

ESTIMATES COMMITTEE D

Mr F. W. Pitt (Chair)	Mr H. W. T. Hobbs
Dr L. A. Clark	Hon. V. P. Lester
Mr G. J. Healy	Mr P. G. Reeves

COMMUNICATION AND INFORMATION; LOCAL GOVERNMENT, PLANNING, REGIONAL AND RURAL COMMUNITIES**IN ATTENDANCE**

Hon. T. M. Mackenroth, Minister for Communication and Information and Minister for Local Government, Planning and Rural Communities

Mr K. Yearbury, Director-General

Mr D. Peddie, Manager, Finance

Mr G. McCallum, Acting General Manager, CITEC

Mr T. Skippington, Director, Corporate Services

The Committee commenced at 8.31 a.m.

The CHAIRMAN: I declare this meeting of Estimates Committee D now open. I request that all present turn off mobile phones. I welcome the Minister, public officials and members of the public who are in attendance today. The Committee will examine the proposed expenditure contained in the Appropriation Bill 1999 for the areas as set out in the Sessional Orders. The organisational units will be examined in the following order: Communications and Information, Local Government, Planning, Regional and Rural Communities; Tourism, Sport and Racing; and the Environmental Protection Agency and Natural Resources.

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. A 15-second warning will be given at the expiration of these time limits. 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 their transcript. In the event that those attending today are not aware, I should point out that the proceedings are similar to the 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.

The Committee has resolved that TV file footage without sound will be allowed for the opening statements from the Chairman and the Minister and that radio and print media coverage will be allowed at other times. I declare the proposed expenditure of the portfolio of the Minister for Communication and Information 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?

Mr MACKENROTH: Thank you. I am pleased to be here. Away you go.

Mr CONNOR: Through the Chair, I would like to seek leave to ask questions.

The CHAIRMAN: Leave is granted.

Mr CONNOR: Minister, I will start with a bit of a dorothea dixer for you. Would you like to detail your actions to date in relation to community nets?

Mr MACKENROTH: In relation to—

Mr CONNOR: Community nets, electronic villages—any form of community activities in relation to the Internet.

Mr MACKENROTH: The greatest involvement that we have had is through our planning program in Wide Bay where the State Government has helped to fund a community program of bringing people onto the electronic delivery of services. That is a trial which is able then to be used in other places. It is funded jointly by the State and by the Commonwealth. I believe it was through the RTIF funds from the Commonwealth, but the State put an equal amount of money in as well. We have enabled the Wide Bay area to use a radio frequency to communicate. That has been trialled and the trial has been very successful. Other than that, you would be aware that we have finally had discussions with you and made an officer available to help you with what you are doing at Nerang.

Mr CONNOR: Have you any intention of taking it further? Is there a time frame in taking the development of community nets further forward? Possibly one of your staff would like to speak on it.

Mr MACKENROTH: No. The major thing that I think the Government has to do now is to in fact bring itself on line. That is the major thing that we need to do. We have allocated a considerable amount of money in this year's Budget to start that process. I think that is where we need to be putting our efforts and will be putting our efforts this year and into the next financial year.

My director-general just reminded me we have also been involved with the Springfield community net project, which I think your Government in fact started. We started the involvement in terms of some direct subsidies to them to have a community on line, and we have continued that. What we have to do is to work toward getting ourselves on line.

Mr CONNOR: I refer the Minister to a couple of articles, one of which was in the Australian on 8 December 1998 and another one in the Australian Financial Review on 9 December 1998 in relation to Visionstream. I guess the main reason for the question is that there is a bit of conflict in relation to the public statements as recorded by the two journals in relation to the tendering process, if there has been one. So I ask: what was the price of the successful tender of Visionstream?

Mr MACKENROTH: You said there is conflict and you are asking me about that. I do not know what in fact the conflict is that you are referring to.

Mr CONNOR: In one article it is stating that the tender was won by Visionstream and the other one was that Visionstream would be in the process of being involved in tendering out to other people but that there was no tender involved. There was no mention at least of them winning a tender. Was there a tender and did they win it?

Mr MACKENROTH: The proposal to put a fibre-optic cable from Brisbane to Cairns using the railway corridor went to tender to see what proposals come forward—what is delivered in terms of the best delivery of services for the State. The tender for the railways delivers access on that fibre. I am not sure exactly how many fibres, but they get a number of dark fibres for their use, which is what they have tendered to actually deliver to railways. That is what railways wanted out of the tender. So railways are allowing the corridor to be used—

Mr CONNOR: So Visionstream is actually installing the dark fibre?

Mr MACKENROTH: Yes. Railways get the dark fibre. Visionstream actually has a company called Reef Networks. I am not sure of the corporate make-up of that, but the

company that actually has won the right to lay the fibre is Reef Networks. They will lay the fibre at their own cost and own it for a period of time. The railways will get free access to a certain amount of capacity on that fibre. By getting a fibre between Brisbane and Cairns, our objective is to get some competition in the marketplace which is not there now.

Mr CONNOR: Will Visionstream be lighting it up? Will they actually be running it lit up or only putting the dark fibre in?

Mr MACKENROTH: They own the fibre, they will run it and they will make space available. Negotiations are not at this stage complete. The first set of agreements has been signed. That is between Reef Networks and Queensland Rail for the right of way. The State asked the tenderers for the fibre to make sure that access was available to a number of carriers—not named carriers—so that we would have competition. We asked for that to be done.

Those negotiations were entered into I guess by the people who at that stage were still in the race. The only one that could come up with a proposition was Reef Networks and it ended up that the only people prepared to commit to it were Optus. Reef Networks entered into negotiations with a number of carriers to take space on the fibre. The only one prepared to commit to space was Optus. The agreement we have required Reef Networks to have with Optus is that they in turn will make available to other carriers space that they have now taken so that there is the competition that we want to see on that fibre.

Mr CONNOR: What was the actual process? Was it an actual tender? If so, when was it advertised?

Mr MACKENROTH: It was a request for offer.

Mr CONNOR: And was that advertised?

Mr MACKENROTH: Yes.

Mr CONNOR: Could you detail when it was advertised?

Mr MACKENROTH: No, I cannot. I believe that the request for offer was advertised by the coalition in Government. I will check that and if it is not correct I will correct it.

Mr CONNOR: That was from Queensland Rail?

Mr MACKENROTH: Yes, from Queensland Rail. When our Government made the decision to facilitate this, we in fact used that request for offer, which was live at that stage, to realise the aims that we wanted

to achieve. So we negotiated with Rail to ensure that the interests of the State were being met, rather than just the interests of Rail. But the request for offer, I believe, was done prior to us coming into Government. So if it was done wrongly, I am sorry.

Mr CONNOR: What was the price of the successful offer?

Mr MACKENROTH: There is not a price for it. The offer is the ability for someone to get the right of way. That is their benefit by them providing Rail with dark fibre. That is a considerable cost saving to Rail, because it needs to replace its communications network between Brisbane and Cairns. So that will be replaced at no cost to Rail.

Mr CONNOR: Does that have a value? Was that worked out beforehand? If this is some sort of a contra-deal, there should have been some value put on it.

Mr MACKENROTH: There is a value. That is between Queensland Rail and Reef Networks and is not part of the negotiations I have been involved in.

Mr CONNOR: How would you evaluate an offer if you did not know what it was worth?

Mr MACKENROTH: The offer was evaluated by Queensland Rail. My department has been involved in ensuring that the objectives of the State were met in what Queensland Rail was negotiating so that the negotiation that was done was not done simply for Queensland Rail's benefit.

Mr CONNOR: So you ensured that there was an appropriate standard to allow for access to other carriers?

Mr MACKENROTH: That is correct. We have also tried to ensure that we could get access for universities, for bandwidth, at a reasonable cost. We have some guarantees on that. Those negotiations are not complete so I cannot go into it, but that is part of what we have looked at.

Mr CONNOR: I gather that is commercial in confidence.

Mr MACKENROTH: We will tell you once it is completed. It is commercial in confidence in the sense that we have not completed negotiations.

Mr CONNOR: Is the process for determining the price at which it will be offered to other carriers under competition policy or is that subject to an agreement?

Mr MACKENROTH: That is up to the carriers themselves.

Mr CONNOR: It is subject purely to negotiation between the carrier and Visionstream, or Reef Networks?

Mr MACKENROTH: Yes. That is a completely commercial decision between them.

Mr CONNOR: Is the State Government providing any funding at all for the process?

Mr MACKENROTH: No.

Mr CONNOR: Are any State Government agencies mandated to use this network on its completion and in subsequent operation?

Mr MACKENROTH: The State will have a requirement for State agencies to use a certain amount of Optus products. As the Premier told your leader on Tuesday in answer to a question on notice, the actual value of that at this stage is commercial in confidence. I have no problem in releasing that once the negotiations are completed. The amount that is actually being allocated by individual departments is no more than the actual Optus products that they use now, so they are not being required to commit to any more than they actually use today. The rates that are being charged have been reached by competitive tendering.

Mr CONNOR: Who were the parties to that competitive tendering?

Mr MACKENROTH: All carriers in Australia were invited last year to submit prices to the State—be on a panel of suppliers for telecommunications services—and Optus is one of the successful carriers.

Mr CONNOR: Is this agency by agency or whole of Government?

Mr MACKENROTH: For whole of Government. Agencies can use that panel to take their pricing from now without the need to continually go out on an individual basis tender. They are able to use that. That system is being used, so the prices have been reached on a competitive tendering basis. No department is being asked to commit to any more than they already use in terms of Optus.

Mr CONNOR: So it has just been extending the time a bit, has it, for the contract?

Mr MACKENROTH: We will be requiring agencies to commit to a certain amount of expenditure for a five-year period.

Mr CONNOR: Can you confirm that the Cabinet had decided to give \$117m of the Queensland Government's telecommunications expenditure over the next five years to Optus?

Mr MACKENROTH: The actual amount of money is commercial in confidence until such time as negotiations are completed. There have been no contracts in relation to that signed with Optus as negotiations are not completed.

Mr CONNOR: So you cannot even tell me whether the \$117m is in the ballpark?

Mr MACKENROTH: No.

Mr CONNOR: When was this competitive tender advertised?

Mr MACKENROTH: When was the panel of suppliers done for telecommunications?

Mr CONNOR: Yes.

Mr MACKENROTH: I will get the exact dates, but it was done last year.

Mr CONNOR: When was the tendering process advertised?

Mr MACKENROTH: I will have to check those dates, but it was last year—30 September last year.

Mr CONNOR: So you maintain that there will be no additional cost to each agency as a result of this deal?

Mr MACKENROTH: Absolutely none—absolutely no additional costs. And the prices that they will pay for the telecommunications are based on the panel prices, which have been competitively selected. When an agreement is signed with Optus on a five-year contract, that will be strictly on the basis that those prices must remain in that competitive area. If prices go down tomorrow, those prices will have to go down as well. We have not tied ourselves into something that is going to cost us. And the departments will not be paying any more for their telecommunications services as a result of this. In fact, what we will deliver, not only for departments but for private individuals throughout this State, is a better and cheaper telecommunications service. That is why I would suggest that Telstra do not want to see this cable go down the coast.

Mr CONNOR: I think you might be right.

Mr MACKENROTH: As much as they would like to say that they are offering the best price that they can today, I would suggest that, once the cable is between Brisbane and Cairns, we might see that their best price is a little bit better.

Mr CONNOR: I think you could be right.

Mr MACKENROTH: I know I am. And that will be good for everyone who lives in Queensland. Certainly, in terms of what we are attempting to do, that is what Government

should do. You have to look at how you can do it, and that is why we have looked at how we can do it, and that is why we need to use some of our spend to ensure that it is economically viable for people to actually sign up. But in doing that, we have not cost any department any more than they normally would spend.

Mr CONNOR: Fair enough.

Mr MACKENROTH: But some departments obviously have this information. Some departments obviously do not like Governments to make decisions for them.

Mr CONNOR: Yes. I have another bit of a dorothy dixer for you. Are you satisfied with your progress on Y2K?

Mr MACKENROTH: Yes, I am. I think that it has gone very well. The process that I put in place—and you are aware of this through the Public Accounts Committee—the process that we have in place, where departments are required to report to Cabinet on a monthly basis and for directors-general to actually sign off on that report for each individual agency, has really heightened the issue. So departments are very aware that Cabinet wants to make sure that everything is done properly. I think that it has lifted the issue to one where departments have taken it very seriously. The reports that I get now from the Y2K office, which does the monitoring, are such that I am very confident that we have done all that we can.

Mr CONNOR: So the lights will stay on on 1 January?

Mr MACKENROTH: I cannot tell you that the lights will stay on today. But what I can say is that the Government has done everything it possibly can to ensure that they do. All of our major power stations have now been turned forward into the next century for two weeks and run for two weeks, and no problems have been found in doing that. The tests that can be done have been done to try out the systems. I am confident that everything that could possibly be done in relation to Y2K and the power staying on has been done.

You obviously have an interest in Y2K. You would be aware that we have had a lot of people tell us about all the critical dates—when we are going to start the end of the world. 1 April came and went—the end of the financial year in Japan—and nothing happened. 1 July came and went, and nothing happened. The 9th of the 9th '99 came and went, and nothing happened. We will just hope that 1 January next year comes and goes and we all have a great party.

The CHAIRMAN: The time for questions from non-Government members has expired. I thank the member for Nerang for his appearance here today and call the member for Mansfield.

Mr REEVES: In reference to the MPS at page 3 in respect to the \$8m made available to develop, implement and manage electronic service delivery projects, can you explain what work has been done and what needs to be done to complete the whole-of-Government information architecture framework?

Mr MACKENROTH: The Government information architecture framework for policy and guideline development has been drafted for agency comment. The policy principles and guidelines will be developed in line with agency and whole-of-Government business requirements. For example, the electronic service delivery component for the Queensland Communications and Information Strategic Plan defines actions over the next five years, including business activities through the Government's service delivery project in the Office of the Public Service Commissioner. This will drive the development of whole-of-Government policies and standards for integrated service delivery.

The cost of developing the Government information architecture is staff time, both within this department and individual agencies. Currently, 1.5 staff have responsibility for coordinating the GIA and collaborating with representatives from seven lead agencies. The number of staff drafting policy principles and guidelines will fluctuate as the business requirements change.

Might I say that the \$8m that is allocated there is part of the Government's commitment to electronic service delivery. There is also some money within the Premier's Department budget. I believe the sum is \$4m or \$4.8m, which gives us a total of about \$12.8m this financial year which will be allocated towards bringing together what will be called Access Queensland. This will be an electronic service delivery of State Government services to the community, both on line and through agencies. This could be delivered through QGAP agencies in rural and regional areas of the State or through shopfronts which will be developed as Access Queensland shopfronts. That work now needs to start. The architecture that is needed in order to allow that to happen needs to be planned and developed right across Government.

Mr REEVES: Where is the department at

in regard to the establishment of the secure Government intranet?

Mr MACKENROTH: GovNet is working now and it is available to all departments. There is a considerable amount of information that is available to departments on GovNet. For instance, on Wednesday of this week I launched the QGAP agencies manual. We have 50 QGAP agencies in Queensland and they have a manual which provides them with all the information they need to run their agencies. That is now on line on GovNet so that QGAP agents do not need a whole pile of paper; they can simply access it by way of GovNet. It is a secure system.

The next development stage is to develop a secure email system within GovNet. That will ensure that, within Government, we have a secure email system which we are able to use to transfer documents throughout Government. We will be able to use that as an ordinary email system. Once it is finalised, it will allow a lot of departments to consider whether they need a lot of their public servants to be on the Internet. They will be able to access parts of the Internet through GovNet. They will be able to access the particular parts that they want for their particular offices. I think that is a much better and more secure system for the department.

Mr REEVES: What is the cost of developing the Government services locator mechanism and what are its aims?

Mr MACKENROTH: Do you have a page for that?

Mr REEVES: I am sorry, page 3.

Mr MACKENROTH: It is all part of the \$8m, but we will find it. The cost of the first working release, due for release in March/April 2000, is estimated at \$250,000. However, this cost estimate is being reviewed by the supplier, CITR. Further development costs to support release 1 and subsequent releases are expected but are not yet costed as implementation plans are not yet finalised.

Mr REEVES: What savings do you see the whole Government electronic commerce model giving to the Government?

Mr MACKENROTH: That is something that is very difficult to quantify. I think the savings will go to the people at the other end—to the customers. The system will provide a better service to the customers. Providing a better and more ready service to customers is something that we need to try to do. Cost savings to Government in anything like this are very difficult to quantify. There are

costs involved with getting a program running. The Public Service always finds other ways to spend the money. They will always put up a bid to the Budget that anything you do will always cost more. To quantify the amount of cost savings would be, I think, an impossible task. The greatest advantages of the system go to the customers by way of providing a quick service which people are able to access. Most things where people need to deal with Government can be found at one point, whether it be on line or through a shopfront. That provides a much better service to people, and that is what we need to do.

Mr REEVES: I refer to page 3 of the MPS. When should the standard receipting system be introduced and how will it benefit the Government?

Mr MACKENROTH: You have picked the only couple of pages for which I do not have a reference number. We will take that on notice.

Mr REEVES: I refer to the same page again. How much money is the Government putting into the Distributed Systems Technology Centre, what is the total Government outlay, what are its main aims and how will it be evaluated?

Mr MACKENROTH: My department has put in \$500,000 per annum for seven years. The Department of State Development has put in \$500,000 per annum for seven years. That is a total of \$7m from Government. So we have \$3.5m from my department. \$5.3m is being made available by way of funding of money and staff from CITEC, which is the business section of my department.

Mr REEVES: I refer to page 20 of the MPS. Could you further explain the partnership arrangement in relation to the Distributed Systems Technology Centre?

Mr MACKENROTH: The partnering arrangement will work through staff exchanges between DSTC, Government agencies and industry; knowledge transfers between DSTC, Government agencies and industry; project work undertaken by DSTC; and specialist advice to Government agencies by DSTC subject matter experts. The department has liaised with the Department of State Development and CITEC in developing the funding support agreement for the DSTC and the partnering arrangements. The department will monitor the performance agreement with a view to ensuring that the Government's funding objectives are met.

Mr REEVES: I refer to page 19 of the MPS. What is the budget for the Multimedia Applications Development Fund? What are its

aims? Has there been any analysis of the extra jobs that will be gained as a result of this fund?

Mr MACKENROTH: The Multimedia Applications Development Fund is a \$460,000 State Government funded two-year grant program which is intended to assist the multimedia industry in developing expertise and critical mass in Queensland. The program was established in 1998-99 as a client-driven program directed towards Queensland's State Government agencies, local authorities and private enterprises interested in the use of multimedia to enhance their business processes and client services. MADF assistance is available for projects that support business objectives and enhance business processes. Funding is provided on a dollar-for-dollar basis over a two year period. The minimum funding available is \$10,000, the maximum being \$40,000.

Examples of successful applications may include online or digitised education and training programs, virtual surgery for health care, digitalisation of legal representations in court and mediation settings, visualisations for 3D design in manufacturing or construction, visualisations and walk-throughs as tools for tourism or property marketing, and content for kiosks for Government information services. To avoid using a relatively small amount of project grant funding on administrative overheads, applications under the program are being assessed on a case-by-case basis over a period of two years.

During 1998-99, \$40,000 was approved for the Australian Interactive Multimedia Industry Association—Queensland Chapter, of which \$20,000 has been expended to date, and a further \$69,800 has been approved in grant funds; for the Queensland Parks and Wildlife Service, \$40,000; and for the Gynaecological Cancer Society of Queensland, \$29,800.

Mr REEVES: I refer to page 35 of the MPS. Further on the Y2K, what assistance does the department give to assist State Government agencies, Government owned corporations and essential services in addressing the Y2K bug?

Mr MACKENROTH: We have a Y2K office within my department. Its role is to monitor and provide assistance in terms of advice to departments as to how they need to put together their remediation plans and their contingency plans. It has been involved in educating the Public Service on Y2K issues. Its budget over a two-year period has been

\$15m. Some of that money has been allocated to individual departments to provide funds to do urgent works that needed to be done, which they could not meet from within their own budgets. That is the actual assistance that it has given.

In monetary assistance, the total budget allocation for the Y2K risk management program in 1998-99 was \$10m. Funds were allocated to the following departments: primary Industries, \$50,000; Police, \$1m; Emergency Services, \$2.5m; Natural Resources, \$2,450,000; Health, \$1.2m; Corrective Services, \$50,000; TAFE, \$50,000; disaster contingency plans for the Department of Emergency Services, \$877,684; electricity industry review, \$500,000; business awareness through the DSD, \$605,000; our internal Y2K program office, \$717,000, and \$316 has not been allocated.

In relation to the standard receipting system, I think the question was: when will the standard receipting system be implemented? It is expected that the majority of agencies will be participating in this by the year 2002-03.

Mr REEVES: What were its main benefits for the Government?

Mr MACKENROTH: It is through electronic commerce—a standard receipting system—so that you are able to use the online system to simply have something that works together. I always quote this example. I have a little boat, for which the Transport Department once sent me a bill for the registration of the boat and the trailer, both of which were registered on the same day. I had to send cheques to two different post office boxes to the same department so that I could get two receipts from two different areas. That is not an easy way for people to deal with Governments. Governments need to look at how they can make things as easy as possible for their customers to deal with them. That is a very simple thing to do, but you need to have standard systems operating to enable those things to happen.

The CHAIRMAN: The time allocated for Government members' questions has expired. I now call the member for Nerang.

Mr CONNOR: I forgot one little aspect of that last line of questioning in relation to Visionstream. At the time, the media reported that they expected that the line would be installed by December 1999 and it would be as far as Bundaberg by next September. How is it going? Is it on track still—no pun intended?

Mr MACKENROTH: Not on track as far as that is concerned. My expectations are that

the final contracts should be signed within the next two weeks.

Mr CONNOR: I am actually talking about the laying of the dark fibre.

Mr MACKENROTH: No-one is going to start to expend that sort of money until such time as contracts are signed. So the expectations are that the contracts should be signed within two weeks.

Mr CONNOR: This is between Optus and Reef Networks?

Mr MACKENROTH: It will be the Government and Optus, Optus and Reef Networks. The contracts between the Government and Reef Networks have been signed. So those other contracts need to be signed for them to have the package together. Reef Networks has already undertaken, at their own risk, all of the survey work that is necessary for the cable to be laid. That means that once things are actually finalised, they will be able to start laying almost immediately. One of the directors of Reef Networks has advised me that once all of the contracts are signed the cable will start being laid from Brisbane and that that will be within four weeks of the contracts being signed. So providing that the contracts are signed within two weeks, the cable should be going into the ground within six weeks.

Mr CONNOR: When do you expect it to be finished being laid? When is it going to be lit up?

Mr MACKENROTH: It is a project that will take upwards to a year. So it will be the middle of next year before it is completed. But as we go up the coast, it comes online progressively. Once it reaches Nambour, that part will switch on. When it reaches Gympie, that part will switch on. As we go, the cable will start to be used.

Mr CONNOR: If we do not know the values of the contracts, we will just have to work with what we assume to be the case. As we understand it, the Cabinet has approved \$117m for the Government's telecommunications services from Optus. In turn, Optus is signing a \$110m deal with Reef Networks for the purpose of being able to get access to this cable. Without the numbers, that is basically what we are talking about, is it?

Mr MACKENROTH: There are a couple of points that we need to draw out of that. As I said, the amount that the State will commit at this stage is still under negotiation. I am quite prepared to make that figure public once those

negotiations are completed and the contract is signed. I have no problem with that.

Mr CONNOR: It will eventually be in the Budget papers anyway.

Mr MACKENROTH: I have no problem with that, but at this stage we are still negotiating it. It is not finalised. It would be improper to be speculating on what that is. The figure that is being spoken about is a five-year figure. The actual amount of money on telecommunications that is being committed to Optus is, I understand, less than 20% of what the Government spends on telecommunications. There is still a big chunk left there for everybody else. It is not as if we are giving them everything.

In relation to the other figure that you quoted, I have no idea where that figure came from. I am not aware of negotiations between Optus and Reef Networks and their deal. That is a commercial situation between them. I am unaware of that.

Mr CONNOR: I refer the Minister to the five-year agreement given to AAPT for the use of so-called "excess fibre-optic cable" of Queensland Rail details of which were published in Communications Day, 9 August 1999. Are you aware of that?

Mr MACKENROTH: I am not aware of the article, but I am aware of the contract because of a press release.

Mr CONNOR: What is the remuneration to Government of this agreement?

Mr MACKENROTH: I had nothing whatsoever to do with those negotiations. I knew nothing about it until I saw the press release. You would have to ask the Minister for Transport about anything in relation to that. That was a deal done between Queensland Transport and AAPT in which my department had no dealings.

Mr CONNOR: These of course, would be existing—

Mr MACKENROTH: I do not know. I had nothing to do with it. I do not know. I am telling you that what I know about it is that I saw a press release that was put out announcing that that contract had been entered into. I know no more than that. I had nothing to do with it.

Mr CONNOR: Page 3 of the MPS states—

"... \$5m will be available over four years to provide Government agencies with ongoing professional expertise and

business advice to achieve better value for money from expenditure ..."

How does the Optus arrangement fit in with that?

Mr MACKENROTH: I think we need to clearly understand that the contract with Optus is at best value. It is not a contract that is going to cost departments more money. It is at best value. We have been to tender. They have tendered and are on the panel. They have a range of prices. Government departments that are using Optus for various services and are getting best value will be required only to continue to do that. Optus will be required to continue to give those services to those departments at best value. The contract that is entered into with Optus is not going to be a contract that costs Government departments any extra.

The policies that we have put in place in terms of having a panel of suppliers with best offers and getting a new fibre cable up to Cairns are going to lead to better prices. The next issue is to actually get departments to better deal with their telecommunications services and to use them in the smartest way possible. Departments have had—and probably some still have—telephone lines that are no longer used for which they pay rental. Some may not have been used for a couple of years, yet they keep paying telecommunications carriers for those lines. In most instances that is Telstra. It does not make any sense. We have to educate departments on how to best use the services that they have. That is what we are doing.

Mr CONNOR: As you can appreciate, Minister, some agencies may have a particular package of services or special requirements. Are those going to be dealt with? They may have had some arrangement with an alternative carrier with which they were very satisfied and which this new agreement will preclude. How do they deal with that?

Mr MACKENROTH: We are talking here about providing them with advice to achieve better value for money for their expenditure. If they have a deal that they want to stick to and it is not giving them better value for money, I think we would need to be smartening them up a little bit. The reality is that all Government departments should look to get the best value that they can for the taxpayers' dollars. The departments are not being required to move away from the services that they have today if they are happy with those and if they are providing best value.

Mr CONNOR: I refer to page 58, note 5. You also need to refer to page 53. I note there was no budgeted dividend payable by CITEC for the 1999-2000 financial year. Will you explain the changes made in the dividend payment methodology for CITEC for the 1999-2000 financial year?

Mr MACKENROTH: And we go back to the page 53?

Mr CONNOR: Yes. Note 5 refers to Phase Shift Technologies. You might like to explain that at the same time.

Mr MACKENROTH: I might ask Greg McCallum, the acting General Manager of CITEC, to respond.

Mr McCALLUM: The standard CITEC dividend policy is that 30% of our net profit after tax goes in dividend every year. Because Phase Shift is a short-term initiative that will run at a loss, an arrangement was reached with Queensland Treasury that, whatever the loss impact on CITEC was of Phase Shift, it would be deducted from next year's dividend. It is yet to be determined precisely what that will be because it depends on how long departments continue to use Phase Shift, which is a backup payroll system to be used while they complete the conversion of their existing pay systems to whatever they want to use in the future. There is an agreement with Queensland Treasury that whatever the financial impact is on CITEC, because it was actually not a business initiative but a whole-of-Government contingency initiative, it will be deducted from the dividend. Our best estimate at this stage is that that will result in a nil dividend. That was the explanation.

Mr CONNOR: On page 55, I note the \$87,000 cost to CITEC before tax of abnormal, which you described as—

"... the net effect of loan forgiveness and reinstatement of previous loan writedown relating to loans given to CSI Holdings Pty Ltd."

Mr MACKENROTH: Is this note No. 4, relating to \$87,000?

Mr CONNOR: Yes. It also relates back to page 58.

Mr MACKENROTH: Yes.

Mr CONNOR: What are the details and quantum of the previous loans mentioned?

Mr MACKENROTH: It is the impact of selling Med-E-Serv, which was owned by CSI Holdings. The decision to actually sell Med-E-Serv was made by David Watson when he was

the Minister for Public Works and Housing and CITEC—

Mr CONNOR: Which I inherited from you people.

Mr MACKENROTH: I am not blaming him. I am just saying that the decision to sell was made there. That is the actual costs of that sale. The information that we have is that, by request of the purchaser, the sale price along with other terms and conditions of the sale contract is contractually bound by a confidentiality clause.

Mr CONNOR: You cannot even mention how much you loaned them? It says here, "... represents the net effect of loan forgiveness"—

Mr MACKENROTH: Yes. We can tell you as much as we can, Ray, but there are some parts of the contract that we cannot talk about.

Mr McCALLUM: The transactions between CITEC and CSI Holdings—CITEC is the controlling entity of CSI, which is an ACN company. For the total business initiatives of Med-E-Serv Investment and Chinaling Investment, there were loans to CSI from CITEC of \$1.625m. If I can just talk about the CSI books, within CSI Holdings Pty Ltd, there was a writeoff of \$85,000 on the Chinaling investment when that company was placed into voluntary liquidation. There was a net gain of \$87,000 on the Med-E-Serv sale transaction, which left CSI with a net gain of \$2,000. In the books of CSI, there was a net gain on those two disposals of approximately \$2,000. The reason that that net gain occurred is that CITEC actually wrote off or forgave loans of \$913,000 to CSI, so CSI was able to claim the credit and show a book gain of \$2,000.

The net impact on CITEC of all those investments over the term of them, Med-E-Serv and CSI, was a total loss of \$961,000. There was a provision made in 1995-96 in CITEC's accounts for a loss of \$1m. In the end, the total loss for CITEC was \$39,000 overall less than the original provision.

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

Dr CLARK: Minister, I refer you to page 39, Administered Items, which refers to the Kuranda infrastructure levy and the Kuranda Skyrail levy. Given that the department contribution of \$0.4m from Queensland Rail towards the provision of tourism infrastructure in Kuranda is anticipated, presumably based on the dollar per head figure that has been agreed, are you aware of a private train that is

proposed to be operating within the next few months on the Kuranda rail line? The expectation, of course, is that some passengers will shift from the current QR rail onto the private rail. Can you give any indication as to what arrangements are in place to ensure that that does not actually result in a decrease in the levy?

Mr MACKENROTH: We understand that there is a proposal for a steam train operator to gain third-party access to the Cairns-Kuranda railway line. This could have an impact on revenue paid to the Mareeba Shire Council under the Kuranda tourist infrastructure levy agreement, as the agreement does not cover a third-party operator. The third-party operator could also be expected to take rail passengers away from Kuranda rail. The council is looking to the State to protect its position. The matter has been brought to the attention of the Minister for Transport. It is understood that his department and Queensland Rail are looking at options to address this issue. It will have to be addressed by Queensland Rail and the Department of Transport with the third-party operator.

Dr CLARK: Because the agreement in relation to the levy is between the Mareeba Shire Council and yourself, are you prepared to provide any assistance in relation to this matter, to work with Department of Transport to ensure that this—

Mr MACKENROTH: Yes. I provided all of the assistance to get the thing into operation in the first place. If there is a problem with this, I am quite prepared to help to try to get a resolution to it. I think that morally it would be wrong for someone to ride on a Queensland Rail train and pay \$1 towards the facilities, and for someone else to ride on a privately run steam train on the same track and not pay that \$1 levy towards the infrastructure that is necessary in that town. I certainly will lend it my support to see what can be done to ensure that, like Queensland Rail, the private operators pay their part, as we did with Skyrail.

Dr CLARK: I appreciate that and I know that the Mareeba Shire will also.

Mr MACKENROTH: It is very parochial of you, Dr Clark.

Dr CLARK: There is a very important principle at stake and I wanted to ensure that you supported the principle. In relation to the Skyrail levy, can you explain how that contribution is calculated? I understand that it is a different formula to the way it is calculated for Queensland Rail. It has never really been

publicly made clear to me just how that occurs. Can you give an indication as to what likely contributions we can expect from Skyrail over time?

Mr MACKENROTH: Do you really want to know what I have got written down here? I will tell you. Tourists travelling on Kuranda Rail pay a levy of \$1. Skyrail contributions are paid in accordance with the following distribution formula:

$$(A-B) \div 2 = C$$

where

"A" = the total annual licence fee paid by the owner or operator of Skyrail to the State pursuant to any licence issued to Skyrail by the State under the State Transport (People-Movers) Act 1989.

"B" = the total annual cost of supervising the operation of Skyrail within the Barron Falls National Park which is incurred by State agencies on behalf of the State less the amount of any rental paid during the relevant year to the State by the owner or operator of Skyrail under special lease 53088 and special lease 53087.

"C" = the amount of the Skyrail contribution.

I am going to test you on that.

Dr CLARK: It is great to have it on the public record. I am sure that other people will be as interested as I am. Does that lead to your being able to give any indications as to what the future revenue might be from that source?

Mr MACKENROTH: No, I am unsure of what "A" is. I am unaware of the future revenue. Even if we could say it is 50c, \$1 or \$1.50, it still would be dependent on how many people use it.

Dr CLARK: I refer you to page 37. Can you give us any further information about the methodology being considered for the assessment of improvements in relation to the measures headed "Quality" and "Location"? How are you thinking about measuring those improvements in agency delivery of services and the improvements in access to online facilities by Government agencies outside the Brisbane/Moreton statistical division? The MPS indicate that you are establishing a methodology. How far have you progressed with that?

Mr MACKENROTH: In relation to the improvement in agency delivery of services, each agency is responsible for its own service delivery performance and the implementation

and continued monitoring of the methodology. From our department's perspective, we are attempting to measure how we assist agencies to improve service delivery. It is planned that the department will implement a satisfaction survey to be conducted on a regular basis to measure how agencies view our contribution to improving their service delivery. It is a bit like the ABC, is it not?

The other part of the question related to improvements and access to online services. The department has assisted with the connection of the Internet to a number of Queensland Government Agent offices throughout the State. A number of offices have remained isolated from online access due to technical infrastructure shortfalls in rural and remote areas, particularly where Connect-Ed has not been extended. A major project is planned for 1999-2000 that will see all QGAP offices provided with online capability to access GovNet, which will improve access to standard and consistent information and service procedures.

Mr REEVES: I refer to page 8 of the MPS. In relation to the release of the consultation draft of the State Communications Information Strategic Plan, could you briefly outline how that has been received thus far and what are the time lines for the consultation phase?

Mr MACKENROTH: It is over. The plan was released in February. The consultation draft was released in February. We received a number of submissions from individuals, companies, universities and other organisations and associations. My Communications and Information Advisory Board ran a workshop for one day to which we invited 80 people who were seen as leaders in the IT industry in their relative sectors. That workshop provided input into the plan. The plan was released at the beginning of September and it has been very well received. We have at this stage distributed close to 2,000 copies of it. It is available on CD-ROM. It was the No. 1 seller for the week.

Mr REEVES: I refer to page 18 of the MPS and the funding of the establishment of the national headquarters of Collaborative Health Informatics Centre.

Mr MACKENROTH: CHIC; that is what they call it.

Mr REEVES: What was the amount of this funding? Will there be ongoing funding from the department? If so, what will they be? Could you briefly describe the purpose of CHIC?

Mr MACKENROTH: Yes. The Collaborative Health Informatics Centre, or CHIC, aims to promote the development of the health informatics industry in Australia by facilitating the delivery of improved health care services through the innovative use of communication and information technologies and promoting the growth of the communication and information sector through the development of specific health informatics products and applications and investment attraction. The approved CHIC projects include the following deliverables: the establishment of a national CHIC headquarters in Brisbane; raising the level of awareness of the role of innovative communication and information technologies in the health sector; facilitating and disseminating programs and initiatives to assist the communication and information sector to sell into the health sector; researching, gathering and disseminating data that measures the performance and penetration of communication and information capability and usage in the health sector; identifying new markets and product opportunities at a national and international level; and identifying and supporting collaborative health informatics projects by facilitating collaborative projects by working with research organisations and professional associations in the health and communication information sectors. In 1998-99, \$2.388m was allocated to CHIC over three years. I think that was for a period of three years. A similar amount was allocated to CHIC by the Federal Government. It is a program over a three-year period of \$796,000 per year.

Mr REEVES: I refer again to page 18 and the funds for the QUT to facilitate research on regional communities and information usage. What was the amount of those funds? Has this research been finalised and, if so, what were the main findings?

Mr MACKENROTH: The department funded this through the Information Industry Branch, with a total amount of \$15,000 over a three-year period, which commenced in 1997-98. At this stage the project is not completed. But the project is supporting a collaborative research project called Creating Rural Connections, which will focus on communications, diversity, new technology and community development. As I said, the department's contribution is a start-up grant of \$15,000. The project will trial and monitor the use of C and I technologies and training in interactive communication technologies in two remote locations—Atherton and Longreach. The project aims to facilitate better informed,

more integrated approaches by rural communities to the opportunities presented by technology for both social and economic development and to improve education and training tailored to the unique needs of regional, rural and remote communities. This is a better informed, more community oriented approach by Government to the use of these technologies in service provision. Through this project Queensland Health; the Department of Communications and Information, Local Government and Planning; the Department of Employment, Training and Industrial Relations; the Department of Primary Industries; and the Department of Natural Resources are identifying means by which Government services can be better provided to regional, rural and remote clients through use of a range of C and I technologies.

Mr REEVES: Do you see the role of CITEC being expanded in the future? Also, what are the Government's plans in relation to CITEC? Were there any plans by the previous Government to expand or sell off CITEC and what would that have meant?

Mr MACKENROTH: I am not aware of any plans by the previous Government to change the structure of the operations of CITEC from what it is operating on. I am not aware of any. CITEC is a very valuable resource, I believe, to the Government. I think its value can be seen by the fact that almost every week you run into someone in private enterprise who wants to buy it. That indicates one thing, that is, that it is a successful organisation.

I believe that we need to focus CITEC's role. We talked a little bit before about some of the investments that they had in companies which did not work. At the time they may have been appropriate to try to get Med-E-Serv running. At its time it was probably pioneering. Today everybody does those sorts of things. What we need for CITEC is for it to be focused on its core business, and that is what we have done.

It is in the marketplace. It competes for work. Private enterprise does not like that. They want to come into Government and compete for Government work, but they do not want CITEC being able to compete. There are a lot of people—there are almost 700 people employed in CITEC. They need to keep their jobs and, to do that, they have to have work. CITEC has been in the marketplace in the area that it is good at. It recently won the contract for most of the Federal Government payroll. The Federal Government decided that it should outsource, so we won the contract. We will continue to do those sorts of things.

The CHAIRMAN: Mr Connor, any further questions?

Mr CONNOR: I am actually going back a bit. If we look at page 35 of the MPS and, in particular, look at the third dot point, which talks about the implementation of whole-of-Government arrangements for the delivery of improved telecommunication services. You have that?

Mr MACKENROTH: Yes.

Mr CONNOR: You have the establishment of the panel of five, which you talked about earlier. They were the ones you were talking about?

Mr MACKENROTH: Yes.

Mr CONNOR: The second of those dot points talks about formulating a strategy for completion of an interim telecommunications management arrangement.

Mr MACKENROTH: Yes.

Mr CONNOR: I guess the question I ask is: would not a fully competitive tendering process be better than this process on the basis of the Government's buying power?

Mr MACKENROTH: No, I do not believe so. The panel enables more than only one provider to obtain business from the Government. The Government is the biggest purchaser of telecommunications services, when it is all put together, in Queensland. I believe that the spend that we have should be spread amongst the different participants so that we are able to help those number of companies to exist in our State which provide services to the general community. By doing that, I think that we are adding to having lower prices. That is what we need to look at.

Mr CONNOR: How do you know if that is the lowest price that you could achieve if you do not put it out to tender?

Mr MACKENROTH: The panel provides the price at the best price that those people believe they can deliver it. It is up to departments then to buy the services from that panel. One operator could end up with all the work if they had the best price by far.

Mr CONNOR: On page 58 again, note 13 says that the 1998-99 actuals were higher than 1998-99 budget mainly due to increased taxation equivalent provision as a result of a reversal of taxation timing differences and increased dividend provision. Would you like to explain that for me?

Mr SKIPPINGTON: The answer to that question is particularly related to the differences between accounting for the

expenses through an accounting process and the tax process as well. There is a timing difference that we are allowed to apply in applying the tax equivalents regime. For example, we are allowed for tax purposes to declare an expenditure in the year of purchase of, for example, a PC. In an accounting sense, we must capitalise that expenditure and write that off over, in our case, the policy of 30 months.

The reversal of that entry there is reversing the proportion that relates to the outer years—in my example, the one and a half years of capitalisation. So you reverse that to calculate your tax liability.

Mr CONNOR: So this was newly brought in because of the accrual accounting?

Mr SKIPPINGTON: Yes, it is part of the accrual accounting and also the operation of the tax equivalents regime, which CITEC is required to comply with.

Mr CONNOR: If you refer to page 56—this is the actual Statement of Financial Position—in particular, to note 13, you will see that you budgeted \$2.5m and it came in at \$4.5m. Have you got page 56, Statement of Financial Position? If you look under Current Liabilities, you will see that you originally had a provision of \$2.5m. Have you got it yet?

Mr SKIPPINGTON: Yes, I do.

Mr CONNOR: Then it came in at \$4.5m. Why the discrepancy there?

Mr SKIPPINGTON: That figure of \$4.5m is made up of a number of provisions which include provision for annual leave and provision for long service leave, income tax equivalents and also a dividend equivalent as well. The difference between the budget largely relates to an increase in the provision for annual leave greater than expected and also the increase in the expected income tax equivalents. That was probably more so due to the increased tax liability based upon the better performance than expected for the year.

Mr MACKENROTH: Accrual accounting requires cash figures on holidays and long service leave to be put in here. They were never in there before. That is what gives you a jump. It also contained—

Mr CONNOR: But in this case it is not a jump because the 1998-99 figures are accrual figures. So there is a real jump there. I think that is important to point out. I just wanted to have that clarified.

Mr MACKENROTH: Yes, because they have been included in after what was budgeted for.

Mr CONNOR: Okay. I take you to page 54. Full-time equivalents have gone from 506 in the target estimates for 1998-99 to 620. We then need to look at the actual figures relating to the employee expenses on page 55. You will note that the estimate for 1998-99 and the estimate for 1999-2000 goes from 506 to 620 FTEs. That is a 22.5% increase—almost a quarter increase in staff. You are projecting a reduction in revenue next year from \$115m to \$114m. How do you justify a massive increase in staff with a reduction in turnover?

Mr MACKENROTH: You are looking at the two tables on pages 54 and 55 and at the figures you quoted—that is, \$115m and \$114m. You have to look at the three tables and not just one table and then bring it over to the end table. You are trying to draw a comparison between the target for 1998-99 and the target for 1999-2000 without looking at the actuals. I will ask Greg McCallum for an explanation.

Mr McCALLUM: The short answer is that there has been a loss in efficiency. The reasons behind it are that, firstly, last year we took on 44 new graduates, as opposed to 14 the year before. There is always a productivity deficit in the initial stages with graduates, so that was larger than normal.

Also, a couple of our longstanding services, which were QGFMS and HRMS, the traditional Government financial and payroll systems, disappeared and were replaced by new systems. Because those previous systems were very longstanding systems, they were highly efficient. In fact, they were rated in the early 1990s as world's best practice when we went to benchmarking. The systems that have replaced them, because they are new, are yet to achieve those levels of efficiency, so there is an efficiency deficit there. The market in general is much more competitive than it was three or four years ago, so we all have to sharpen our pencils a bit. That is another reason.

There are two reasons we are anticipating a slow revenue year, and this is common in the industry. One is what I call year 2000 caution. Because CITEC is an outsourcer—it does outsourcing business—organisations, departments and the private sector are not willing to make those decisions until they clear year 2000. Then they also have their GST implementations to deal with. So we are anticipating a difficult sales year. I think that is common in the industry.

There are quite a number of factors behind the revenue, but we want to be well

positioned with staffing. One of our most important programs is the graduate program. CITEC constantly loses staff to the private sector. I think in the last three years we have lost close on 70. Our only strategy for dealing with that is to keep pumping them in at the bottom end. That is where the efficiency deficit is coming from.

The CHAIRMAN: The time allotted for the consideration of the estimates for the Minister for Communication and Information has expired. I thank the Minister and the portfolio officers for their attendance. The Committee will now break for morning tea and resume at 10.15 a.m.

Mr MACKENROTH: After morning tea we will not be dealing with any communication and information questions?

The CHAIRMAN: They are now finished. We are now moving on to other aspects.

Mr MACKENROTH: I will allow my officers to go back and do some productive work.

Sitting suspended from 10.04 a.m. to 10.16 a.m.

The CHAIRMAN: The next portfolio to be examined relates to the Minister for Local Government, Planning, Regional and Rural Communities. I request again at this juncture that if anybody has a mobile phone to please turn it off.

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. A 15-second warning will be given of the expiration of these time limits. 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 their transcript. I declare the proposed expenditure for the Minister for Local Government, Planning, Rural and Regional Communities 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?

Mr MACKENROTH: No.

The CHAIRMAN: I call the member for Warrego.

Mr HOBBS: Minister, on page 10 at dot point 7 you state that you will continue the provision of policy advice to Government and

State agencies on the practical operation of the IPA and the IDAS. What planning advice did you provide to Government and State agencies on the suitability and conformity of the \$250m upgrade of Lang Park?

Mr MACKENROTH: The advice that we would be involved with is to help the Department of Sport to get together an impact assessment statement that would go out for public comment so that the application will go through the Integrated Planning Act approval process. That commitment has been given to the council. The department will be involved in helping to get together the whole-of-Government work that is necessary in that statement that will be released for public comment. That is the role we have to play in that.

Mr HOBBS: I did not quite hear what you said. What actual advice did you give in the first instance in relation to the planning proposals? I am not asking about what is happening after. I am talking about when an announcement was first made.

Mr MACKENROTH: The department was not, nor would it be expected to be, involved in the actual proposition that was put to Cabinet. That work was done by a committee which was set up by Cabinet through the Premier's office to look at the work that was necessary. The issues of transport that were involved in that were done by the Transport Department. Other issues involved different other departments. Our involvement will be now, when it is a requirement to actually put together a proper application to apply for the building of that stadium. The decision made by Government was in relation to the actual siting, which was based on a number of considerations. One of the major ones of those was cost. We now have to go through the proper planning processes.

Mr HOBBS: Are you saying that your Cabinet then committed to a \$260m upgrade without at least checking on the basic planning principles that would have come—and should have come—from your department?

Mr MACKENROTH: No, I did not say that at all.

Mr HOBBS: What you said was that the department was not involved.

Mr MACKENROTH: No. My department will play the role that it is supposed to play. You see, the situation that you have is that Lang Park—or Suncorp-Metway Stadium—is built on a block of land that is zoned, under the Brisbane City Council's town plan, for sport and recreation. If one would have sought

advice from my department on what you could build there, you would have been told you could build a stadium. We now have to go through the process of putting together a proper application. To put together that application—because it is a major development—it will need an impact assessment statement, and that will be advertised. My department's role is to help to put together that and the terms of reference for it, and we are doing that now, and that is where we are involved. We are not involved prior to that, because it is not a necessary provision for us to be there.

Mr HOBBS: Minister, what I understand is that the Brisbane City Council's town planning scheme provides for a minor development in the area, not a major project, such as the stadium that we are talking about now. So I would think that it would not be, under the present planning scheme, approved.

Mr MACKENROTH: No. That is why we are going to have an impact assessment. You see, the application is allowable under the Integrated Planning Act, and it will be impact assessable. I just checked with my director-general in relation to the proposal to build a superstadium—that is bigger than just an ordinary stadium; that is a superstadium—by the previous Government, and the department was not involved in putting together any of those plans, either. And I would suggest that it was proper for them not to be involved in that, either. So perhaps your Minister for Planning saw it in exactly the same way as I do.

Mr HOBBS: Not necessarily. With this one, you have actually identified the site.

Mr MACKENROTH: This one is different. One of the actual sites that was put together and for which plans were done was the same site: Lang Park.

Mr HOBBS: I guess what I am getting at is that it would appear to me as if, under the planning schemes that are there, a stadium of the scale that you are talking about—I am not talking about a superstadium, just a stadium—would be outside the normal town-planning schemes. Do you think you will have to call on your reserve powers under the IPA to assist?

Mr MACKENROTH: No. I believe in goodwill, and I am sure that we will get it. It will break out in this city

Mr HOBBS: It will?

Mr MACKENROTH: Yes, absolutely.

Mr HOBBS: So you believe that you will not have to use your reserve powers?

Mr MACKENROTH: Not at all.

Mr HOBBS: I refer to the \$568m of "lazy money" transferred back to Treasury of \$32.5m in 1998-99 and \$26.9m in 1999-2000 out of your department, particularly in the Local Government Grants and Subsidies program. Minister, how on earth can you fund all the eligible projects that you have coming up with that amount of funding gone?

Mr MACKENROTH: Quite easily. It has not gone. What has happened in the Local Government portfolio for a considerable period is that money has been allocated for projects, and the money allocated in a particular financial year is claimed for by councils in the next financial year, and sometimes in the financial year after that.

I spoke at the Local Government Association conference last year and actually raised this issue with them—that councils were taking a long time to make claims for moneys that had been allocated and, in fact, for which they had been approved subsidies. What we have done in relation to this is to not leave that money simply flow over each year in carryover funds but to be able to access it in future years.

There is not one project at risk or at threat. The money that has been approved for all projects is there and able to be paid for. If a miracle happened, and all of these projects were all of a sudden to be all built, the Treasury would give us the money—would have to find that money to pay the councils. But I mean, that is not going to happen, that all of a sudden they are going to start to build projects in a short time that they have not even started yet and on which they are still doing the planning.

The money is there, and it will be available. It simply did not make sense to me to be carrying over sometimes \$40m each year of unexpended funds because councils had not made claims for it. So that money has been returned to be used but has not been taken away from the projects.

To ensure that the local government system was aware of this, I discussed it with the Executive Director of the Local Government Association to make him aware of what would happen and the fact that there would be no projects threatened at all. There are no projects threatened, and no-one who has made application or has the ability to make application under any of our programs will miss out or lose the opportunity to get funding.

Mr HOBBS: Minister, having been in Government before and having been a Minister, I know the difficulties that departments have. In fact, when you have to try to recoup funds at midyear Cabinet Budget Committee meetings, you have to fight for your share of what other departments might think is reasonable, too. So what you are saying is that if all councils or eligible groups do apply for their subsidies and they are oversubscribed from a monetary point of view, you would go to the Cabinet Budget Committee and you would guarantee that those funds—

Mr MACKENROTH: It would not have to go to the Cabinet Budget Committee. The funds are guaranteed now. There is no threat to that money at all.

Mr HOBBS: You do not have it, though. It is gone. Treasury have it now, and Treasury are not going to give it back.

Mr MACKENROTH: But it does not make any sense for my department to be holding those funds in our account year after year. We have carried over \$27m now. If we would not have given back that money to be held in Treasury, we would have been carrying over \$57m, which is a large carryover. If a council is approved for a project in March next year, those funds will come out of this financial year's money. But they may not actually start their project and complete it until not next financial year but the one after. Yet we are going to have to hold that money all that time. It did not make any sense to me to be holding that money, because then it appears as though you are not spending your capital expenditure, when that is not true. And it also appears as if you have large carryovers which the department itself is not spending, when it is out of your control.

If we look at the 40% subsidy for sewerage, any council which makes an application for its 40% subsidy for sewerage will get it. It will get it when it does the job. If the council puts in its bid, it will be paid. How this is accounted for in our books should not be of concern to councils if they are going to get the money. All they want is the cheque in the mail, and they will get it.

Mr HOBBS: Minister, I know you are a very honourable person and if you say the money will be there, everything will be done to make sure that it is there. But it would appear as if the method of Treasury allocation of funds has changed under your Government. Quite simply, if the funds go back to Treasury you cannot just whistle them up and say,

"Send us over another \$15m or \$30m," because it does not happen that way. So things must have changed.

Mr MACKENROTH: The ability is there. If the amount of actual applications was to far exceed what was planned, the ability is there to get the money. The reality is that that is not going to happen. I am a member of the Budget Review Committee—and have been for four years. I would not offer up a cent if I did not think I would get it back.

Mr HOBBS: I refer to page 33 of the Budget output statement where you talk about quantities. In 1998-99, \$425m was estimated for grants and subsidies. The actual expenditure for that year was \$440m, which amounts to an increase of \$15m. That is a very good example whereby, in that one year, the budget estimate was \$15m short. Does that not really prove beyond all reasonable doubt that extra funds could be required, considering that they were required last year?

Mr MACKENROTH: That is not expenditure; that is funds administered. They are funds that have been allocated, not actual money spent. What we need to do is find out how much of that was actually spent. That is funds administered, not funds spent.

Mr HOBBS: In the output statement it says "actual". It looks to me to be expenditure. It says that you have administered \$440m worth of grants.

Mr MACKENROTH: I will get the actual reason for that. Some of that expenditure increase or quantum of funds administered was due to higher than expected natural disaster relief moneys which come through from the Commonwealth. More applications were made because of natural disasters. At the time when the target estimate for 1998-99 was done we would have calculated into that a certain amount of money. There is an extra \$5m of NDRA money which comes about as a result of a higher than expected number of natural disasters. That money is paid to us by the Commonwealth. If that happens, it goes into the next year. The State's contribution is already factored in and the higher amount is there.

There was a \$5m increase in funds administered for specialist assistance for the Townsville Strand rock wall development. That was increased during the mid-year review. We have a \$5m increase in the natural disaster relief funds. You will have to go through the whole program, Howard, to get the other \$5m. It is not a case of simply having \$15m coming from nowhere.

Mr HOBBS: It is just that the way it reads here is as follows—

"Improve local government infrastructure and service provisions by administering financial assistance programs in excess of \$410m."

I thought that dealt with assistance programs. I believed that the Townsville funding came from a different area. However, it seems that the Townsville funding comes from the grants and subsidies area.

Mr MACKENROTH: It is within the funds administered. If we look at the funds administered—and this is going back to where I first started to answer the question—the funds administered are \$440m. The revised Budget figure was \$440,038,000. The actual expenditure out of the funds administered was \$386,082,000. The funds administered does not relate to money which was spent; it is money that was administered within the fund. The amount of money expended from that fund was \$386m. That is the issue. That gets dragged over into the next year. Each year that figure has grown bigger and bigger.

Mr HOBBS: I will leave it at that. I just want to say that it seems as if it is going to be a bit of a wing and a prayer.

Mr MACKENROTH: May I say that it is not on a wing and a prayer. There is no loss to the councils. There is no threat to the councils. I can assure you that I would not have made the offer for this to be done if that had been the case. It was not imposed on me; it was offered by me because I do not believe that in any way, shape or form any council is under any threat.

Mr HOBBS: I refer to page 32-12 in relation to the SCAP program. I note in your future developments that you are unsure whether the smaller communities assistance program is directed at areas with the highest need and that a Statewide survey will be undertaken of urban water and sewerage infrastructure. Are you suggesting that those smaller communities have adequate water and sewerage infrastructure for the future? Is there any likelihood that some of those funds may be drained off into the urban communities?

Mr MACKENROTH: No. None of those funds would be taken away for what you are referring to as larger urban areas. Recently, I opened a SCAP water program at a town on the Darling Downs which contained about 100 houses. You might want to call it a rural area, but it is an urban area because it is a small township. Those funds are not going to be drained off into larger communities, if that is

what you believe might happen. It will not happen.

The guidelines for SCAP are aimed at providing water and sewerage to smaller communities. The guidelines measure the ability of what people can pay and what the cost is. The actual amount of money that is then paid by the Government—that subsidy—can vary. It can go up to 100%. It is based on the council charging a water charge, or a sewerage charge, which is comparable to other water and sewerage charges throughout the State, and the ability then of the council to meet the cost of that infrastructure. If they do have not that ability, we may pay 100% and then the council's contribution then goes into running it, which is met by the ratepayers in their charges. If anyone reads that into that paragraph, they are reading it wrongly.

The CHAIRMAN: The time for non-Government questions has expired, unless you want to continue.

Mr MACKENROTH: Can I just finish one point?

Mr HOBBS: I will ask another question.

Mr MACKENROTH: You want to ask more about SCAP?

Mr HOBBS: Yes, all right.

The CHAIRMAN: I now call the member for Barron River.

Dr CLARK: Minister, I refer you to page 9, which relates to policy advice, dot point 12, the last one on that page.

Mr MACKENROTH: Yes.

Dr CLARK: Reference is made to the introduction of the four-year terms of office for local government. Could you please describe the role that the Department of Local Government is going to be taking in the introduction of four-year terms? In particular, what resources, both human and financial, have been allocated for that task?

Mr MACKENROTH: The role of my department is to do the necessary work with the Parliamentary Counsel to draft legislation to put before the Parliament. It is my intention to have legislation for four-year terms for local government in the Parliament this year. It will then be debated and, if it is passed by the Parliament, the role of the department will then be simply advising local government of four-year terms. There is not a great role to be played; it is simply a case of getting the legislative amendments drafted to both the Local Government Act and the City of Brisbane Act—we have some other

amendments that will be done at the same time—and then to get that information out to councils so that they are aware of the changes that have been made.

Dr CLARK: On page 10, dot point 7 states, "Continue the provision of policy advice to government and State agencies on the practical operation of the IPA and IDAS." In respect of the IPA, could you outline the progress that you have made or the stage that you are at in relation to those areas of the IPA legislation that are under review?

Mr MACKENROTH: We advertised and wrote to all councils and stakeholders who had an involvement in the drawing up of the IPA. A review was held. That has closed and all of those submissions are now with my department. Presently, my department is putting all of that information together and will then provide me with a brief on the proposed amendments and recommendations in relation to them. That is fairly close.

Over 100,000 submissions were received. They mainly suggested IDAS process improvements. The review team will analyse identified problems during September and October. They will consult further with some key stakeholders and generate legislative and policy solutions to the problems and recommendations will then be made to me. It is anticipated that that will be completed by the end of this year and then the necessary legislative change will come to the Parliament early this year.

Dr CLARK: Because we have had only a fairly limited time of the operation of IDAS, obviously it is not a time for a major review but more one of finetuning. Do you have a view, coming out of the stakeholder consultation, as to what areas need change at this point?

Mr MACKENROTH: The key concerns that came from the submissions were the difficulties with IDAS, for example, the type of information that should be supplied during the information referral stage; requests for definitions to be clarified, for example, material change of use; requests that the IDAS forms be simplified; problems with Schedule 8 of IPA, for example, that it is difficult to interpret what is defined in the Schedule as a "successful development"; problems with private certification, for example, the non-supply of building approval information to councils; building approvals provided in absence of planning permits; and administrative concerns over councils not supplying information to private certifiers. In the main, they are mechanical in nature, but

we need to consider all of the submissions that have been made. I am not saying that that is all that we need to do.

Dr CLARK: Will there be a fuller review of IPA at a point that you have determined or is it open ended?

Mr MACKENROTH: I want to get through this one before I determine when the next one will be. When the integrated planning legislation was debated in the Parliament, I said then that it would need to be finetuned. A piece of legislation that makes such a fundamental change to the way in which our planning system works needs to be constantly under review in the sense that where problems are identified, changes need to be made. I am sure that, over the next few years, as councils review their strategic plans and different councils encounter different problems, we will find different things that need to be changed in the Act. We will do that because, at the end of the day, we need a piece of legislation that makes it very transparent to everybody as to what the system is and how it operates. That is what is intended with the Integrated Planning Act. We have to make sure that that is how it actually works.

Dr CLARK: I refer you to the next dot point on that same page, which states, "Monitor the implementation of State planning policies and prepare new policies in collaboration with relevant State agencies." Could you give me some details?

Mr MACKENROTH: Which page?

Dr CLARK: The same page, page 10. I was interested in getting some further information in relation to which particular planning policies you have been monitoring the implementation of this year and with what result? Further, what new State planning policies are proposed to be introduced in the next financial year?

Mr MACKENROTH: There are three State planning policies in operation now. One is State Planning Policy 192, which is agricultural land; 292, which is planning for aerodromes and other aero-navigational facilities; and the third is the State planning policy in relation to the Koala Coast. So they are the three State planning policies that are in operation now.

There is work being done now in relation to a State planning policy on development in acid sulfate soils. That has been done by the Department of Natural Resources in collaboration with my department. I have not got the date, but I think that they are looking at trying to get that into operation early next year. Further State planning policy work is

proposed on developing drafts for the following: rural subdivision, hazardous facilities, extractive industries, rural industries and possible State planning policies related to State and regional issues for integrated plan making. Those are the ones under consideration. I know that work has started on hazardous facilities with the Department of Emergency Services.

Dr CLARK: With respect to the three that you mentioned that are in operation currently, the Budget papers refer to a monitoring of the implementation of those. I am particularly interested in the one in relation to agricultural lands. Is the monitoring of a level that allows you to have some data in respect of the extent to which local authorities are complying with that, the extent that agricultural land is being preserved, so we have an overview of the extent to which we are losing agricultural land to urban development, or is it not that level of monitoring?

Mr MACKENROTH: We do not monitor that. The loss of agricultural land would be monitored by the Department of Primary Industries. There are two areas in which we would be involved with the State planning policy on agricultural land. The first is if somebody made an application for a rezoning on a block of agricultural land under the former planning Act—and most councils throughout Queensland that have agricultural land in place still would be having applications made under the previous Act. If that application is on agricultural land, the Department of Primary Industries would advise my department as to whether it believes that agricultural land was good quality agricultural land and whether we should or should not allow a rezoning to occur. Even if the council were to approve it, in the first instance we would advise the council that it was the State's view that the rezoning of that land did not comply with State Planning Policy 192. We would expect the council to comply then with that State planning policy and reject the rezoning approval.

Dr CLARK: Is that where the monitoring occurs? Do you have information as to how frequently local authorities are not accepting that advice and making decisions consistent with State planning policies?

Mr MACKENROTH: It is not very often that local governments do not accept that advice—not very often at all. Local governments are aware of the force of the State planning policy and generally adhere to it. The director-general has just said that I have taken action in less than 1% of rezonings. That is the figure for all rezonings, not just rezonings

of agricultural land. The councils would take heed of that.

In drawing up their new strategic plans under the Integrated Planning Act, they have to heed the State planning policy. When the plan is in its infancy and being drawn up by the council, under the Integrated Planning Act now, the State puts its interest into the plan making at the very bottom level. The Department of Primary Industries would identify what is good quality agricultural land within a shire or an area. We would expect that that would remain rural land. If the council was not doing that, the Department of Primary Industries through our department would raise that. We would raise it with the council. Before it went on public display, that issue would be resolved, if you know what I mean.

Dr CLARK: I do. I refer the Minister to the Output Statement on page 15. Under the heading "Quantity" in the "Measures" column, reference is made to boundary reviews. I notice the target for 1999-2000 is 35 boundary reviews.

Mr MACKENROTH: Are you asking whether I am going to amalgamate a whole new pile of shires?

Dr CLARK: No, it is in relation to the 2000 elections.

Mr MACKENROTH: It is the internal boundary reviews of electoral divisions.

Dr CLARK: I understood that that is what it is.

Mr MACKENROTH: That is what it is. I think most of those are complete.

Dr CLARK: Obviously 35 is a lot. Are those on track to be ready for the elections next year?

Mr MACKENROTH: The reviews are done by the Electoral Commission. They give us a timetable to call for submissions from councils for reviews. Councils have to identify by a certain date if they comply with the quota. If they do not comply with the quota or if they wish to have a review for any reason—some of them may wish to reduce the number of councils that they have—there is a certain date by which they have to provide that information. The final determinations were advertised and the final reports submitted to me on 23 September.

Dr CLARK: Was that of all the 35?

Mr MACKENROTH: Yes, that was of all of them. I tabled those out of session. If you are looking for a particular council, you can get it from there.

Dr CLARK: No, I was aware of ones locally. I wondered whether we are on track with all of those that were required Statewide.

Mr MACKENROTH: I asked them to be tabled out of session so they would be available through the Bills and Papers Office. The regulations to implement the final determinations are being prepared and the submissions will go to the Governor in Council some time in October. They are completed now.

Dr CLARK: On page 10, the first dot point states—

"Following the March 2000 elections, commence an examination of the benefits and costs associated with transferring responsibility for the conduct of local government elections to the Electoral Commission of Queensland."

I would like some further information as to what might be considered those benefits and costs at this point. I would have thought that, in terms of your portfolio, they would all be benefits in the sense that the cost would be transferred out of your portfolio area to the Electoral Commission of Queensland.

Mr MACKENROTH: We do not pay for the cost of running local government elections now. It is not a case of transferring them out of our department. Each local government pays to run its own election. If elections were run by the Electoral Commission, they would have to be contracted to them by local government. What we need to do is to have a look at the best way to get that done. Following the last council elections in Queensland, about 30% or so of mayors in Queensland changed. That was the biggest change in mayors that we have ever seen. Whilst no-one says it is related, in this term of Government there has been the biggest turnover of CEOs that we have ever seen in one term as well. I do not think that the CEOs being changed all the time adds to the stability of local government.

I think one of the biggest problems that a lot of the smaller areas in particular have is that the CEO is also the returning officer. The CEO has to work with the mayor and then run an independent election and be seen to be independent. For somebody who is running an election against an incumbent, as scrupulously fair as that CEO is, it is very difficult for somebody on the outside to believe that. I do not think that it makes for good relations when a new person beats somebody and comes into the job. I do not think that it helps the CEO. I think that all CEOs would be better off if they were not running elections. People would

be happier if it was seen to be a clearer and more transparent system.

After this election, I intend to enter into discussions with councils as to what they think the system should be and how we could have the Electoral Commission involved. It may very well be that the Electoral Commission simply oversees the elections. Just like we have returning officers in our own electorates during a State election, they could contract a returning officer within a shire to run the election and be overseen by the Electoral Commission. I am not saying that that would be the system, but we need to have a fairly open mind as to how the system should operate. We will look at what can be done.

The CHAIRMAN: The time for Government members has expired.

Mr HOBBS: A while ago we were talking about the SCAP scheme. Page 32, dot point 12 of the MPS states—

"To ensure funding from the Smaller Communities Assistance Program funding is directed at areas of highest need, a Statewide survey will be undertaken of urban water and sewerage infrastructure."

Can you give some examples of the Statewide survey of those urban areas?

Mr MACKENROTH: Your point is the individual areas?

Mr HOBBS: No. Dot point 12 states that a Statewide survey will be undertaken of urban water and sewerage infrastructure.

Mr MACKENROTH: What is happening now and why we are doing a survey—and that is the issue—is that the applications are initiated by councils. The SCAP program is a \$150m program over 10 years.

Mr HOBBS: It is a good program.

Mr MACKENROTH: It is, yes. It is driven by councils, not by the State other than that we provide the money. At this stage, funding allocated, but not spent, is \$72.3m. We have allocated almost half of the funds that are available in that program. That has been done with councils actually deciding their priorities. Individual councils actually get an application in. We want to know the extent of the need for SCAP funds. We are actually doing a survey to see where it is likely that applications could come from, to ensure that the funds that we allocate are allocated in the best way. If at the end of it we have spent some considerable amount of money on upgrading, say, water supplies but we still have towns without water, have we spent our money in the wisest way?

If we go into this process of a review and find that the need is far greater than \$150m, maybe we will have to start working on getting some new applications into the Budget process to extend the program further. We do not have that information because the work has never been done. It is being driven by applications rather than knowing what the extent of the likelihood of applications is. That is what we can find out by doing a survey.

Do not be mistaken by the word "urban". It does not mean Brisbane or Ipswich. It means the smaller communities. It is urban in the sense of a congregation of houses.

Mr HOBBS: Just going back to Lang Park, you mentioned all the happy feelings that people have. I am wondering about those people whose homes have to be resumed and the possibility of permanent road closures, for example at Castlemaine Street, which will have to happen because of the building requirements of getting a structure such as that up, which will impact on circulation. Obviously, those resumptions will have to occur unless you are prepared to build a stadium like the inside of a jam tin where you have to issue seat belts to the patrons to stop them from falling. You will have to expand around that. This is outside the Brisbane City Council planning scheme. How do you propose to get around that?

Mr MACKENROTH: I think you are wrong. The stand is already built in Castlemaine Street.

Mr HOBBS: The whole lot, the whole street.

Mr MACKENROTH: The stand goes out to Castlemaine Street, it does not go over it.

Mr HOBBS: I am talking about the circulation of the people. You also have 700 buses coming in there, which is 10 Ks of buses.

Mr MACKENROTH: The actual stand in Castlemaine Street is built so there will be no resumptions in Castlemaine Street.

Mr HOBBS: For circulation purposes and everything else.

Mr MACKENROTH: To move it from a concept, the actual plans will now need to be drawn. The impact assessment of a project such as this will be addressed in the impact assessment statement that is done and the terms of reference for that are currently being drawn up. Once they are prepared, we will do an impact assessment. People will have the opportunity to respond. Any impacts of that stadium would then be known to those people.

I am unaware of any resumption of houses. I have never heard of that before.

Mr HOBBS: I will move on. I refer to sewerage treatment works. Councils under your jurisdiction are paying licence fees for sewerage treatment works to the Department of Environment and Heritage. I know that this is not in your area, but just let me go through it. Those licence fees are based on the capacity of the treatment works. This is seriously disadvantaging smaller shires that wish to upgrade their sewerage treatment plants and plan for the future, even though the population base may be low at the time. An example would be Charters Towers where the town has a treatment plant with a design capacity for a population of 10,400, which attracts the same fee as a town with a population of 49,000. In your position as a senior Minister, can you help some of the local governments that are facing those high fees?

Mr MACKENROTH: That is not within my portfolio. It really would be improper of me to comment on it, other than to say that if any council makes representations to me in relation to any matters to do with the State or if the Local Government Association make those representations, I make representations for them. I am unaware of anyone who has made representations in relation to this issue.

Mr HOBBS: It is coming up now. It is a new one. It will be one that we will follow through on. Minister, I note that you are going to consult with councils in relation to tax reform for local government to work their way through the new funding arrangements under the GST. You would no doubt be aware of the huge funding package amounting to half a billion dollars over the next 10 years that was lost to local government out of the package. Why did you not support the original GST package and the local governments in Queensland that have now lost that money?

Mr MACKENROTH: I think there are two questions there. I supported local governments. Firstly, I do not support the GST as a tax.

Mr HOBBS: It was good for local government.

Mr MACKENROTH: No. The formula that we as a Government worked out with local government was good for local government. I do not believe that the GST is good for local government. I went to a dinner last night at which Sir James Killen read one particular clause from the GST that had the major contractors associations in Queensland rolling

around the floor with the laughter, it was so ridiculous.

I do not support the GST. Our Government was aware that the Federal Government was moving to bring in a GST. When it advised us that the local government grant money that local governments received was to be abolished and included in the GST money that was paid to the State, we negotiated with the LGAQ that they would receive that amount of money out of the GST package that we got and that we would guarantee them a set percentage of GST money; in other words, if there was any growth revenue, that they would get the growth revenue and that would continue into the future, which was a good package.

Mr HOBBS: It was.

Mr MACKENROTH: It was a good package. It was not our fault that the Liberal/National Party coalition in Canberra did a deal with —

Mr HOBBS: You did not help, though.

Mr MACKENROTH: We do not support the GST.

Mr HOBBS: Yes, but you support the package.

Mr MACKENROTH: No, we do not support the GST. It is as simple as that.

Mr HOBBS: Yes, but the package was good.

Mr MACKENROTH: We do not support the GST. After 1 July this year, we might find that a lot of people in Queensland do not support it. As I said, we do not support it. You cannot just support a little bit of it. You know the old story about just a little bit. You cannot support just a little bit of it. We did not support it at all so we voted against it as a party in the Federal Parliament. The deal that was done by the National and Liberal Parties with the Democrats took certain parts of the tax revenue raising out of the GST and, as a result of that, the Commonwealth Government made the decision to not pay the States the local government funds for us to hand on through the GST. We still get that separate. That is not our decision; it was a decision of the Commonwealth Government.

Mr HOBBS: I refer to the GST package and new Diesel and Alternative Fuel Grants Act passed by the Federal Government that will see different pieces of council heavy equipment working on the same job being subject to different fuel prices. Members of the Committee are well aware that that has occurred through the Democrats' demands.

However, what have you done in the meantime to assist Queensland councils to resolve this unworkable situation?

Mr MACKENROTH: I have told them all not to vote Liberal/National.

Mr HOBBS: That is not going to fix it, though.

Mr MACKENROTH: Yes, it would. The stupidity of having a differing rate of tax—

Mr HOBBS: The Democrats did that—their demands.

Mr MACKENROTH: Your mob hopped into bed with them. But having a different rate of tax depending on where you live is ridiculous.

Mr HOBBS: I know.

Mr MACKENROTH: That has been put down. It is not up to me to fix it up. I cannot fix it. I am a State Minister. What I will do is continue to tell people how stupid it is and remind them who did it.

Mr HOBBS: You would be better off trying to do something. You cannot just do nothing. We have to try. I am going to see Senator Woodley. That is one example. I would hope that we could perhaps take a bipartisan approach to that and see the Democrats and ask, "Are you prepared to change it?" I think our councils are above politics. You have rollers and graders on a job, but the trucks are on different rates. They have to have two bowsers when they fill up with diesel.

Mr MACKENROTH: It is ridiculous. But that is the GST.

Mr HOBBS: It is not the GST. It is the package; it is part of it.

Mr MACKENROTH: It is; it is the GST package. It is the package that has been given to us by the Federal Government. I am pleased that you are able to bring to this Committee's attention some of the ridiculous parts of it.

Mr HOBBS: In relation to Commonwealth financial assistants grants, the Queensland Local Government Grants Commission makes recommendations for distribution to Queensland councils. A \$1.6m part of this grant is aimed at improving the capacity of local governments to provide services, and the remaining \$72.8m is dedicated to road improvements. It is distributed on a simple formula based on population and road lengths. I notice that at the local government conference Senator Ian Macdonald had some concerns about the formula used in Queensland. Obviously, these grants are very

important to local governments. What changes, if any, will you recommend to the Grants Commission to resolve this issue?

Mr MACKENROTH: I reckon the best change that I could make is to give it all to the Commonwealth and let them stew in their own mess. Senator Macdonald, I believe, without being unkind to him, does not understand the financial assistance grants that he has. He comes from the Burdekin and is lobbied by the Burdekin Shire, because its financial assistance grant is decreasing. As a result of that, he thinks that somehow or other the system we have in Queensland is unfair. So then he talks to his Commonwealth officers, who say to him, "Yes, they are not really distributing the money the way we would like them to." He wants the Queensland system to be changed to do what the Commonwealth is telling him. What he has to do is actually take it a step further and find out that, if the Federal system that is being proposed to him was implemented, the Burdekin Shire's amount would be halved. It would be worse off. If they are coming through his door now, they would be coming through twice as often.

The biggest problem that we have with the financial assistance grants is that they are allocated to the States on a population basis. The States are then required to distribute that to councils on a fiscal equalisation basis. If they gave us the money on a fiscal equalisation basis and allowed us to distribute it in that way, there would be no problems. States such as Victoria and New South Wales would have to lose a considerable amount of money, which would come to Queensland. The Commonwealth Government, both when your party and my party was in power, was not prepared to do that. We have an iniquitous system that the Federal bureaucrats then try to play around with. In 1995 we negotiated as a Government with the Commonwealth Government such that the changes that they wanted to make to the system would be phased in over time and that no council would lose more than 5% in one year and that there would be no greater loss than 15%. All local governments in Queensland agreed to that negotiated settlement. The Local Government Association of Queensland and the Urban Local Government Association signed up to that and the Commonwealth agreed to it. That deal done with Brian Howe expired last financial year. I asked for an extension and Ian Macdonald agreed to that for only one year. That is why we now have a problem, because we have to find out what is going to be done in relation to the changes, which are unknown.

Let me make it very clear. If the Commonwealth changed the system, that means that councils in Queensland will lose money, because if you change the system and only have the same amount of money, somebody has to lose. I will make it known who has made the changes.

Mr HOBBS: There was a report recently that some towns are vulnerable and some are not. Is this tied up with that in some way? Is there a linkage between that report and what Senator Macdonald is talking about? Take Maryborough as an example. I was talking to its mayor the other day. He swears black and blue that they are not vulnerable. He thinks they are going quite well.

Mr MACKENROTH: I think the people who did that report probably should look at what universities are vulnerable and leave the towns to us. I do not have a great deal of confidence in some of the work that is done by that organisation, to be honest, and I do not think that sort of thing is helpful to anybody. Sitting in the comfort of an office in Brisbane doing a desktop study of what is happening in towns throughout Queensland without even knowing what is happening is not very helpful to anybody.

Mr HOBBS: What funding has been allocated to councils to support them in the administration of the nuisance regulations that have been delegated to them by the State Government?

Mr MACKENROTH: My department does not allocate any money to departments or local government for regulations. The nuisance regulations are part of the Environment Department's Acts. So those regulations are done under that, not under my department.

The CHAIRMAN: The time for non-Government members' questions has expired. I refer you to the Ministerial Portfolio Statements pages 24 and 25. I notice an increase in the number of QGAP sites from 50 to 61. The program instituted under the previous Labor Government has proven to be very successful. I ask the Minister: can you advise what sites are currently under consideration and on what basis the final determinations will be made?

Mr MACKENROTH: There is one thing I can tell you, they are not political considerations because most of them are not in Labor Party seats. There are 24 sites under consideration at the present time. I do not think I will go through what sites are under consideration because there are winners and

losers and that does not help any small town. They are under consideration.

The sites that are selected are the ones that are assessed of greatest need and the criteria for that is in relation to existing access to Government services, population size, economic development, access to public transport and access to banking facilities. They actually have a look at that criteria and use that to identify the sites that should be built up. There are about 24 site assessments being done at present, but there is funding for a further 11 in this financial year.

The CHAIRMAN: Does the Government intend to expand the QGAP network even further in future years? Obviously, with that number of sites there is a potential to do so. If there is a case, do you see any finite limit on the number of QGAP offices that can be created throughout Queensland?

Mr MACKENROTH: There is funding in the out year, next financial year, for a further five. There is an end to it, of course. You cannot continue to establish offices forever. I think that the biggest consideration that will be in that will be the services that are provided through Access Queensland which will be the delivery on line and what is able to be delivered through that to towns. The service delivery through Access Queensland, I think, will have a big bearing on what happens in the future in relation to—

The CHAIRMAN: Still on page 25, the percentage of total QGAP sites with electronic access to Queensland Government services has risen from 10% to 26%. That was an increase of 16%. Yet next year's predicted percentage will only rise to 30%. I see in the notes at the bottom at page 25 that telecommunications infrastructure and Internet operational costs are limiting factors on the number of QGAP sites that will be able to access Government services electronically. I assume that the sites where the costs will be the highest are probably brought about through their remoteness. I assume also that remoteness will be a key factor in the need for QGAP services. Is this the case, that it is to do with the remoteness of these sites, or are there other factors?

Mr MACKENROTH: Some of them do not have the broadband capacity to be linked in to the electronic service delivery. That is a problem. The target numbers that we have here are based on the program that we have operating through QGAP. I think that those targets will be revised greatly upwards once Access Queensland is done. Those sorts of

targets are not assessed or put there—bringing Access Queensland into the equation because of something that is being developed. Once that is developed, we would expect to see most of our QGAP agents on line.

The CHAIRMAN: Has the Minister established any sort of—

Mr MACKENROTH: I might say that there are a number of new applications of telecommunications which are being established in Australia, I think, which will help to bring some of these offices on line through radio links and what have you.

The CHAIRMAN: Given the importance of access to technology, have you in your department developed any timetable for the introduction of this access to QGAP sites and, if so, will you be establishing a prioritisation list to introduce further applications to the sites?

Mr MACKENROTH: It will be done progressively over the next two to five years and it depends on a range of factors and some of this I have covered. Firstly, while all the QGAP sites have been provided with computer equipment with Internet connection capability, the telecommunications infrastructure and Internet operational cost currently limit the number of QGAP sites to access Government services electronically. That is the broadband capacity that I talked about. Secondly, effective electronic access to information and services is dependent on the current configuration of services and the capacity of agencies to transmit services on line. A common operating platform is a key ingredient to enabling electronic delivery of Government services. However, it is intended to connect all QGAP sites to GovNet—that is a secure Government intranet rather than the Internet—in the next two years.

The CHAIRMAN: Also on page 25 is something that interests me. I note that you have used a rating scale of 1 to 5 for satisfaction with access to Government information services and publications. In 1998-99 it came in at 4% and is expected to rise to 4.2% in 1999-2000.

Mr MACKENROTH: It is not 4%; it is 4. You are a teacher. A 4 in a 1 to 5 rating is 80%.

The CHAIRMAN:—A rating of 4, sorry, to a rating of 4.2. My apologies to the Minister.

Mr MACKENROTH: I hope you did not teach maths!

The CHAIRMAN: Can the Minister explain the process used to obtain these ratings? On

what grounds can you actually anticipate an improvement? What formula do you use for that?

Mr MACKENROTH: The actual measurement is done by annual on site community QGAP evaluation meetings and direct mail surveys to community members and QGAP agents to further refine the assessment. Improvements are expected at the level of client satisfaction as small QGAP sites are established and a greater range of information and services become available electronically.

The CHAIRMAN: I refer to the Ministerial Portfolio Statements, pages 23, 24 and 25. Eight regional community offices were opened across Queensland—the far north, north, Mackay/Whitsunday, central, Wide Bay, south-east Queensland north, south-east Queensland south and south-east Queensland west—to support the ministerial regional community forums and also to liaise with State agencies to ensure matters are referred to appropriate agencies for consideration. What staffing levels and resources are applied to these offices and what is the cost to Government of each of the operations?

Mr MACKENROTH: There are eight offices and each has a staff of three. That is 24 staff in total for those eight offices. The budget for 1999-2000 for the operation of the offices is \$2.6m. So that is the budget for the offices throughout the State. In five of the eight locations we have co-located with offices which were already established through the Department of Planning where we have planning offices. We are better able then to actually utilise them and have the assistance and help of other staff who are there as well as some of the common services, such as meeting rooms and photocopiers.

The CHAIRMAN: With those offices, do each of them have similar staffing? Are we finding that in the future there will be a need to amend the staffing and resourcing arrangements to cater for differences in regional delivery of services?

Mr MACKENROTH: The Regional Communities Program does not deliver services, so that would not be a calculation. As to whether there is a disproportionate amount of workload—we have been getting the offices up and running and established throughout this calendar year and it would be too early to make any assessment as to whether or not that is the case, and I would not like to indicate that it might be because some of them might

get too excited about that. We would not want to let that happen. At this stage I do not believe there is any need for an increase in the staff in any of those offices. I think the workload and the support they receive from head office is sufficient to enable them to do the job as required.

The CHAIRMAN: Page 24, under the heading "Future developments", states that the Government will—

"... ensure issues raised at Forums are referred to the appropriate Minister for attention and facilitate a response back to the Forums on every issue raised. This will facilitate better targeting of services to meet the needs of regional Queensland."

I am sure everyone would agree that this is a commendable aim. Could you outline how this process will actually work and, more particularly, what mechanisms have been put in place to ensure that this information is made widely available to the general community?

Mr MACKENROTH: The Regional Communities Program was set up earlier this year. We started the actual process with a conference in eight regions. We then appointed forums, which are representatives from different sectors within those regions. There are 20 members on each of those forums. We have had one meeting of the eight forums. The next meeting is scheduled for next Monday, so in eight centres in Queensland there will be regional meetings next Monday.

There were issues raised at the last meeting. Each of those was reported back to the relevant Minister and a report has been done on the issue which will be reported back to the forums next Monday. That will be made public at the forum. We do have a requirement on the forum members that they communicate with the sectors that they are seen to represent. We will assist them by helping them to post out information or photocopy information that is available to inform their constituency, which would make the decisions of the forum and the information that is coming from the forum as widely available as possible, and that is the intention of the forums. It is actually a requirement we have of the people who volunteered to serve on the forums.

The CHAIRMAN: Minister, the initial community forums were very well attended right across the State. The regional forums that have grown out of them obviously have great potential. I know you have indicated to us that assistance will be given, but a lot of

reliance seems to be placed upon the sector representatives and the individuals, some of whom represent sectors that are not very well resourced. I notice also that you say support will be given. Has any consideration been given to a more widespread Government sponsored method of responding to the community at large?

Mr MACKENROTH: Not at this stage, other than the information that we have been making available to people. Almost 3,000 issues were raised at the initial conferences, which were held in February/March. It has been a very big task by Government, but we have completed now a response to each and every one of those issues. They will shortly be going to Cabinet for approval. They will then be published and every person who went to the conference will receive a copy of them for their area. They will be broken down into sectors, so sectors will be able to get the individual reports on their sectors. We will make them available to anyone who wants them, but we will try to make them as widely available as possible. The Regional Communities Program is about enabling communities to have a say, so we have to try to make sure that we make the decisions as widely known as possible so that people are aware of what is happening.

The CHAIRMAN: I refer to page 23, under the heading "Recent achievements". It is stated that the Government has—

"... developed and implemented commercially operated QGAP models in three rural centres. A component of such models includes the return of commercial financial institutions to towns where such facilities have been withdrawn."

What was the location of those three commercial operations and how have they performed since being established?

Mr MACKENROTH: There are four sites, actually. One is at Babinda, which is a video shop; one is at Wandoan, which is an Australia Post franchise owner; one is at Eidsvold, which is the shire council; and one is at Kilkivan, which hosts a credit union office.

The Office of Rural Communities previously piloted the credit union/QGAP alliance at Herberton and Dirranbandi. Commercial model sites are operating well and are achieving the following benefits. The existing business or organisation's credibility is raised within the community. QGAP has the potential to attract additional business. The QGAP subsidy is a guaranteed income for the host business. This income could possibly

determine that business's long-term viability. The model also offers local employment opportunities, provision of Government services and information in locations where other methods would incur prohibitive costs, and service delivery equity. Also, QGAP's presence in the community reduces the time, travel and financial impost on people accessing Government services. I understand from the owner of the video shop, whom I spoke to this week, that her local member is going to open the office next Monday.

The CHAIRMAN: That is correct, Minister. I take you to page 25, the output statement relating to access to Government information and services. The number of regional issues raised directly with Government through forums has been estimated at 112. How is this figure arrived at and in which portfolio area is it anticipated that the majority of those issues will fall?

Mr MACKENROTH: A structured approach is used in setting the agenda for each regional community forum meeting to ensure that a manageable number of issues are discussed at each meeting. Two issues were included on the agenda for each forum for the first meeting. Four issues will be included on the agenda for each future meeting of forums. Based on there being four forums per year in each of the eight regions, it is estimated that the total number of issues to be raised through the forums in the first year will be 112. That is two issues at eight forums in the first round and then four issues at the eight forums in the next three rounds, which gives us 112. The first round forum meeting was on 19 July and the next will be 11 October.

As to the issues that are raised, we ask for agenda items or items that people wish raised by advertising locally, by making it known to people that they can put forward items. The actual forum itself has an agenda committee, which makes recommendations on the items to go on the agenda. Locally they look at the agenda items so that we are able to do that. Any items that do not make it on to the agenda for discussion are forwarded to the relevant Minister for an answer anyway, so even if it is not discussed at a meeting it is not lost. It is forwarded on to a Minister so that there is a reply.

The CHAIRMAN: Given the fact that we have had one round of forums and you would have had feedback from that, in your view are they so far shaping up as being successful and do you feel confident that Government

can respond adequately to the concerns that are being raised?

Mr MACKENROTH: The indications are that it will be successful. We have to put a lot of hard work into making it work, into ensuring that Government—I am talking there in the broad sense of the Public Service—understands how the regional forums operate and how it should work with them to actually make it work. Really, it is up to us now, having to establish the system, to make it work.

I think that to really look at it and say, "Well, has this been successful?", you would need to wait until at least a full year has gone by. This is an opportunity for people to raise issues. We made it very clear at the outset—at the very first conferences—that this is not simply a mechanism whereby people can put forward a wish list of everything that they want from Governments. One of the things that we made very clear—and I think that everybody needs to understand—is that if people want something, it has to be paid for, and it is paid for out of taxpayers' funds, which is money coming out of their pocket. When they start to talk about what they want, they need to look within that sense. Governments only have a certain amount of money, and that needs to be spent in the wisest way. What we would hope is that these forums are able to better focus on what can be done.

I know that, at the first forum that I went to, one of the propositions was put up that, in a particular area, a group wanted a Police Beat which was in the next street from the police station. But the argument was put up at the forum that that was because there was a group of young people congregating in the park opposite the shops. That was discussed at the forum by the local people involved in the forum. They basically all came to the conclusion that putting a Police Beat there would simply move the young people to somewhere else. So if the young people were a problem, putting a police officer in an office at that site was not going to solve it; to solve the problem you needed to look at why they were congregating there and come at it from a different way. That was not the Government telling them that as an answer; it was the community itself. I thought that was a very mature attitude to take.

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

Mr HOBBS: I note that, under Future Developments on Policy Advice, you intend to facilitate better coordination of State policies impacting on local government. You would be

aware that the continuous flow of requests for information, the review of procedures and practices and the implementation of major and minor legislative reforms places massive demands on the resources and financial capacity of rural and regional councils because of the general one-policy-fits-all philosophy that we all seem to have. Will you provide financial assistance to those rural and regional councils that have to implement complex legislation reforms in short time frames?

Mr MACKENROTH: We have no programs that would provide that sort of assistance. What we do, where it is appropriate, is provide at our cost training programs for councils. We have done that with the Integrated Planning Act. We provided training for councils to teach them how to use—

Mr HOBBS: It is getting worse now. That is the trouble. We may need to look at that perhaps in the future.

Mr MACKENROTH: I guess the biggest area that comes from is through National Competition Policy. Councils are receiving funds under the National Competition Policy to do those sorts of things now. There was \$150m allocated for councils to assist them to do those changes that are necessary, and most of the changes that they see are coming from National Competition Policy.

Mr HOBBS: Minister, the Integrated Planning Act has been in place for some time now. Various consequential amendments have been implemented and a review has been undertaken. The contentious issue of inland shires having to provide accredited staff or enter into an arrangement with a consultant/private certifier to provide building inspections has not been resolved at this stage. Because of the isolated nature of some of these communities, building inspectors are costing around \$1,000 per building constructed. Is there something that you can do fairly quickly to resolve this issue?

Mr MACKENROTH: We might take that question on notice.

Mr HOBBS: Okay. Minister, I refer to the joint investment of \$500,000 by your department and the Redland Shire Council on the Southern Bay Islands Planning Study. In view of the fact that you have had the report for over 12 months and there is nothing allocated in the Budget that we notice, are you going to write off the \$250,000 and put the report in the too-hard basket? Or what is going to happen?

Mr MACKENROTH: No.

Mr HOBBS: What are you going to do about it?

Mr MACKENROTH: Your question was: am I going to put it in the too-hard basket? No.

Mr HOBBS: What do you intend to do about it?

Mr MACKENROTH: We released the report last year for comments from people. It has been reviewed. I am concerned about the impacts that potentially that report has on individuals and the investments that they have made. There are two parts to it. One is that land on those islands, over the past five years, has decreased in value—nothing to do with the study, because the study was not even started when the decline in prices started. So we have got that, and that is not as a result of intervention by Government, either State or local. So that is the marketplace at work, and there is nothing that we can do about that.

But there is an impact, I think, from this study on some parts of it. What we are currently doing is looking at what that impact is and whether, in relation to any decisions that are made, we will make decisions that do have an impact on individuals' land. I am concerned that, in some ways, the study may be used to drive down the price of land to enable land to be bought at a cheaper price. And I will not be a part of that.

Mr HOBBS: So you think it was not a good idea to release the study after all then, perhaps?

Mr MACKENROTH: Yes, I do. Because if I did not, it would have had worse effects. And it would have been FOI-able, anyway.

Mr HOBBS: Minister, as you are aware, private certification commenced on 30 April 1998, which can be issued under the standard building law. I asked you when would the standard sewerage law and the standard water supply law also be provided for private certification at the last Estimates Committee meeting. You indicated that you were positively looking at that but that there was some reticence within some sectors of the industry. Due to the huge financial savings to the building industry, when will you allow the private certification for this sector?

Mr MACKENROTH: I think you are trying to put words into my mouth.

Mr HOBBS: Definitely not.

Mr MACKENROTH: Are you trying to say that I said last year that I would look positively?

Mr HOBBS: Close to that.

Mr MACKENROTH: No.

Mr HOBBS: I will tell you what you said to me.

Mr MACKENROTH: You could not remember it a minute ago. How are you going to remember it now?

Mr HOBBS: What you said was along these lines: that if the industry agreed, you would implement it.

Mr MACKENROTH: Same answer.

Mr HOBBS: So you are not going to do it?

Mr MACKENROTH: Not the industry—all the people involved.

Mr HOBBS: You were talking about the plumbers—

Mr MACKENROTH: The plumbing inspectors—no, they do not agree. It is not on my agenda. One thing that I realised, sitting in Opposition for two and a half years and watching a minority Government and then coming back into a minority Government myself, was that I was going to do as little as possible to upset people. And no, I do not intend to do it in this term of Government. It is not on my agenda.

Mr HOBBS: Last year at the hearings you stated that the charges that councils impose on the public need to be a true cost of the value of what it costs the council to provide the information and that there must be certification in a proper and effective way. You said that you would raise this matter with councils and would work through it, monitor it, and take action where necessary. What action have you taken?

Mr MACKENROTH: We are currently developing guidelines to be used by councils when determining their charging schedules. The guidelines will be based on full cost pricing principles. This will provide a fair and reasonable benchmark for civic charges. Further discussions are being held with the LGAQ on industry concerns about increased planning fees being sought by some councils. The department is working closely with the Local Government Association of Queensland to monitor the situation and to ensure that the introduction of the Act was not used as an excuse to increase fees. That has been part of the current review that we are undertaking in relation to the Integrated Planning Act. I addressed a group of private certifiers and I asked them to put in a submission to the review of the Integrated Planning Act and to identify the instances that they were quoting. That was done. We were able to use that to

look at the situation and see what we could do about it.

Mr HOBBS: Will you also be looking at comparisons with the other States in relation to charges that are made?

Mr MACKENROTH: We are looking at whether the charges are based on full cost pricing principles. What is charged in other States will not be relevant to that. It is a matter of whether it is actually based on the cost price.

Mr HOBBS: I note that you have said that you have undertaken some development and draft proposals to enhance the provisions relating to corporatisation of local government business activities. Could you explain to the Committee exactly what you mean by the corporatisation—

Mr MACKENROTH: Which page is that?

Mr HOBBS: Page 8.6. Can you explain to the Committee exactly what you mean when you refer to corporatisation of those business activities? What will local government have to do to comply? What benefit would there be to the ratepayer?

Mr MACKENROTH: During 1998-99, work continued on developing a legislative framework for the corporatisation of local government business activities. The first stage was put in place through amendments to the Local Government Act in November 1996, and then in May and November 1997. The earlier amendments provide councils with three options for applying competitive neutrality to their significant business activities—full cost pricing, commercialisation and corporatisation. The benefit it would provide to local government would be the ability to establish a corporation under the Corporations Law and it will give local government the same options as are available to the State. Such an institutional arrangement will carry a more rigorous commercial approach to business activities but will create no impediment to the provision of community service obligations to meet public policy objectives.

Mr HOBBS: What benefit will there be for the ratepayers?

Mr MACKENROTH: The ratepayers will know what they are paying for.

Mr HOBBS: They know that now, do they not?

Mr MACKENROTH: No, they do not. What we are doing is making it clear and transparent. We are not telling councils that they have to do this.

Mr HOBBS: It is voluntary?

Mr MACKENROTH: Yes. It is a vehicle for councils to use if they see fit. We are not making councils do it. It is simply a mechanism for them to use if they wish.

Mr HOBBS: I refer to page 6 of the MPS where it shows a \$3,040,000 equity adjustment. What does that mean?

Mr PEDDIE: The \$3,040,000 equity adjustment which you have mentioned is basically a capital adjustment which we have been paid for plant and equipment. It is distinct from departmental outputs under managing for outcomes. Payments in respect of capital are treated differently from payments in respect of outputs. So it is a capital payment or a capital injection.

Mr HOBBS: Is that taken into consideration for the overall equity adjustment in relation to the assets that are used to levy the 6%?

Mr PEDDIE: The equity adjustment is provided to help us purchase assets which will increase our net asset position. So it will impact on the calculation of the equity return.

Mr HOBBS: Minister, the Bowen Shire Council received \$10.8m over four years. I note in the capital expenditure statement in Budget Paper No. 5 that \$1m is allocated for this year. The total estimated cost of the package is only \$4m. I am aware that some funds went across last year—it was not in your department at that stage—because the shire was not able to put in a program to reduce its rates and charges. Do you expect to have to pick up some of the funding in future years under a program such as the regional services program—the new program—

Mr MACKENROTH: The Regional Centres Program?

Mr HOBBS: I am sorry, yes, the Regional Centres Program. Do you expect you will have to pick up some of the funding, on the basis that commitments have been made to the Bowen Shire Council, if the funding drops out? Will you pick it up?

Mr MACKENROTH: The \$10.8m you refer to was a special package. The money that has been promised will not come out of the \$50m new money under the Regional Centres Program. Does that answer the question?

Mr HOBBS: It appears as if all that funding from the Treasury that was originally allocated is no longer there. The final payments are not there. I am presuming that you will pick that up, perhaps, in the next

financial year, under the Regional Centres Program.

Mr MACKENROTH: No. I think you asked a question on notice in relation to the Regional Centres Program and we gave you some information on that.

Mr HOBBS: I guess the question is this: is it possible that the Bowen Shire Council could be eligible for funding under your Regional Centres Program next year?

Mr MACKENROTH: If Bowen has a population of over 15,000 in the shire, it would be eligible to make an application for funding under the Regional Centres Program. The Regional Centres Program is \$50m of new money starting next year over the three out years from there. So it is \$20m, \$20m and \$10m to provide funding to councils with a population greater than 15,000 people. That picks up all the councils, except for Brisbane, which were not included either in the RLIP or the RCIP. So those councils had a program and still have it.

This is a new program for those councils. Each and every council that fits this criteria—over 15,000 and other than Brisbane City—will be eligible to make an application. We will be negotiating the guidelines on that with the LGAQ and the LGA over the next few months. By the end of November we should have them agreed, or get Cabinet to agree, and then we will call for applications. Once we agree on the applications, they will be approved. Councils will be told that they will have to provide 50% in their next budget and the actual works will start in the next financial year. That is the proposal. There will be no picking up of any of that \$10.8m from the \$50m.

Mr HOBBS: Do you think that it was a successful project? They were able to reduce their rates and their charges.

Mr MACKENROTH: I do not know enough about the program. It was not my program, so I am not going to comment on it.

The CHAIRMAN: The time for questions from non-Government members has expired. I now call on the member for Barron River.

Dr CLARK: Minister, I refer you to page 32 of the MPS, the third dot point under "Future Developments", the Security Improvement Program. It will be extended with \$2m available a year to assist local governments. Can you describe the outcomes of the program to date in terms of the number of local authorities that we have been assisting and the kind of things that they have been

doing with that money? Of the \$2m that has been allocated, is that going to be via a submission process or are we targeting certain local authorities where crime has been identified as an issue?

Mr MACKENROTH: In the last financial year, \$2m was allocated to the program and we have now continued that program with \$2m each year and into subsequent years. The money that was allocated was allocated by calling for submissions from local governments. They were then assessed. The police were involved with the assessment. We then approved a certain number of projects.

This may show you the problem that you have with bringing in a new program. The subsidies that were actually approved and allocated were allocated and finalised on 21 June this year. So whilst it was in the Budget, by the time you get the guidelines for a new program drawn up, get the information to councils, get them to get applications in and do the assessment, it takes eight months from the time the Budget was done.

Of course, the benefits are a reduction in crime, an improved community perception of safety in public places, improved planning and an awareness by local Governments and ATSI councils of alternative measures to enhance security through improvements to the design and physical layout of the local environment. This is occurring because applicants must consider the Queensland Police Service concepts of territorial reinforcement, natural access control and natural surveillance rather than just the installation of hard infrastructure.

Individual councils have not been targeted for assistance under this program. The program is based on annual funding rounds when all councils may potentially apply for a subsidy towards the cost of security infrastructure in public places.

Dr CLARK: I would just like to try to get some feel for the demand for funding from that program.

Mr MACKENROTH: Sure.

Dr CLARK: In terms of the allocation that you had and the number of requests for funding.

Mr MACKENROTH: Just from memory, the actual requests for funds was about \$3.9m. In the first round, a total number of 42 councils submitted 84 projects worth \$7.2m involving a potential subsidy of \$3m under the pilot program. The \$2m in subsidy was allocated—or \$1.932m—to 36 councils. So of the 42 councils who submitted, 36 received

some money for more than 50 projects. So of the 84 projects, we funded 50. There certainly is a need out there. Now that this is a permanent project, I think that we will see many more projects coming up this year.

Dr CLARK: So presumably those ones that missed out last year can be considered now that there is additional funding?

Mr MACKENROTH: They will have to resubmit.

Dr CLARK: Again?

Mr MACKENROTH: No, they will be told that. If a council put in a bid to put some lights in a park, for instance, they may have decided that they did not get their subsidies so they will go ahead and do it, anyway. We do not know that. If the council has its application all drawn up, it is only a matter of resubmitting it. I think that we will find a lot more applications coming in.

Dr CLARK: It is a very good program. On that same page, the next dot point refers to the administration of further distributions from the \$150m from the National Competition Policy Financial Incentive Package of up to a maximum of \$68.4m this year. Could you outline where that money is going, how it is going to be allocated and for what particular purposes?

Mr MACKENROTH: There was a \$150m NCP Financial Incentive Package that was divided into three components: \$1m was to provide NCP training and assistance to local governments; \$7.5m was a review pool to assist local governments in meeting the cost of NCP reviews; and \$141.5m was an implementation incentive pool to be paid to local governments for implementing NCP reforms.

The \$68.4m that is available for distribution this year could be applied in the following way: there is \$275,000 left in the training pool to be paid out; all but \$2,000 of this has been allocated already to projects but it needs to yet be paid; there is \$1.703m in the review pool to be paid out and the balance of \$66.422m could be paid out of the implementation pool if the relevant guidelines are complied with and the Queensland Competition Authority recommends payments on the basis of the reform progress.

Dr CLARK: Can you just flesh that out to indicate what areas that money has gone to? What has it achieved? That is a very general response, with respect.

Mr MACKENROTH: Of the training pool, as I said, the remaining funds have gone.

Funds available in 1999-2000 for distribution from the review pool amount to \$1.703m, provisionally divided into \$1.372m for local law reviews and \$371,000 for two-party tariff reviews. Payments are expected in October 1999 to all local governments that reviewed their local laws for anti-competitive provisions. The remaining four local governments of the 17 large local governments with significant business activities were granted extensions of time to complete two-part tariff reviews and some local governments with smaller-scale water services have completed two-part tariff reviews.

Although most local governments submitted the statutory requirements for their local law reviews and will receive full payments for these reviews, many of the smaller local governments expected to undertake two-part tariff assessment reviews will not complete them until 1999-2000. However, the current guidelines specify that any unexpended funds from the review pool are to be reallocated among those local governments that completed their reviews in 1998-99. Accordingly, currently discussions are taking place with Treasury in the implications of amending the guidelines to extend the deadlines for payments for reviews of two-part tariffs to July 2000.

Funds available in 1999-2000 for distribution from the implementation pool without indexation amount to \$66.422m. These funds are available to assist councils with the costs of implementing NCP reforms. There is room for local governments to nominate new business activities for reform and to receive payments from the reserve pool set aside for this in the implementation pool, although they will receive less than if they had nominated such activities in 1998 when the maximum allocations were set. Some new nominations have been received, and Treasury and the department are proceeding together to adjust the allocation to the relevant councils.

Dr CLARK: Water is one of the primary focuses of the NCP. Are there indications of other business activities? I am trying to get more of an understanding of the direction that we are heading in with this. There has been talk about being more stringent and looking at community benefits in terms of the whole NCP argument. In terms of where we are headed with this with respect to local government generally, is there something that you can add about whether we will see any change in the way that that will play itself out? Will there be any additional assistance coming forward or

will we be changing our minds in terms of which business areas this might apply to?

Mr MACKENROTH: I do not know about change in business areas. It is business areas across local government—waste, sewerage, with the Brisbane City Council you have transport and the service deliveries that are there. It is up to local governments to nominate their business units to access that pool of money, which is what they are able to do. The ones that I nominated are the ones that are there. It is up to councils themselves to indicate what they want to have to access that money. The money was paid to the State by the Commonwealth Government for NCP reforms. Our Government allocated \$150m for local government to access, which other States did not do. They would have had to do the reforms without the money, without the benefit.

Dr CLARK: There seems to be a feeling that there was not really a choice for local governments, as to whether they access that or not. Are you saying that there really is a choice?

Mr MACKENROTH: In some areas I do not think that there was; in some there is. In some areas councils used the National Competition Policy to implement reforms that they wanted to do and then blamed the NCP for it. I am very open in saying that that is the case.

Dr CLARK: Moving to page 33, the Output Statement for the administration of local government grants and subsidies. In relation to the actual quantum of funds administered to local government under the terms of local government grants, the actual in 1998-99 was \$440m and the target for 1999-2000 is \$410m. There is going to be just a couple of more programs there. Could you give some indication as to whether those are savings? Are there particular programs—

Mr MACKENROTH: We were talking about this before. It is to do with the money that we are not carrying forward and just holding in the funds administered. The actual amount of money expended this year as compared to last year will be greater. This actual amount of \$440m, from memory, and the actual expenditure was \$386m or something like that. What we are doing this year is actually looking at administering \$410m and we are looking to expend most of that. We are not holding a lot of money in the bank.

Dr CLARK: Finally, in that same table, under "Measures", for "Quality" it talks about the proportion of clients that rate the

management of funding programs as very good or excellent. You have 76% for the 1998-99 year and the same percentage for this year. Is it not appropriate for Government departments to try to actually improve those ratings as time goes on? Are we content to simply have the same rating?

Mr MACKENROTH: We would not be content unless we got 100%.

Dr CLARK: That is what I thought, so I was very surprised not to see 100%.

Mr MACKENROTH: There is a very good reason why we do not have a higher percentage. Client satisfaction with the management of funding programs is measured through a Statewide survey questionnaire that is sent to all councils. As councils are not surveyed every year, it is not possible to predict with confidence from one year to the next any potential significant improvement in client satisfaction prior to the conduct of the survey. Therefore, we are not predicting it until we do it and it is not done on a yearly basis.

Dr CLARK: Fair enough, but no doubt you do expect to see improvements year to year?

Mr MACKENROTH: I always expect to see it, yes.

The CHAIRMAN: The time for the consideration of the Estimates for the Minister for Local Government, Planning, Regional and Rural Communities has expired. I thank the Minister and the portfolio officers for their attendance. The Committee will now break for lunch and resume its hearing at 1.30 p.m.

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

TOURISM, SPORT AND RACING**IN ATTENDANCE**

Hon. R. J. Gibbs, Minister for Tourism,
Sport and Racing

Mr D. Williams, Director-General

Mr M. Peters, Deputy Director-General

Ms K. Pulsford, Director, Executive
Services Division

Mr S. Gregg, Chief Executive Officer,
Tourism Queensland

Mr D. Ronai, Director of Finance and
Corporate Services, Tourism
Queensland

Mr M. Denton, Chief Executive Officer,
Queensland Events Corporation

Mr L. Longland, Executive Director, Liquor
Licensing Division

Dr B. Mason, Director, Racing Division

Mr I. Whitehead, Director, Facilities
Planning and Management, Sport
and Recreation Division

Mr A. Moten, Director, Queensland
Olympic 2000 Task Force

Mr I. Warren, Director, Finance and
Administration

The CHAIRMAN: The next portfolio to be examined relates to the Minister for Tourism, Sport and Racing. I ask anyone who has a mobile phone to please turn it off now. 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. A 15-second warning will be given at the expiration of these time limits. The Sessional Orders require that at least half the time 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 their transcript.

I declare the proposed expenditure for the Minister for Tourism, Sport and Racing 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?

Mr GIBBS: I am delighted to have the opportunity to be here again today in this capacity to answer questions in relation to my portfolio responsibilities. The last year has

seen the rebuilding of the Department of Tourism, Sport and Racing following its dismantling by the former Government. During this time, the department has placed much emphasis on establishing itself once again to play a lead role in enhancing the social and economic value of Queensland's leisure industry. The portfolio makes a significant contribution to the Government's priorities of improving the quality of life of Queensland residents, creating safer and more supportive communities, building Queensland's regions and creating employment.

Tourism is the second largest industry in Queensland, providing jobs for about 130,000 Queenslanders and generating some \$8 billion annually. I believe the Government has shown its commitment to the tourism industry through not only maintaining base funding to Tourism Queensland but also by injecting new initiative funding. For instance, Tourism Queensland will receive an additional \$6m over three years for domestic and international marketing and promotion. This is on top of \$2m in annual funding for conventions and incentives marketing, which is secured until 2001-02, and marketing campaign funding of another \$2m per annum for the same period. The Queensland economy is also supported through the tourism-related activities of several other parts of the portfolio, such as the Queensland Events Corporation, in its role of attracting major events to the State. In 1998-99, for example, the economic value of events secured by Queensland Events was estimated at \$650m. Of course, there is the Indy event, which each year generates over 140,000 visitor nights on the Gold Coast and provides an economic impact for the State of about \$39m.

The staging of the 2000 Olympics in Sydney and the Olympic football tournament at the Gabba will also provide enormous opportunities for Queensland's tourism industry and other businesses throughout the State. As a result of the Olympic football tournament alone, tourists and out-of-state businesses are expected to spend more than \$76m in the Queensland economy. Pre-Olympic training will also bring significant economic benefits to the State. Already 124 teams have committed to undertaking pre-Olympic training in Queensland—more than in any other Australian State, including New South Wales. The 2001 Goodwill Games, which will take place in Brisbane in the year following the Olympics, will provide even more opportunities to showcase Queensland and all it has to offer to the rest of the world. The Games are expected to generate direct and flow-on

expenditure for Queensland of about \$167m, with some 1,800 jobs created or sustained.

There are a number of other points related to my portfolio that I could mention today, but I think that gives a broad overview. Can I ask that when members direct questions to me they speak loudly and clearly, because I have a slight hearing problem.

The CHAIRMAN: The first round of questions will be from non-Government members.

Mr HEALY: My first line of questioning will be in relation to liquor licensing. I refer to page 1-31 of the MPS and to the section headed Capital Acquisitions, which refers to the development and implementation of a new liquor licensing database scheduled for completion in February 2000. It states—

"The development and implementation of the database will provide higher quality client service that is delivered through modern technology."

Can you outline exactly how that system will provide higher quality service?

Mr GIBBS: An outcome of a recent business process re-engineering project undertaken in the business was a proposal to develop new technology to support a more efficient licensing system. As a result of a request for a proposal in June 1998 and an invitation to offer in November 1998, QCOM Pty Ltd, an experienced computer software development company with 25 years of Queensland Government work experience, was selected to construct the new system. After weeks of negotiations over terms and conditions, a contract was approved, and the proposed development cost is \$274,650. The Liquor Licensing Division is working with those people at present, and the project is now well under way. It is anticipated that a new fully Y2K compliant system will be in place by March 2000. If you want some further information in relation to the system itself, I will ask the Executive Director of the Liquor Licensing Division to expand on that for you.

Mr LONGLAND: Our current system has been in place now for quite some years and is based on the old-fashioned written style of database functioning. It is quite slow in its use. When people come to us wanting to process applications, it is quite slow. It is limited by the number of users that can get on to the system at any one time. The new system will, of course, be a lot more rapid. It will also be a building block towards the use of electronic commerce and it will certainly have a number of interfaces, particularly in relation to the people who can ring into the office. It will also

be online to the Web. Basically, the major feature will be its retrieval functions and the rapidity with which we can do the work.

Mr HEALY: What method has been put in place by which the Liquor Licensing Division will be able to measure the efficiencies as a result of that new database?

Mr LONGLAND: Basically, the efficiencies are measured in two ways, firstly, just by the information that is captured on that database. We will be able to quickly download, for instance, qualitative functions so that we will be able to establish the amount of data going through that database in a much more precise manner than we do now. Secondly, the Minister mentioned a business re-engineering project. A number of focus groups were involved before we started building it to ensure that what we were proposing would be of assistance to clients. Secondly, as a matter of course each year, we also take elements of our business and put them into a client survey focus. Indeed, we have just finished a recent client survey, which was basically focusing on the permits issued throughout the division.

Mr HEALY: I refer you to page 1-6 of the MPS and the section headed Future Developments, which refers to the intention to implement the findings of the National Competition Policy review of the Liquor Act and Wine Industry Act. As the review has been completed and the findings have been presented to the Government, why was there a need then to conduct another round of public consultations?

Mr GIBBS: I would not exactly call it another round of consultation. After we received the report, we wanted to make sure that all stakeholders had had an opportunity to make a contribution to it. On the way through as you swept throughout Queensland, obviously there can be people who do miss out. I expected that the report, once it was tabled and once it was made public, would create some controversy out there in the communities. Indeed, we have seen it has. I wanted to make sure that we were consciously aware that we gave, as I said, the community every opportunity to respond to some of the things which are in the report.

I have to say to you that I am extremely disappointed—in fact, I am incensed—over the ongoing attacks by the Retailers Association against the chairman of that review, Mr Clelland. Mr Clelland is an honourable person who was well qualified to carry out the review. I have to say that, contrary to what is being said by the Retailers Association, I actually made contact with Mr McKendry prior to the

appointment of Mr Clelland and made it known to him who the appointee would be—who my recommendation would be—and he said he had no objection to that person being appointed. It is not only a sleight on Mr Clelland, but it is a sleight on the other two people on that committee to suggest that anything was improper.

Contrary again to what the retailers say, I thought it was very timely that I opened the Courier-Mail to note on the first page of the Courier-Mail's business page "Coles booms, Eck to stay". Profits in the retailing sector are up enormously for Coles in spite of the fact that they do not sell or have retail liquor outlets. I understand that Woolworths are in the same position. It is interesting to note that, over the last four years, according to figures which are available, the retail sector has continued to show growth of approximately 6% per year.

Mr HEALY: Could I ask you what the full cost of the consultation process has been since the presentation of that review?

Mr GIBBS: I know what was paid in terms of the committee, but in terms of the actual amount that was paid overall, I do not have that readily available. I will ask Mr Longland. He probably has that information available.

Mr LONGLAND: The cost of both the wine industry review and the liquor review is in the vicinity of \$250,000. That includes extensive consultations across the State that were taken which were basically public hearings. That amount of money is money which will be recouped through State Treasury.

Mr HEALY: I am sorry, I mean the round of consultation that you are now doing—is that included in that amount of money?

Mr LONGLAND: That is included in that amount of money. In fact, the consultations that are currently under way are a very, very small cost in terms of advertising. There was an advert in last Saturday's major papers and that is really the only cost other than staff time.

Mr GIBBS: It is probably worth while just advising you that, to the best of my knowledge, since we announced that final month and the advertisements have gone in, I think there have been six replies from people indicating a further interest to make some comment in relation to the report. But the report will go back to Cabinet towards the end of November. I expect to have the full recommendations out there by Christmas at the latest.

Mr HEALY: That ends my line of questioning in relation to liquor licensing. I

would like now to move on to the area of tourism. So, Minister, if you have that area handy, we can move straight in to that. I refer to page 2-1 of the MPS under the heading "Overview" and the last paragraph of that particular page. This outlines the number of full-time equivalent staff employed at Tourism Queensland. It states that there are 60 employed in corporate services. Could you advise how many total full-time equivalent staff are employed in the corporate services area of the department?

Mr GIBBS: Actually in Tourism Queensland?

Mr HEALY: No, of the department—corporate services staff in the department.

Mr GIBBS: Fifty-three.

Mr HEALY: Given that, could I ask why there is a need to employ so many corporate services staff in the department with a total full-time equivalent staff of 431 when there are 60 corporate services staff in Tourism Queensland for a staff of 492? Have you looked at any sort of cost benefit of amalgamating both corporate services and, if not, is it something that could be considered?

Mr GIBBS: I will let Mr David Williams, my director-general, take that question.

Mr WILLIAMS: No, we have not looked at amalgamating the corporate services of a statutory entity. In fact, I am not aware of anywhere in Government—and I could be wrong—where the corporate services of a statutory entity and a Government department are merged.

Mr HEALY: Before I ask the next question, could you just provide me with the full-time equivalent staff level for Tourism Queensland in 1998-99? What was that figure?

Mr GREGG: It was 465.

Mr HEALY: And it is now 492?

Mr GREGG: It is 492.

Mr HEALY: For 1999-2000? As a result, does that reflect the increase in employee costs from \$22.9m actual in 1998-99 to \$24.9m estimate in 1999-2000? There is an increase there of some \$2m in employee costs. It is page 2-6 that I am looking at. That is the Statement of Cash Flows.

Mr GREGG: There are two components to the increase. One component is the flow-on of the enterprise bargaining agreement we have with our staff. Flow-ons range between 3% and 4%, depending on the levels and the people in that. When you look at our staff numbers, you need to separate our

commercial areas versus, if you like, the Tourism Queensland corporate areas in that staff numbers in our Sunlover Holidays and our travel centres expand and contract depending on the commercial conditions prevailing at the time. The actual increase in staff numbers—the majority of it happened in the commercial areas, not in, if you like, the corporate areas or the straight marketing areas of Tourism Queensland.

Mr HEALY: Can I refer now to page 2-5 of the MPS? This is the Statement of Financial Position under the heading "Current Liabilities". I notice that the creditors' budget for 1998-99 was \$20.04m. The actual is \$28.9m. I ask: why was there an increase of \$8.9m from budgeted to actual in creditors?

Mr GIBBS: I will ask Mr Ronai, the financial controller of Tourism Queensland, to take that question.

Mr RONAI: It does, in fact, reflect an increase in the level of activity. The business is seasonal and it is possible that in terms of the trust operation of the corporation, in terms of operators and the increases in terms of June year end are the biggest time of the year and, therefore, there are large increases in terms of creditors owing to the 800 operators of Sunlover.

Mr HEALY: Is that why there is the need then to budget for \$27.3m in 1999-2000 for the same item?

Mr RONAI: For the same reason. It is a seasonal pattern.

Mr HEALY: Minister, could you advise me who is responsible for developing tourism policy on behalf of the Government? Is it Tourism Queensland or is it the department?

Mr GIBBS: I believe we have a very good working arrangement together. In the first instance, the people who drive policy come from Government and from the party that is in power, as you would be aware. We went to the election with a policy in relation to tourism in a number of areas. That is not to say that that policy is always without flaw. You would know as well as I do that when you come into Government you look at your policies and you make a determination of what is achievable and what is not. I work very closely with Tourism Queensland in driving the direction of Tourism Queensland in terms of the markets that we service—our regional tourist associations throughout Queensland, our approach to the Olympics and our advertising overseas. I would say it is a partnership situation.

Mr HEALY: I refer to page 2-7 of the MPS, the explanation of variances in the financial statements. This indicates that part of the adjustments to the 1999-2000 Budget Estimates reflect the transfer of funding for the Olympic 2000 Task Force to the Department of Tourism, Sport and Racing. How much was that funding?

Mr RONAI: If the question relates to the transfer, it was \$356,000. In the full year there was approximately half a million dollars.

Mr HEALY: So \$356,000 at the time of transfer?

Mr RONAI: Yes.

Mr HEALY: Why did Tourism Queensland have the responsibility of the Olympic 2000 Task Force in the first place? Why was it there for such a short time?

Mr GIBBS: The task force was established when we were in Government, not long after the announcement of Sydney as the city that would host the Games. It was kept in place under your Government, simply because it was felt that, because of the importance of the Olympic event to tourism in Queensland, having the two working closely together was the sensible thing to do. I could see some very important synergies there in relation to the tourist industry and business coming into the State.

The Olympic task force has been highly successful. As I recall, it has been responsible for bringing into Queensland in excess of \$100m into this State in terms of small business. The figure is about \$50m, as I recall, in terms of major business. Of course, after the initial contact was made by Government, it has played a pivotal role in negotiations to bring a number of those Olympic teams into Queensland for pre-Olympic training.

I will give an example of the synergy. The Italian team will have in excess of 600 people in this State for pre-Olympic training. It is obvious that we want those people to come back here as visitors to this State, in a tourist capacity, after they finish with the Games. That is why there has been a close working relationship between the two organisations.

Mr HEALY: I am still not clear, though, as to the exact reason it was transferred back to the department rather than left with Tourism Queensland.

Mr GREGG: There was a three-stage approach undertaken with the Olympic task force in terms of its role. One was business development for the Olympics, one was the sporting team attraction for training and the third was the tourism marketing. We are really

in the final straight now. Whereas the sporting team work is now pretty much completed, the work the task force now has in relation to the department is with the soccer that is being hosted here. The thinking was that that sat more comfortably with the department.

In Tourism Queensland we have a full-time person looking after the tourism marketing side of the Olympics. In other words, we are working very closely with SOCOG and the organising committee in Sydney in terms of hosting a lot of media to Queensland. We have established that we will actually have a presence at the Games in the media centres for Queensland for all of those journalists. That part of it we have retained. I suppose the department is the best place to handle that implementation end.

Mr HEALY: I refer to page 2-3 of the MPS, under the heading "Recent achievements". The last dot point refers to creating the planning and destination development division to facilitate industry growth. I could not find that in last year's MPS in the area of planned performances. Why was it not there last year?

Mr GREGG: That process has only been initiated and formalised through this period. That function was buried in different divisional departments, if you like, but it has been a clear strategy that has been adopted now to develop a more integrated approach to our destinations.

In the last couple of years we have been setting up the marketing of our destinations in terms of their needs and what product development they needed. We have tried to get that focus in our organisation. In the same way that we have had marketing teams for each destination of the State, we have put together these planners who are focusing on the needs of these destinations. So it was happening before but it was in a more ad hoc way, whereas now there is a very clear focus. The intention is that by the end of this month we will have completed the first round of our destination plans, which encompass marketing and the developmental and infrastructure needs, so that we can work with other Government agencies.

The CHAIRMAN: The time for questions from the non-Government side has now expired. Government members intend to ask a number of questions on liquor licensing. Just for the information of officers of the various departments, given the constraints we have with 20-minute blocks of questions, it is not possible to do what we would have liked. We have synchronised our questions to such an

extent that you should be called back to the table only once. Perhaps officers from Tourism could occupy the front rows in the gallery. We will call you back if necessary. The next round of questions relates to liquor licensing.

I refer to page 1-5 of the Ministerial Portfolio Statement. It outlines the Liquor Licensing Division's role in promoting socially responsible and safe liquor industry practices. Minister, can you outline what the Government is doing to crack down on licensed premises that seek to increase profits by engaging in irresponsible liquor serving practices that in effect promote binge drinking?

Mr GIBBS: People would probably be aware that in 1995 the liquor licensing laws were changed fairly dramatically in Queensland to ensure that we gave the Liquor Licensing Division the necessary authority to stamp out some of the non-desirable binge drinking practices that had in fact been encouraged throughout Queensland. We have had great success over the years with that. Practices such as test tube drinking and shooters—along with the use of flaming drinks poured into other containers on the bar, which is highly dangerous—have been basically eliminated.

However, there are those within the industry, of course, who will continue to try to come up with new innovations to encourage binge drinking. The latest thing we have come across is the practice where young people and mature people sit on seats and pure alcohol is squirted through water pistols into their mouths. As you can see, they are quite innovative—they are certainly colourful—but it does nothing to encourage responsible drinking. These have been confiscated in a number of places throughout the State where they have been used. Primarily we found that they were being used in what had become known as booze cruises on the Gold Coast. That is not to say that the Gold Coast was the only place. These practices have been seen to exist right throughout Queensland.

The latest thing at the moment in terms of operators trying to encourage particular people on to their premises—I say this with the greatest respect; I do not want the member for Toowoomba North roaming over town tonight trying to find these sorts of practices going on—is "no knickers, no cover charge", which is becoming popular in some areas, but the Liquor Licensing Division is doing its utmost to stamp that out. The other one is: the shorter the dress, the cheaper the drinks. That is another practice which we are onto at the

present time to ensure that they are not encouraged.

But as I said, you will always find that there will be innovators—if I can use that word—in the industry trying to come up with novelties to attract people. But I am happy that, under the Liquor Act now, we have the authority to be able to move fairly quickly on that. As the member for Toowoomba North would be aware, the recent legislation which I introduced into the Parliament, which we are waiting to debate, will go further to ensure that the irresponsible sale of alcohol in non-licensed premises will be stamped out as well.

The CHAIRMAN: I refer the Minister to page 1-6 of the Ministerial Portfolio Statements, Future Developments, and I ask the Minister: what steps have been taken to curtail the operations of establishments such as Players at Spring Hill, which is widely known to serve alcohol without a liquor licence?

Mr GIBBS: As I said, the legislation which is currently before the Parliament will certainly go a long way to making sure that premises such as Players Inn will cease to exist. We have had 37 individual raids by divisional officers on that particular premises, 66 defendants have faced the Brisbane Magistrates Court, and on 13 of those occasions the major proponent has, of course, been Warren Earl Armstrong. A total of \$69,300 in fines has been imposed on those found guilty of breaches of the Liquor Act.

It is interesting to note that officers of my department have confiscated from that premises 17,634 bottles of beer, 3,497 bottles of spirit or wine, and \$11,886.80 in cash. On 10 occasions, divisional officers have also confiscated the refrigerated shelving from the premises; on two occasions they removed all of the refrigerator doors; on six occasions they have confiscated bar accessories; and on six occasions they have removed the cash registers.

What I think is blatantly obvious here is that this place, in my opinion—and I stress that it is my opinion—could not have been used solely for the purposes of selling alcohol. The reality is that you cannot afford on a premises the constant backup confiscations of alcohol which my department has carried out up there, only to go back two hours later and find the place fully stocked again. So I am suggesting to you that it has not been a premises solely used for the illegal sale of liquor.

The Bill which is currently before the Parliament will see the penalties dramatically raised from a maximum of \$18,750 to \$37,500 for a first offence, \$52,500 and/or six months'

imprisonment for a second offence and \$75,000 maximum and/or 18 months' imprisonment for a third offence. We have also ensured, in those amendments, that the qualifying time for action to be taken against the owners of the premises will be increased from one year to two years. That will allow the courts time to process actions correctly and to remove any possibility of the owners of premises avoiding due process. I believe that the legislation that is currently on the table of the House will ensure that not only that particular premises but those who have ideas for the future of starting up like premises will be knocked down very quickly.

The CHAIRMAN: Minister, still on page 1-6, in relation to the review of output performance, it is my understanding that your department—liquor licensing—has published a planning guide for event managers, a new publication. I ask the Minister what effect he thinks that guide will have. Perhaps he could detail to the Committee the general contents of the guide and their purpose.

Mr GIBBS: I think it was a very innovative thing for the department to be involved in. It was a planning guide that has been put out for event managers in relation to the proper planning of major events throughout Queensland.

Unfortunately, there have been instances at major events throughout this State in past years where we have seen unfortunate events such as general issues of drunkenness at them, minor disorderly behaviour through to serious crimes, including rape and assault. The tax pack style of publication that we have put out will ensure that event organisers work methodically through all the key issues that can have an influence on an event's outcome. Such things which appear in the publication are: the selection of a venue; safety regulations that will be required; public liability; ticketing and event promotion; security and first aid; training and responsible service of alcohol issues; emergency procedures; transport and site layout; and management of alcohol sales and service.

I think that the transport and site layout are important parts of it. One of the things that we tracked as a key for setting off irresponsible behaviour in a number of these places was the fact that people get frustrated at not being able to access a place quickly or leave it fairly quickly after a concert or some other major event has taken place. That leads to people becoming unhappy. And the combination of the booze obviously leads to major problems.

A draft guide has been trialled in a number of locations throughout the State. I understand that there was one such trial by organisers of a bachelors and spinsters ball in south-east Queensland. They followed the suggestions in the guide and altered their ticketing arrangements. I am delighted that that apparently has worked very well. In fact, I am told that it worked that well that the honourable member for Keppel was even sighted at the function. So obviously it was a success.

The CHAIRMAN: Still on page 1-6 of the Ministerial Portfolio Statements, I ask the Minister if he would advise the Committee what provisions the Liquor Licensing Division has made in relation to the millennium New Year's Eve celebrations given, as we all understand it, that this is going to be the biggest party of the century?

Mr GIBBS: I think that we would be fooling ourselves if we were not to say that this has the potential to cause some major problems. I am hoping that that will not be the case. The division has been working very heavily and closely with the Queensland Police Service to ensure as smooth a night as possible. As you are probably aware, it is the intention of the Government to extend permits to enable premises basically to be able to trade for 24 hours. This is similar to what happened during Expo, but this will be one night only.

It is interesting to note that there are quite a number of premises in Brisbane which have not applied, as I understand it, for the permit and who, in fact, will not be opening their doors on that night for a number of reasons: staff do not want to work, and because of the expense that is involved in having staff work over that period. As I said, hours permits may be approved to 3 a.m. for restaurants and 5 a.m. for cabarets, general licences and clubs. But we will be considering extending them to 24 hours, if required.

The approvals that will be given will be based on the following: the previous conduct of the applicant; ability to control noise and patron behaviour; suitability of the premises; the type of function; the estimated attendance; and availability of food, which is hugely important. We are actually making it compulsory that, regardless of the outlet, if it is to receive a 24-hour permit for this particular night, we are insisting that there be a plentiful supply and a readily available supply of food at those premises to try to cut down the problems with over-indulgence in alcohol. We are ensuring, of course, that there will be a

number of suitable security personnel in attendance at these premises, and that the number of trained staff to handle such a function will come up to the required numbers.

The CHAIRMAN: The next round of questions is for Tourism Queensland. I will be calling in a moment the member for Barron River. The Committee is in agreement that for those officials of liquor licensing, there will be no further questions. So you are free to go, if you wish.

Dr CLARK: I would like to refer you to page 1.21 of the MPS relating to Tourism Queensland and its 1999-2000 corporate plan. Could you give the Committee a general update on how our major markets are performing and the strategic priorities that have been adopted to maximise Tourism Queensland's effectiveness to the year 2000?

Mr GIBBS: Certainly. I guess the priority for determining the success of Tourism Queensland is obviously the number of people who come into the State. We are now attracting over 8 million tourists a year which obviously makes tourism the second largest industry in the State. As I said in the opening address here today, tourism generates some \$8 billion each year for the economy of the State. That accounts for about 10% of our gross State product.

In 1998 we received over 14.8 million domestic visitors into Queensland, including 4.5 million interstate visitors and 10.3 million intrastate visitors. Those figures represent over 19% of all domestic visitations in Australia. Importantly, last year Queensland attracted nearly 24% of all visitor nights in Australia, making this State the clear leader in terms of interstate holiday nights.

In the area of international tourism, our numbers have grown on an average by 8.5% each year, which I think in anybody's terms is an excellent result. In 1998 we received over 1.8 million international visitors, which is nearly half of all the international visitors into Australia. Overall during 1998, unfortunately, our international tourism numbers were down, but this was offset or balanced in some ways because we had an increase in visitor nights of over 11% to 23.5 million in Queensland.

New Zealand and Japan still remain our two most important markets. They showed mixed results last year. New Zealand recorded a slight decline of 0.4% to a total of 245,300 visitors. Japan—as was to be expected, given the problems of the Asian economies at that stage—reported a decline of 11% to a total of 516,600 visitors. However, to counteract that, as I have reported to the Parliament on a

number of occasions, we have had very healthy growth in arrivals of tourists from the UK, Ireland, Europe, the USSR and North America. The figures in this area are 11%, 13.5% and 17% respectively. That obviously had a great effect on softening some of the financial creep that could have come in as a result of the Asian economic crisis.

We are very encouraged in terms of the forecast for the next couple of years. With the Olympics coming up, of course, we are expected to receive an additional 718,000 international visitors in the period 1997-2004. I believe that we can say that Tourism Queensland is doing an outstanding job. I believe Stephen and the staff at Tourism Queensland are to be congratulated for the effort they have put in.

Dr CLARK: I have examined the MPS document and I have looked in both the corporate plan and the future directions area but I have not been able to locate anything about the effect of the GST on the industry. Given that that is obviously coming in next year and that there has been a lot of concern expressed by the industry in relation to it, could you outline what impact you are anticipating and how the department is working to assist the industry to deal with it?

Mr GIBBS: I think that everybody should be deeply concerned about the effect that the GST is going to have in relation to our tourist industry. As you would be aware, it comes into effect on 1 July next year.

Tourism Queensland commissioned Queensland Treasury to prepare a professional report—a non-political report. To look at that report and say that it is alarming would be an understatement. In its report, Queensland Treasury has revealed that, after two years, international tourism to Queensland is estimated to be reduced by 8 to 9%, or the equivalent of 162,000 visitors. The report says that domestic tourism will be reduced by 4%, or the equivalent of 600,000 visitors. The total tourism expenditure in Queensland will be reduced by 5.5%, and that approximates to almost \$500m, or half a billion dollars a year. The downturn in tourism activity is likely to cause job losses of between 6,000 and 7,000 employees.

Those figures are alarming. I have to say that I was a little disappointed when I picked up a publication which was drawn to my attention yesterday in which the backpacking industry of Queensland mentioned how it recently spoke to my office in relation to our predictions on this particular industry as a result of the introduction of the GST. Whilst we

were able to give them our reply and sound the alarm bells, interestingly enough when they spoke to the Opposition they were told that the Opposition simply did not have the information which would allow it to make an informed comment on the matter. I find that a fairly appalling situation.

In recent days, Qantas and Ansett have announced that domestic air fares will increase by an average of 7.5% as of 1 July 2000. That is in stark contrast, of course, to the Federal Government's GST package, which was called a "new tax system", which estimated a price increase of just 1.6% in domestic air fares. The effect of the increase in air fares is going to mean that visitors from interstate are going to be paying additional moneys to fly to Queensland. I understand that for a family of two to travel from Melbourne to north Queensland it will add something like an additional \$170 to the air fare. I have a real fear that that is going to have the effect of damaging our market to a significant degree.

The CHAIRMAN: The time for questions from Government-appointed members has expired. We will now revert to questions from non-Government members.

Mr HEALY: Could I return to the Planning and Destination Development Division which we spoke about earlier? Could I ask how many full-time equivalent staff are employed in that area?

Mr GREGG: Thirty staff.

Mr HEALY: Minister, I refer you to page 2-3 of the MPS under the heading "Future Developments". The second last dot point refers to the development of a cruising demand study for Queensland waters and a cruise ship strategy. In view of the fact that a cruise ship opportunities paper was completed—it was referred to in the 1998-99 MPS—what does this new study and strategy now entail, and what are the main elements of the study?

Mr GIBBS: Over the past two decades, as you would be aware, cruise shipping has become one of the fastest growing sectors of the international tourism industry with an annual world growth of 10%. It has an estimated worth of something like \$17 billion a year.

We were very much involved as a Government at an earlier stage—and certainly again at this time—in the development which is now taking place on the Brisbane River. This is a basically privately funded cruise ship terminal which will allow a number of international cruise ships and domestic cruise ships to access Queensland. Tourism

Queensland, of course, has been involved in ongoing discussions with a number of potential clients who will come to Queensland. In addition to that, the people who will be operating the new terminal in the future are receiving excellent responses from the Royal Australian Navy in terms of the number of stopovers that the Navy is prepared to look at making in Brisbane. I understand that there have also been some discussions with segments of the American 7th Fleet in the Pacific to make sure that Brisbane becomes a major stopover for that fleet when the facilities are available in the not-too-distant future. Stephen may like to expand on that in terms of some of the contacts that Tourism Queensland has had with some of the operators.

Mr GREGG: Obviously, cruise shipping is of great interest to a lot of centres up and down the Queensland coast. We have had various studies in the past focusing on perhaps one port and its potential, but we felt that before we could really make a strong recommendation to Government we had to look at the whole-of-State needs in one report. That is the work that is going on.

The other work that we are doing is particularly with the Norwegian Capricorn line, which now has a cruise ship based in Australian waters. We are working very closely with them to ensure that, as one of the forerunners to attracting other cruise shipping operations to these waters, it succeeds. Currently, it has approximately 15 or 16 departures that are cruising the Queensland coast from Brisbane through to Cairns and around the top of the cape. We have entered into cooperative marketing activities and media activities with them to ensure that they get a good start into the market. Once we have proved that someone can work in this marketplace down here, you will see a lot of interest from the North American and European-based cruise lines.

Mr HEALY: Can I ask what the proposed costs of developing that strategy are?

Mr GREGG: I will have to take that on notice and come back. I do not have it off the top of my head.

Mr HEALY: Mr Chairman, that is the end of my questioning in relation to tourism. The next line of questioning I have is in relation to Olympic 2000 opportunities—a couple of quick questions—and then Queensland Events.

The CHAIRMAN: The persons who may have some bearing on any further questions in relation to tourism are asked to remain as Government members have further questions

for you. So if you could remain within the precincts? Thank you.

Mr HEALY: Minister, I refer to page 1-15 of the MPS under the heading "Description". This refers to the fact that the Olympic 2000 Task Force works with other Government agencies to maximise Olympic business for Queensland. Yet the last paragraph on the page under the heading "Recent Achievements" refers to the Olympic 2000 Business Opportunities Project, which is with the Department of State Development, and states that it is been successful in securing contracts for Queensland business for the Games to the value of \$79.5m for small and medium-sized enterprises and a further \$194.9m obtained by national Queensland-based companies. Why are there two agencies touting for Olympic business opportunities?

Mr GIBBS: The Olympic 2000 Business Opportunities Project has been established by the Department of State Development and by my department's Olympic 2000 Task Force to assist Queensland firms obtain business through the provision of goods and services to Games organisers and coordination authorities. As you have rightly pointed out, as at September 1999 Queensland businesses have been successful in achieving \$76.4m worth of business opportunities directly from the staging of the Games and the Paralympic Games.

National or international companies with their headquarters in Queensland have been successful in attracting \$194.9m worth of business opportunities. That has been achieved from the development of a number of projects.

Mr HEALY: Sorry, is that the Olympic 2000 Task Force or is that the Olympic 2000 Business Opportunities Project?

Mr GIBBS: That is both of them working together. There was a need for an overall coordination within Government. It was felt that, in terms of the direct business opportunities, it would be better if it came from the Department of State Development, whose prime responsibility is that. Our job has been attracting business in terms of the tourist industry and business in terms of the Olympians themselves coming here for pre-Olympic training.

In those two areas there can often be a crossover. Obviously, they run off each other in a large number of the contracts that they have both nationally and internationally. I think that the figures speak for themselves. I think that,

to date, the success of both of those has been outstanding.

Mr HEALY: So the Olympic 2000 Task Force has detailed data as to the amount of Olympic business it has generated in the same way as has the Olympic 2000 Business Opportunities Project?

Mr GIBBS: Primarily, I could say, yes. You might like to expand on that.

Mr PETERS: As the Minister said, the role of the task force is to coordinate across Government. There are four staff employed within the task force and it has a board of people from outside the Public Service. The initial process when it was established some years ago was for each of the identified areas of business, the arts, tourism and sport, to develop business plans and then the responsibility for driving those business plans would be with their respective Government departments.

In relation to business, the Department of State Development has staff working in driving that business plan. The role of the task force is to coordinate the outcomes and ensure that the process is working across Government.

Mr HEALY: I refer to page 1-17 of the MPS. The final dot point refers to the Olympic football tournament expecting to generate an economic benefit to Queensland of \$76.3m, which you referred in your opening statement, Minister. What sort of economic analysis has been used to forecast that amount?

Mr GIBBS: As I understand it, that has been based on attendances that are expected at the football, both people from Queensland and the national and international visitors who we expect will be here. As I said, as a result of the tournament, that is tourists and out-of-State business, economic forecasts say that they will spend an estimated \$76.3m in the Queensland economy and that the economic value of that to Queensland will be almost \$100m in terms of purchasing power. I might ask Andre if he is aware of the methodology that was put into practice to determine the outcomes of that.

Mr MOTEN: Thank you, Minister. When we were bidding for the event, obviously, it was important to determine whether or not it was viable and in the interests of Queensland to have the tournament here. We had an independent economic assessment undertaken on the tournament by Chris Hunt and Associates, who utilised an econometric model that has been approved by Queensland Treasury.

Mr HEALY: So that answers my second question that that economic process has been independently audited and evaluated?

Mr MOTEN: Yes, it has.

Mr HEALY: They are all the questions that I have for the 2000 Olympics. My next line of questioning is in relation to Queensland Events. Minister, can I ask you: firstly, in relation to Motor Sport Queensland and the staging of the 1999 Queensland 500, what was the total amount of the grant allocated to Motor Sport Queensland for the staging of that event? How was that payment secured to protect the Government's interest?

Mr GIBBS: How was that?

Mr HEALY: How was that secured to protect the Government's interest.

Mr GIBBS: The total amount—and I think that we need to go back and have a look at the history of this first so that we have a very clear picture of what went on—previously, on 18 September 1997 your Government approved financial assistance of \$1.5m to Motor Sport Queensland for the development of the Willowbank track. It is my clear understanding that, at that stage, Motor Sport Queensland said that they could construct that track for a total of \$3m. When we came into office we were working further down the track towards securing what was then known as the Sandown 500. We were then approached by Motor Sport Queensland and advised that, owing to factors such as wet weather and other matters in relation to the track, they were unable to complete the project for that amount of money and that, in fact, they were overbudget and that they wanted a further \$2.9m in order to finish the facility. That was drawn to my attention at a stage when, as I said, we were in the process of finalising arrangements with the people in Victoria, AVESCO, to run the event. The situation then became quite clear. We either walked away from the event and said, "No, we will not take it", or we went ahead and finished the Willowbank Raceway and got the event. We could have walked away and never had the event, which would have left a gapping hole in the ground. That would have meant that \$1.5m—money that your Government had given to the organisers, Queensland Motor Sport—would have gone down the chute. The advice that was given to me by my departmental people was that they believed that we should consider offering a loan to Queensland Motorsport. That loan facility would ultimately have been through the Queensland Treasury Corporation,

underwritten by my department through the Sport and Recreation Benefit Fund.

I make it very clear that on no occasion—I repeat, on no occasion—did I have conversations with the Treasurer in relation to any aspect of this matter. At no time did I personally suggest or approach Queensland Treasury Corporation or Queensland Treasury in order to facilitate that loan facility.

Mr HEALY: I refer to events that have happened since and comments that have been attributed to yourself in the Queensland Times. For example, on 7 October, which was yesterday, the newspaper stated, "The admission came in the wake of Sports Minister Bob Gibbs' comments on Friday that only 8,000 of the 21,000 people who attended the race were paying customers." Last Saturday's Queensland Times quoted you as saying, "There was absolutely no chance of trading out of it, in spite of what they think." Given the fact that I am advised that the Premier made comments on ABC radio this afternoon that he believes they can trade out in three to four years, do you now agree with the Premier?

Mr GIBBS: Of course, I never comment on comments that I have not seen or heard. I am not about to sit here and take your word, Mr Healy, about anything that the Premier is supposed to have said this afternoon. I will say that my opinion is that they cannot trade out of it and it was the responsible action to have a receiver appointed.

I go back to the comment that I made before about the gentleman who was responsible for this event, who said that they could do it for \$3m. From the word go, there has been a fudging of figures. I believe quite candidly that there has been a display of incompetence. People have not been truthful in terms of the situation out there.

If you want to talk about the Queensland Times, I refer you to the Queensland Times of Thursday, 7 October. It quotes Dennis Brown, the organisation's chief executive officer, as saying, "Motorsport Queensland yesterday admitted to fudging attendance figures for the troubled Queensland 500." He said that the organisation did not want to be seen as not being able to provide the numbers. He gave official track figures of 21,000 people who attended the event. As you know, only 8,000 paid through the gate. He is now saying that the real attendance figures for Sunday was 12,202 people. There is the article, headed "Race figures were fictitious". I wonder how much credibility we can give to this fellow.

I must say that statements attributed to Mr Brown about officers both at the

Queensland Events Corporation level and within my department have been scandalous and outrageous. He has cast a slur on those people's competency. At no time—and I repeat, "at no time"—were these people responsible for the organisation or the running of that event. I am determined that, in spite of suggestions made yesterday to the contrary by the editor of the Queensland Times, Mr Hinchliffe, this event will stay in Ipswich, it will be run competently and it has every possibility of being a successful event in future years, providing it is assisted, run and managed in a competent manner.

The CHAIRMAN: The time for questions from non-Government members has expired. We will now have questions from Government members. First, I will ask the member for Toowoomba North if he has further questions on this section of the portfolio?

Mr HEALY: No I do not, given the time limit.

The CHAIRMAN: Mr Reeves?

Mr REEVES: Page 3-3 of the MPS refers to Queensland Events' unprecedented success in securing events during the 1998-99 period. What events have been secured under the Beattie Labor Government and what is the estimated economic value of those events?

Mr GIBBS: Since Labor has been returned to office in July 1998, as you would be aware, we have always had a deep commitment to securing national and international class events for Queensland. It was our Government under Premier Goss that actually established the Queensland Events Corporation.

Since we have been back in Government, QEC has either secured or recontracted the following events: the Davis Cup semifinal tie for Brisbane, which was an outstanding success; the Australian Ladies Masters Golf Tournament at the Gold Coast until the year 2004; the 2001 Goodwill Games in Brisbane; the Woodford Folk Festival; the Queensland 500 in Ipswich until at least the year 2002; the 2002 world firefighters games in Brisbane; the Japan Airlines Gold Coast marathon for 1999-2000; the Down Under Hoops Classic on the Gold Coast; the Down Under International Games on the Gold Coast; the Australian aquatic games in Brisbane; the Toowoomba Carnival of Flowers; the JAL half iron-man, half triathlon in Cairns; the Australian movie convention on the Gold Coast until the Year 2003; the Noosa multisport festival until 2002; and the Australian Women's Hardcourt Tennis Tournament on the Gold Coast until the year 2002.

Those events have generated a combined total economic value to Queensland in excess of \$267m. I have to say that the performance of the Queensland Events Corporation compares more than favourably with its rivals in other States. For example, the Victorian major events corporation web site lists only seven current events that it played an integral part in initiating, securing and assisting in. I reiterate that, in my opinion, the Queensland Events Corporation is the leading innovator in the events industry in this country. It has an outstanding record and one that I believe Government and Opposition members alike should be very proud of.

Mr REEVES: I refer to the same page. I note that the Queensland Events Corporation's primary focus is the continued identification of, bidding for and securing of major international events. We often hear of the male sporting events. Can you explain how the QEC has been successful in securing events that promote the choices of women in Queensland?

Mr GIBBS: That is, how it promotes the choices of women and girls in Queensland?

Mr REEVES: Yes.

Mr GIBBS: As I pointed out, the Queensland Events Corporation has secured the Australian Ladies Masters Golf Tournament for the next five years. Of course, that is a classic event on the calendar and it has been a great success. It is the most successful female sporting event in Australia in terms of sponsorship, attendees and television and print media coverage. In 2000, the prize money for that event will be \$1.1m. I understand that this is, in fact, the richest sporting event for women in the southern hemisphere.

To coincide with that, we will also host the Network of Women 2000 Conference. The Network of Women Limited is a non-profit company that is supported by professional women's groups within the Australian business community. That inaugural conference will showcase leading international Australian women and men with a broad spectrum of accomplishments. The conference will also feature a number of leading international women golfers, including Karrie Webb and Jan Stevenson. The theme of that conference will be achievements and leadership, with a major focus on global issues of interest. Recently, when I was in China, the chairman of Queensland Events was canvassing this issue and there was great excitement among a number of the women in China to whom we spoke about attending this event. As I said,

the Ladies Masters Golf and the conference will be conducted at the Royal Pines Resort on the Gold Coast from 23 to 27 February 2000. This will be, as I have pointed out to you, a major showcase of women not only in sport but also in business and of the achievements of women generally in our community over the years.

Mr REEVES: You have already spoken about the QEC's attempts to secure major international events and how that leads to job creation. What about the Australian film industry, which is a growth industry in Queensland? What has the QEC done to ensure that it continues to receive the exposure needed for it to continue to grow?

Mr GIBBS: As I said, the Queensland Events Corporation has secured the Australian Movie Convention, which I think is another marvellous coup for it. It is the premier event on the Australian film industry calendar. The event attracts delegates from across Australia and from a broad range of countries, from New Zealand to the United States, and it is the only time of the year when all of the decision makers from one of Australia's biggest industries are in one area for any extended period.

Earlier this year there were strong indications that the Australian Movie Convention would be moving to Melbourne. The Queensland Events Corporation and Pacific Film and Television have negotiated for the event to be held in Queensland now for the next five years. 1999 marked the 54th anniversary of the conference, which displays the strength and importance of the film industry. It is a most prestigious and important event for our movie industry in this country. The fact that we have now signed it for the next five years, again, has been a major achievement for the Queensland Events Corporation.

Mr REEVES: What steps have been taken to ensure that there is collaboration between the Queensland Events Corporation and the Department of State Development?

Mr GIBBS: There have been ongoing discussions between the QEC and the tourism development team within the Department of State Development. Discussions have taken place this year regarding the economic and social benefits of event tourism, particularly to Queensland. A working group consisting of representatives from Queensland Events and the Department of State Development has been set up. They will consult with Tourism Queensland, Arts Queensland and Centenary of Federation Queensland. They will

investigate the feasibility of quantifying both the present and potential value of events tourism to the State in terms of economic and employment growth. I am informed that the group will be identifying impediments to the growth of event tourism and it is also endeavouring to provide a qualitative assessment of the contribution of events tourism to building community capacity in regional Queensland.

We are very keen to make sure that wherever we can we get events into regional Queensland. I know that the member for Keppel, who unfortunately has left the room, is very keen to have Queensland Events support this event, which is only a fledgling event at this stage. I think it was a marathon?

Mr DENTON: It was a marathon/triathlon.

Mr GIBBS: That was in his area, along the beachfront at Keppel. At that stage we were unable to give it a green light, but certainly we have had people up there observing the event this year and they have seen that it does have the potential to grow into a major event in the future. I am excited about the cooperation that is taking place between these agencies. I think it shows a commitment from the Department of State Development, QEC and Tourism Queensland. There is a need to work together to make sure that we are maximising the opportunities in these areas.

Mr REEVES: That is the end of my questions on the Queensland Events Corporation. I now wish to ask questions about the Olympic 2000 Task Force.

The CHAIRMAN: I thank officers from the Queensland Events Corporation for their attendance.

Mr REEVES: I refer the Minister to page 1-15 of the MPS and to the Queensland Olympic 2000 Business Opportunities Project. What is that project and has it been successful in providing opportunities for Queensland companies to benefit from the 2000 Olympics?

Mr GIBBS: As we indicated before, the Queensland Olympic 2000 Business Opportunities Project has been established by the Department of State Development and my department's Olympic 2000 Task Force to assist Queensland firms in obtaining business through the provision of goods and services to Games organisers and coordination authorities. As at September 1999, there has been \$76.4m worth of business opportunities directly from the Sydney 2000 Olympic and Paralympic Games, and national and international companies with their registered

headquarters in Queensland have directly benefited by some \$194.9m in business.

We now have a hotline telephone number and Internet site to inform firms of Olympic tenders, expressions of interest and sponsorship and licensing opportunities. We now have a Sydney office of the Queensland Government, through the Department of State Development, which will focus on capturing business opportunities that flow further from the Olympic Games and from the Paralympics. That was opened by the Premier when we went to Sydney to hoist the Queensland flag on the Sydney Harbour Bridge after the State of Origin series win. The feedback from that office thus far has been most encouraging.

Mr REEVES: I refer the Minister to page 1-15 of the MPS and to pre-Games training and competition. I realise how successful the department has been in securing commitments for Brisbane from international teams. For instance, a few weeks ago the British archery team came to the Belmont shooting range, in my electorate, and it is coming back for the Games. How successful has the department been in securing national and international teams for pre-Games training and competition in regional Queensland?

Mr GIBBS: As I pointed out before, we realise the importance of grabbing these teams into Queensland. I pay tribute to my predecessor, Mick Veivers. I know that he was as committed to this area as we are as a Government. He played a fairly major role in the department in driving a number of these projects even after we went out of office. We have realised the importance of ensuring that regional Queensland shares in the success of Queensland overall; that these teams will not just be based or training in Brisbane. At present, the following centres have secured pre-Olympic or Paralympic training commitments: Cairns, Rockhampton, Bundaberg, the Sunshine Coast, Brisbane, the Gold Coast and Toowoomba. Currently, 124 international teams representing 15 countries have committed to carrying out their pre-Olympic and Paralympic training in Queensland. Among them are the Italian Olympic team; the United States swimming and track and field and cycling teams; Great Britain's entire Olympic sporting team, which will be based on the Gold Coast; the Canadian rowing team, which will be based at Rockhampton; the Canadian swimming team, which will be based in Cairns; the bulk of the Norwegian team will be based in Toowoomba; the Israeli track and field team; the entire Latvian Olympic team; and the Danish rowing

team, which will be based on the Sunshine Coast.

Australian teams conducting pre-Games training in Queensland include the Australian rowing team, the diving team, the baseball team and the canoeing team. As I said, this represents more Games pre-training business than any other State or Territory in Australia, including, surprisingly, the Olympic host State, New South Wales. That is just a broad sketch of what we have got.

Mr REEVES: I refer to the Olympic soccer. I refer the Minister to page 1-15 of the Ministerial Portfolio Statements and to the Olympic ticket release which many people found out about yesterday, including myself—and I was pretty happy this morning because I know that I got my tickets to the Games as well as to the opening soccer games at the Gabba. I wonder if the Minister can advise the Committee how Queenslanders have responded to date to the ticket sales for the Olympic football tournament at the Gabba?

Mr GIBBS: Progressive ticket sales to the Olympic football, or the Games soccer, at the Gabba have exceeded all expectations. It has been a phenomenal success already for Queensland. The sales in this State have already topped the 80,000 mark, which is more than any other interstate Olympic football venue to date. That 80,000 represents some 30% of the total inventory of seats at the Gabba for the tournament. By comparison, Victoria has sold 70,000 tickets; South Australia, 27,000; and the ACT, 19,000. So from those figures you can see that we are doing extremely well.

As expected, the quarter final has proved to be the most popular of the seven sessions which will be held in Brisbane, closely followed by the opening match with its gala ceremony, which will be held on 13 September. Interestingly enough, whilst the Olympics are actually being held in Sydney, we will be kicking them off here in Queensland. We will actually be having an opening ceremony at the Gabba and the first game at the Gabba before the actual official opening ceremony takes place in Sydney. Given the fact that the event is still 11 months away, we will not know which teams will actually play in Brisbane until the middle of next year. But, as I said, we are delighted with what has happened thus far. I expect that, with ticket prices ranging from something like \$19 to \$65, it is one of the most affordable sporting events of the Olympic Games.

I might add that I recognise the great assistance that the East Brisbane State School has given us—the cooperative approach from the parents, the children, the principal and the teachers at that school. They have been most patient in spite of some quite serious problems from time to time in relation to the construction of the venue at the Gabba. It is certainly our intention that many of the pupils, other people at that school and some parents will be involved in one form or another with the event itself over that period of time.

The CHAIRMAN: Could you please inform the Committee of the overall benefits of one of the events that has obtained a great deal of publicity just recently—the Goodwill Games. I understand that preparations are proceeding right now and they will kick off in 2001. What benefits do you see coming out of that for Queensland?

Mr GIBBS: For the?

The CHAIRMAN: The Goodwill Games.

Mr GIBBS: Out of north Queensland, did you say?

The CHAIRMAN: No, out of Queensland.

Mr GIBBS: I am sorry. I was having some difficulty hearing you there. Again, as I pointed out before, in direct and indirect expenditure, something like \$200m will come into the State as a result of the Games. We are expecting it to generate or sustain something like 1,800 jobs. The benefits obviously are not only in economic terms but also in the real sense—job creation. Further to that, of course, the Games are going to be broadcast to something like 80 countries throughout the world and extensively throughout the United States, which will generate significant event and tourism exposure for Queensland.

Last year in September, I established 2001 Goodwill Games Brisbane Limited as a non-profit organisation, which is wholly owned by the State of Queensland. In December I appointed former Premier Wayne Goss as chairman of that board. I have on it the Chairman of the Queensland Events Corporation, Mr Des Power; Barbara Absolom, a person who has great expertise as a result of her knowledge of games operations—the Commonwealth Games and Expo, with which she was intimately involved; Mr John Cowley from Queensland Newspapers; Ben McCarthy, a young man with Multiplex here in Brisbane who has a great deal to offer; of course, Mr Mike Plant from the United States; Dr Harvey Schiller from the United States; and Stephen Sharry, who was just joined my department from the Brisbane City Council.

In 10 months that board has appointed Mr Campbell Rose as a CEO. I might point out that Mr Rose was the person who was selected by the Victorian Government to actually put together the bid for the Commonwealth Games. I think we are very lucky to have been able to snare a person of those qualifications up here to head up the games staff. They have advertised for and have now appointed 14 staff, including the senior management team. They have developed a business plan and a draft operational plan, confirmed the sports and the venues to be included in the program, conducted extensive market research and established the games' corporate identity and logo. So we are well on track.

I think that was adequately demonstrated with the highly successful launch of the games here last Monday. The marvellous publicity that was generated around it by the arrival of Ted Turner and Jane Fonda in Queensland was publicity that you could not pay for if you were trying to put a budget together for it. The feedback already from corporate business in terms of those people who were at the lunch has been most encouraging in terms of future sponsorship.

The CHAIRMAN: The time for that block of questions from Government members has now expired.

Mr HEALY: As I have only one block of questions left, I will be directing questions to the areas of Racing, Sport and Recreation. I will deal first with Racing. I refer you to an answer to a question on notice that I put to you prior to these hearings in which I referred to page 1-33 of the MPS, the Capital Acquisition Statement, and note 2. That note says—

"The purchase of Deagon Racecourse was funded via an internal reallocation of funds (as a result of a moratorium on racing industry debt) and also from additional TABQ recoupment and study fees."

I asked in the question: what were the additional TAB recoupments that were identified as part of the funding for the purchase of Deagon Racecourse and what was the amount identified as student fees for this purpose, and I was quoting from the note. The answer that came back was that no additional TAB recoupments or student fees were identified as part of the funding for purchasing Deagon Racecourse. I just want to know what is the right story.

Mr GIBBS: There was a contradiction there and I apologise for that. I understand

there was a bit of a misunderstanding somewhere within the department when the answer to your question was being framed. The reality is that the moneys for the purchase of Deagon Racecourse came from the Racing Development Fund, which in my opinion was the proper place to access the purchase moneys, given the fact that I believe that we were heading down the road of successfully privatising the Queensland TAB and the Racing Development Fund would eventually disappear. To further enhance the question or to expand on it, I will ask Dr Mason, the Director of the Racing Division, who I understand was involved in the preparation of the answer, perhaps just to make some comments on it.

Dr MASON: That note on page 1-33 of the MPS refers to the acquisition of Deagon Racecourse, which was funded from the Racing Development Fund. That was able to be achieved as a result of the continuation of the moratorium on principal and interest of the industry debt. That internal reallocation of funding in the RDF made available funds in the RDF to be utilised for that property acquisition.

The Racing Development Fund did receive additional recoupments related to the reimbursement of moneys that had been spent out of the fund in relation to the Racing Industry Task Force—the Government Racing Industry Task Force—and the Queensland Racing Industry Steering Committee. Those funds were recouped as per arrangements under the previous Government to recoup that from the TAB back into the Racing Development Fund.

The costs of those committees, by the way, for the Government's Racing Industry Task Force was \$238,000 and the cost to the Racing Industry Steering Committee from the industry base was \$784,000. What that note also tries to reflect is that the Racing Development Fund is also being used as a holding fund for student fees prior to the corporatisation of the TAB on 1 July.

Mr HEALY: Why is the RDF the holding fund for the student fees?

Dr MASON: The student fees for the school had to be held somewhere and they are all used for running the school. In 1998-99, for instance, revenue of \$2.4m was collected in student fees and that has all been spent back on student services or home stay payments.

Mr HEALY: You are talking about international student fees?

Dr MASON: That is correct—and also some subsidies received for State program students.

Mr HEALY: Through training programs?

Dr MASON: Yes.

Mr HEALY: But as I understand it, the money that you get from the international student fees pays for the domestic students' training.

Dr MASON: In essence, yes.

Mr HEALY: You have had a reduction in the number of international students. The figures have been reduced from 83 in 1998-99 to 50.

Dr MASON: That is correct.

Mr HEALY: What amount of money does that reduction equate to? Is that going to directly impact on the type of training you will be able to provide for domestic apprentices?

Mr GIBBS: I will let Dr Mason answer that further in a moment. If you are suggesting that there is some problem here, you are quite correct in terms of the number of students who now attend compared with the number of students who were attending and who were in the pipeline to attend when we went out of Government. You will well recall that I raised this matter in the Parliament with the former Minister for Racing and I have to say that not only was his reply abysmal but also his failure to act on what was a most serious situation in relation to that centre was appalling.

We had a situation where a Government employee was running around trying to put together a deal to buy it for himself. That is a shocking conflict of interest, in my opinion. We then had a Japanese woman by the name of Mariko Hyland who then raced off, in cooperation with this same gentleman, scuttled our market in Japan and tried to feed the students to their own private course in the northern rivers of New South Wales.

Mr HEALY: Minister, this is on the public record.

Mr GIBBS: You have raised the question. I am going to answer it.

Mr HEALY: You are repeating what is on the public record.

The CHAIRMAN: The Minister is answering the question.

Mr GIBBS: When we came into office I addressed this issue immediately. I dispatched Dr Mason and other people to Japan to rescue what I considered to be one of the best and most innovative schemes that has ever been introduced in this country in terms of the

training of people for the racing industry. If there has been a decrease in finance, which there certainly has been, you should point the finger at your Minister for his incompetence and general lack of interest at that time.

Mr HEALY: That is all on the public record. We want to know about the future of the training program for the domestics.

Mr GIBBS: It has an excellent future.

Dr MASON: There was a downturn of student numbers. A great deal of that can be attributed to the problems that the Minister has referred to. However, there was also a problem with the 1997-98 intake up to about 80 or 83 students. That really put the capacity of the school under great pressure. We ended up with an intake of about 30 students undertaking the fundamental course. Around 50 or 55 continued. So the current intake was adequate to keep us in the black and save the State training program as well.

Indications in relation to recruitment for 1999-2000 are that we will probably have demand exceeding our capacity to handle them. To ensure that we have quality for both the international students and the State training program, we have had to make a decision to be realistic about the capacity we have. We think the total number of international students to be catered for down there should not exceed probably around 70. It has been a bit of a torrid period with respect to keeping it balanced, but I am happy to say that it is back on track and operating confidently.

Mr HEALY: I think we all realise how important it is, given the shortage of apprentices around the State. We need to make sure that those programs are available and continue to be available. Minister, unfortunately we are running out of time, so I move to the area of sport and recreation. I again refer you to the answer to a question on notice that I placed before you and your department prior to these hearings. Page 1-26 of the MPS, under "Future developments", states—

"The Department will assist in the implementation of the Government Crime Prevention strategy through the provision of sport and recreation services and facilities in targeted communities."

I asked you to detail the exact number of targeted communities, where they are located, the breakdown of funding levels allocated for each community and the services and facilities planned for each community. Your reply indicated that Cabinet had agreed that quite a number of areas would be allocated funding.

Could you go through the approval process? Who approved the payments? Who recommended the payments? How were these areas targeted?

Mr WHITEHEAD: The targeting of those particular communities has been a whole-of-Government approach in regard to identifying areas of low socioeconomic benefit. Across that area there has been recognition of the communities of Eagleby, Garbutt, Goodna/Riverview, Inala, Kingston, Leichhardt, Loganlea, Manoora and Woodridge. There is consideration at the moment for the areas of Caboolture and Deception Bay. That has been derived as a result of extensive analysis of and research into those areas which are perceived to be disadvantaged communities—high crime prevention, high unemployment and low economic resource. That is the basis of how those communities have been identified and targeted.

From there, whole-of-Government approaches have been to look at the needs of those particular communities. Some communities are far more advanced than others in the action plans they have been developing, so the division is looking at ways in which funding programs can assist those communities. Contained in the response that was supplied are the sorts of ways we have been able to assist those communities through facility funding programs or through innovative programs for developing sport and recreation organisations. That is the basis of the response.

Mr HEALY: Why did it have to go to Cabinet? The answer to a question on notice in relation to other forms of funding reads—

"The Minister for Tourism, Sport and Racing is responsible for the approval of funding to successful organisations under all sport and recreation grants schemes administered by the department."

Why did this particular one have to go to Cabinet? Did Cabinet make any changes to the original recommendation?

Mr GIBBS: It is part of the Community Renewal Program. As you would be aware, that was a program that was started under the Goss Government. It was then, I think, substantially slowed down under the Borbidge/Sheldon Government. When we came back into office we gave a commitment to wind that program up again, because we could see the great benefits that existed. The one I can point to which impresses me most would be in my own electorate, in Riverview, where we have seen something like a 70% decrease in the report of crime incidents to the

local police as a result of the improvements that have taken place in that community and by putting some basic facilities into an area which had absolutely no facilities at all. On those sorts of issues, because it is a whole-of-Government approach and there is a need, I think, for a cross-cooperation between agencies, it is a matter which I chose to take to Cabinet to make sure that we are maximising the best out of the dollars that we are prepared to put in.

Mr HEALY: I want to be fair about this, Minister, and to ask you to explain a bit more about that. You have to agree that, when you have a total pool of about \$3.7m and \$3.094m of that has gone to the Goodna/Riverview area—to Collingwood Park, Goodna and Riverview, which are in your own electorate—you have to agree that the perception certainly would be that it is pork-barrelling. But I just need you to again explain to me the approval process for these areas.

Mr GIBBS: I certainly notice that you make a comment in terms of pork-barrelling. Nobody considered it pork-barrelling when \$5m was spent in Mrs Sheldon's electorate in the last Government. And during the two and a half years when that \$5m was being spent in Mrs Sheldon's electorate, my electorate received the princely sum of \$7,000. So do not sit there and insinuate to me about pork-barrelling.

These decisions are made on a needs basis, and I do not apologise for that—a needs basis; I repeat it. And if it so happens that, through the process, the needs basis identifies a number of Labor electorates throughout this State, again I make no apologies for it. Because the reality is that, if you look at the approval process and, in fact, if you look at the number of grants which have been approved under this Government thus far—and I think I remember the figures here roughly; I can remember reporting to some of my colleagues and then repeating the figures in the Parliament some months ago, so I am surprised you did not pick them up—in terms of Labor electorates that were granted moneys compared to National/Liberal Party electorates, they came out a poor second. I do not know whether it was because of the competence of your members. I suspect it was not. I suspect it was the competence of the community organisations within those electorates who put in a far greater number of applications for funding through my department through various programs than what came out of Labor electorates.

I take a very open approach and a fair approach on these matters. I have said it here before, and I will reiterate it: I have never in my political life as a Minister discriminated against the kids of this State in electorates simply because they happen to be in a Liberal electorate or a Labor electorate. The kids are not to blame for the lack of intelligence of their parents for how they vote. So I do not blame them. They get treated exactly as any other person does when applications for funding come into my department.

Mr HEALY: Minister, I ask you what the forecast estimated revenue is for 1999-2000 from Treasury to the Sport and Recreation Benefit Fund?

Mr WILLIAMS: The estimated revenue is \$63m.

Mr HEALY: Through you, Minister, to Mr Williams: what percentage of the total levy is that figure that you received?

Mr WILLIAMS: Twenty-three per cent. At the moment, the gaming machine levy comes to the Sport and Rec. Benefit Fund.

Mr HEALY: Is that the 1999-2000 prediction?

Mr WILLIAMS: At the moment, yes.

Mr HEALY: Why do you say "at the moment"?

Mr WILLIAMS: There is a review of the gaming machine levy going on at the moment. But at the moment it is fixed at 23%.

Mr HEALY: Do you have Office of Gaming Regulation predictions as to what that figure should be? Treasury have theirs, and the Office of Gaming Regulation, as I understand it, have theirs. Are you able to access those?

Mr WILLIAMS: We are not party to them at the moment, no.

Mr HEALY: So you do not know what the Office of Gaming Regulation prediction is compared to what the Treasury prediction is?

Mr WILLIAMS: No.

Mr GIBBS: We are very wary about accepting or receiving advice from the Office of Gaming Regulation.

Mr HEALY: Given that, I think it is an important point, because you have to do your projections for the amount of money that all of those sporting organisations and recreation organisations across the State are going to receive over the next 12 months. How do you know that you have not been duded by Treasury with a reduction in the amount of money that they would give you for that fund if

the figures are different from the Office of Gaming Regulation—who collect the money first and then give it to Treasury—and those figures that Treasury tell you?

Mr GIBBS: Because we just know that Treasury are such nice guys.

Mr HEALY: Goodness me, Minister!

The CHAIRMAN: The time for questions from non-Government members has now expired. I have a question for you, Minister, on Indy. This month's Honda Indy is before us. I am just interested to know how strong the sales have been for that event and, in particular, how the corporate sales are going.

Mr GIBBS: The sales have been excellent. In fact, corporate sales, I am delighted to report, have basically been booked out. The entire area of pit lane has, in fact, been completely sold out. The Indy Champions and the Chicane Club corporate areas have had to be extended to meet an excess of demand, and Indy management have had to introduce a new high-end package to cater for large group bookings. The first and second chicane areas have sold out. The always popular sky pavilions have sold out, as have the pavilions on the east side chicanes. And only two pavilions remain on the west side. Overall, profits from ticket sales are up on this time last year. The track building program is well ahead of schedule. The Gold Coast race, of course, is likely to be the Indy series decider, which will be an added bonus, of course, in ensuring that we get people there.

Ticket sales have been good; they have been healthy. But as happens every year with Indy, people will not make up their minds ultimately until Thursday or Friday of this week. That will depend, of course, on the weather—that is, if they wait and see. I am advised that general ticket sales are up 500 on this time last year, and there has been a huge rush for tickets in the last few days. I am expecting, as I said, with good weather holding up for the weekend, that we could very well look at a record crowd.

Dr CLARK: Minister, I have two questions on the Queensland Academy of Sport. I refer you to page 1-20 of the MPS. The academy, as you are aware, offers sports programs in two centres: Brisbane, where there are 20 sports; and Townsville, where there are currently six sports. I understand that there are some plans to upgrade the Townsville Academy of Sport, increasing the number of sports being offered there. I wonder if you could give some indication as to the future plans for the Townsville centre and some

indication, if possible, of the funding that is provided for Brisbane versus Townsville.

Mr GIBBS: The Townsville office, of course, is now in the second of a three-year trial period. We established that when we were in Government before, because we identified a need for those services to be decentralised or provided out of Brisbane. I might say that, as a result of taking that move, we are now inundated, of course, with requests for regional academies to be established all over Queensland—which, I have to say, in the future is not going to be, I think, a feasible possibility.

There are six sports currently in QAS north Queensland: basketball, netball, hockey, soccer, swimming and softball, with 94 athletes in those programs. The Townsville QAS also runs a number of program initiatives for the broader sporting community. Recently, we have gone into a number of coaching seminars up there that bring prominent national coaches into the region to talk about their programs.

It is a program which has been called Top Talk. There was a sports medicine seminar held last year which provided a forum for north Queensland practitioners to meet and discuss issues relative to matters pertaining to sports medicine.

The QAS, of course, is closely monitoring Townsville and will undertake an evaluation of that situation at the end of the three-year pilot period to determine the impact on elite development at the regional level. Based on the findings that will come out of that, we will make some decisions in relation to, perhaps, possible further expansion of the academy in north Queensland, or even the possibility of looking at some other form of regionalisation in other areas of Queensland.

Dr CLARK: Still dealing with the academy, I refer to page 20 of the MPS and QAS's task of recognising talent through talent identification programs. Are you able to give some indication of the funding that is provided for those programs, and can you inform us of the success of the talent identification programs?

Mr GIBBS: The talent identification program is one which is designed to assess professional and Olympic sports and identify and prepare young athletes. It is a program within the Queensland Academy of Sport, the Australian Sports Commission and the Department of Education.

In January 1998 the program was launched in five sports—rowing, canoeing, cycling, women's soccer and swimming. In

excess of 6,000 school students have been tested across Brisbane metropolitan schools. Three hundred of those students advanced to phase 2 testing, of which 88 were then invited to join the QAS elite talent development program. The program is all about fast-tracking high quality and high resources within the talent development program itself.

To date, the Queensland talent search program has identified nine junior world championship medallists and over 61 junior national medallists in the sports of rowing, cycling and canoeing. The incredible thing about this program is that all of those young people who participated had no prior experience in those sports. It is obvious that it is not necessarily a case of finding somebody who might look the part of a basketballer; that person may well turn out to be a far better rower even though he has never been in a rowing shell. We have had people who have never been on bicycles—perhaps they were promising young Rugby League players—and who have found that their expertise lies in cycling.

I am excited about the program. I think the QAS deserves great recognition for the success of the program. I have said this before in the Parliament, but I feel that the people of Queensland can feel extremely proud of the Queensland Academy of Sport. Well before the Commonwealth Games I made a prediction about how well our athletes—particularly the swimmers—would do at those Games. I made a prediction well before the Olympic Games—and I will stand by it—that the majority of gold medals that will be won by this country at the Olympic Games next year will come from our swimmers at the Queensland Academy of Sport.

The CHAIRMAN: I do not think we have any further questions regarding the Academy of Sport. I have a question on racing. I am aware that there was some expenditure by the former coalition Government on a black-type fund in an attempt to try to induce more feature races to come to Queensland. What progress has been made in regard to improving the number of black-type events in Queensland?

Mr GIBBS: Unfortunately, Queensland does not have a great deal of success in terms of black-type racing, and that is acknowledged. I am being generous when I say that I do not think we can blame Governments of any ilk for the lack of black-type racing in Queensland. The reality is that we can point the finger where it deserves to be pointed, and that is at the abysmal performance of past race

administrators in this State, and particularly the bygone days of the Queensland Turf Club which chose to adopt a lackey role—I suppose that is the best way to describe it—to its counterparts in New South Wales and Victoria.

As I recall, I warned the Estimates hearing last year that the previous Government's attitude of throwing money at what was supposed to be a black-type fund to try and induce more future races to Queensland was doomed to failure. That has proven to be correct. Despite having access to \$1m from TAB reserves, Queensland's racing administrators were unable to convince the Australian black-type committee that Queensland racing deserved more equitable treatment in regard to group listed races. However, I was pleased to note that the Brisbane Turf Club was successful in gaining an upgrade to Group 3 status for the Labour Day Cup. The Doomben Rose is now a listed race.

The Queensland Turf Club had less success with the Lightning Handicap being downgraded to listed status. Most disappointingly, the historic McDougall Stakes was downgraded, which I thought was a sad day for Queensland. The Townsville Cup also lost listed status. We are now left in the fairly disgraceful situation of having fewer of these feature races than either Western Australia or South Australia, in spite of the fact that in Queensland we pay twice as much prize money as Western Australia and almost three times as much as South Australia.

The reality is that in relation to black-type races there are a number of problems. One of the best ways to solve it—and I think the honourable member, being a racing person himself, will agree—is that our breeders in Queensland have to look at dramatically upgrading the quality of our brood mares in Queensland to ensure that our breeding reaches a higher level of excellence than it is at present. We must exert influence on that group of people in the south who make the decisions on black-type listed races. I certainly hope that our race administrators are going to be a lot more proactive in pushing that in the future.

The CHAIRMAN: We have time for one more question, and I believe it will be on tourism. I thank the gentlemen who have appeared today in respect of the Racing portfolio.

Dr CLARK: My final question concerns China and the tourist industry. I want to ask this question because it is so important to Queensland. I refer to page 2-3 of the

statement where reference is made under future developments of tourism in Queensland to the introduction of consumer and trade marketing programs to ensure that Queensland gains its maximum share of business from China on the introduction of approved destination status. Could you give us some details of those programs and talk about the benefits which you see flowing to Queensland from approved destination status for China?

Mr GIBBS: Approved destination status will mean that, for the first time, Chinese nationals will be permitted to have passports to enable them to visit Australia for holiday purposes. I was recently in China. Stephen Gregg, the Chief Executive Officer of Tourism Queensland, undertook a follow-up visit to China. I must say that I thought the trips were highly successful.

The Australian Tourist Commission estimates that approximately 2.5 million Chinese visitors will arrive in Australia over the next nine years and we can probably expect, given our past success, that about 80% of those people will spend time in Queensland.

It is estimated that these visitors can actually generate something like \$6.5 billion for the Australian economy. There have been 22 approved outbound travel agents authorised in China to book holidays for Chinese tourists. On my recent visit to Beijing and Shanghai, I hosted a luncheon for all of those people.

I have to say that what was a bit disappointing to us all, having established a very good relationship when we were there, was that when I arrived back I was to meet the initial group of some 27 at the Brisbane Airport. I received a phone call two days before that to advise that the numbers were now down to 25. By the time they got to Brisbane, the numbers were down to 24. Three had actually disappeared during the visits to Sydney and Melbourne. I suspect that the gentlemen who was with them and who was the official from the Chinese Government probably went in a retraining program upon returning to home.

The reality is that, under the agreement, it has been negotiated clearly that, basically, people absconding for political asylum while they are here will not be considered unless there are dramatic grounds for seeking such. It is not something that we encourage. I understand that the Chinese themselves have a fairly rigorous vetting system of ensuring that the people who are coming are, in fact, intending to be tourists as such.

Whilst it was a setback, it was a hiccup and, I think, sent a bad signal initially, I am confident that it is not going to slow down what should be an exceptional market for Queensland and a great market for Australia. As it progresses over the coming years, I think that it probably has the potential to be even more exciting for Queensland than what the Japanese market has been in the past.

The CHAIRMAN: Thank you. The time allotted for the consideration of the Estimates for the Minister for Tourism, Sport and Racing has expired. I thank the Minister and the portfolio officers for their attendance. The Committee will now break for afternoon tea and resume its hearing at 3.45 p.m. Thank you.

Sitting suspended from 3.32 p.m. to 3.47 p.m.

ENVIRONMENT AND HERITAGE; NATURAL RESOURCES

IN ATTENDANCE

Hon. R. J. Welford, Minister for Environment and Heritage and Minister for Natural Resources

Environmental Protection Agency—

Mr B. Carbon, Director-General

Dr I. McPhail, Executive Director, Queensland Parks and Wildlife

Ms K. Davis, Assistant Manager, Resource Management

Department of Natural Resources—

Mr R. Freeman, A/Director-General

Mr P. Noonan, A/Deputy Director-General

Mr W. Eastgate, Executive Director, Regional Infrastructure Development

Mr L. Leader, Executive Director, Land Services

Mr S. Spencer, Executive Director, Resource Management

Ms J. Williams, Director, Finance and Business Improvement

The CHAIRMAN: The next portfolio to be examined relates to the Minister for Environment and Heritage. I would ask all present to turn off mobile phones. 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. A 15-second warning will be given at the expiration of these time limits. 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 their transcript.

I declare the proposed expenditure for the Minister for Environment and Heritage 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?

Mr WELFORD: Yes, thank you, Mr Chairman. This afternoon, we are starting with the Environmental Protection Agency and the Queensland Parks and Wildlife Service. The Beattie Government came to office with a

commitment to establishing an EPA and a new Queensland Parks and Wildlife Service.

This year has been a year of outstanding achievement for the Government, transforming the way in which our Government deals with these fundamentally important issues that affect the entire Queensland community. It was my intention to create two agencies that would be focused on delivering good environmental outcomes and also making a contribution to the economic development of the State. On 4 March this year at Parliament House, the Premier and I launched the EPA. On 9 May at Ravensbourne National Park, near Crows Nest, near Toowoomba, the Premier and I launched the new Queensland Parks and Wildlife Service.

These are more than just rebadges of the old Department of Environment, or the Department of Environment and Heritage, as it was before that. Since becoming the Minister for Environment and Heritage and Minister for Natural Resources, I am pleased to report that there is now an extremely good, cooperative and working relationship between these two major agencies in regard to delivering an integrated approach to environmental protection and enhanced service delivery to both urban and rural Queensland.

I would like to list some of the achievements of the EPA and the Queensland Parks and Wildlife Service over the past 12 months. In the Environmental Planning Division of the EPA, we have now officially launched the Queensland Wetlands Strategy. Surveying and mapping of vegetation communities and regional ecosystems in south-east Queensland, including those at risk—the brigalow belt, the mulga lands and the Mitchell grasslands—have all been undertaken. The production of the Hinchinbrook coastal management plan and the substantial completion towards the State coastal plan, with an involvement in 60 Queensland Coastcare projects, has been undertaken in these past 12 months. The coastal acquisition fund has been instituted—a new initiative of this Government—and used for the first time to purchase sensitive coastal land. This year, we have also seen the release of the healthy waterways plan for the Brisbane River and Moreton Bay and produced a comprehensive status report on Queensland's bioregional ecosystems.

In the Policy and Economics Division of the EPA, Queensland's greenhouse implementation plan has now been finalised and will be proceeding to Cabinet in the coming weeks. Among other things, it will

make a significant contribution to improving Queensland's air quality. Public consultation has been completed on a proposed nuisance regulation that will be given further consideration by the Government following that consultation.

The EPA has been involved in coordinating Queensland's input into the Commonwealth's oceans policy, regional forest agreements, the National Greenhouse Strategy and the Commonwealth's Environment Protection and Biodiversity Conservation Act. The continued implementation of the Queensland waste management strategy and finalisation of the waste EPP, which includes a Statewide hazardous waste tracking program, is pending. The successful transfer of mining regulations to the EPA was also another initiative brought about through this Government's cooperative relations with the mining industry and the conservation movement. Of course, very soon I will be launching the south-east Queensland air quality strategy.

A new division of the EPA is the Sustainable Industries Division. This new division will be implementing cleaner production programs in partnership with industry, providing financial assistance to both industry and local government for that purpose. The industry assistance program has been boosted with 46 industries targeted in the first half of this year.

Other things that our agency has done is provide protection for the Riversleigh fossil site and negotiate with all stakeholders, including native title claimants, in relation to a powerline route in that area, again achieving a consensus outcome—a hallmark of this Government's work. The Willawong hazardous waste facility and the Gurulmundi secure landfill have been satisfactorily closed under close monitoring. A new \$250,000 air monitoring station has been installed at Springwood, and when the fires at Ipswich needed to be put out, it was the EPA that delivered.

The EPA and the QPWS have had a very sound and strong year. In the year ahead, there will be many other important things that these agencies will be undertaking. I look forward to reporting on those to the Committee.

The CHAIRMAN: Thank you, Minister.

Mr LESTER: Minister, last year you indicated in that same preamble, if I can use that word, that you would revitalise and reinvigorate the operations of your department. You are pretty lively this time, too,

in your goings-on about how good you have been. But when we look at things, we see in Budget Paper No. 4, adjusting for equity return 1999-2000, that there is actually a decrease in the EPA budget of \$28.4m. Capital spending has been cut by some \$12.2m. Rafts of programs have actually disappeared. Field staff have been told not to work overtime. In fact, the Queensland Conservation Council claim that this budget is far worse than anything that we ever did. Just today, conservationists in Mackay—and I am only quoting what happened—presented your colleague the Transport Minister with a dead fish and threatened to campaign against Labor. Minister, given the extent of these budget cuts and the Government's performance so far, is it a fact that the Beattie Government's apparent commitment to the environment has waned a little?

Mr WELFORD: There is certainly no lack of commitment by our Government to the important responsibilities of this portfolio. What the honourable member might not be aware of are the circumstances that led to some reduction in the overall budget of the department, taking into account recurrent and capital funding. The actual contribution of the State Government to the budget of this organisation has not diminished. In the estimates of likely income to the overall budget, there has been a significant reduction in expected Commonwealth contributions, which has contributed, in part, to that reduction.

In addition, the honourable member should be aware that virtually not a single new initiative was allocated funding under the previous coalition Government. A number of initiatives that were launched in 1995 for a fixed period—that is, special allocations such as new initiative allocations for one, two or three years—expired on 30 June this year. In neither of the Budgets that the coalition Government brought down did the coalition provide new initiatives that would take up the slack as existing initiatives expired. In the Forward Estimates of the coalition's Budgets, no allocations were made that put this Government in a position to continue to maintain funding at existing levels.

The Government was also put in a bind by the fact that the coalition Government had spent money across Government like a drunken sailor and had sold off the State's assets to do it. It sold off Suncorp and geared up the electricity industry. For all that, it allocated no new initiative funding to the Environment Department. In the course of these proceedings, I can and will go through a

number of capital projects that have expired after three or four years, and the previous Government left no money available for our Government to replace them with.

Mr LESTER: That is fine, but I did check with Senator Hill and was informed that last year's Natural Heritage Trust funding totalled \$30m. This year, Queensland has already received \$29.8m, which was announced on 26 September, and apparently there is more to come. That applies to the national reserve scheme and the Coast and Clean Seas Program. I suppose we can go on arguing all day about how bad the Federal Government is, but it claims that it is not. I will move on to the next point, which is the Yanner decision.

Page 1-13 refers to the development of the National Parks Master Plan through a process that recognises, amongst other things, the priorities for partnerships with indigenous people. This week the High Court found that indigenous people are permitted to hunt and fish for traditional foods, overturning a conviction against Mr Yanner under the Fauna Act for killing crocodiles without a licence. What implications does this decision have for the State to ensure the conservation of protected and endangered species is maintained, and I refer to cassowaries and such things. What are the practical implications for rangers enforcing this law? I ask this as a goodwill question. It is something that we have to share responsibility for.

Mr WELFORD: I certainly regard the sustainable protection of our native wildlife as one of the priorities of our Government and this department. That is a view that I share with every representative indigenous community and major Aboriginal leader in our State. Although I have not read the full decision of the judges of the High Court, I have seen a synopsis of it and I have seen the Government's advice from the Crown Solicitor in regard to it. The decision turns on the High Court's technical interpretation of the definition of "property" under the old Fauna Conservation Act.

The Nature Conservation Act that is now operative has, in the policy that underlies it, the contemplation that indigenous people do have traditional rights, including traditional hunting and fishing rights. However, they are properly constrained by the importance of ensuring that species are not put at risk of extinction. Regardless of whether we are Aboriginal or non-Aboriginal, we need to manage all of our State's resources in a sustainable way.

Our Government has a very strong commitment—without criticising the honourable member who has asked the question - which I think it is fair to say was much less vigorously held by the previous Government, to managing our public estate and national parks, in particular, in partnership with Aboriginal people. We recognise that the law of the land and the law of this country, Australia, in relation to native title means that in the long term, where there are continuing indigenous associations with the land concerned, national parks will have to be managed in partnership with indigenous people.

In the 12 and a bit months that I have been the Minister, I have already had many discussions with Aboriginal leaders in the cape, at Lawn Hill and at Riversleigh. They have made it very clear to me that they want to manage those areas in a sustainable way. Also it should be remembered that the interpretation of the High Court's decision this week does not allow an open slather approach to the taking of wildlife. The High Court's determination of what constitutes "native title" specifically confined it to personal use for personal needs.

Mr HOBBS: Minister, I refer to your Government's decision not to renew the 30-year pastoral lease over Shelburne Station and the neighbouring Bromley Station, and subsequent reports that as leaseholders of Shelburne the Nixon family were offered \$450,000 compensation. I can find no reference to those resumptions or such expenditure in the Budget papers. Do those resumptions fall under the land acquisition of critical coastal land line item in the Capital Acquisition Statement? If so, will you provide a projection of where the expenditure of the \$2.589m will be focused? If not, will you explain the budgetary provisions for those two acquisitions? Could you also address whether the non-renewal of those two leases signals your Government's adoption of the Goss Government's Cape York/East Coast Wilderness Zone policy?

Mr WELFORD: Firstly, I think that the line item you are referring to relates to coastal acquisitions. I can advise you that that line item does not apply to Shelburne. The reason is that the Cape York planning process that we now have in train, which involves a combination of coordinating community groups, is substantially funded by the Commonwealth's Cape York Peninsula Natural Heritage Trust Fund allocation. You will recall that, just before the last Federal election or the one before, the Keating Government made a

commitment, which the Howard Government matched, to provide \$40m for Cape York. The negotiations in relation to the Shelburne lease are occurring in the context of discussions that I have been having with the Commonwealth Minister for the allocation of a portion of that Natural Heritage Trust funding for acquisitions. The Federal Minister will consider the allocation of funding for acquisitions as part of the planning process for Cape York on a case-by-case basis. It was in that context that that funding would be provided.

Mr LESTER: The 1998-99 MPS for your department indicates that the staffing level would be 1,599, whereas page 1-5 of this year's MPS shows that at 30 June it was 1,759—a growth of 160. Can you inform the Committee why the department has 160 more staff than estimated, how many extra senior executive service staff the department has and how many extra staff are in executive and corporate services? Can you inform the Committee of the actual number of rangers last year and the projected number of rangers this year, in view of the purchase of a number of properties for national parks?

Mr WELFORD: Would you like me to answer that question in 10 seconds?

The CHAIRMAN: There were several parts to that question. I ask that you try to limit the number of parts to your questions.

Mr LESTER: They are all important.

Mr WELFORD: It is very difficult to compare last year with this year in an aggregate sense, but let me address the question concerning rangers first. That might be the easiest way to do it. One of the problems with identifying staff numbers is that for a number of years now the number of rangers has been determined in the Budget papers according to different criteria. For example, on some occasions casual and temporary staff have been included, but on other occasions they have not. One issue is that on occasions where you might have four rangers each employed for three months of a year, this would show up in the figures as four staff members, which would give the obviously false impression that they were four full-time staff when in fact they were four temporary employees. These four staff working part of the year or permanent part time, of course, would occupy only one full-time position over the 12-month period. If I indicate to you the numbers over the years, you will see how these numbers change according to how you interpret what the staff numbers are. In 1994, there were 615 rangers, including casual and temporary staff. In 1995, there were 588,

including casual and temporary staff. In 1996, there were 587, including casual and temporary staff. But in 1997 there were 517, including temporaries, but not including casuals. In 1998, there were 505 full-time rangers and another 38 district rangers who were previously classified as Public Service rangers. The real picture is that there are 505 full-time rangers. Some work at one location and others work at several of the national parks in their area. When I say "full-time", I mean full-time equivalents. So even if you add together the components of part-time staff to make one full-time equivalent, there are 505 full-time equivalent staff employed as rangers. In fact, there may be more than 505 people, obviously, who work for the department as rangers, but the aggregate of full-time employment of rangers is 505. As you would obviously appreciate, having different figures meaning different things over the years has been very confusing and I wanted to fix it. During the recent rearrangement of the department and its functions and positions, I made sure that a number of temporary staff, to the extent that they had been around for a number of years, were able to be offered permanent employment.

Mr LESTER: Page 1-4 of the MPS discloses that the total controlled expenditure of your department last year was \$168.6m. In reply to question on notice No. 5, you disclosed that the department paid \$4.95m last year on consultancy fees to 289 contract staff and consultants. In that reply you estimated this year's expenditure to be just under \$1.4m. Can you explain the high level of expenditure on consultancies last year and the nature of those consultancies? What was the basis for your estimation that this year's expenditure will come in at only 30% of last year's result? Finally, are you concerned with your department's lack of accountability, given that your reply disclosed that records of the duration and expenditure of individual contract engagements are not kept?

Mr WELFORD: As you would appreciate, the department has been involved in much work across the State in the preparation of strategies and plans—coastal management plans, conservation plans, biodiversity plans, management plans, environmental protection plans for air, water and noise management. That explains why last year we did have a lot of work done by supporting people on contract or as consultants. Because a lot of that work has now been completed, we do not expect that the same level of consultancies will be required this year. In any event, as you have already indicated, there has been some

increase in the aggregate number of staff in the agencies, and in the EPA particularly, to work towards building capability within our organisation so that we can reduce the cost of consultancies. We are working to minimise the unnecessary cost of consultancies. It has been a habit of Government departments of all kinds to engage consultancies at a fairly high level. However, I would suggest that my agencies probably spend less on consultancies than most departments and in the coming year we will be doing a lot more to manage that.

In terms of the accountability question, if the honourable member does not already have it, we can now provide him with the details of every consultancy, including the amount and the type of consultancy project.

Mr HOBBS: I refer to question on notice No. 6, which concerned the \$568m in lazy money that the Premier found lying around all of the departments. You sent back \$5.5m in what you called "expenditure smoothing". This is a very nice term.

Mr WELFORD: Treasury are clever, aren't they?

Mr HOBBS: You said that nothing was programmed for that \$5m. The reality is that your department has been absolutely gutted. You know that. You say that the Federal Government has cut you back. Robert Hill denies that he has cut back funding to your department. The funding has been reduced for each program. To what areas was the \$5m going?

Mr WELFORD: As the honourable member already knows from the answer to the question on notice that I have given, there was no particular program from which we draw the \$5m in smoothing money. That \$5m smoothing was a modest component compared with other departments. It was something that Treasury sought in terms of a contribution from all departments, precisely because of the overall budgetary position in which the Government was placed as a result of the reckless expenditure of public funds by the previous Government substantially out of the sale of capital assets, which we no longer have to sell.

This Government was not in the business of continuing to sell off public assets in order to maintain that expenditure. So what all departments, including this one, have done is share some of the pain to have withheld this year a small component of the overall Budget and allow it to be recovered in future years. The effect of it will be in practical terms that there will be some things that we might have

done this year which we will not be able to do this year but that we will be able to do next year. It is a deferral of some projects but not a termination of any.

The CHAIRMAN: The time for questions from non-Government members has expired. Can you detail to the Committee the amount in hectares purchased by the Queensland Parks and Wildlife Service and the EPA for protected area status in the 1997-98 and 1998-99 financial years? Further to that, what is the projected amount of land that will be acquired for national park or other protected area status for 1999-2000?

Mr WELFORD: I would like to detail the Government's objectives for the acquisition of land for environmental purposes. When we came to office there was just under 4% of land in the category of protected area estate, including national parks. Now there is just over that amount. There is approximately 2.5% of the State's land set aside as State forest, and some of these, of course, contain important environmental values. In 1997-98 approximately 25,000 hectares of land was purchased to add to the protected area estate. That was partially during the coalition's term of office. In 1998-99 we have added a further 30,149 hectares.

Recently the Government, of course, has concluded the historic regional forest agreement. This agreement was achieved by this Government's effective and consensus approach to resolving complex economic and environmental issues in a way that saw agreement between the timber industry and its need for employment and the conservation movement. This will allow 425,000 hectares to be managed on an interim basis as specially managed State forest until a decision is made on how that forest is to be allocated between various uses as, indeed, we do with most State forests at the present time through a multiple use planning process.

It is likely that a large proportion of that area will be designated national park at some time in the future. There will be more land available for national parks as a result of the Cape York process. Of course, the coastal acquisition fund will provide for a modest amount of acquisitions along the coastline in strategic locations. It certainly cannot be said that this Government ignores its responsibilities for ensuring that adequate areas will be acquired for conservation purposes.

Because of these other initiatives, it will not be necessary for the Government to allocate a substantial amount of funds for acquisitions this year because we have the

RFA process, we have the Cape York process and we will have strategic acquisitions under the Coastal Acquisition Program. The previous Labor Government spent \$44m on acquisitions for national parks in the RFA, and that, of course, considerably contributed to the protected area of State. We have a good history of protecting our biodiversity and we will continue to do that through both acquisitions and nature conservation agreements.

The CHAIRMAN: I refer to page 1-8 of the Ministerial Portfolio Statements. It states that the EPA will encourage positive and effective relationships with industry and local government through programs such as and including the Cleaner Production Partnerships program, strategic partnerships for resource efficiency and best practice environmental management information packages. It would appear that these programs will help industry to achieve best practice environmental management. Can you explain exactly how this is going to be done?

Mr WELFORD: The Sustainable Industries Division of the EPA was specifically established to assist Queensland's industries achieve higher levels of environmental performance while boosting profitability and competitiveness. The division opens a gateway to information about international best practice and environmental management and is currently preparing to survey Queensland's environmental management industries to assess the State's capability to meet emerging environmental challenges. The challenge to industry is to find ways of reducing the intensity of resource use, including energy, water and other natural resources while maintaining profitability, environmental sustainability and social equity.

Under the Cleaner Production Partnerships program, the division provides environmental information and financial support for demonstration projects in the tourism, agribusiness, manufacturing, mining and transport sectors. While several industry associations in these sectors are in the process of signing partnership agreements with the Sustainable Industries Division, the Queensland Fruit and Vegetable Growers and the Queensland Dairy Farmers Organisation have already signed partnership agreements. These agreements recognise the key role these industry associations will have in diffusion of ecoefficiency information to their respective sectors.

The division is also funding life cycle demonstration projects, focusing our knowledge of environmental loadings so that

industry can develop management processes to complement the ecoefficiency paradigm. There is also a sustainable communities project which will integrate Government, industry and community activities that yield sustainable industry outcomes, community employment, training programs and local market development. The project will be community driven and based in and led by local communities.

Some outcomes of the program will provide for Government/industry cooperative partnerships, focusing on resource use efficiency and recycling; enhanced industry productivity and competitiveness; application of business innovation at a local level; building on successful examples of sustainable industries and management practices; and developing labour market skills to meet the needs of local communities.

We will be also encouraging stakeholders to establish local action plans relating to this exercise and relating also to the Government's seven key strategic priorities outlined previously by the Premier. Many stakeholders have already shown considerable interest in the proposal for this sustainable industries/community partnership initiative. They include early targeted regions—which I will be attending soon to launch these partnerships—in Gladstone and Townsville.

Mr REEVES: As a person who represents a Brisbane bay seat, I know how highly my community values the Brisbane River and Moreton Bay. I would like to refer you to page 1-7 of the MPS which states that the EPA released the Healthy Waterways Plan for the Brisbane River and Moreton Bay, as you outlined in your introduction. Can you explain what will be done to ensure that these areas, which make a valuable contribution to the tourism industry, are protected?

Mr WELFORD: The Healthy Waterways Plan, which is otherwise known as the 1998 Waterways Management Plan, aims to achieve the vision that Moreton Bay, its land catchments and its waterways will, by 2020, be a healthy ecosystem supporting the livelihoods and lifestyles of people in south-east Queensland and will be managed through collaboration between community, Government and industry.

The Healthy Waterways Plan was developed by the Brisbane River Management Group, a group set up under the Goss Government and continued by the previous Government, to their credit, in consultation with Government, industry and the community. It has a very intensive involvement of local

governments throughout the south-east Queensland region as well. It provides a framework for the management of environmental, social, cultural and economic aspects which have an effect on our waterways, the Brisbane River and Moreton Bay. The Healthy Waterways Plan has established eight implementation programs. These address water quality, catchment land use, water entitlements and flow, recreation, cultural heritage and tourism, noise, extractive industries and transport. In all these aspects there are implications for the management of our waterways, including but not exclusively the Brisbane River, and their impact on Moreton Bay as a catchment.

The EPA is currently working closely with local government in developing the south-east Queensland regional water quality management strategy, which is in fact chaired by the Mayor of Ipswich. It is part of the Water Quality Implementation program under the Healthy Waterways Plan. Development of the strategy involves water quality monitoring, modelling and scientific assessment for the Nerang, Coomera, Logan, Brisbane and Mooloolah River systems, as well as quality monitoring in Moreton Bay.

The Brisbane River Management Group secretariat is currently developing future river management arrangements addressing statutory, policy, organisation and community structures and mechanisms which could be put in place to help maintain and enhance the health of our waterways in south-east Queensland. The Brisbane River Management Group is chaired by me. It comprises the Ministers for Transport and Local Government and other departmental representatives, as well as local government and community stakeholders. It also has a chief executive's council and a council of community members that advises us.

Mr REEVES: One of the major concerns within my community is air pollution. That was highlighted today by one of the young people who came here to look at Parliament. I was asked what our Government is doing about air pollution, so it is appropriate that I ask this question. I refer to page 1-7 of the MPS, which states that one of the recent achievements of the EPA is the implementation of the south-east Queensland regional air quality strategy. This is obviously a whole-of-Government initiative and designed to address critical issues relating to air quality management in south-east Queensland. What is the whole-of-Government plan to reduce air pollution in the south-east corner of the State?

Mr WELFORD: As the honourable member mentioned, our Government has a very strong commitment to air quality, particularly in the south-east Queensland region, where the impacts of population growth and industrial development have a potential adverse impact on air quality greater than anywhere else in our State, other than perhaps Mount Isa.

In the last year we have spent \$600,000 on air quality initiatives. We are intending in the very near future to launch the south-east Queensland regional air quality strategy. I am working with the Premier's Office and Department to make sure that strategy will be an effective mechanism for protecting the air quality, which for the most part is of a high standard, in south-east Queensland.

The strategy is a very comprehensive one. It was worked on but not finalised during the previous Government. We have now done the hard work to enable the south-east Queensland regional air quality strategy to be finalised. It will be launched in the near future. Like all strategies, this does require many actions to be undertaken over a number of years. The initiatives in the strategy are managing vehicle emissions, controlling point sources of pollution and working with the Transport Department to reduce the vehicle emissions of older vehicles through in-service testing programs. These are all initiatives we will be taking to address air quality.

Recent decisions by Environment Ministers across Australia about new motor vehicle emission standards will also result in significant improvements in air quality in south-east Queensland. New vehicles using petrol and diesel fuels will be required to comply with European Commission standards progressively from 2002, effectively reducing the potentially harmful components of petrol and diesel fuels by many thousands of percentage points. A major capital investment in oil refinery infrastructure will be required as a result of bringing Australian fuel standards into line with world standards and to meet the demands of the new vehicle emission requirements.

The EPA in the meantime will continue to monitor air quality. As I indicated in my introduction, we have installed a new \$250,000 monitoring system at Springwood. It now forms part of a network of monitoring systems throughout south-east Queensland.

The CHAIRMAN: There has obviously been a great deal of global concern regarding greenhouse gas emissions over the years. Your department, of course, has a significant role to play in meeting that challenge. Could

you please indicate to the Committee what the department is doing and also whether Queensland is meeting its obligations in this respect?

Mr WELFORD: The EPA is indeed the lead agency in the Queensland Government for developing policy in reducing greenhouse gas emissions. The EPA chairs an interdepartmental greenhouse task force on which 14 departments of Government are represented. The task force has been responsible for developing Queensland's implementation plan for the national greenhouse strategy which, while it sets national goals, imposes obligations on each of the States to come up with implementation plans for various aspects of the national strategy. The task force is also involved in developing further policy responses, for example providing advice to Government on possible initiatives such as emissions trading.

The EPA and the Department of the Premier and Cabinet jointly chair a chief executive officers greenhouse policy committee to ensure that this issue is addressed at the most senior level across Government and provide the Executive with strategic advice. The EPA in Queensland is working closely with the Australian Greenhouse Office on national approaches to emission reductions and recently coordinated the Queensland agencies and industry partners in applying for funding from the Commonwealth for emissions abatement programs.

The EPA does have a role in coordinating information for a Queensland inventory of greenhouse emissions, which was part of the policy commitment that I launched with the Premier before coming to Government. The EPA is chairing the subcommittee of the greenhouse task force—that is the interdepartmental committee—which is responsible for implementing a communications strategy to promote voluntary emissions reductions both in industry and in the broader community.

There are several programs within the EPA itself which relate to the direct abatement of emissions. For example, the EPA is the Queensland agency responsible for the Greenhouse Challenge, which encourages industry to reduce greenhouse gas emissions and increase energy efficiency. It targets both large and small industry and is developing regional programs in places such as Gladstone. We are also lead agency for the implementation of a green and organic waste management strategy to enable the reduction

or more effective use of methane emissions from landfill.

The Commonwealth Council of Ministers at the Australia/New Zealand Environment and Conservation Council recently discussed the issues arising from the national greenhouse strategy and there is a commitment from all Australian States to develop an implementation strategy, but I suspect that all States are running up against the limits of the allowable increase which the national Government negotiated at Kyoto. Unless this matter is taken seriously at a national level, then there is a real risk that Queensland and other States will not meet their targets.

Dr CLARK: I refer the Minister to page 1-7 of the Ministerial Portfolio Statements. It relates to the Wetlands Strategy that was approved as an achievement. I was looking for future developments and I could not see any further reference to that. I know that there would be plans to actually implement the Wetlands Strategy. Could you make some reference to that and to what you see is likely to happen in this next year?

I refer to your other portfolio responsibilities in relation to the Sugar Industry Infrastructure Package. There are a number of programs under that package that you would be aware of—for example, the Russell/Mulgrave Water Management Program—and a number of other projects in that sugar belt area, where concern has been expressed about the impact on wetlands. Could you try to address both of those portfolio areas and set out how we are going to manage our Wetlands Strategy?

Mr WELFORD: As the honourable member mentions, we have now launched a Queensland Wetlands Strategy. This strategy sets out a number of actions which the Government can implement to protect wetlands throughout the State. It is true that, in the past, wetlands have been exposed to the risk of development. Wetlands play a very important function, not only in the ecosystem, but they provide, in a sense, important economic services for the fishing industry and for coastal marine water quality.

In the coming year, the strategy will provide us with a guide to a number of important policy initiatives, both in the review of the Sugar Industry Act and in the operations of cane assignment boards, cane allocations or farm allocation zones. The strategy will play an important part in the environmental assessment of new allocations that are currently being considered in the review of the Sugar Industry Act at the moment.

In terms of the EPA's role, the Coastal Protection and Management Act is currently being updated for its articulation into the Integrated Planning Act, administered by Minister Mackenroth, which provides for the assessment of development applications throughout the State. The Wetlands Strategy will provide not a statutory code but a guide for local governments and State agencies in the assessment of applications affecting the coastal zone. It will also, in terms of the Sugar Industry Infrastructure Package, be relevant in the contribution that EPA staff are making to the environmental impact assessments being undertaken for each of those Sugar Industry Infrastructure Package initiatives. A number of those initiatives have, of course, been finalised, but there are still a few which have yet to be finalised in terms of their environmental impacts. I have asked both my agencies—DNR and the EPA—to ensure that the goals of the infrastructure package are properly achieved, namely, that benefits to the sugar industry are achieved within the goals of ecological sustainability and minimised impact on downstream marine environments and coastal wetlands.

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

Mr LESTER: Minister, your Government did get some criticism from environmental groups upon the release of your recent Budget. One in particular was that the South East Queensland Regional Air Quality Strategy was listed as an achievement of the past year when, in fact, that report had not been signed off or even launched. What is the status of that report, and will your Government be acting on its recommendations?

Mr WELFORD: It is true to say that the report has, in fact, been finalised. So to the extent that that is in the Budget documents, that is an accurate representation of the situation. It is also true, as the member points out, that I have not launched it. There have, in fact, been very many things on my agenda in the last couple of months, but I can assure you that it has been printed and it is ready for me to launch as soon as I can get a break in the traffic and Mr Hobbs stops lending out his bulldozers.

I am sorry, I should not be flippant. I will finish the answer. I accept that there has been some criticism from the conservation movement of the Budget and in relation to that issue specifically. But as I indicated in answer to a Government question, we are serious about air quality in south-east Queensland. I will be launching the strategy

before the end of the year, as I reported to the regional consultative council the other day; and we will—not just within this agency but across Government—be implementing all of the initiatives contained in the strategy over time.

Mr LESTER: In relation to Moreton Bay Marine Park funding, on page 1-13 reference is made to the planning framework for the establishment of a system of marine parks stretching from the Gulf of Carpentaria to the Queensland/New South Wales border. Page 1-14 outlines the operational budget for national parks on a per-hectare basis. Can you inform the Committee what the operational budget of the Parks and Wildlife Service is for marine parks this year compared to the budgeted and actual expenditure last year? More specifically, can you also indicate the number of hours budgeted for active patrol in the Moreton Bay Marine Park and adjacent areas this year and again compare that to last year's actual hours patrolled?

Mr WELFORD: There are a couple of parts to that question. Let me deal with the overall marine park issue, firstly. It is part of the ongoing funding—the base funding, I suppose—of the marine parks division of the department to work with the Commonwealth Government to fill in the gaps in the marine park network along the Queensland coastline. We also need to liaise with the Department of Transport in relation to harbours and the way in which the management of any new coastal marine parks in the vicinity of harbours will affect the management of day-to-day harbour operations.

Both I and the Federal Minister are keen to see the comprehensive protection of the marine coastline of Queensland, both in the context of the Great Barrier Reef and in the context of the other important marine environments for which Queensland stands out as a unique haven of marine biodiversity in this part of the world. Hervey Bay and Moreton Bay, I guess, are two classic examples.

In relation to Moreton Bay—our expected budget for the coming year is just over \$1.4m. This does not include the costs of managing Moreton Bay islands, which are funded in part through revenue raised under the Recreation Areas Management Act. That is the Act that applies to Moreton Island and to other places, such as Fraser Island and Green Island in far-north Queensland. We certainly will have to tighten our belts in the management of our operations in Moreton Bay, but this will be a temporary constraint. We believe that, as we indicated when we came to Government,

Moreton Bay is an important priority for our Government, as is Hervey Bay, which is why we declared a Ramsar declaration—or we propose to nominate part of Hervey Bay for recognition under the international Ramsar Convention as a significant wetland.

Mr HOBBS: Minister, you would be aware of the concerns of neighbouring land-holders in the general community about the extent of pest and weed outbreaks in national parks. In your answer to question No. 3, you disclosed that the 1999-2000 budget for pest and weed control in national parks is \$830,000. Why has this year's expenditure been revised by \$120,000 when pest and weed problems are escalating and the area of national parks has been increased by about 70,000 hectares in the past year? I refer the Minister further to the pest management program, which has gone down from \$13.7m to \$11.4m. I know that there is \$1m in there for locust control. But still, it is a huge reduction. Pest management of national parks and other protected areas is down from \$0.93m, \$0.95m and \$0.96m to \$0.83m. These levels are back down to 1994-95 funding levels. It would appear as if the golden years of coalition funding are over at the present moment.

Mr WELFORD: The "golden years of coalition funding" was funding that one would understandably expect from a coalition Government seeking to appease its rural communities. There is no evidence that the funding that the coalition claimed to have allocated for that purpose has been any more effective than it was in any other year.

Our park rangers are working very hard to conduct and manage our parks as good neighbours with rural land-holders. We recognise that this year there are budget constraints. I do not hide from that for one minute. But we will make sure—as we have done not just in this department but in the Department of Natural Resources—that where there are significant problems or significant priorities adequate funding will be allocated.

It should be remembered, too, that you should not simply look at the allocation in isolation. It needs to be looked at in the context of the joint initiatives of the Queensland Parks and Wildlife Service and the Department of Natural Resources, and through the synergy of these two departments we believe that we will be able to maintain the effort in weed and pest control.

Mr LESTER: I refer to the giant rat's tail grass weed outbreak. At this point have you been onto a property to inspect this extraordinarily terrible weed? What moves do

you have in mind to contain it and, hopefully, eliminate it? Do you have any intention of purchasing one of the infested properties? I have to say that there are properties that, until only a little while ago, had a carrying capacity of 1,500 head of cattle and which have been reduced to a carrying capacity of 500 head, and are still going down. I have had more mail this week from various parts of the State, away from the particular property I was referring to, saying similar things. Do you have any thoughts of purchasing one of these properties and seeing if we can put eminent scientists there—if they are willing to go there—to see if we can overcome the problem? I have to say that the weed problem is ravaging Queensland. I am not really blaming anybody. It is a much more serious situation than a lot of people realise—whether we are talking about mesquite weed, parthenium weed, or whatever. Anyway, this question is dealing with giant rat's tail grass.

Mr WELFORD: Yes, I certainly share your concerns, Mr Lester, about the problem of weeds in Queensland. I think the prolific growth of weeds—and giant rat's tail grass is one example—is something that is underestimated by the Government. I do not think that the Federal Government has an appreciation of the problem that Queensland has on this front, either. After all, just about anything grows faster in Queensland than it does in the other States because of our climate.

Mr HOBBS: Even regrowth.

Mr WELFORD: Just about anything grows faster in Queensland than anywhere else. Mind you, we are knocking over the regrowth faster than anywhere else, too. In relation to giant rat's tail grass, I can tell you, Mr Lester, that I did go and visit probably the same property as you referred to. To be honest, I expected to see only patches of outbreaks of the weed on the property. However, it has taken over whole paddocks. If you were simply driving past, you would not at first recognise it as a paddock full of virtually inedible weed. I am advised by the farmers that cattle do feed on it when it is in its infancy and it is green and lush. As it gets up to a couple of feet it becomes very rank and coarse.

Mr LESTER: And the seeds go through the animal and deposit everywhere.

Mr WELFORD: Yes. The dispersion of seed is a serious problem. At this stage, the Department of Natural Resources is allocating scientists to the investigation of potential biological controls. There was a chemical control which was used for a short while, but it

was taken off the market by the Federal National Registration Authority because of other side effects and impacts on waterways. We do not currently have a chemical control for giant rat's tail grass.

Because of the way in which it spreads, and because it is such a hardy plant, after looking at it personally I query whether a chemical control would be adequate, anyhow. That is why we have allocated scientists from DNR to work on identifying biological controls for this weed, in the hope that when we get those biological controls—whether they be some kind of bug, some kind of parasite or some kind of fungus—we can at least contain it within the areas where it is currently found. At least in that way we will have a containment strategy.

Mr LESTER: I thank you for the debate that we had on ABC Radio because it was a sensible debate. We concentrated on the issue rather than politics. The debate received some good feedback. Hopefully, we can overcome this problem because it is a terrible thing. I want to deal with funding for national parks. I refer to a recent incident in the Tregole National Park near Morven in south-western Queensland where park rangers failed to help control a bush fire. What is the current departmental policy regarding park rangers working out of hours? Have rangers been provided with sufficient overtime allowances for such emergencies? What funds are provided in this budget for the management of the remote Tregole and Hell Hole—which I have visited—National Parks? I have to say, Minister, that a fair bit of criticism is coming in to me about the Government purchasing properties for national parks and to this point they are not being sufficiently maintained. As a result there are all sorts of problems such as weed growth and the prevalence of feral animals. It certainly annoys the graziers around the place.

Mr WELFORD: Let me firstly say to the honourable member that I can assure him that, other than the things I have mentioned such as Cape York and the RFA, the acquisition of properties this year will be very, very constrained indeed. There will be no significant new money allocated for acquisitions. We certainly will be again focusing on the resources needed to manage the parks as best we can.

In relation to the particular incident you mentioned, I am aware that Mr Hobbs has raised this concern in the media. I responded to that on regional radio the other day. My park rangers will always conscientiously, and in

the dedicated way for which they are renowned, respond to any emergency. Where there is a serious emergency they will definitely respond. In the Tregole National Park incident to which you referred, the ranger was contacted by a neighbour. The ranger made sure that the bush fire brigade was in attendance. Given that it was a weekend and that the ranger was not on duty, the ranger checked with senior officers to see whether he should go up there. The ranger was assessing the need to go there, having regard to the weather, the distance involved and the urgency of the situation.

Having regard to the fact that the bush fire brigade was already there, an assessment was made by the ranger that it was not absolutely critical for him to go there. If an occasion arises where there is an emergency and there is inadequate support to deal with the problem—

Mr HOBBS: Bush fires are always an emergency, Minister.

Mr WELFORD:—our rangers will always deal with situations which require their assistance. I should add that a full team from the parks service went there the next morning. Rather than going that very day, they went there the next day to assist in addressing the residual problem.

Mr HOBBS: It is really about the future, is it not? In the future, we really need to make sure that they get there on the day. It is too late the next day. Two hours is a long, long time in the afternoon when the fire is burning. You lost quite a bit of country in Tregole. The neighbours there did get burnt—not a lot of country—but the fire could have burnt Morven, the town itself. We recognise that there was a problem this time. I do not think that it was quite the way you said it was, but let us leave it at that. The main thing is that we really need your rangers to be at a fire. It does not matter whether it is a Sunday, a Thursday or in the middle of the night. That is the issue.

Mr LESTER: I just reiterate that I am personally getting a lot of complaints about the maintenance of national parks, and I say that very genuinely.

In relation to the Daintree Rescue Program, Minister, I have noted the ongoing dispute regarding the supply of mains power to land-holders north of the Daintree River. Your Government has refused to do so, because it believes that such development would compromise that area's environmental aspects. I refer to your reply to my question on notice No. 6 in which you stated that \$500,000 was recouped from the Daintree Rescue

Program. What will be the impact of this cut in funding? Does that mean that your Government is winding down its commitment to the Daintree Rescue Program?

Mr WELFORD: The Daintree Rescue Program has, in fact, been winding down for a couple of years. It was winding down even when your coalition Government was in office. As you may be aware, it was a jointly funded program between the Federal and the State Governments. A substantial component of it was for the buyback of strategic lands in the Daintree area—lands which, but for the National Party's flogging it off in the 1980s to a land developer in the area, probably would have been in the World Heritage area.

Nevertheless, we are dealing with the current realities and we are proceeding to work in partnership with the Commonwealth Government to undertake a planning study with the Douglas Shire Council in relation to issues in the Daintree. There have been many different studies into various issues into the Daintree, including the impact assessment study for the possible extension of powerlines. That study was undertaken by the then Far North Queensland Electricity Board. There were previous planning studies by the Douglas Shire Council. There was even a study into the options for the provision of energy services, which I commissioned when we were previously in Government and I was chairing the Alternative Energy Advisory Group. So there have been a number of studies of different components. Nevertheless, the Federal Minister and I have agreed to each contribute to a further study being undertaken, this time to develop a development control plan, or a local area plan, which the Douglas Shire might be able to incorporate in its revised planning scheme under the Integrated Planning Act.

In relation to power in the Daintree, I have always said that no Government should be encouraging the extension of very expensive transmission lines into an isolated area before first determining what sort of land use should be developed in that area. That is the only issue. Once a Government is satisfied about the scale of development that is appropriate for that very sensitive area, then it is appropriate to design the infrastructure and services to meet that scale. If you go ahead and put powerlines through in advance of determining that, then the powerlines will determine the outcome rather than good planning.

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

For the information of those present, by agreement between the Government members and non-Government members, we will have a short block of questions from the Government members and then take a break before we resume for Natural Resources.

Dr CLARK: Minister, I refer you to page 1-1 of the MPS, which states that the EPA will focus its efforts over the next three years, among other things, to the transfer of the environmental regulation of the mining industry. Can the Minister explain the role of the EPA and what it will play in terms of the regulation of the mining industry and any progress that you would like to report at this stage in terms of how that process is proceeding?

Mr WELFORD: In May this year, following a Cabinet decision, the Premier and I announced that the responsibility for the environmental regulation of mining, distinct from the tenure management of mining, would be transferred from the Department of Mines and Energy to the EPA. In implementing this major policy commitment, the Government undertook extensive negotiations with the mining industry and other key stakeholders.

The policy recognises the growing importance of good environmental practice and performance to the economic security of industry in Queensland. It also recognises that we should aim to apply our environmental regulatory framework as consistently as possible across all activities within the economy. We want to have a clear and responsive regulatory system which ensures that the State remains not only both attractive for mineral exploration and development but also provides planning certainty in terms of the expectations of the community in minimising the environmental impacts of mining. I am pleased to say that I think the outcome will achieve greater protection for the environment, greater certainty for the mining industry, and also confidence on the part of the community that these issues are being dealt with in a diligent and independent way through the EPA.

Under the new arrangements for mining projects, the EPA will set levels of environmental assessment for new applications, undertake environmental assessments and set conditions, monitor performance and conduct inspections and audits, and ensure adequate rehabilitation and enforce compliance with environmental controls. Currently, the EPA is working with the Department of Mines and Energy to prepare amendments to the relevant legislation and

ensure that adequate operational and administrative procedures are put in place to make the regulation of the environmental aspects of mining tenures integrated with the tenure process as well as being an efficient process for the industry.

Dr CLARK: The involvement of the community in the protection of biodiversity is obviously critical. On page 1-12 of the MPS, it is stated that the NatureSearch program is going to be extended Statewide. Could the Minister please explain the benefits of this extension to biodiversity protection?

Mr WELFORD: The Government has a very strong commitment to the protection of our biodiversity. I think that it is more widely not sufficiently understood that biodiversity underpins the long-term economic health of our State. That is why I share the concern of members of the Opposition that the potential impact of weeds has a massive environmental impact on our State and, in particular, on our biodiversity.

It is a whole-of-Government priority to ensure that the richness of our environment is protected for the benefit of current and future generations. We need to undertake proper mapping of our State's biological resources and a good part of that work has already been done. We have the most detail in relation to south-east Queensland, but we are rapidly accumulating knowledge for each of the biogeographical regions of our State. Much of that knowledge will underpin the Government's cooperative approach with rural industry in designing vegetation management guidelines that will apply fairly and consistently across the State. Guidelines will be implemented effectively in the same way that the existing guidelines on leasehold land are being implemented effectively by rural communities.

In terms of the Government's future approach to involving the community in biodiversity, we have already flagged our intention to re-establish the NatureSearch program, which was originally established in the early 1990s by the then Environment Minister, Pat Comben. In the very near future, I intend to formally relaunch the NatureSearch program to give the opportunity to many thousands of Queensland families and children, through their schools and local community groups, to partner the Government in identifying our rich biodiversity. We will centrally log the data collected on our database to provide us with very important information for long-term planning. The program is not just about planning for particular projects in particular locations, but will

provide us with an understanding of the impacts generally over time that our State's growth in population and in economic activity has potentially on our environment as a whole.

The CHAIRMAN: There being no further questions, that concludes the examination of the Estimates for the portfolio of the Minister for Environment and Heritage. I thank the Minister and the portfolio officers for their attendance. The Committee will now break briefly and resume its hearings at 5.20.

Sitting suspended from 5.07 p.m. to 5.20 p.m.

The CHAIRMAN: The next portfolio to be examined relates to the Minister for Natural Resources. At this juncture I would ask everyone present to turn off any mobile phones. 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. A 15-second warning will be given at the expiration of these time limits. 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 the transcript.

I declare the proposed expenditure for the Minister for Natural Resources to be opened 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?

Mr WELFORD: Yes, thank you. The past 15 months have seen significant progress to a more confident and certain future for Queensland with policies aimed at promoting long-term sustainability, sustainable jobs and a better quality of life. The budget for my Department of Natural Resources will enable the Government to continue this progress, particularly in rural and regional parts of the State.

DNR provides a valuable service to many sectors of the community, particularly in regional centres where there are very close working relationships between the department, local government, land-holders and the broader community. Those relationships are important for the sustainable management of our natural resources and the protection of the environment. This Government believes that natural resource management must be based on a partnership between farmers, local communities, industry associations and the

Government. Over the past 15 months we have taken many positive steps to involve communities. Perhaps the best example of that is the regional forest agreement. The changes that we are now starting to see occur in Queensland are progressive and appropriate for the start of a new millennium.

Over the past 15 months, the department has made considerable achievements. Some of these include the launch of the Healthy Waterways Plan that I mentioned earlier. In line with our land protection policies, an extensive aerial control campaign against swarming locusts in central Queensland was undertaken to prevent the development of a disaster of major proportions. With Queensland facing the worst locust plague since 1974, our Government acted swiftly to help regional land-holders protect crops valued at hundreds of millions of dollars.

Our swift response to the massive outbreak of parthenium weed in central Queensland, which was brought on by early rainfall and flooding, has also been respected by rural communities. We have allocated considerable financial and human resources to help land-holders combat the threat to their pastures. More recently, we have acted to develop a strategy against giant rat's tail grass, a weed problem that the deputy chair raised previously.

I have established a rural industry advisory group, consisting of representatives from all the major rural industry stakeholders, that meets with me on a regular basis. I am pleased to say that I have a very good working relationship with rural industry, which is vitally important in tackling the very real and substantial challenges in natural resource management that our State faces. In terms of getting rural industry on a sustainable footing for long-term economic security, it is vital that Government works closely with industry associations and rural communities to provide them with a buffer against the winds of global economic change that are affecting commodity prices and rural industry generally.

Of course, we have reconvened the Cape York Regional Advisory Group to put back on track the process of reconciliation, tenure resolution and long-term economic planning that regrettably the previous coalition Government dropped the ball on. That process is now seeing on-the-ground action, starting with property planning for particular land-holders, the identification of conservation values and progressing the identification of indigenous cultural heritage throughout the cape so that all of the cape community can

manage their land and other resources in a more certain fashion according to good planning outcomes.

More recently, we have taken a very appropriate step in protecting one of our most unique inland river catchments in Australia—the Cooper Creek system in western Queensland. By placing stricter limits on water drawn from the system we have received much applause from the community in a way that shows that this Government responds to the rural community's needs and concerns for the protection of their resources for the long-term future. In that part of the State, organic beef production is potentially worth many millions of dollars to our State's economy. It is something that deserves protection. In a whole range of other areas we have launched new initiatives which amount to a sea change in the sophistication that Government is bringing to the important management of our resources. Whether it be water efficiency, community land management, catchment management, Cape York or the health of the Brisbane River and its catchment, the Department of Natural Resources is providing the leadership that Government needs to get on with the job.

Mr LESTER: I refer to the announcement of your Government that you will introduce tree-clearing restrictions on freehold land by December. Your colleague the Treasurer admitted at the Estimates hearings earlier this week that Treasury had not set aside any money in the State Budget to compensate land-holders for any reduction in land values or loss of income as a result of your proposed tree-clearing restrictions. What provisions, if any, has your department made in the 1999-2000 Budget to provide for such compensation?

Mr WELFORD: The honourable member is absolutely right; the Budget itself does not allocate a line item for compensation or an incentives package as such. Indeed, it is probably misleading to talk in terms of compensation, because the question then becomes: what in fact do you compensate and how do you measure that compensation? Nevertheless, as I have done in my discussions with rural industry in relation to water resource issues and the outcome of the catchment planning and water allocation management planning process, we intend to put together a substantial industry package in consultation with industry to ensure that any adjustments under any changed guidelines that impact on the business viability of rural primary producers will be addressed. We acknowledge that a decent incentives package is required and our State will play its part and,

indeed, the Commonwealth has indicated in my discussions with the Federal Minister that it is prepared perhaps to play its part, given the significance of Queensland's vegetation and biodiversity on a national scale. The simple reason it is not in the Budget Estimates as a line item is that Cabinet has yet to consider that issue and it is something for which what is called a special, which you as former Ministers will be familiar with, will need to be made at the appropriate time, as indeed one was made for the RFA. It does not appear in this department's funds as yet, because the funding cannot be allocated until the Government considers through the Cabinet process precisely what action it proposes to take and what package of incentives needs to accompany any such action.

However, I should mention that we have just under \$4m allocated this year to promote sustainable vegetation management, both through the SLATS assessment process, which your Government properly supported, and through tree care programs and through other initiatives that provide extension support to rural land-holders, many of whom have a genuine interest handed down to them from their parents and grandparents in recognising the importance of maintaining a reasonable amount of bush across the landscape in order to protect their land and their pasture and provide shade and protection for their stock. There are good productivity reasons for this initiative. It is now managed very well in the leasehold areas. We see no reason why it will not be equally well managed by rural communities when we consult with them further about it in other areas.

Mr LESTER: In relation to tree-clearing restrictions on freehold land, you claimed that the Federal Government had threatened to revoke some \$34m in Natural Heritage Trust funding because Queensland could not meet its targets under the partnership agreement. Senator Robert Hill ruled out that claim and indicated his willingness to contribute financial support for assisting land-holders with the introduction of the new vegetation management framework. Given the Federal Government's support, what provisions in terms of staffing and financial resources have been made in your budget to implement such a framework, given that, based on a meagre starting estimate, it will cost \$10m and will require dozens of additional staff to establish the guidelines, assess the clearing applications and so on?

Mr WELFORD: Some of our preliminary

calculations, to be perfectly frank, indicate that we may need not just \$10m but perhaps something in the order of \$18m—

Mr LESTER: That is why I said "minimum".

Mr WELFORD:—in the first year to properly assist rural land-holders to better manage their land with existing areas of clearing rather than having to clear more. The precise figure still has to be worked out, which is why a specific figure does not appear in the budget. We are still doing work on the likely level of staffing that will be needed, having regard to the number of properties that will need to be administered and the regulatory burden that could impose on the department. Obviously, if I can, I would like to do it in a way that minimises the amount of regulation and paperwork that is involved. As members of the Opposition are always eager to remind me, there have been some delays in the administration of even the leasehold guidelines, and I am acutely conscious of that. We need a system that as far as possible does a couple of important things. Firstly, it needs to achieve the goals that we want to achieve in terms of protecting land from degradation by maintaining reasonable vegetation cover across the State. Secondly, we want a system which provides certainty and clarity for rural land-holders so that they can work with the system and not be confused by it. Thirdly, we want a system that is not unduly bureaucratic or bound up in red tape. Fourthly, we also need a system that provides an adequate level of accountability in the sense that it is important, I think, that if we are going to introduce some guidelines we need guidelines that not just the Government but also the community as a whole can monitor the performance of over time and so that we can track over time whether they are working and whether they are effective in achieving the goals that we need to achieve. I think that is important for rural land-holders. They do not want to be subject to simply another level of bureaucratic interference if the Government cannot, firstly, show them that there is a good scientific basis for doing it and, secondly, that after a couple of years of doing that it has a benefit to them. I think that is important. I certainly do not intend to do this just for the sake of it. There is no ideological bent being pursued here. This is about a genuine interest to help rural land-holders manage their land better, focus on property management and planning and in the long term derive a more productive and profitable economic benefit from their rural business.

Mr LESTER: I am referring to page 2-17 and the development of a native vegetation framework. In Parliament in August you claimed that a range of regional forums with regional committees were being undertaken to inform the community of your proposed vegetation protection policies. I can find no record of these in the Output Statement on page 2-18 or anywhere else. In what areas of Queensland did you conduct these consultative meetings?

Mr WELFORD: I understand that one of your questions on notice in the Parliament as distinct from in this Estimates committee, in fact, sought that information and we have provided it previously. In essence, what I asked my department to do and what they have done is, in the lead-up period while the rural industry representatives and other stakeholders were involved in the vegetation management advisory committee working on what might be a reasonable and balanced formula to implement, I asked my department to start going out into rural communities in an extension way and conduct information sessions. It was not with any particular committees; it was simply general information sessions in all rural regions to invite rural landholders along and start to provide some of that extension service work that would help provide the information which people need to understand where we might be heading once VMAC comes out with its guidelines.

So I asked them to conduct those workshops. In my answer to your question—sorry, it was Mr Hobbs' question on 15 September. I advised that they have conducted forums, workshops or in some cases smaller meetings in Barcaldine, Beaudesert, Biloela, Boonah, Charleville, Chinchilla, Clermont, Dalby, Dingo, Eidsvold, Esk, Felton, Gatton, Goondiwindi, Gore, Gympie, Inglestone, Inglewood, Jericho, Jimbour, MacLagan, Mareeba, Maryborough, Miles, Millmerran, Mitchell, Monto, Mount Isa, Mundubbera, Peranga, Rathdowney, Roma, Stanthorpe and Toowoomba.

Mr LESTER: Excuse me, you sound a bit like that fellow on the record.

Mr WELFORD: I've been everywhere, man. So there you go. The purpose of that is, of course, that it is commonsense not to put out guidelines—in leasehold areas people generally understand some of these principles now, but in freehold areas it is true that this is going to be new ground for them and it would be absurd for any Government to embark on this process without giving people information that helps them understand the rationale for

what is already occurring in their neighbours' properties on leasehold land. I think it really does none of the members of the Opposition any credit to whip up hysteria about this, particularly in the context where the Opposition itself, I think, quite sensibly managed the implementation of guidelines on leasehold lands.

So this is about doing exactly the same thing—applying a consistent approach across land tenures so that it is not about the tenure; it is about managing land well. If we encourage that, inculcate that land stewardship culture in rural communities, as we already have for a number of years through Landcare, but through good vegetation planning on properties, then I think the long-term economic security of rural industries will be much better protected, especially in the hard times.

Mr HOBBS: What is the proposed sale price of water to irrigators in particular from a SUDAW built Nathan dam and what price would your department estimate the water to be if the department built the dam itself?

Mr WELFORD: That is very difficult to determine because there are a number of issues—put it this way: if you divide the volume of megalitres by an estimate of the cost of constructing the dam alone, then you can come to a figure.

Mr HOBBS: Someone in your department must have done it.

Mr WELFORD: They may well have done a figure, but they would have done a figure some time ago—maybe even for you.

Mr HOBBS: Maybe.

Mr WELFORD: I suspect you have a ballpark figure in your mind already.

Mr HOBBS: I know what it is. It is a matter whether you know what it is.

Mr WELFORD: I know that there are a number of figures floating around. That is what I know. I think the point is from the perspective of you when you were Minister and me as Minister now, none of those figures are actually all that informative. The reason for that is that there are a number of issues to do with water distribution losses, to do with how different properties will use water and how it will be distributed to different properties that will impact on the actual delivery cost or delivery price as distinct from the raw or bulk water price. In terms of what the actual price is likely to be, we cannot, in fact, know that until—

Mr HOBBS: Will it be cheaper?

Mr WELFORD: Cheaper than what?

Mr HOBBS: Cheaper than what is proposed now.

Mr WELFORD: There is no particular price proposed right now.

Mr HOBBS: I understand there is. Some figures have been bandied around in relation to what the price of water would be to irrigators. That is well known.

Mr WELFORD: Nothing is well known. What is rumoured is that there are prices everywhere from about \$700 a megalitre right up to \$1,000 or more. You know that as well as I do. In terms of what figure actually comes out in the wash, it will depend very much on the financial feasibility that SUDAW does itself.

We are at the stage presently where we have indicated to SUDAW what the likely bulk water entitlement will be and in the next couple of months—before the end of the year, in fact—we plan to issue the final WAMP document which will make that transparent and also make the allocations of other water through the subcatchments of the whole system clear as well. We have given SUDAW some forewarning of that so that they can start their financial assessment.

As I understand it from then, their next step is to, in effect, test the market and invite expressions of interest, for want of a better description, bids—not binding bids, but invite bids from people for volumes of water at a price. Part of their feasibility will involve them having to assess whether there is sufficient demand at a price that is adequate for them to proceed. The actual price at the end of the day of the water that comes out of the Nathan dam will very much depend on SUDAW's financial feasibility. You and I know that we cannot pre-empt that.

Mr HOBBS: The Performance Overview of the State Water Projects on page 2-55 of the MPS states that a number of other water projects have undergone investigation and design and are awaiting final approval. Exactly which projects are awaiting that final approval, when will the decision be made to either approve or reject each of those projects and can you fund them this year? Can you fund the ones that get the approval this year and, if so, which ones?

Mr WELFORD: I have got a list of those projects. Let me first just set the background so that the full answer makes sense. As you know, your Government—it might have been you—established the task force—

Mr HOBBS: Absolutely.

Mr WELFORD:—the Water Infrastructure Task Force—and that task force established

from submissions all over the State a list of potential projects which could be implemented. It categorised those projects into ones that they thought were most likely to have potential according to various categories—Category 1 and so forth. A large amount of work has been done already. For example, projects completed since June 1997 include Dumbleton Weir Stage 3, Walla Weir Stage 1, Warrill Creek Diversion Weir—

Mr HOBBS: We know all of those. I am talking about the other ones.

Mr WELFORD: The interim raising of Borumba Dam.

Mr HOBBS: We are aware of those. I think I might have opened them.

Mr WELFORD: You did not open all of them.

Mr HOBBS: A fair few of them, though.

Mr WELFORD: I have opened some.

Mr HOBBS: I am talking about the other ones.

Mr WELFORD: Projects currently in progress include the Burdekin irrigation area development, the Mareeba-Dimbulah irrigation area augmentation, St George irrigation area upgrades, fishway upgrades investigated for the Clare Weir at the Burdekin, the Bedford and the Bingegang Weirs on the Mackenzie, Moura Weir refurbishment, three sugar infrastructure package projects and, of course, we are still considering the development incentive scheme. These are all part of the infrastructure plan. As I have said before, we are working through the plan that was established by the task force at this stage.

Mr HOBBS: What is the issue with the development incentive scheme? The review has been going for some time now, has it not?

Mr WELFORD: Yes. The issue with the development incentive scheme, which you identified when you ran to the last election, was that there appeared to be a very limited uptake for applications.

Mr HOBBS: The level was a bit too high. You need to bring it back to about \$70,000.

Mr WELFORD: The belief that that was necessary was based on the limited number of applications that had been made and it was believed that we should perhaps consider reducing the threshold from \$200,000 to something less—perhaps \$75,000 or something like that. My department and the Treasury, which of course administers that program through the Queensland Rural Adjustment Authority, have reviewed that.

I am seeking some advice at the present time because, as it turns out, in the last months before the expiry of the pilot that you initiated there were a bucket load of applications. We are in the position now of having to consider whether if we reduce the threshold we would actually have enough money in the Government as a whole to meet them all. There has been an explosion in the number of applications at the last minute, which I only became aware of recently and which potentially provide for funding under that program of something like, I think, nearly \$5m already and perhaps another \$3m to go.

The pilot has certainly demonstrated that there is more than adequate demand. I do, however, have a concern that the demand may be in some areas where we perhaps should be very careful about new development. I think you will know where I am talking about. One of the things that is exercising my mind at the moment if we are to proceed with this is whether we should adjust the threshold downwards in the context of the boom in applications that has subsequently occurred. One of the other things I think we do need to consider and maybe modify in the conditions is to make sure that we are not encouraging undesirable development in certain areas.

The CHAIRMAN: We will now move to questions from Government members. Minister, I refer to paragraph 5 on page 2-7 of the Ministerial Portfolio Statements. It refers to the planning process for provision of water supplies, taking into account such alternative strategies as water recycling. As I understand it, the Department of Natural Resources is preparing a water recycling strategy. Could you report to the Committee on the progress of this program?

Mr WELFORD: In July 1997 the Department of Natural Resources commenced the preparation of a strategy covering all aspects of urban, industrial and rural effluence recycling, as well as stormwater recycling. The strategy was commenced because of the uncoordinated manner in which water recycling was progressing in the State in areas such as policy, guidelines, research and community education. The initiative was allocated \$500,000 a year over three years, which will culminate now in the delivery to Government—it is a community driven process—of a draft Queensland Water Recycling Strategy in June next year. That will be the end of the three-year initiative which the previous Government was involved in.

I have renamed it the Queensland Water Recycling Strategy because I think that is a name that the community can readily comprehend. Current estimates indicate that annually only about 10% of the available 300,000 megalitres of waste water from municipal sewage treatment plants is reused, and much of it is presently being disposed of in an unsustainable manner.

Recently, 11 background studies have been finalised and published, covering such areas as community consultation and education—an important component, might I say. If effluent is to be recycled and reused, there does need to be adequate community understanding and acceptance of how that recycled effluent is used, the level of water quality involved and the health implications.

There have been background studies on the potential of urban, industrial and agricultural recycling. As I mentioned, the health implications of this recycling, as well as stormwater recycling, have been part of that series of background papers prepared by the Water Recycling Strategy Committee. Prior to the final draft strategy document being produced in June next year, a consultation program will be carried out with major stakeholders, industry and the broader community. That program will be based on a discussion paper presently being prepared for the strategy by the CSIRO. I am hoping that it will be ready for release before the end of the year.

A number of specialist studies are also being carried out as part of the strategy, including a health risk analysis study, a recycling potential study and a decision support system for users to determine the most advantageous or optimal recycling projects for their particular area. The strategy has identified the demonstration of recycling applications as an important aspect of industry and community acceptance of water recycling.

The CHAIRMAN: I draw the Minister's attention to paragraph 10 on page 2-3 of the Ministerial Portfolio Statements. That paragraph refers to a commitment by the Government to the protection of open space. Can you provide for the Committee some details of the Government's plans in this area?

Mr WELFORD: As members would be aware, south-east Queensland has one of the fastest growing metropolitan areas of Australia. Open space in the region is at a premium and is being gradually but surely eroded by urban development. The loss of regionally significant open space will threaten the liveability and lifestyle of south-east Queensland and will, I

think, in the longer term have an indirect impact on the economic potential of our region. In south-east Queensland about 16% of land is currently set aside for national park or State forest, compared with 45% in the greater Sydney region, for example. I think a goal of about 25% of the region protected for regional open space purposes is realistic.

Open space is not just about protecting natural areas. In some areas, land is important for its agricultural or outdoor recreational uses. In other areas, the scenic amenity or the cultural or social significance of land makes it important open space. Protecting regionally significant open space has been integral to regional planning in south-east Queensland since the inception of the SEQ 2001 project in 1990 and the adoption of the south-east Queensland regional framework for growth management in 1998.

The Regional Landscape Strategy is the agreed response to open space needs of the region. It is a key component of the regional framework and has been endorsed by the South East Queensland Regional Coordination Committee, which oversees the implementation of the framework and is chaired by the Minister for Local Government, Mr Mackenroth. The committee has recently had a new chair appointed by me: Dr Darryl Low Chow from the Griffith University's School of Environmental Planning. He has brought to the committee a discipline and diligence in the process that is quite remarkable. The committee has made wonderful progress in defining the various mechanisms, both legal and community mechanisms, that are possible for exploring the protection of open space, whether it be for agricultural purposes or for other purposes, but protecting open space from higher density development in a way that will preserve the amenity of south-east Queensland.

Last year, we allocated \$800,000 to the project and this year we have yet to define the precise allocation because, of course, in the context of the aggregate allocation from the budget to the department, we are still working on the distribution of funds to each component of our agency. But we want the committee to continue its work. It is currently progressing the concept of a land trust for Queensland, and that will have—if nothing else—many great benefits to our State

The CHAIRMAN: Minister, page 2-15, point three, refers to the Great Artesian Basin sustainability initiative. Ageing ground water infrastructure and inefficient water distribution practices, as we all know, pose a serious risk to

the long-term availability of artesian water sources in the basin. What action is the Government taking to deal with this situation?

Mr WELFORD: The Great Artesian Basin occupies about 20% of Australia, spread across four States and Territories. Its management, therefore, requires a coordinated approach. This coordination is being achieved through the Great Artesian Basin Consultative Council, chaired by grazier John Seccombe, who, incidentally, is doing a great job.

In 1998-99, the rehabilitation of 43 artesian bores and the installation of 10 bore drain replacement schemes, involving replacing 370 kilometres of drain with 450 kilometres of pipeline, has saved more than 6,000 megalitres of water every year. This brings accumulated water savings since 1989 to nearly 52,000 megalitres per year. Current funding levels are expected to rehabilitate 40 bores and pipe about 500 kilometres of bore drain in the coming year. On-ground projects will target uncontrollable artesian bores and open bore drains that waste up to 95% of water discharged. These target areas will be in localities where a halt to pressure decline is paramount, in areas of serious land degradation and in areas that impact on mound springs. The majority of funds are directed towards on-ground works in these priority areas.

While these works are necessary to achieve water savings and to accelerate the rate of pressure recovery, there are other complementary measures that are necessary to achieve long-term and lasting benefits for the basin. These measures will be addressed through programs to change community attitudes to the waste of water and promote an improved understanding of benefits to farming operation and the environment from better management of grazing pressures and water use. We still have an important challenge in communicating to the community the importance of capping these bores and protecting the land from the impacts of unrestrained water release and, indeed, the long-term potential for decline in bore pressure and loss of resource to many areas.

Reduction of soil erosion and the spread of woody weeds and feral animals are also expected to be significant environmental benefits of the program. We will, of course, be wanting to ensure that we will improve monitoring of compliance with bore licence conditions and ensure that the program continues to deliver the significant environmental benefits, land protection

benefits and water savings that have been achieved to date.

Mr REEVES: Minister, regarding page 2-21, paragraph two, line eight of the MPS regarding the Land Services output section, can you explain what steps are being taken to enhance community access to Government land information and how the changes will improve services to Government and industry in Queensland?

Mr WELFORD: The Department of Natural Resources, through my Land Services Business Group, generates extensive sets of land-related information in its role of providing surveying and mapping infrastructure, registers of interest in land, management of State land assets and land valuations. Data sets include digital cadastral data, topographic information, valuation and sales data, place names and survey information.

Incidentally, I should thank the honourable member for his question on this subject, because I understand that the Land Services output did not even rate a single question at the last Estimates hearing. So I appreciate the honourable member's very keen interest.

My Department of Natural Resources has changed its approach to selling and distributing land information to improve service to clients and foster the development of private sector information services. Prices for key data sets have been reduced, and distribution arrangements have been simplified to increase flexibility for information resellers. In conjunction with this, the department is moving towards a wholesaler role in the marketplace and will limit its production of customised information products to those areas where there is a market void. This will create new opportunities for the private sector to develop a range of skills and products and operate more effectively in the marketplace.

The Government has an information access and pricing policy aimed at enhancing the community's access to Government information. The policy requires that Government information be made available at no more than the cost of provision. It also identifies the private sector role in developing information products. In July this year, I announced a new pricing structure for digital cadastral data, which is one of the department's major land information data sets. The new pricing structure provides a reduced licence fee for the data. It also provides greater flexibility to users of the information by removing some of the previous restrictions on distribution and use.

The price of digital cadastral data has been reduced to less than 10% of its previous price. Brokers will now be used to distribute the data, either in its raw form or as a component of enhanced products, with the information packaged according to the needs of respective clients. Value added resellers will be able to use the data to produce a range of products and services and will not be required to pay royalties back to the department from the sale of these. This change is expected to be revenue neutral, however, due to the increased demand for data, with greater community benefit accruing from the wider use of products. Similar pricing structures are proposed for other land information data sets provided by the Land Services Business Group.

Mr REEVES: Minister, I would like to ask another question about Land Services, and particularly about the titles system. I have been interested, over the past few weeks, about the information from the titles. I note that, on page 2-21 of the MPS regarding Land Services, Natural Resources is responsible for registering interest in land. The MPS also indicates that optical character recognition technology has been implemented to further automate the title function. Would the Minister further provide an outline of this function and the expected benefits?

Mr WELFORD: My department ensures that ownership and other interests in Queensland's land resources are secured through registration in the Land Registry administered by the Land Services Business Group. The Land Registry involves the lodging and registering of documents and providing searches of information on the register. These services involve a large volume of transactions. For example, in 1998-99, over 650,000 dealings were lodged and over 1.47 million searches of registry information were provided through this registry. It was automated under the Goss Government in 1994, when what is called the automated titles system—ATS—was introduced.

It is a large and complex computer data base which, of course, has to be continually serviced to high levels to meet client demand. The introduction of the ATS converted what is known as the indefeasible titles register from a paper to an electronic register. It was the first stage of an extensive program to automate elements of the land title function. Subsequent stages achieved the replacement of microfilming with imaging technology to allow the imaging of documents on lodgment and associated work flow improvements. After imaging at any of the 15 document receiving

centres across the State, the ATS delivers these images to one of the five registration centres for processing at Townsville, Rockhampton, Nambour, Brisbane and Bundall.

Automation of titles work flows has achieved a number of significant benefits for land registry clients. These include greatly improving the security of original titling documents lodged with my department by eliminating the need to transport paper documents between lodgment and registration centres. Processing is now undertaken from document images while the originals are contained in secure storage at the lodgment centre where they were accepted.

It has also increased processing efficiency and provided greater flexibility. The ready transmission of document images between lodgment and registration centres allows my department to quickly smooth fluctuations in service demand across the State. System automations provide an annual registry processing capacity of, now, more than 680,000 documents. We are going to further automate the Land Registry processes through the introduction of optical character recognition technology to achieve continued work flow improvements and to provide greater flexibility in client access to lodgment services.

The CHAIRMAN: That concludes that block of questions from Government members. I now call on the non-Government members to commence their block of questions.

Mr LESTER: Minister, you mentioned the Burdekin irrigation scheme and the continuing work there. I refer to the people at Gumlu who correspond with me and with whom I meet from time to time. These people are involved with vegetable growing. They are concerned about the extension of the Elliot channel and the provision of water for the growing of their vegetables, and the reasonable cost of this water. Do you intend to visit these people at some point to see what can be done? Could you tell us where we are with regard to the extension of the Elliot Channel or other means of providing water there?

Mr WELFORD: Certainly. I have given an undertaking that when I am next in the Burdekin catchment area I would certainly like to be able to visit the vegetable growers who are interested in having the Elliot main channel extended. The channel is on the south bank of the Burdekin. It has been partially developed as part of the Burdekin irrigation project. Although it was originally proposed that it be extended south from the Burdekin River as far

as Gumlu, construction of the channel was terminated north of Stokes Range because of concerns about the long-term sustainability of irrigation in the Leichhardt area north of the Stokes Range. Of course, there was also the high cost of developing the channel through the range. The range itself is a bit of an impediment to getting it down to those people.

A proposal to extend the channel to those areas and further south to the Bowen area was included as a component of the category 1 Burdekin catchment study which was recommended in the Water Infrastructure Task Force report. Prior to further considering extension of the channel I want to visit the area and talk to those people. But there are a number of issues which, following questions in Parliament, I am now advised need to be given some thought. I would like to brief the honourable member on those.

These include confirmation of an adequate supply from the existing Burdekin Falls Dam system to meet the potential demand along the channel.

Mr HOBBS: You could build Urannah dam or Hell's Gate. That will be all right.

Mr WELFORD: Those are possible options, I suppose. However, part of the catchment study is aimed at ensuring that there is an adequate supply. The sustainability of irrigated agriculture on those land areas is another issue that needs to be carefully considered. Of course, the impact of water use on the environment, particularly in the coastal zone from Bowen to the Burdekin River mouth, is something that needs to be considered carefully. Cost and the likely rate of take-up and the capacity to pay are issues which, just as with any other potential irrigation scheme, need to be considered before a final decision can be taken to proceed.

Because the latest estimates of the cost of delivering water to these areas is in the vicinity of \$178m, it is a difficult one for us. We have not discounted it. We are still working on it. It is part of the Burdekin River catchment study. The Colonial Sugar Refinery has expressed an interest in perhaps undertaking some limited expansion of sugar production in the area for its existing mill. So there may be some potential for contribution there.

Mr LESTER: Those people have certainly shown how one can use water very carefully. They have given a very good example. I want to refer to the Rocky Ponds hut group, for want of a better way of expressing it. These people are still concerned about the possibility of maintaining these huts. Other groups are similarly affected at places such as Cape

Upstart, etc. It was pointed out to me that if they are taken away from these areas, these are great places where drugs could be introduced. They pointed out to me that they maintain excellent surveillance of the area. They are pretty decent people, actually, who have quite substantial backgrounds. How are you going in relation to that? Do you intend to go up and talk to them soon?

Mr WELFORD: I have already been up and had a talk to them, but not on site. I met with some of them at the council chambers at Bowen. I gave them an undertaking that before I make any decision in relation to these issues I would certainly go up and visit the site and have a look at the huts that are there. It is a difficult matter. The previous coalition Government—as did Governments before it—had a policy of progressively moving people from public land in coastal areas. I think your Government did some of this work in the Mackay and Whitsunday area. Sure, in that case it was at the request of the local authority.

There is some evidence that the local authorities in this case feel less concerned about the possible health or environmental impacts of so-called squatters and their huts in the Rocky Ponds area. I guess the difficulty that we face as a Government—as you did when you had to consider these issues—is that everyone else in the community has to pay their fair share, whether it be by way of rates or whatever. I think there is a feeling in the broader community that it is not really quite fair that some people should have an exclusive right to occupy some of the most beautiful parts of our coastline, which is public land, and exclude other people from the area. They are able to do this for nothing. Nevertheless, as you say, they are genuine people. It was a pleasure for me to be able to talk to them. They are people of substance. One of them is the mercurial Tom Burns, who has rung me and pleaded their case.

I have not reached a firm conclusion about this. There may be some justification for an exception to the rule in the case of Rocky Ponds and nearby squatter huts. As I have indicated to them, I will definitely make no decision before I personally visit them and assess the situation first-hand. I have assured them that I will do that. I have been honest with them in saying also that it is a difficult one for the Government in the context of the perception of the broader community that people should not be able to occupy exclusively public land in every case.

Mr LESTER: I refer to the possibility of piping reusable water from Luggage Point, diverting it into the Lockyer perhaps, and going up onto the Darling Downs. There are very good reasons why this could be a very visionary project in that the water table on the western Darling Downs has been affected severely. I believe that a seminar is to be held in the not-too-distant future at Gatton college on the issue. I think in March—and do not quote me the month; but it was March, April, or thereabouts—you indicated that there would be an across-department look at this project to work out where one would start. That was as a result of a Community Cabinet meeting in Toowoomba.

Mr WELFORD: Jondaryan, yes.

Mr LESTER: You indicated that that would take place pretty quickly. The other day you did write to me—and thank you for the letter—but in it you indicated that it had not met. I would like to know that if, at this point, it has not met, if it is going to meet and if there is some possibility of this happening. In view of the precious nature of it, we have to try to use water as best we can.

Mr WELFORD: Thank you, Mr Lester. Yes, I share your view that this project has many very desirable potential benefits. I am pleased to say that that committee, which as you correctly pointed out has taken some time to get together, has at last met.

Mr LESTER: Good.

Mr WELFORD: So work is in progress. It does, of course, require a coordination of a number of agencies. I think the Department of State Development is a key player in this, because it is likely, because of the cost and especially the component of the pumping cost to get it up the range, likely to require some private sector input.

As you know, one of the outcomes of the Cabinet meeting was that the Premier specifically sought to approach the Federal Government, too, to contribute to the project. We believe that this is a project that justifies public contribution, whether that be the State or Federal Governments, because of the broader regional environmental benefits that it could deliver.

The principal recommendation of the task force report was for the transfer of the majority of the waste water from Brisbane, Ipswich and Logan via a combined scheme to serve both the Lockyer Valley and the Darling Downs. As I think we mentioned after the Cabinet meeting in Jondaryan, the combined scheme is likely to cost upwards of \$700m. So it is a big project. Nevertheless, it is a visionary one and

appropriate for a Government to fully investigate to see whether we can actually achieve it or, at least, achieve a substantial part of it. I think that even just achieving the Lockyer Valley component would be a significant benefit. It may be that, over time, the Toowoomba connection could also result.

I know that a number of people are very supportive of it, including the local State and Federal members up that way. I think that we should all, in a bipartisan way, continue to work to encourage the Federal Government to contribute to this because, if we can actually pull it off, I think it will be of very significant economic benefit to both the Lockyer and downs regions. We have, of course, other similar smaller projects elsewhere. The work that we are also doing on those will, I think, be a good guide for us for the potential and feasibility of this particular project.

The interdepartmental committee that is now together is scoping the remaining issues that need to be assessed. They include financial feasibility and private sector involvement and the suitability of waste water for irrigation for the particular cropping purposes that it is needed. There are, of course, health issues. So we need to determine what level of water quality we need. Perhaps that is one of the first things that we need to decide upon, because there is no point sending water up there if the farmers decide that it is not of a quality that is adequate. Of course, soil suitability is another issue, because not every area may be appropriate for irrigation with this kind of effluent reuse project. Those issues have been scanned by the committee already and they are now starting to work.

Mr LESTER: I think that you had better set a few time frames on that committee. Just imagine a cross-department committee; at times they find excuses to take their time.

Mr HOBBS: Minister, on page 2-17 of the MPS, reference is made to the extension of the WAMP process and the finalisation of the WAMP plans for the Fitzroy, Condamine, Balonne, Barron and Logan Basins by 30 June 2000. You have already felt the heat. You have had time to plan ahead. I ask: in the event of an irrigator or group of irrigators losing some of their existing water entitlements or having the conditions of their water licences varied, what provisions have been made in the budget to provide these people with fair compensation?

Mr WELFORD: There is not a specific allocation in the budget for compensation. However, there are presently detailed

discussions on a number of fronts, and I am happy to brief you on them. Firstly, for a number of months now, I have been holding special meetings with representatives of the irrigators council, the QFF and other peak industry representatives on managing those areas where there is a potential for some adjustment to be required to allocations—when we convert the allocation from what is presently, admittedly, a relatively insecure allocation if you continue to make future allocations against it in a catchment, to one that has more security and is more clearly defined as a volumetric allocation. It is a continuation of basically what you started.

We are working through a number of options with those groups. One option could be that there is some contribution from the State to particular land-holders who suffer significant economic hardship as a result. That could be possibly supplemented by consideration of some kind of industry fund so that there is a partial contribution out of water pricing that can go into a pool, which can then compensate those whose access to the resource might be affected. Another option is to consider that as part of the water trading system, once it is introduced—as they have, I think, in New South Wales. When an allocation, or part of an allocation of water is traded, a small percentage of that is taken back, or clawed back, if you like. So if, say, 100 megalitres is traded, the actual transferee of that trade will get, maybe, 95 megalitres and the other five would go back into a pool to compensate or to offset what might previously have been lost by some whose access has been affected by the outcome of the WAMP.

So I am genuinely committed to it. I recognise that there are some principles which I think are legitimate for consideration by water users. One is that, although I think that it is impossible to define specifically what level of compensation different users have, because they all derive different levels of economic benefit from the water they use, one of the first things we want to do is that, if they end up with less water—and that is not certain yet—if we can use that less water with the same level of productivity as they have now, they have lost nothing. So we need to assess those options. Of course, the further factor that I have considered is a transition period so that people have time to adjust. That is often a very important thing. People do not mind having to adjust to new arrangements, but they cannot do that overnight because that will have a much more severe economic impact. If you give them time, they accept that it allows them time to plan their business, to adjust to the

change. We are looking at all those options. We are hopeful of reaching agreement on a package that we can work with industry on to make sure that no-one suffers seriously.

The CHAIRMAN: Thank you, Minister. The time for non-Government questions in that block has expired.

Mr REEVES: Minister, I have a further question for the land services output section. We are going from a famine to a feast.

Mr WELFORD: You are a fanatic.

Mr REEVES: One controversial issue that always comes up is valuations. I refer to page 2-25 of the MPS. I notice that the estimated objection rate was 5% for 1998-99, yet the table indicates an objection rate of 1.6% against the valuations issued for that period. The MPS also refers to over one million valuations being issued by the department in this period. Could you explain the low level of objection and the benefit of the grievance process to the community?

Mr WELFORD: Out in the suburbs, although not necessarily in your area but certainly adjacent to your area, there have been some recent hot spots in terms of the valuation process. I certainly acknowledge that. I think there are some ways in which we can improve the valuation process. We certainly have that under consideration now. Before the election we made a commitment in Mr Fenlon's electorate that one of the things that we would do is review some of the difficulties that appeared in the valuations for that area. More importantly, we have looked at the systemic problems that might give rise to anomalies in valuations even in the same street.

Notwithstanding all that, it is interesting to note from the figures that the overall objection rate for valuations across the State is very, very low. That is evidence of the valuation system being reasonably acceptable. I think it can be improved and we are going to look at that possibly in the course of the next year or so. However, the objection rate currently is relatively low. In those areas where we have identified problems, whether it be on the south side of Brisbane or in the Mareeba/Dimbulah irrigation area, which is another area where we recently had to address some issues, we have been able to do that in consultation with the community and in a rational way that responds to the community concerns that are raised.

The table on page 2-25 of the MPS targets an objection level of below 4% for this year. If we achieve below that level, we think that that will reflect the integrity of the valuation system. It will also ensure that there is a

natural justice review process for landowners potentially affected by valuations.

In this last year we had an independent report undertaken into the objection process. As a result of that, we now have a new explanatory brochure that is sent out with objection forms. That brochure makes it clearer and simpler for people to understand the implications of their valuations and the rights that they have in respect of valuations. As a result of the independent report that I directed to be undertaken, other business practices have also been reformed. Some 16,000 objections were received against all valuations that were issued. The majority were investigated and finalised by 30 June this year. Of course, that incorporated consultation with the landowners concerned and, in some cases, industry groups.

Dr CLARK: Minister, I refer you to page 2-54, dot point 2, of the MPS, which states that the State Water Projects will meet statutory requirements and community responsibilities. What measures has the State Water Projects put in place to ensure that it minimises the impacts of its operations on the natural environment?

Mr WELFORD: The State Water Projects operates some 34 water supply schemes throughout Queensland. Those schemes provide water supplies to over 7,000 irrigators, 34 local governments and 28 major industrial customers. To ensure that the impacts of those operations on the natural environment are minimised, State Water Projects is in the process of implementing an environmental management system for its water supply schemes. The system is modelled on and conforms with the international standard ISO 14001, which is the standard being implemented by numerous public and private sector agencies worldwide to encourage best practice environmental performance. The environmental management system provides an overarching framework for the management of State Water Projects' business in a way that enables continuous improvement in performance. It includes a comprehensive risk assessment for each scheme, which includes identifying significant environmental risks and making sure that there are strategies to minimise the risks.

State Water Projects has also established environmental reference groups to assist in the risk assessment process for each scheme. They include customer and community representatives such as the local council, the local conservation group and peak industry representatives. To date, about two thirds of

the 34 schemes have undergone risk assessment and the strategy formulation phase required by the EMS. It is expected that the EMS development process will be finalised this financial year.

To ensure that State Water Projects achieves improvement in its environmental performance, we are putting in place annual reviews of its operations and policies, and regular audits of progress against the plans and the EMS that has been established. A performance contract has been entered into between State Water Projects, as a commercial entity, and the Treasurer. I also have to endorse that contract. In the formulation of that contract, I have made sure that State Water Projects focuses on making environmental performance and minimising environmental risks a key component of its contract for service delivery to the Government on behalf of the Queensland community.

Dr CLARK: I turn to environmental impacts in another water infrastructure context. As you are aware, there have been ongoing studies for some years now on the Barron River, looking at what infrastructure might be appropriate in the future for the water supply there. I believe that that particular study is coming to a conclusion. Can you indicate the allocations to date on that project and tell us what further allocation is in the Budget this year? I am particularly interested in knowing about the various proposals that have been considered for the Barron River. I believe that the Flaggy Creek dam proposal is now almost at the point where it can be discounted in favour of alternative options such as the Nulinga Dam.

Mr WELFORD: A regional planning study has been undertaken for that area, as you correctly point out. Of course, the very formative or initial stages of the Barron River WAMP have also been started. DNR and the Cairns City Council are co-sponsors of the regional planning study, which is aimed at addressing urban as well as water needs. Of course, it responds to the FNQ 2010 planning process. We want to ensure that we integrate into that.

The Cairns City Council is putting in \$112,000 towards the cost of the study. It was also, as I understand it, a priority 1 study in the implementation plan for the Government's response to the Water Infrastructure Task Force. The study area covers the Barron, the Upper Mitchell, the North Johnstone and the Mulgrave catchments, including the Mareeba-Dimbulah irrigation area. The whole-of-Government approach required will deal with

issues addressing the anticipated growth in water demand. Demand is being generated not just from the expansion of irrigated agriculture but also from urban expansion. There is also some interest in additional water for hydroelectric power in the region. Only the WAMP will tell us whether we can deliver on all of those wish lists of demands for new water resources. But in the meantime a scoping study evaluating the options has been finalised. A draft report on that is currently being reviewed by the EPA in conjunction with DNR. The study will need to be proved up in a bit more detail. But at this stage the Nulinga dam option appears to be one of the preferred augmentation options. Among all of the options available it seems to be the one that has the most potential to satisfy the needs of all sectors that I have mentioned.

Consultation has commenced with the Aboriginal community at Mona Mona in regard to the Flaggy Creek proposals and that community has indicated a number of concerns it has with the Flaggy Creek proposal. DNR and EPA staff have also indicated some potential environmental problems with the Flaggy Creek proposal. At this stage Nulinga is a possibility. More work needs to be done on the detailed feasibility. Those preferred options will be firmed up hopefully by the end of this year.

The CHAIRMAN: That finalises questions from the Government members on this portfolio. By agreement, we will conclude with 10 minutes of questions from non-Government members.

Mr LESTER: Acid sulfate soils are a major problem in many coastal areas of Queensland, a fact recognised by you in a number of past media releases, including one titled "Environmental time bomb from acid sulfate soils" and in which you called on developers and land-holders to take extreme care when distributing soils in coastal areas. Why has the Acid Sulfate Soils Mapping Program not been expanded to address the urgent need for more detail on where these soils are? How will the budget cuts to your department affect the work of the Queensland Acid Sulfate Soil Management Advisory Committee and the Queensland Acid Sulfate Investigation Team?

Mr WELFORD: There have been concerns raised, as the honourable member mentioned. I certainly reflected those concerns in the public statements that you have referred to. Not just the conservation movement but also fishing and development interests and local government are concerned about the potential environmental impacts from acid

sulfate soil disturbance. As a result, work started a number of years ago and it is continuing now. In the past 12 months nine technical and educational workshops have been held across the State on better management of acid sulfate soils. We have produced acid sulfate soils maps with sufficient detail from the New South Wales border to Noosa, where there has been a lot of urban growth pressure, on the location and depth of acid sulfate soil in those areas. We have provided information on the properties of acid sulfate soils and advice on their effective management. There is an interdepartmental committee to oversee the Government's involvement in acid sulfate soils.

Recently, I took to Cabinet an acid sulfate soils State strategy, which has been endorsed. That Statewide policy and strategy for the management of acid sulfate soils for both the short and long term will be progressively implemented. It is something that does require cooperation from Government and the industry. The budget for this year will be at least \$265,000. But we are continuing discussions with Treasury with a view to seeing whether we can accelerate the work that was planned on this. There will be no loss of permanent staff on the project. In the past we have been able to garner money from various areas and leverage it against Commonwealth money. Some of that temporary money has expired now. If we want to continue the work that we were doing and indeed accelerate the work in the way that I would like, we are going to have to do a bit more work on defining more specifically what areas are the highest priorities and persuade Treasury that perhaps in those areas where there are specific problems we could get a special allocation.

Mr LESTER: Page 2-17 refers to the development of a native vegetation management framework to apply consistently across freehold and leasehold land in Queensland. You recently expressed concern at the number of tree-clearing permits being issued for leasehold land. On the basis that these permits were issued by your own department under the current tree clearing guidelines, what action do you plan to take to resolve your concerns?

Mr WELFORD: That is a good question.

Mr LESTER: I thought it was, too.

Mr WELFORD: And I have an answer. Yes, it is true that I raised concerns about the permits that have been issued this year. Interestingly—

Mr HOBBS: Under the guidelines, all of

the permits that have been issued were sustainable.

Mr WELFORD: Under the guidelines they are certainly legitimate permits, but the jury is still out on whether they are environmentally sustainable. That is the point that I would like to make.

Mr HOBBS: Some 34 communities agreed to those.

Mr WELFORD: I understand that the communities agreed to the guidelines that are in place.

Mr HOBBS: Just like all of the departments.

Mr WELFORD: I am just saying that the jury is still out. We have to monitor these things over a number of years to determine whether what we are doing is adequate. In any event, even before I discovered the extent of this year's permits, we had put in place, with participation from the grazing industry associations and other rural industry groups, a review of the guidelines in the leasehold areas. That is occurring in parallel with VMAC's work on the broader strategy for a consistent review across the State. In actual fact, the aggregate area of clearing as a result of the leasehold guidelines has declined from 1995 to 1997 compared with 1991 to 1995.

Mr HOBBS: It is just a bit of a peak, though. It is like everything else, is it not? It will average out?

Mr WELFORD: No, listen to what I am saying. The aggregate area has declined under the leasehold guidelines. The leasehold guidelines have had the effect of putting a bit of a brake on the overall area of clearing.

Mr HOBBS: But the rest of them are only making it a permit. They are not putting in an application for any future compensation or whatever the case may be. They are expressing an interest.

Mr WELFORD: I am talking about clearing as distinct from permits. I will explain why I have a different concern in a minute. I think the guidelines to some extent have worked, because they put a brake on the actual clearing. That is what the satellite data shows. My concern arose with the permits for the areas that have been issued, and not just because of the volume of area that the permits provide for. If you look back over the years, you see that, although permits can be exercised within a five-year period, we are finding that the aggregate area cleared from year to year, although it is not in the same year as the permit is issued, pretty much goes up and down tracking the level of the permits.

So the permits do, in effect, get fully exercised, but it is usually just a year or two lag. The permits this year are up over 390,000 hectares—just on leasehold land—in the first eight months. They were only that much for the full year last year.

Mr HOBBS: You frighten people. That is trouble. That is the reason why you have done it.

Mr WELFORD: Even that level is high. My particular concern was, if I may be given the indulgence to finish, that whereas last year, even though the aggregate level was high, most of that was regrowth; this year there is a much bigger proportion that is virgin vegetation.

Mr HOBBS: But not of concern, though.

Mr WELFORD: Yes, including—

Mr HOBBS: Not on leasehold land. You will not get a permit on leasehold land if it is of concern.

Mr WELFORD: In some areas you do.

Mr HOBBS: But at the very low level.

Mr WELFORD: That was my concern. I think we can work through a process. I do not think there will be much change to the leasehold guidelines at this stage. They will be just nipping and tucking and tidying up some of the anomalies. But I am not driving it; it is being driven by the community stakeholders involved in reviewing the guidelines. The aim, of course, is to try to get something that is consistent and fair across the State. To the extent that your Government as well as ours have, I think, achieved reasonable acceptance of the leasehold guidelines, I think we can expect to achieve the same thing in a consistent way across the State.

Mr LESTER: I have a final question.

Mr WELFORD: I have all the time in the world for you, Mr Lester—just for you.

Mr LESTER: Thank you. The Burnett region is an incredibly rich agricultural region, and we all know that. I am just wondering what has been allocated in this year's budget for the construction of the Walla Weir Stage 2, the Jones Weir and the Bucca Weir, and how does this all equate to the Paradise dam at the current time?

Mr WELFORD: The Burnett River catchment study is one of several regional catchment studies identified as category 1 in our current implementation plan. I just wanted to make sure it addressed Stage 2 of the Walla Weir. Let me just, in summary, say we are doing more work in the Burnett than in any other catchment in Queensland. I think that

signal needs to be sent to the Bundaberg and Burnett regional community, that our Government hears their concern. We know water is a priority there. Our member in Bundaberg, Nita Cunningham, is at my door every second day, alerting me to the importance of water resources in the Burnett catchment. We have poured bucket loads of our portfolio intellectual and staff resources into addressing the very many challenges in managing and providing water resources in the Burnett.

We have studies that include a catchment overview, a state of the rivers study, a flora and fauna overview, an economic impact study, efficiency of irrigation water use study and an alternative water sources study. We are looking at South Burnett storage proposals, storage proposal on Reid Creek, central Burnett storage proposals and north Burnett storage proposals. Community participation is involved in this through the Burnett Development Reference Group and a network of local subcatchments groups and community advisory groups.

Proposals are being developed for Government consideration on several small weir developments in the catchments, namely Bucca Weir Stage 2, Jones Weir Stage 2, Barlil Weir, Cooranga Weir and a fish way on Claude Wharton Weir. In relation to the Walla Weir Stage 2, the impact assessment process is pending. It will commence once we get the results of those various scientific studies that I previously indicated in relation to Stage 1. You know it has been a fairly controversial construction—the impact on the lung fish and its habitat and so forth. We are finalising those scientific studies now. As soon as they are finalised and we have the information on which to proceed with the impact assessment for the bag on the Walla Weir—that will enable us to proceed with the impact assessment.

Our initial indications are that the impact assessment will indicate that, in comparison to the Walla Weir as a whole, the addition of the bag will have marginal additional environmental impacts, but do not hold me to that because I think we do need to do the study and do it properly and know what we are doing before we proceed. But that impact assessment will start to go through soon.

The CHAIRMAN: There being no further questions, that concludes the examination of the Estimates for the portfolio of the Minister for Natural Resources. 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 27 August 1999. I take this opportunity to thank all members of the Committee for their hard work that they have done thus far and for their cooperation with the Chair. Our appreciation is also extended to the Committees' research officer, Mr Rob McBride, to Hansard and the various time keepers and attendants. I can assure you your efficiency has been greatly appreciated. I declare this public Committee closed.

Mr WELFORD: Thank you to all the Committee members, too.

The Committee adjourned at 6.51 p.m.