am not sure. Certainly there has been a lot of concern about the guidelines being applied in an inequitable way. We have increased the funding this year. We have allocated an extra \$350,000 in growth this year because of the need to improve the scheme.

More importantly, about two years ago there was a major review. I know that we have all been getting told for some time that there was a review in process, but there was a major review of the scheme by respected health professionals and a lot of people had input into that review. I have to say that it was buried along with all the other things that were left in the too-hard basket by my predecessor. While I think the review was finished or went to the Minister in December 1996, nothing had happened with it. Certainly, in view of the current guidelines being the subject of a range of complaints from clients, relatives of clients and also medical practitioners and district health staff themselves who often get abused when they apply the guidelines, we believe it is important to put in place changes to improve the guidelines.

I understand the concerns about the delays in implementing the new guidelines and I share that concern. We are planning to implement the recommended changes as quickly as possible, and that is why we have increased the funding by \$350,000 to increase the assistance to patients. We are hoping that we can provide a system that is at least more transparent and equitable so that people know up front what the guidelines are, that it is not so discretionary and you do not have differences from hospital to hospital and district to district.

I think it is important that people realise that it is meant to be a subsidy. Some people think it should cover the entire cost. Obviously it cannot, and it cannot provide as much as everyone would like. But the PTAS is a subsidy towards the transport and accommodation costs, not the whole cost; it depends on need. The subsidies are provided for people who need to travel with a patient when it is medically necessary, and "medically necessary" are the keywords. A lot of people think that, if they want to go, they should be able to go for social support. While that is important, we cannot afford that cost, but we do hope to have the new system up and running soon.

Mr PEARCE: On page 22 of the September MPS, reference is made to the enhancement of rural and remote services. Could you explain to the Committee what action you are taking to encourage health care professionals to provide services to rural Queenslanders?

Mrs EDMOND: One of the biggest issues we have found is the maldistribution of health care professionals across Queensland. Once you get north of Noosa and west of about Toowoomba you start finding that they are very thin on the ground. We have recognised that unequal distribution and are planning to work on that, particularly with the nursing work force. One of the things we recognise is the right of access of all Queenslanders to appropriate and essential health services. That is why in 1993 under Minister Hayward Labor began a successful rebuilding program of the primary health care centres in remote areas of the State.

I went with the member for Kallangur up to the tip of Cape York and was appalled by the condition of the primary health care centres. In Cape York and the Torres Strait and many other areas they were not even existent. Up in Cape York we were asking people to believe we were serious about health care in the early nineties. The situation we had inherited from the previous Government was fibro shacks with holes in the walls and often dirt floors. They were disgusting. Dogs walked in and out. It was just impossible to treat people in them or look after them there. As part of the hospital and health care rebuilding program that started in 1992, the first steps were made to rebuild those primary health care centres. I have been up there recently and I am proud of the work that was done. Finally, I had the opportunity to open some of those that were running over a year behind in Boigu and Badu Island, and I was delighted to do that because they were part of that original program that we set up back in the early nineties.

As I said earlier we have also allocated \$255,000 to set up a nursing recruitment and retention task force particularly targeting nurses, and we are also concerned about getting the allied health professionals out to rural areas as well. We will be monitoring that as well. We will be looking at all of the issues that are involved: the problems of post registration, nursing education, training and staff development needs, getting them time off, getting recruitment there and also providing safe environments for them in the centres. A lot of that work has been done. There has been a huge improvement to their accommodation in remoter areas over the past seven or eight years.

I think we also need to develop guidelines for how we manage nursing resources and the workload in those areas. We are also monitoring with interest the changes to nursing practice that are taking place in other States and increasing the capacity of the telehealth services to rural and remote services in this State.

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

Miss SIMPSON: I refer you to Opposition question on notice No. 1, in response to which you list an extra \$2.3m as having been provided in the Health budget for palliative care. I also refer you to comments you made in the Courier-Mail on 13 July 1998, where you announced an extra \$4.6m for palliative care at the launch of Palliative Care Week. Was this article incorrect and should it have said \$2.3m?

Mrs EDMOND: The article was correct except that the \$4.6m extra was in full-year terms and the \$2.3m was in half-year terms. I am quite pleased that you asked me about that, because it allows me to say that it was an increase from \$500,000 that was provided by the previous State Government.

Our commitment in Opposition was to match the funding by the Federal Government of \$5m per year for palliative care. Last year we had the situation where people hoping to receive palliative care were placed on waiting lists, and if they did not die quickly enough they were taken off the palliative care package lists.

The other issue we had was that the only money available for districts to assist people with palliative care was in the post-acute funding. Most of the districts around the State used a substantial amount of their post-acute funding to provide some form of palliative care for people who were going home to die of long-term illnesses.

I think it is a reflection on a Government or a people how people who are dying and are in need are treated. I certainly could not have it on my conscience if people had to go on a waiting list to get their palliative care packages, as was happening in Bundaberg, as the member knows. Bundaberg actually lost its palliative care funding until we raised that as an issue in Parliament and it was reinstated so that the wonderful work done by the palliative care groups in Bundaberg—the friendly societies, the Blue Nurses and all of the different groups that joined together and worked together in a most cooperative way—was able to be continued.

The \$500,000 that was provided by the previous Government was very limited. It was mostly picking up of funding to the Mater Hospital, which was originally provided by the Cancer Foundation. The Queensland Cancer Foundation initially provided a seeding grant to set up palliative care services and a limited outreach service from the Mater and to provide beds within the Mater for palliative care for cancer patients. Of course, cancer patients are not the only people who actually die and die at home. The funding we have provided is aimed at meeting the needs in the community by increasing the funding to the community groups who are providing palliative care services—such as Karuna, St Vincent's in Mackay and the Blue Nurses in other areas—to enable people to die at home if that is their wish. Ninety per cent of people who are dying of an incurable disease indicate that they would prefer to die at home if the support is there.

Miss SIMPSON: I refer you to Premier Beattie's report on his first 100 days in Government. On 12 July he lists an extra \$5m per annum to be committed to palliative care. Is the Premier also incorrect?

Mrs EDMOND: I do not have the document in front of me, but I think he will be referring to the fact that there will be \$5m in full-year funding.

Miss SIMPSON: It does not say that.

Mrs EDMOND: I will have to take your word for that. He will be definitely referring to the fact that there is \$5m per year. If I were you, I would be

embarrassed to press this point, particularly in light of the fact that the commitment by the previous Government in the May Budget papers was \$2m over four years. That is \$2m from the State Government over four years to help people who are dying, and you are quibbling about whether somebody missed out the words "full-year funding".

We are putting more into palliative care funding in this half year than you were prepared to put in over four years. I think that shows our commitment to the people of Queensland who are dying, whether it be of AIDS, COAD and bronchial problems, cardiac disease or cancer. I would rather be here defending the fact that we are putting into palliative care an extra \$5m per year—each and every year—in full-year terms than defending \$2m over four years.

I am happy to sit here today and say that I will defend to the day I die the need for improved services for people who are dying. There are times when our health services, no matter how good they are, simply cannot help some people. It is then our moral duty as a Government, as a people and as a community to help those people in need to have some dignity and to die at home with the dignity that they deserve and with the support that their family deserves—whether that is pain relief, nursing care, respite or pastoral support. All of those things need to be provided in palliative care. It is not just a case of giving them a shot of morphine and sending them home, as it has been and as you expect it to be in the future under your Government, if that is all you are prepared to provide. We are prepared and committed to support these people in their hour of need and give them the support they need to die with dignity at home.

Miss SIMPSON: You are in fact incorrect. The coalition was providing an extra \$2m in this financial year and additional funding triple that in the following year. I refer you to the fact that you have misled people by telling them that they would in fact be getting something like \$5m this year. There is nine months to go in this particular year and you have not given them the \$5m you promised. I also heard you on the radio. You have misled these people and given them less money than we were going to give them over three years.

Mrs EDMOND: I have had extensive consultation with the palliative care providers. Many of them are friends I have known for over 20 years professionally. They all know, even if you do not understand—how it was cut on radio I am not sure—that our commitment was to match the Federal Government commitment in full-year terms, and in this initial year there would be an increase of \$2.3m, added on what you have. I actually have in front of me your new initiatives. I am interested to see that there is an allocation for palliative care of \$500,000 in 1998-99, \$500,000 in 1999-2000, \$500,000 the following year and \$500,000 after that. I rest my case.

Miss SIMPSON: You should have been listening during the election campaign.

Mrs EDMOND: These are your commitments. \$500,000 by four comes to \$2m over four years.

Miss SIMPSON: That is interesting, because another day you said that it was \$13m, which was also under the mark.

Mrs EDMOND: I would never have said that you were providing \$13m for palliative care.

Miss SIMPSON: You indicated before that you had preliminary district budget figures that you would use in the budgetary process. Please table these. How much more funding is to be allocated and when? My first question is: will you table your preliminary district budget figures? Secondly, could you please advise the Committee how much more funding is to be allocated, and when?

Mrs EDMOND: The preliminary district budget figures are used for the process of drawing up the Budget. They go to the Cabinet Budget Review Committee and are by convention covered by Cabinet privilege.

Miss SIMPSON: Do your hospitals have them?

Mrs EDMOND: The hospitals will have their own indicative budgets.

Miss SIMPSON: When will you table these?

Mrs EDMOND: I do not have them here.

Miss SIMPSON: Will you table them in the Parliament?

Mrs EDMOND: I will not be tabling them, no. They are covered by Cabinet privilege and I will not be tabling them.

Miss SIMPSON: This is what Estimates is about. This is what the budgetary process is about.

Mrs EDMOND: It is a convention of Parliament. I can say that there is \$95m, as I indicated earlier. It is nearly \$100m. There is \$95m in State funding still to be allocated to the districts. That will be worked out in the future and that will be allocated as we take into consideration all of the needs of the different districts, changes to demographics across the State and so on.

One of the issues that we need to go back to and confirm is what will not be coming out. You asked me to confirm that. The allocations in the past, or the subtractions in the past, for this year and next year and the years for ever and ever would have had to have included the Horan hospital tax. As I said earlier, it was about half a billion dollars over the next eight years and about \$165m over the first four years of its implementation. So that will not have to be coming out of those indicative budgets, as it would have under the coalition Government. So that means that, before we actually distribute anything, they are better off just by the change of Government and by our getting rid of the Horan hospital tax. That is a significant improvement that any hospital that is facing capital works can feel relieved about.

The previous Minister, to my knowledge, has never tabled any of the district budgets. He also did not table any other documentation to do with waiting lists, which we readily provide on a quarterly basis, on the grounds that they all went to Cabinet. In this case, it is the fact that the papers to which you are referring are those that are used for drawing up the

budget. They are quite often draft papers. They have significant changes made to them on a range of issues and, as such, they will come under Cabinet privilege.

Miss SIMPSON: With the abundance of elective surgery funding negotiated by the coalition Government, will the Minister set targets for each hospital, and will the Minister penalise those hospitals if they do not reach the elective surgery targets?

Mrs EDMOND: Unlike the previous Minister, my aim is to work cooperatively with hospitals to achieve the best outcomes for patients. I do not go around hospitals cracking whips and saying that I am going to penalise people. What I did find when coming to Government, as you would know because you have all the briefing papers—I have to say that was something that was never enabled under freedom of information legislation under the previous Government. Everything went to Cabinet. In fact, they must have gone to Cabinet each Monday with a truck. What I did find was that quite a number of the hospitals did not achieve their targets for a range of reasons. Toowoomba was one of those that was way off beam. It was one of the worst achievers; although I understand from informal anecdotal reports that I received that that was largely because of political interference. However, a number of other hospitals did not achieve their targets. The targets vary. I have actually suggested to the elective surgery team that they should reflect the changing capacity at different times of the year. For instance, in winter the amount of elective surgery always goes down. But there should be an ability to increase throughput at times when we do not have the whole populace in hospital with the flu. Those are issues that we are taking up in terms of management of theatres as part of our elective surgery program and looking at quiet times in the hospital to increase elective surgery throughput.

One of the issues you find when you set about penalising hospitals for not performing is that it is very discriminatory. Some hospitals will not have had the ability to meet their targets because they have been busy with medical in-patients; they have had more medical patients than any others. In fact, you would often be penalising some very busy hospitals for not meeting their targets when, in fact, they had been treating record numbers of patients in other areas. You can also get sudden impacts. For instance, in Townsville at the moment we have the situation where a number of serious traumas have caused elective surgery to be cancelled because all the ICU beds are full of people from those traumas. It is an unusual situation. It is very difficult to manage, but these things do happen. So there is a whole range of hospitals that did not meet their targets. I am not about penalising hospitals, as my predecessor did. I do expect them to pick up the slack when they have the opportunity to do so and will be encouraging them to do that.

Miss SIMPSON: Can you confirm that your department is considering cutting 100 staff at the Baillie Henderson Hospital and about 200 staff at the Wolston Park Hospital?

Mrs EDMOND: As part of the Mental Health Strategy that was produced under the previous Minister, and while a lot of it was based on the Mental Health Plan that was produced under the member for Kallangur, yes, there is a downsizing of patient numbers.

Miss SIMPSON: There was no ministerial decision to do so. Are going to make a decision to downsize these facilities? The previous Minister did not make a decision to downsize those facilities with staff.

Mrs EDMOND: I am sorry——

The CHAIRMAN: There are two questions there, I think.

Mrs EDMOND: I am just staggered. They actually signed off on an enterprise agreement and put in a task force to manage the downsizing of those hospitals. If that was done without ministerial advice, then I have to say that the Minister did not know what was going on in his own department.

Miss SIMPSON: So with regard to those 100 and 200 staff, are you going to be cutting those staff from those hospitals?

Mrs EDMOND: As part of the 10-year Mental Health Strategy, which was produced by the previous Government in 1996, the downsizing of the Wolston Park Hospital——

Mr MITCHELL: That came out in 1993.

Mrs EDMOND: No, the Mental Health Plan came out in 1993-94. Right?

Mr MITCHELL: Yes.

Mrs EDMOND: The Mental Health Strategy was produced by the previous Minister in the Parliament in 1996, and it identified the need for the downsizing of the Wolston Park Hospital. I readily concede that the strategy was heavily based on the work done by the member for Kallangur in his time as Minister for Health. That strategy identified the need to downsize the Wolston Park Hospital from 586 beds to 177 by 2006. The policy and plan that was put in place to develop the framework to manage those changes was put in place and endorsed by the single bargaining unit.

A dedicated transition team has been established at the Wolston Park Hospital to work with the local union representatives. I support this. Under the previous Government, there was work done and discussions had with the Minister for Corrective Services about the possibility of retraining some of those staff to work in the prison that was going to be established in the area. Ongoing discussions are taking place. That all happened at the beginning of this year. I am surprised if you tell me that all of this was happening without the knowledge of the previous Minister. You have to wonder where he was. Was he always sitting in front of a camera?

It is the same with the Baillie Henderson Hospital. Those issues were being determined. They were part of that plan, and they were being worked through. But I am absolutely amazed that you can sit

there and say that this was unknown by the previous Minister, because quite good management strategies were being put in place. I would have to congratulate the department on acting on that.

Miss SIMPSON: How many voluntary early redundancies do you plan to offer?

Mrs EDMOND: What is happening with Wolston Park is a planned process. It is happening over a period of 10 years, starting in 1996 until the year 2006. There will be a significant reduction in staff. There is a range of different things that are going to be done. Some of the staff will be retrained, because the patients who are there at the moment will be moving to new decentralised services throughout the State, and the overall number of staff needed across the State will be increased in terms of clinical staff. So there will be a significant rise in the total number of clinical staff needed across the State. It is going to increase from about 3,000 in 1994 to 4,436 staff by the year 2006. So the issue is not about sacking staff but about moving them; it is about giving them career opportunities across the State. Some will be going to new facilities in Bundaberg, Maryborough, Nambour, Townsville, Rockhampton or wherever those new facilities are being established. Some will be moving into community-based facilities and providing community support to people in community-based centres, and some will be retiring because they have been there for a long time. Whether there is a need for voluntary early retirements, we will see as time goes on. Those are all issues that are being worked through with the unions, with the workers involved and with the transition team that has been established there to work through it. If there is a need for voluntary early retirements, we will look at that need when the time arises. The identification is that we will be needing more specialised mental health workers in the State rather than fewer.

The CHAIRMAN: The time for non-Government questioning has expired. On page 26 of the Ministerial Portfolio Statements an amount of \$170m is nominated as the total cost of the Townsville Hospital redevelopment. Can you advise whether that amount provides for a forensic mental health unit?

Mrs EDMOND: The Mental Health Plan that we mentioned before was released in 1994 and the strategy was released by Minister Horan in 1996. It identified the need for patients to be treated for mental health as much as possible where their family were, where their connections were, so that they had community support and could get visitors, rather than sending them all to Brisbane. As part of that, there was an identified need for a 31-bed high-security unit in north Queensland. Currently patients who need that form of secure unit for their own safety or because of their behaviour are transferred to services at either the Baillie Henderson Hospital in Toowoomba or the Wolston Park Hospital at Wacol. It is simply not acceptable. I think we realise that people are more inclined to respond positively to treatment programs if they have the support of their family and their community around them. The dislocation from families and their local communities

is an added factor. It adds to their distress and their dislocation and complicates their treatment programs.

The draft project plan prepared under the previous Government in 1998 identified the development of a forensic unit or a secure unit as a future development project in north Queensland and included it in the Townsville Hospital master plan. When talking to people in Townsville when I was in Opposition, I discovered that it was certainly used as one of the carrots to get the support of people in psychiatry towards having a new greenfield site rather than the current site of the Townsville General Hospital. The plan for a new unit has been provided for in the location of the new Townsville Hospital site, with co-location with other mental health and general health services in that area because of the belief that having academic links to the universities helps to maintain standards and changes in direction of treatment programs, etc., and allows for interaction with the university and the education process. I am reviewing all the options, but certainly it is part of the master plan for the new Townsville Hospital and has been for some time. It was referred to by people working in psychiatric services in Townsville last year as something that was going to take place at the new Townsville General Hospital greenfield site. I will be taking into account all the issues, including access for relatives and friends and the need for rehabilitation when I make a decision.

The CHAIRMAN: Under the heading New State Government Initiatives/Commitments in the Ministerial Portfolio Statements, you mention the Townsville Bone Marrow Transplant Unit. How much has been allocated to operate that unit? What will it do?

Mrs EDMOND: That is something that I felt very strongly about coming from my background. From talking to staff up there, I learned that they felt the need for that. They thought it was unfortunate that people from all of north Queensland had to come down to Brisbane for what can be an extended period, three or four months, over the period that they have their bone marrow transplant and treatment after it. That can be very disruptive, particularly for a person with a serious illness. Of course, they are not all successful. I was very committed to providing the funding. The funding had been provided a couple of years ago in the budget for the Townsville General Hospital, but it was used up in an overrun in the high-cost drugs in the Chemotherapy Unit and had not been made available. As a result, a specialist who was involved at the time left. Townsville Hospital had recruited another specialist who was able to take on the bone marrow transplant and they were concerned that, if the funding was not there and clearly identified, they would lose it again.

The previous Minister committed an amount of \$650,000, but that had to come out of the growth funding for Townsville Hospital, which would have left nothing else for any other services or increased throughput. We made a dedicated commitment to provide \$1.56m for this financial year and a commitment of \$6.32m over four years. They got full funding. In fact, they have been treating patients. At

least one public patient has been treated with a bone marrow transplant in Townsville since the funding was provided. It stopped that patient and his family from having to suffer the trauma of having to travel for a bone marrow transplant and of being away from family and loved ones for that traumatic period.

It is expected that the number of this cases will grow from around 20 a year to about 40 a year. It is also expected—although I think it is rather hopeful—that there will be some reduction in patient transfer costs regarding patients having to come from north Queensland to Brisbane. We usually find that there is an increase in patients treated in both areas. We expect it to be implemented in a staged process. The initial stage which has happened already is the transplant of the patient's own healthy cells, an autologous transplant. The second stage will involve bone marrow transplants from other compatible donors or family sources if they are compatible. I think it has been a wonderful outcome. The feedback I have had from Townsville is that it is greatly appreciated that we gave dedicated funds and did not insist on using all the growth funds for Townsville on that process.

The CHAIRMAN: I know the soroptimists clubs in Mackay are quite happy with that outcome. On page 26 of the MPS, under the heading Capital Works—Health Service District—Hospitals, there is a reference to an allocation for a medical school at Townsville. Given the Government's commitment to the establishment of a medical school at James Cook University, could you please provide an update on progress?

Mrs EDMOND: We are in a bit of limbo at the moment. A commitment was made by the previous Government, by the previous Premier, for \$10m for the medical school in Townsville. That was one of those that we could not find anywhere in the Forward Estimates or anywhere else. I have to say that we also made an election commitment to match that, as long as that funding was supported by a Commonwealth Government approval for the medical school and funding. I am sure members are aware that funding for universities and medical schools comes under DEETYA, the Commonwealth funding for higher education, in terms of the recurrent funding for student places and also for most of the capital works and expenses involved. State Governments traditionally provide some seed funding, some allocation of land and infrastructure, such as roads if necessary, as we did at Sippy Downs near Caloundra and in Cairns for a campus there. The overall funding has to be a Federal Government commitment. It needs the approval of the Australian Medical Council for the medical school to go ahead.

To date the only commitment that we have in writing from the Federal Government, despite comments in the media of all sorts of amounts, is a commitment of \$400,000 towards 20 places at the University of Queensland which they say can then be sent up to JCU in the near future. Unfortunately, there is no infrastructure at JCU for those places. The other problem that arises is that the University of Queensland has a graduate medical program and

JCU is intending to bring in an undergraduate medical program. Those places are not compatible with the medical school at the University of Queensland. A lot of problems need to be resolved.

Almost immediately on becoming Minister, I wrote to the Commonwealth Minister for Health, Minister Wooldridge, asking that he confirm their commitment, to indicate what funding was available, whether they would support places, whether they would support an undergraduate or a graduate medical school, whether it had to be through the University of Queensland or the JCU, and to actually set up a meeting where we brought together all of the major players, the Vice-Chancellors of the University of Queensland and the JCU and the Commonwealth, and Queensland Health, which will have to be a significant partner in it. Unfortunately, that meeting had to be cancelled because of the election. It has been set for later in October, but we do need to resolve a lot of issues before we can move forward.

The CHAIRMAN: While we are on the subject of health issues in Townsville, on page 2 of the Ministerial Portfolio Statements under New State Government Initiatives/Commitments you mention the spinal pain unit in Townsville. Would you explain what this initiative is about and how much has been allocated for it?

Mrs EDMOND: What has been established at Townsville Hospital is a very innovative program—it is only a pilot program and a trial—to look at a range of ways of treating back pain. I have to say that I was interested in this because back pain is one of the most difficult areas coming out of my previous portfolio where I covered workers compensation. As you will be aware, it is one of the biggest problem areas in workers compensation. It is also a major issue for health professionals. I know of virtually no old health professionals who do not have bad backs.

A multidisciplinary unit was set up by a donation from an anonymous donor from, I understand, Singapore, to pilot a study to compare a range of different treatment programs for back pain to see which ones worked the best. Actually, it is unique because it has brought together people who are often on different sides of the debate, including a chiropractor, a GP, the director of intensive care who runs the pain clinic at the Townsville General Hospital and acupuncturists, to work together to look at which of those modules provides the best form of treatment.

The CHAIRMAN: No orthopaedic bed makers on the committee?

Mrs EDMOND: No, but there is a lot of debate about the benefits or disbenefits of surgery in the management of back pain and whether other less invasive methods work better. We have funded the ongoing of the program. It will be evaluated later this year to see how long we will go on with it. It has certainly attracted a lot of international interest as well.

I think that a lot of people have fought with this problem for many, many years. This is actually putting all of the groups together and saying, "Let us

see which systems do work the best and whether we can move on from there and work in a collaborative way to establish that." I think that it is a good move. I think that it is a highly innovative move. We have supported the funding over a three-year program to allow them to do a proper trial study and evaluate that. Hopefully, we can then get some good outcomes for people with the problem of back pain—and some people have had it for many, many years—in the future.

Mr HAYWARD: I refer to the table on page 36 of the Ministerial Portfolio Statements under Capital Works—Health Service District—Residential Care. In this table there are two entries for Eventide Home, Sandgate. I was wondering if you could explain this, please.

Mrs EDMOND: One entry refers to the upgrading of the facility to fire safety regulations. That is part of the \$17.5m that was allocated under the previous Minister to meet some of the more urgent needs of the State-owned nursing homes across Queensland. The other entry relates to the allocation of \$1.25m for the refurbishment of Eventide at Sandgate. Parts of Eventide at Sandgate are excellent and parts of it are very embarrassing, where there is absolutely no privacy, bathrooms are accessed by corridors and you can see into them.

It was brought to my attention on a visit out there that the chairs were old and old people were unable to get out of them. So what we are doing is a fairly urgent upgrade of beds and chairs to both improve the capability of nurses to look after people and to provide more comfortable accommodation. Again, I am concerned that that was not seen when they were doing their urgent review. Some of these things were really quite significant health risks. At times, nurses looking after patients were straining to get quite heavy patients out of beds with very old, run-down equipment. I thought that it was important for the staff to have improved safety for the beds and also for the residents to have increased comfort and chairs that they could actually get out of. The chairs that they had were almost bucket chairs that were almost impossible even for a fit, healthy person to get out of, let alone a person who is aged.

On top of that, at Eventide we are increasing the number of staff. There had been quite savage restructuring under the previous Minister. We are increasing the number of staff, particularly occupational therapists, to help people rehabilitate and keep mobile. I am delighted that we have been able to do that in this budget, even though it is only a small step forward in the overall need for improving services in those areas.

Mr HAYWARD: Will the Minister detail the action that the department is taking to address the problem—and this is particularly relevant in the health care area—of the year 2000 millennium bug?

Mrs EDMOND: I know that this has been very topical lately, and there have been a number of issues raised. The problems faced by Queensland Health that other departments probably do not have to face are problems regarding not only payroll delivery and all of those services but also the huge number of embedded computer systems and

equipment, like that in intensive care. There are just so many—almost all X-ray equipment and intensive care equipment. Monitors have IT equipment embedded in them which can be affected.

One of the significant things that we are doing is working with the other States and New Zealand so that instead of having to test every piece of equipment ourselves to find what is compatible, we are sharing that knowledge and working in a collaborative way. It is also important that we are going through a significant replacement program as part of the capital works program, and extra money has been provided to that.

I know that there is still concern out there that we will meet that in time, but Queensland Health has taken this very seriously and we are pursuing it. The Government is taking a whole-of-Government approach and supporting us in that. One piece of equipment that will need to be replaced is the Paris pathology application equipment at both the PA Hospital and the Royal Brisbane Hospital. To replace that is in the order of \$700,000. As part of the capital works program that has been running since 1992, a significant amount of funding has gone into capital equipment replacement. We are targeting those areas that we feel are most vulnerable for turning over equipment and actually replacing it with equipment that is compliant with the year 2000 by the time January 2000 comes around. It is a major issue for Health and we are doing what we can. We are fairly confident that we are on top of it.

On the issue of payroll systems, particularly the latter system, the version that we currently have is not compliant, but by March next year a new version will be coming out that will be compliant. It will be provided to Queensland Health to meet those needs, so staff can be quite relaxed about their pay schedules going through. The issue that we are most focused on is the equipment and care of patients.

The CHAIRMAN: The time for Government questioning has expired. I call the member for Charters Towers.

Mr MITCHELL: I am very concerned about the statement that you made previously about moving psychogeriatric patients from Mosman Hall to Eventide. There was no consultation with the district health council as you mentioned. I have talked to the families of the aged at Eventide and they are all very concerned, as is the staff, that they were not consulted that this is happening. When will the moving of those patients from Mosman Hall to Eventide occur?

Mrs EDMOND: This is not something that is going to happen overnight. I am sure that you are aware that many of the people at Mosman Hall are quite aged. In the current circumstances some of those people are not able to receive the care that they need at Mosman Hall. I have been through the place and, as you will also understand, it is not really a suitable place for frail aged people to receive the care and attention that they need. I am sure that you would be concerned that those people receive the care and attention that they need. Eventide at Charters Towers is purpose built for looking after

frail aged people. It will need minimum change to look after those people in an environment that is much more suitable for them.

I know from when I was there, and I talked to a number of people, that the local community is concerned. However, the issue was not about whether or not those people would be better cared for in Eventide. Most people recognise that. The issue was about the possibility of job losses, because at that stage the goldmine had just gone defunct and there was a concern that there had been a big drop in job opportunities in Charters Towers. They wanted to maintain job opportunities at Mosman Hall. My understanding is that the goldmine is going again.

Mr MITCHELL: Partly, but I do not know for how long.

Mrs EDMOND: Everybody I spoke to recognised that those patients were more appropriately placed at Eventide. I think even the staff at Mosman Hall indicated that. Of course, the other issue is that the Commonwealth recognises the beds at Eventide as aged-care beds and as being necessary particularly for psychogeriatric patients. The Commonwealth funds Queensland Health for them. While they are at Mosman Hall, we do not get that funding. That is a significant factor in managing and providing the care that those people need.

Most importantly, we have to decide what is the best way of dealing with a very difficult group of people—a group of people who not only have psychiatric disorders but also are aged and frail and need the support and help that a facility like Eventide can give, to provide some comfort to them. Obviously, in terms of what is happening at Mosman Hall, as you know a number of those people probably should never have been in a psychiatric hospital but are there. We are planning to refurbish part of Mosman Hall to provide services for those people so long as they need them.

Mr MITCHELL: On the refurbishment of Mosman Hall, does that mean that the proposed \$7m will not go ahead? I thought that the original plan was to care for those people at Mosman Hall.

Mrs EDMOND: No. A provisional budget of \$7.2m has been established, and that includes a change in those beds to what is needed at Eventide. That is not expected to be a lot. It also includes the development of a 27-bed rehab and dual diagnosis unit on land in front of Mosman Hall and also the refurbishment of some of Mosman Hall to provide services for those who are currently cared for there and who would be very difficult to place. As you know, some of those people probably never belonged there but for one reason or another they are there. There was also discussion—and I am not sure how far it has extended—about community facilities for people.

Mr MITCHELL: I do not know how far that has gone, but that was in the program.

Mrs EDMOND: I am not sure either, but we are looking to provide across the State services for as many people as possible so that they can stay in the community rather than being institutionalised.

Mr MITCHELL: Just on that point, if you do not mind me butting in, we were also looking at the establishment of a female residence at Mosman Hall. Is that also in the program?

Mrs EDMOND: Yes.

Mr MITCHELL: That was one of the main objectives, especially when you talk about Baillie Henderson and Wolston Park and putting people back into their own communities.

Mrs EDMOND: With Baillie Henderson and Wolston Park, we are trying to put people back into the communities that they belong in, whether that is through institutionalised care in that community if that is what they need, or as close as we can get them to that community, or in community settings if that is possible by providing the support that they need. Extra community support is going into Charters Towers also. I do not know the break-up of the numbers of people at Wolston Park and Baillie Henderson, but some—the elderly—may return to the psychogeriatric unit at Eventide and some may return to Mosman Hall if that is where they have come from.

Mr MITCHELL: We know there is a number down here.

Mrs EDMOND: I think that is important. Mental illness is probably the most tragic illness that you can get. It is very hard for people to deal with and for families to understand. However, it is even harder for the person who is involved if they are transplanted from their own community and home environment and are sent thousands of miles away to a place where they know no-one and they get no visitors. The only visitor may be the official visitor, which is small comfort.

Mr MITCHELL: It does not help them at all, I agree.

Miss SIMPSON: I refer to page 96 of Budget Paper No. 3 where the total estimated spending for the Cairns Base Hospital redevelopment is \$94.65m. This compares with \$90m allocated for the same project in the coalition's May Budget. Both papers note that \$50m has previously been expended on this project. Why have you claimed that an extra \$17.5m has been provided to the Cairns Base Hospital redevelopment when the Budget papers clearly show that only an extra \$4.65m has been provided?

Mrs EDMOND: Because the \$4.4m is extra this financial year, or it is ongoing. In Cairns we found that a range of things had been promised without the provision of funding to implement them, including new CAT scanners, \$1.6m worth of educational facilities—

Miss SIMPSON: But the other projects have the total budget in the capital works and this one does not. Why is that?

Mrs EDMOND: The amount in the Budget allocations for a year are shown—

Miss SIMPSON: No. If you look at the total Budget allocation for that project, it has \$94.65m; in other words, over the life of the project. Why have you not put that \$17.5m into the total project cost?

Mrs EDMOND: The projected amount has not been changed. We are increasing overall a figure in the order of nearly \$18m. I think it is \$19m over three years. It is \$4.4m extra this year. The problem we had in Cairns is that the—

Miss SIMPSON: Why has it not been put in the Budget papers then? It has not been put under the total project in that Budget paper.

Mrs EDMOND: No. I accept that. While the figure has been increased, it has not been carried through to the total project budget figure.

Miss SIMPSON: Is the money there and is that a wrong allocation, or is the money not there and is it a right allocation?

Mrs EDMOND: The funding is allocated. There is extra funding. The extra funding is split over a three-year period, which is the time that it will take to do that work. That will enable us to complete the Cairns Hospital. A lot of the car park and other areas had been done, but this will allow those areas that deal with patients and the medical, surgical and paediatric wards, together with rehabilitation services, to undergo significant refurbishment. There was a catch-up in maintenance projects that had been let slip over a number of years of something in the order of \$3.5m worth of maintenance. There were emergent works in light of the poor condition of the electrical wiring in a number of the service delivery areas. There were also promises by the previous Government that had not been funded, such as the CAT scanner and \$1.6m or \$1.8m for educational services that had not been funded. Those things have now been funded. So the full funding is there. If there is a mistake in the total project figure, I apologise. That obviously has not been adjusted.

Miss SIMPSON: I refer you to your comments that you made in this House regarding the Maryborough Base Hospital, when you said—

"The people of Maryborough said to us, 'We don't believe that we need new theatres. We don't believe that we need a new ICU. We don't believe that we need new paediatric services. We don't believe that we need new mental health services.'"

You went on to say—

"If the people of Maryborough say categorically that they want the second-rate facilities and that they do not want the hospital upgraded, I will listen to them and I will perform; I will do exactly what they want."

I ask: why is it necessary to provide the same \$17m budget to redevelop the Maryborough Base Hospital when you have indicated that the scope of works will be revised?

Mrs EDMOND: As part of the misinformation that was being spread deliberately by some people about the Maryborough Hospital, we had people reacting to comments about changes that we were planning, as this being a reduction in services. One of the issues that came out of that was that people said that some of the staff at the Maryborough Hospital said that they did not believe that the operating theatres needed to be upgraded, nor did

they believe that the ICU unit or other services within the hospital needed to be upgraded. In fact they said that they would prefer that no upgrading was done rather than have a change to services. Since that time there have been ongoing discussions. A lot of this was a result of misinformation. I had people declaring in the media that Labor Party people in Maryborough should be run out of town and inciting violence and saying that I was going up there to close the hospital when I was actually going up there to announce an increased range of services, particularly in the community health services and allied health services. What happened was that there was an enormous rage. My priority remains—and always does remain—to not only maintain but provide more high-quality services.

I had to deal with the fact that some professional people in Maryborough were saying that there was no need to upgrade these facilities, and we had to listen to those people. Since then we have had meetings on the ground with them, with the engineers and with the architects. They are now as convinced as I am of the need to improve the facilities at the Maryborough Hospital. We are working with them to decide how best to improve those facilities, but they now also agree that the operating theatres do need upgrading; that they do not meet modern standards. Standards have moved on. We had people saying, "These were good enough in 1976. Why can they not be good enough now?" It is because the delivery of health care services has changed considerably since 1976. The quality that people expect has changed considerably. They realise that, having gone through the process of what we planned with the architects and the engineers, what we are providing is a substantial improvement. They are now happy to have new theatres and so on. They now know that we are committed to meeting the high quality of medical care and needs that their community deserves.

Miss SIMPSON: I refer you to Budget Paper No. 3, where the Treasurer announces anticipated capital carryovers of over \$300m in 1998-99. In your answer to Opposition question on notice No. 3, you state that there will be no underspending because your Government's estimates are realistic and achievable. Does this mean that Health is the only Government department that has realistic capital estimates? Do other departments have unrealistic capital budgets, and why are you at odds with the Treasurer on this issue?

Mrs EDMOND: I would think that the Treasurer is talking about projections under the amounts in the Budget. I do not have the comment in front of me. I know that he was concerned that there were projections of some \$300m carryover in capital works for this year, if we had not gone through our statements and brought them back to realistic performances. His concern for that was caused by the fact that there was \$80m in Health last year carried over.

Miss SIMPSON: This is in your budget, not under the previous coalition budget?

Mrs EDMOND: I cannot comment on the Treasurer's statement or that from other departments. I can comment on mine. Last year, there was an \$80m carryover. We did not think that that was an appropriate locking up of funds. We are determined that that will not happen again, just as we are determined that there would be no capital works freeze as there was at the change of Government in 1996 that threw projects well behind schedule. I am determined to get on with the capital works program; that we make sure that the program started in 1992 by the previous Labor Government keeps on going to provide what is needed for the people in Queensland, and that is well planned, well equipped, modern, flexible hospitals across Queensland. My concerns have been about those that have not been planned, such as Noosa and Robina, where there were no demographic studies, no epidemiological studies and no needs-based studies done at all to determine where that funding should go, how much it should be, or what services should even be provided. That is going to leave a huge hole in Queensland Health services funding delivery for the next 20 years, with \$909m of Queensland public funding locked into those private hospitals over the next 20 years without any planning whatsoever. That is a national disgrace. I do not think anywhere else in Australia has hospital funding of that category been thrown away without any planning done whatsoever.

We are determined that this year the capital works will progress. The needs will be addressed and we will adhere to our commitment made in 1992 to rebuild over time all of the health facilities in Queensland that need it and to bring Queensland into a new generation of hospitals. A lot of this happened in the other States in the 1970s and 1980s. But Queensland was dragging severely behind, with buildings that were condemned in the sixties still there and still full of patients when we took office in 1989.

Miss SIMPSON: The Gold Coast has a new ophthalmologist due to a coalition initiative to cut waiting lists. As the coalition was going to advertise for an ophthalmologist at the Nambour Hospital to take pressure off waiting lists, will you also provide this extra service and when?

Mrs EDMOND: The ophthalmologist at the Gold Coast was a long time coming. I think it was promised at least two years before it happened. I understand he has been appointed as of now, and we are delighted with that. At one stage the \$500,000 that was provided to meet that service looked like disappearing to Toowoomba. I think it was provided several budgets ago. I would not be surprised if it goes back to 1996. In terms of Nambour, there is no plan and I think that is another of the "gonnas".

Miss SIMPSON: We were going to do this; what will you do?

Mrs EDMOND: I will add that to my list of unfunded commitments by the previous Minister if you give me evidence.

Miss SIMPSON: What will you do?

Mrs EDMOND: We are working through with the colleges where there needs to be extra service

delivery and we will be addressing those needs. Can I say that if there was a commitment to fund an ophthalmologist at Nambour Hospital, that was not evident in the funding that was provided to Nambour Hospital by the previous Government. I would be delighted if I could add that to my list of unfunded commitments.

Miss SIMPSON: Will you fund it?

Mrs EDMOND: If you provide me with evidence that that commitment was ever made, I will add it to my list of unfunded commitments.

Miss SIMPSON: What are you going to do about the waiting lists for eye appointments at Nambour Hospital?

Mrs EDMOND: We are addressing the waiting lists across Queensland. In fact, Nambour Hospital has 0 patients in Category 1 waiting and there is one person waiting more than three months for Category 2.

Mr MITCHELL: We did a good job there, didn't we?

Mrs EDMOND: In fact, I am not sure what the ophthalmologist at Nambour is going to do. There does not seem to be a huge backlog. One of the advantages of publishing the waiting lists is that it is available to everybody to see where the backlogs are and where there are urgent needs. Therefore, we can address those needs as soon as possible and talk to the colleges about the extra specialist staff that we need and training positions etc. to increase those specialists as needed. One of the things you rely on is there being information that shows that there is a need.

The CHAIRMAN: The time for questioning by non-Government members has expired. I call on the member for Kallangur.

Mr HAYWARD: Page 15 of the Ministerial Portfolio Statements refers to the National Women's Health Policy. Could you outline the Government's commitments and initiatives to addressing women's health needs?

Mrs EDMOND: The National Women's Health Policy is one that has been going for a number of years. It grew out of initiatives of the previous Federal Labor Government and funding which was actually expected to be lost in the 1996-97 Federal Budget. I am pleased to say that it was not; it was continued while there was a review of the national women's health centres, which was a small part of that policy. Some of the significant things we have done in terms of services over the next year and some of the issues and initiatives by the previous Government, which we have continued to fund because they were largely things that we had in our policy statements too, were to continue and increase funding for the sexual assault services across Queensland and women's health centres, to provide increased funding for Unmet Needs and training for people in rural and remote Queensland areas and to continue on with the breast screening program.

As the Health Minister, Mr Hayward, I think you launched the first mobile breast screening unit in Queensland way back in the early nineties. We will

be continuing that program with \$15.3m across Queensland. We will provide \$3.4m to continue the cervical screening program. I am also pushing through with bringing the cervical screening register into place. There are significant funds for reproductive health services in Queensland and also for a range of other services. Extra funding will be going to the Ipswich Women's Health Centre—which also covers sexual assault areas—to provide for an indigenous worker working in that area and also a 24-hour service and we will maintain the funding for the eight women's health centres across Queensland and, of course, also the other networks—the Older Women's Network, the Gold Coast Outreach Women's Health Service and Queensland Women's Health Network—to enable them to do the important work that they do.

One of the areas that we have found people are particularly concerned about is working together and one of the issues that I am going to be working on in the next year is getting more integrated services between sexual assault services and the women's health centres. In some places they are working very closely together; in other places they are not. I am working very closely with the Minister for Women's Policy to look at those issues in the future.

Mr HAYWARD: Can you advise whether the Government's commitment—and I am sure it was a commitment—to retain the Lady Ramsay Child Care Centre has been honoured as part of the capital works projects? I was making reference to page 26 of the Ministerial Portfolio Statements.

Mrs EDMOND: Yes, we did make that commitment, and yes, the commitment will be honoured. We are not about to sell it off as the previous Minister was, though of course it will have to move in the future. I understand that building will start in that area late next year. Our Government has a commitment to work-based child care and we have included funding for work-based child care in the portfolio of the Minister for Family Services. I think it is \$800,000 per year for three years to enable the support of work-based child care. One of the first initiatives that we want to deal with out of that funding is the Lady Ramsay Child Care Centre to provide the capital out of that funding and also to access something like \$400,000 which was provided under the Federal Labor Government towards work-based child care in a trust fund that cannot be used for anything else. If we do not use it, it will have to go back to the Federal Government. We will access that trust fund, too, to provide the capital needed to rebuild the Lady Ramsay Child Care Centre at the Herston complex.

Currently we are identifying alternative sites within the Herston complex that would be suitable. I understand that there are a number of sites. The other issue that we need to address with the Commonwealth is getting approval for an increase in the number of places available. All of the information we have received is that you need 75 child-care places to make a centre viable. At the moment the centre does not have that, so we will be looking to increase the number of places to 75 so that it will be a viable operating concern.

Of course, the other issue is the fact that, as it is primarily focused towards health professionals who work extended hours, it is an extended hours child-care centre. That means there is a problem with overlap. We are also working very closely with the Family Services Minister discussing regulations and seeing if we can address the overlap time—when one shift is coming off work and the other shift is coming on—in the regulations and see if we can work out a different process for that.

A number of issues do need to be addressed because over the last couple of years the centre has been running at a significant loss of well over \$100,000 and obviously that is not an acceptable drain on Queensland Health resources. We will have to go through those issues with the people who use the centre, the unions and the workers at the centre and see how we can address that significant budget overrun while providing a new facility. Certainly the increase in places will go a long way towards doing that.

Mr HAYWARD: Can I just refer you to the Government commitment to provide free parenting training for Queensland parents? Can you advise what action has been taken and how much money has been allocated to meet that commitment this year?

Mrs EDMOND: One of the programs that I was very sad to see cut by the previous Government when it came in and slashed funding to Health in 1996 was a program called the Triple P program. It was amazing that it then spent a lot more than that money setting up a Children's Commission to deal with the problems when you do not have parenting programs. Certainly a parenting program can go a long way to resolving a lot of the issues around child abuse. We have an awful lot of evidence that shows that abuse of children—I am not talking about ongoing, systematic abuse but about children who are abused by parents—often occurs as a result of a lack of knowledge, a lack of experience and a lack of parenting models for those parents who are often young themselves. Certainly, health professionals usually have a fair idea of which young parents will need help in sorting out problems when they go home with a new babe.

We have committed to \$10.5m over four years. We aim to get serious about preventing child abuse and also about preventing what often happens as a result of child abuse, poor parenting skills or arguments about child behavioural problems—that is, marital breakdown. Studies of parenting programs in Western Australia show that by reducing the conflict over child behaviour problems and child management problems there was a huge drop in marital conflict. Therefore, you had more couples staying together and fewer broken families, which has to be a significant benefit.

This year there is \$1.5m in the budget to provide free parenting training to Queensland parents, with \$3m per year after that. We are aiming to provide as many places as possible in about 30 locations across the State—where we can in places such as child health centres and community health centres so that we are not building bricks and

mortar—so that we are actually delivering services to people. That is so that young couples or people who need help with difficult children—some children are more difficult than others—can get the advice, the support and the assistance they need freely, when and where they need it. We believe it will help with the problems of mobility and family dislocation, where often young couples are a long way removed from their parents and extended families who would give them any support.

We certainly know that the Triple P program has been tried and tested around Australia and has been picked up by other States. It will be one of the programs to be implemented. There is a range of other programs out there that we will be assessing. Certainly, we have had input from a number of those training providers. We are looking at their projects, determining which ones will be funded.

Mr HAYWARD: Page 8 of the Ministerial Portfolio Statements states that "the health of children will be improved by raising immunisation rates in two-year-olds to 80%". I refer you to the Brisbane City Council's decision earlier this year to cease its free immunisation program for children. Why did the Brisbane City Council cease this program? What action have you taken to assist children to ensure they have access to free immunisation?

Mrs EDMOND: This is an issue that was raised with me both before I was elected and just after. I think it came to a head because the Brisbane City Council, which was a significant provider of immunisation for children in Queensland, had said that it would not continue the program after 30 June unless it received funding from Queensland Health and, more than the funding, a recognition that it was a major player in the immunisation of children and young people, and that is absolutely correct.

When I came to office, certainly Townsville and Thuringowa had stopped providing services some time before and the Brisbane City Council was about to stop. I persuaded it not to until we had at least had a chance to have a meeting and discuss it, so it continued for another month or two. At a meeting with the Local Government Association, with the Brisbane City Council and with other people concerned about increasing immunisation rates, it became apparent to me that it was a nonsense to say you were interested in increasing immunisation rates without supporting the work done by local governments around Queensland.

A lot of people cannot afford immunisation—particularly people on low incomes and particularly where there is no access to GPs who bulkbill, and there are a number of towns in Queensland where there are no bulkbilling GPs. It was also put to me by some parents that they take their children to the council rather than their GP so that the children do not associate the doctor with a bad experience such as in having vaccinations.

Since Mr Hayward's time as Minister, the councils have been provided with free vaccination with the VIVAS program, to make sure that children got vaccinations on time and in an approved cold chain method. After talking to the councils, I

determined a way in which they would be funded for improving their service delivery. A number of councils have actually said that they will increase the range of vaccinations they provide. When I was in Bundaberg just recently, the council there said that as a result of this it would use the extra funding to provide free flu vaccinations for seniors next year.

All of the councils have received with great delight the fact that Queensland Health is not just giving them funds but also recognising them as a partner to work out improved vaccination processes and to implement more efficient ways of delivering the vaccinations through nurse immunisers. Now we are training nurse immunisers for the councils and providing \$1m over four years to subsidise the councils in that process. I think it is a great move and it has certainly been well received by the local governments around Queensland. It is way overdue.

Mr PEARCE: You would be aware that there is a disturbingly high incidence of hearing problems within the Aboriginal and Torres Strait Islander community. According to page 15 of the MPS, Aboriginal and Torres Strait Islander health services will be improved through the Statewide hearing program. Can you provide the Committee with more details about this program?

Mrs EDMOND: I think we must all be aware of and concerned about the fact that Aboriginal children in particular have a high incidence of middle ear infections which go on to produce permanent inner hearing loss, which then impacts on their ability to learn at school. Often these kids are treated as if they are dumb, when all they are is not able to hear. They are often picked on by other kids.

It has been a tragedy over many years, and certainly there were a number of pilot programs which showed that work could be done. As a result of that, the Education Department has provided improved acoustic facilities in classrooms on some of the settlements, for example—I saw one at Cherbourg and I know that they are in a few other places—to help them hear once the hearing damage is there.

I think it is important that we actually start trying to address this early, that we try to pick up the signs of chronic ear infection before it becomes a permanent hearing loss, before it becomes a major problem and before they have educational difficulties because, of course, that carries on into their later lives. If they have educational difficulties, they then end up having employment difficulties and become a long-term problem.

We have extended the pilot programs that were initiated at Cherbourg some years ago and picked up on funding from the Commonwealth Government to provide testing for children in communities and see what is happening. Certainly I am told that results of screening conducted earlier this year of schoolchildren in Years 1 to 4 at Lockhart River in Cape York indicated that something like 80% of children had hearing loss. It was at more than 60% in other communities. We cannot afford to just dismiss that sort of proportional increase in the number of people with hearing problems.

This new initiative complements the ENT specialist outreach project, which began in July of this year. It was funded jointly by the Commonwealth and State. It will allow us to extend that program. I understand that in August we already had operations being conducted by Dr Chris Perry and his team at Doomadgee and the Weipa Hospital to rectify some of the problems.

The success of the team will rely on the training of Aboriginal and Torres Strait Islander health workers. New South Wales has had significant success with early identification by training Aboriginal health workers as audiometrists to go around and check children's ears and see where there were problems that could be addressed. We will be doing that also, and then working on preventive programs to back up those specialist services.

I think this is a significant step forward. It is something that has been in the pipeline for quite a number of years. I am pleased that we actually can make it happen. I know that it does not address all of the concerns. We still have to find out why Aboriginal children are so much more susceptible—whether it is the water conditions, the tropics or whatever else—and work on preventing it rather than concentrate on early intervention, which is where we are at at the moment. Early intervention is a hell of a lot better than waiting until it is too late and there is significant hearing loss.

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

Miss SIMPSON: I refer to your announcement regarding the establishment of a water task force to ensure that Queenslanders continue to enjoy safe water. Has funding been provided in this year's budget for this particular task force?

Mrs EDMOND: The task force is actually a drawing together of people who are already in the system—in the Queensland Health system, the university system, the local government system—and who are actually working on this at the moment. They are pooling their knowledge and looking at information from other places. Indeed, they are looking to New South Wales and what has happened there so that we can take a proactive approach by creating protocols in case they are needed in the future.

One of the problems we face is that there is no legislation in Queensland prescribing standards of water quality. They are looking at what is happening in Sydney and whether it is the result—which I do not think anyone has determined yet—of increased activity in the water or whether it is actually the case that testing systems have improved so much that they can identify smaller and smaller quantities. They are things that we need to establish. We need to work out ways of dealing with the problem, if there is one.

At this stage, we do not know of any problem in Queensland water, but I am not waiting until after we have a problem to then say that we should start working out where we go, what protocols we will use, what we will do, who we will notify, and all the

rest of it. Similarly, in New South Wales, to my knowledge there has been no increase in illness, etc.; it has merely been a case of improved testing showing up contamination by these parasites of cryptosporidium and giardia. Giardia is fairly common in the tropics. I was warned against it when I lived in Yeppoon. I believe that in Mackay, Rockhampton and further north it is fairly common. We are working to provide the technical expertise as backup to the councils, which actually have to maintain the water quality.

Queensland Health and the expert technical group that we have established will work closely with both the national and the interstate authorities and Governments to progress the resolution of this issue at a national level. But as all of these people are currently in the system, we have not set aside specific funding for this particular task force. It is drawing together the experts who are already within the system and getting them to work on this particular issue.

Miss SIMPSON: Could you just clarify what testing has been conducted on water supplies in Queensland? Were any traces of giardia or cryptosporidium found in any test samples?

Mrs EDMOND: Testing of water in Queensland is done by the local governments. I do not have access to that information.

Miss SIMPSON: So they have not reported back to you after the scare in Sydney? You have not asked for information about what is happening in Queensland?

Mrs EDMOND: To my knowledge there has been no identification of a problem in Queensland. It was just raised with me by different local authorities that they would welcome the input of experts in Queensland Health and the drawing together of people so that they were prepared in case it ever did happen in the future.

Miss SIMPSON: Will you be seeking to have that reported to you if you find out that this is occurring in our water supplies in Queensland?

Mrs EDMOND: I would expect that if councils found that there was a problem in any water supply they would report it to Queensland Health. But as I said, it is the councils in Queensland that look after the water supplies and maintain the water quality. My understanding is that there has been absolutely no problem. But I do not believe that you should wait until there is a problem before you establish working guidelines and protocols to deal with it if one does arise.

In Australia, we have been very fortunate in having good, clean water, and we tend to take it for granted. That has happened in Sydney, and they were caught by surprise to the extent that they do not know whether there is a real problem in the water or whether it is as a result of a change in the testing procedures, etc. That still has not been determined. As I said earlier, to my knowledge there has not been any increased illness caused by either giardia or cryptosporidium in New South Wales or in Sydney. I do not know whether anyone else is aware of an increase, but my understanding is that that has not

been the case; it has only been showing up in the water. We are trying to establish guidelines and protocols to deal with it if it ever shows up here. I am told that there have been no positives to date and that they definitely would report to Queensland Health—

Miss SIMPSON: They have to report to Queensland Health?

Mrs EDMOND: They would report to Queensland Health if there were. My task force is setting the protocols and the policies—if there ever is an instance.

Miss SIMPSON: With the Minister condemning the establishment of the Noosa and Robina Hospitals—hospitals that were greatly sought after by their respective communities—does the Minister's condemnation mean that she will not be listening to any community in the future and that a community recognising that they need a hospital will be ignored?

Mrs EDMOND: What this Minister will be doing for any future hospital developments is going through a detailed needs analysis and planning. That was not done with Noosa and Robina. I certainly will not be promising away \$909m of Queensland Health public funding to pay for hospitals which were planned on the back of an envelope during an election campaign.

I have a responsibility to get the most efficient and beneficial delivery of health services in this State. I believe that it is certainly one of the responsibilities of any Health Minister to make sure that the funds available to Queensland Health are distributed equitably and to provide the best and most efficient provision of services across the State. That means that any service delivery—whether it is a Community Health Centre or a hospital—should be done in a planned way, analysing the needs of that community, analysing the changes in demography and analysing any studies that were done.

I know, as you should know, that prior to 1989 there was very little done in the way of planning of health resources and facilities. But as part of the major commitment by the Goss Labor Government in 1992 to rebuild health facilities across Queensland, one of the first things we did was go across the State and analyse and assess the services that were there, and the quality and standard of the facilities that were there, so that we did it in a planned way; it was not just done on the back of an envelope: "This is Joe Bloggs' electorate. Let's throw it there" or "We want to win in a seat here. Let's put it there." It was done in a planned way across the State. We had internationally recognised experts come through and assess all the capital infrastructure and the planning that was needed. In fact, at the Estimates hearing last year, I was told that most of the work that is ongoing in Brisbane is still based on the planning that was done prior to the change of Government in 1996. I refer in particular to the tertiary hospitals planning that was done and published and publicly available. I refer also to the metropolitan hospital study, which was done and publicly available, so that everybody could see what was needed where and how that would be done. It is my commitment that I will not be

promising nearly \$1 billion worth of health funding on the basis of planning on the back of an envelope.

Miss SIMPSON: With regard to co-location, what have you done as Minister to ensure that probity checks have been undertaken before signing off?

Mrs EDMOND: I have not signed off on any of the co-location programs. I gave the go-ahead once I had had extensive meetings at the various hospital sites with representatives of all the groups involved, including staff, which had not happened before, and unions. I was convinced that there were significant public benefits attached to those co-locations. In terms of probity checks, I understand that there are probity audits put in place for that process. All that has happened at the moment is that I have given the go-ahead for the exclusive dealings phase, which is to be an extensive phase of working out what service is to be provided and all the other issues that need to be resolved. There are significant workplace issues and industrial issues that need to be resolved. Certainly at some hospitals there needs to be a quite detailed examination of what they want to provide and what we believe is necessary to provide. All those things have to be worked through and will take some considerable time.

In terms of the co-locations, I am still honest enough to admit that I would prefer that they were not all happening in one go. I think it is rather foolish to go ahead with seven co-locations before we have done one in the State and worked out a detailed process. I have had lengthy discussions with people in other States. I know that at the Royal Melbourne Hospital it took five years to work through their exclusive dealings stage to get to a stage at which the hospital was happy for it to go ahead. I am hoping that it is not such an extended program here. It certainly shows that there are a lot of issues that have to be resolved. Certainly all the advice that I have received is that the detailed contracts are quite complex. It is in the fine print of the contracts that you end up with the most number of problems. It is not an easy process. It is not one that I am rushing into. It is one that I am committed to. My policy has always been that we support the principle of co-location as long as it is for the public good and there is a clear public benefit. I am not interested in providing benefits for different groups of people, whether they be private providers or different classes of doctors who have private interests. I am interested in the overall public benefit.

Miss SIMPSON: I understand that not-for-profit domiciliary nursing services are being paid \$22 per unit when their costs are \$50 per unit. As that is a significant difference and it is causing financial difficulty for many organisations, will you bridge the gap and by how much?

Mrs EDMOND: I understand that the figures that you refer to are the funding commitments made under your Government. They will be renegotiated this year. That is the funding provided under the previous arrangements under the previous Government. In terms of domiciliary nurses, one of the areas where we will significantly increase funding is in the area of HACC. As I was able to convince

Treasury to increase the State funding for HACC, we have been able to access the full amount of funding from the Federal Government. That means that there is \$3.954m over what was there under the previous Government, which will make a substantial increase.

The other area of domiciliary nursing that I know of that was severely impacted upon under the previous Government were those who were often the major providers of palliative care. I know that they were struggling to provide services with often very little funding. I am told that they are funded \$38 an hour, not \$22 as you said.

Miss SIMPSON: Which particular service are you referring to?

Mrs EDMOND: All of them—I have just been passed that figure for domiciliary nursing. The previous Minister refused to pass on funding to supplement the SACS Award, which we will be doing in this budget. We have provided \$1.6m to non-Government organisations to help them to meet the SACS Award, which I understand your previous Minister thought was a greedy and outrageous grab for funds. We believe that the level of payment to those workers is fairly low, anyway. It is a poor concern when that is not supported.

The CHAIRMAN: The time has expired, Minister. I call on the member for Kallangur.

Mr HAYWARD: Page 8 of the Ministerial Portfolio Statements states that illicit drug harms and deaths will be reduced by exploring the range of approaches to and services for management of opiate dependency. Can the Minister explain what allocation has been made to the matter of illicit drugs?

Mrs EDMOND: This is a very difficult area. We all see in it the media increasingly. Those of us who are parents of teenagers or young adults are aware of how common drug usage is in the community. I know that I am aware of it and very concerned. Because of that, as a Government, we are taking a whole-of-Government approach to having a drug task force and working through it. We have also provided \$10.5m over five years to combat drug and alcohol abuse, particularly among youth and young adults. That will implement a range of strategies, including both prevention, early intervention, treatment, education, training, research and community interventions to reduce the harm associated with illicit intravenous drug use. This is part of a whole-of-Government illicit drug strategy. All of us are very, very concerned.

Earlier this year, in July, I signed off on the use of naltrexone. I have been beaten about the head for not doing it earlier. I could only have done it earlier if there had been an election earlier. I signed off on the use of naltrexone as a substitute for methadone in the treatment of heroin addicts. That is now able to take place in Queensland. We have also worked with the people who were looking at trials of new drug treatment programs. One program that has received a lot of publicity is the so-called Israeli technique, which is a very expensive model. The drug addict is put under anaesthetic for an extended period and needs an ICU bed and all the rest of it to be

maintained in to detoxify and then treated with naltrexone. There are a lot of concerns about that program. It was announced as a knee-jerk reaction to criticism over the previous Government not being involved with and opposing the heroin trials in Queensland. As a result, I do not think that had been thought out appropriately.

As a result of talking to people in other States who are working in this area and listening to them, we are now not only going to go ahead with the trial and fund it properly but also we are going to extend the trial so that, instead of 50 patients being treated with naltrexone and the Israeli technique, we will now be extending it to what is called the accelerated detoxification program where they are sedated heavily but do not need to be anaesthetised and do not need to be in an ICU unit, which is proving just as effective. There will be three arms to the trial. They will be looking at people maintained on methadone, people in the accelerated program and people through the rapid detox and the Israeli technique. That will give us some indication of which method is the best one to go for.

Mr HAYWARD: I refer to page 20 of the Ministerial Portfolio Statements and in particular to the program performance assessment which identifies, among other things, enhanced oncology services in 1997-98. I ask: how does this relate to media coverage around the Government's first Cabinet decision about a new cancer research facility at the Herston hospital complex? Could the Minister provide the details, including the funding commitment of the State Government?

Mrs EDMOND: QIMR, which is a major medical research facility in Queensland and probably the biggest in Australia, has international recognition. Certainly, what has happened is that an anonymous international donor sought out QIMR to extend their range of research facilities and to provide a grant that will allow them to do that, and it is a significant grant. I acknowledge that it was stated by the previous Premier in his campaign launch, and I acknowledge that with some concern, because the condition of the anonymous donation was that this was not to be a political issue. I first heard of it—

Miss SIMPSON: It came out after the election.

Mrs EDMOND: I first heard about it when I was at a QIMR dinner. People at that dinner were very concerned—it had been announced a couple of nights before—that it had been made into a political issue and that the funding would be lost. Fortunately, I am glad to say that that funding was not lost.

The establishment of the centre will be a giant leap forward in medical research into cancer. It will provide a lot of facilities that we do not have currently. The donation was made on the basis that it would be jointly funded not just by the State Government but also by other involved groups. I am pleased to say that it will be jointly funded by the State Government with \$20m over four years and the Queensland Cancer Fund, the Leukaemia Foundation, the QIMR, which is going to raise extra funds, and a number of private donors.

The establishment of the centre is critical, I think, to our ongoing battle to prevent cancer, to provide improved treatment for victims of it and to isolate and identify its causes. It will also create an enormous hive of research activity, with 200 long-term jobs. That will spin off into other areas as well, as we know, with something like 20,000 weekly pay packets generated during the construction. It will be dedicated not only to cancer research and trials of new therapies but will also have a modern conference facility for medical and academic conferences and teaching.

Stage 1 of the project is an 11-storey building to replace an old block at the Royal Brisbane Hospital as part of the redevelopment of the Royal Brisbane Hospital that was scheduled for demolition. There will be a Stage 2, which will include refurbishment of the existing Queensland Radium Institute once that moves as part of the redevelopment process to provide a clinical research ward and academic centre with conference and educational facilities.

Mr PEARCE: Would you provide an explanation for the delays to projects in the Hospital and Health Services Rebuilding Program that apparently occurred over the three months from June to October 1998?

Mrs EDMOND: Of the numbers listed here, the completion date of the Cunnamulla Community Health Centre was delayed from January 1999 to March 1999—two months. That delay was due to the need to receive confirmation of the Commonwealth commitment to funding, because it is a project partially funded by the Commonwealth Government. The Toowoomba Community Health Centre was delayed from July to August. The construction contractor suffered some delays in completing the project, but is still well ahead within the original program. In particular, unseasonal weather conditions slowed the project.

The Bamaga Hospital redevelopment was delayed from December 1998 to July 1999—a delay of seven months. There has been no loss in the program time in the design or the construction over the last three months. The program completion date as reported previously was simply not achievable. Having been up there recently, I understand that there is still concern because of what work could be done before the wet sets in, which is always a significant factor in north Queensland. At Morningson Island, there was a delay of two months because the contractor was delayed by difficulties in delivering materials from Karumba by barge. At Mundubbera, I understand that the original program was never achievable; it was too ambitious. Some delays also occurred during the tender evaluation process because two tenderers withdrew and the next best offer was in excess of the budget.

At the Woorabinda Health Service, which we visited not that long ago, there has been a minor delay in finalising the contractual arrangements for the award of the contract to Q-Build. I understand that that is a good move, because they are going to involve a lot of local people in that. I think that is a really positive step forward. In regard to the Palm

Island Health Service redevelopment—the earlier completion date of March is clearly an error. I understand that there has been no time for building allowed. However, there also has been some delay due to changes in the project and also the slow performance by the contractor for residential enabling works and difficulties with keeping the project within budget. The Gold Coast Hospital has been delayed by a month, largely due to difficulties in undertaking refurbishment while it has been extremely busy with the winter ills and chills.

The CHAIRMAN: Time has expired.

Mrs EDMOND: Could I have your indulgence?

The CHAIRMAN: Yes.

Mrs EDMOND: Just to correct the record, I am told that HACC funding at the rate of \$22 an hour is up for renegotiation in the funding round. That may also be changed by the SACS agreement. The domiciliary nursing is \$38 an hour. I just wanted that on the public record.

The CHAIRMAN: The time allotted for the consideration of the estimates of expenditure for the Minister for Health has expired. I thank the Minister and the portfolio officers for their attendance. That also concludes the Committee's consideration of the matters referred to it by the Parliament on 15 September. I declare this public hearing closed. Minister, would you like to add something?

Mrs EDMOND: Yes. I would like to take this opportunity to thank the Committee for their indulgence during the day, to thank Hansard for what I know is sometimes a long and tedious process, to thank the attendants for the assistance that they have provided, and also to thank my Queensland Health staff for all of their efforts during the afternoon. It has been a long afternoon.

The Committee adjourned at 7.08 p.m.