

ESTIMATES COMMITTEE E

Mr T. S. Mulherin (Chair) Mr J. Pearce
 Mrs E. A. Cunningham Mr M. H. Rowell
 Hon. K. W. Hayward Miss F. S. Simpson

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

Hon. T. McGrady, Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development
 Mr R. Boyle, Director-General
 Dr T. Campbell, Deputy Director-General
 Mr P. Dent, Executive Director, Safety and Health
 Mr P. Chard, Executive Manager, Administration
 Mrs K. Taylor, Manager, Budget and Systems
 Mr A. du Mee, Chief Executive Officer, Tarong Energy
 Mr R. Cottee, Chief Executive Officer, CS Energy
 Mr T. Scott, Chief Executive Officer, Stanwell Corporation

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 The Committee commenced at 8.31 a.m.

The CHAIRMAN: I declare the meeting of Estimates Committee E now open. I welcome the Minister, public officials and members of the public who are in attendance today. The Committee will consider 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. First the Committee will examine organisational units within the portfolio of the Minister for Mines and Energy and the Minister Assisting the Deputy Premier on Regional Development. The Committee will then examine organisational units within the portfolio of the Minister for Health.

I remind members of the Committee and the Minister that the time limit for questions is one minute and answers are to be no longer than three minutes. A warning bell will be given 15 seconds prior to 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 the departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in the transcript.

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

I declare that the proposed expenditure for the portfolio of the Minister for Mines and Energy and the Minister Assisting the Deputy Premier on Regional Development are open to 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 McGRADY: Thank you, Mr Chairman. It has certainly been a very busy year in my portfolio. We have seen a lot of changes and what I consider to be improvements. This year's budget aims to keep that momentum going.

I believe that everybody on your Committee would be aware of the importance of the mining industry to the State of Queensland. Of course, in recent times we have seen some massive changes to the energy sector which I believe offer many exciting challenges to our State.

There was a 7% increase in the value of Queensland's coal production in the 1998-99 year and an increase to a record 85 million tonnes of coal exports. One of the downturns, I suppose, would be the low prices of our commodities on the world market. There was growth of more than 17% in the value of minerals and metal exports, along with the continued growth of the State's petroleum industry.

The facilitation process for mining and petroleum products will continue over the financial year and could amount to a further \$3.4 billion worth of capital investment in our State. We will also develop policy options jointly with State Development to encourage the value adding of minerals in Queensland. This will result in greater utilisation of the State's resources and provide more investment and more jobs for the mining industry.

As I said a moment ago, there have been some exciting developments in the energy and indeed the electricity areas. The measures taken by the Government to manage tight electricity supply conditions over the last summer period were successful and we are maintaining a very strong focus on maintenance and reliability of our electricity systems.

The recommendations from an independent maintenance audit of the generating corporations are being fully implemented and an electricity monitoring unit is being established to monitor general maintenance practices on an ongoing basis. As part of standard electricity customer contracts which are being drawn up, a consumer protection office is also being established to assist in the rights of electricity consumers. This will be the first time in the history of this State that consumers have had this type of service.

The State Government's own electricity corporations were restructured, as you all know, as part of a major review conducted to address the problems being faced. This has been successful and should lead to a more accountable and more effective Government owned electricity sector. Across the State, the electricity corporations have been allocated more than \$1 billion in capital works spending this financial year for major maintenance upgrades and new construction to ensure that they keep pace with the ever increasing demand for electricity.

The Government has also dramatically raised the profile of sustainable energy initiatives through continued funding for the Office of Sustainable Energy and programs such as the Queensland Sustainable Energy Innovation Fund and rebates for people who install solar hot water systems and remote area power systems. All in all, I believe it has been an exciting year. I believe it has been a year of gains. I am more than happy to participate in this process this morning.

The CHAIRMAN: Mr Rowell, would you like to question the Minister?

Mr ROWELL: Thank you for the opportunity to be part of this Estimates debate. I recognise what is actually happening in the Mines and Energy portfolio, an extremely important portfolio as far as Queensland is concerned. I would like to question some of the CEOs in the first instance. The first group I would like to ask some questions of is Energex and Ergon Energy.

The CHAIRMAN: It is up to the Minister to determine whether the CEOs of Government owned corporations will answer questions. We are questioning the Minister, not the CEOs.

Mr ROWELL: Is that okay?

Mr McGRADY: If you direct your question through me, we will take it from there.

The CHAIRMAN: The Minister will determine whether he will bat with it.

Mr ROWELL: I refer to the front page story in the Courier-Mail this morning regarding an admission by an Energex employee that there are flaws in the maintenance of powerline safety. I also refer to the fact that the Government took 95% of the distribution section in the 1997-98 operating profit as a dividend. I would like to ask the chief executives of Ergon and Energex whether these corporations have been left with sufficient funds to carry out repairs and maintenance work to ensure the reliable provision of a safe power supply.

Mr McGRADY: As I indicated earlier, the questions will come through me. If I see fit, I will invite representatives from the organisations to answer. First of all, the story in today's Courier-Mail is before the Coroner's Court and is sub judice. I will not comment on that aspect of that problem. However, I would be more than happy to talk about the more general aspects of maintenance in the electricity industry and in particular in the Energex area.

Today's story, as usual, concentrates on just one part of evidence which has been taken. What I want to say is that I have been concerned for some time about some of the public allegations which are being made. In an organisation the size of Energex, you will always find reasons for people to express some concerns. I have had a number of meetings with the chief executive officer and, indeed, the chairman of Energex, and they have showed me statistics which prove that spending on maintenance has increased substantially over recent times.

I was somewhat concerned about some of the comments I have read in recent times. I was under the impression that there was a systematic check of some of the poles and the wires. My concern is such that recently, as you would be aware, I did invite two people, Mr Ron McGuigan and Mr Dick Williams, to investigate allegations which had been made in the media about some of the concerns which a former director of that company had. Both these gentlemen accepted my invitation, and they are currently going through some of the allegations which have been made. Rather

than just rely on the allegations of one person, I have also requested both gentlemen to meet with some of the unions in the field, because in recent times there have been some claims coming forward from that particular sector.

So could I just say that I am fully aware of the concerns in the community. I have had discussions at the highest level. Energex are well aware of my concerns. And if you would like to give me a supplementary question, I would be more than happy to ask the chief executive of Energex to respond.

Mr ROWELL: I asked about both organisations—both Energex and Ergon. You did indicate that there has been an improvement as far as the maintenance expenditure is concerned. Could you produce those figures for us?

Mr McGRADY: I can produce the figures—the Energex ones. Energex prepares its maintenance budget based on meeting requirements determined in accordance with its maintenance policies. During the year, there will always be maintenance that is not considered critical and which can be deferred until it can be carried out in conjunction with priority works.

The expenditure to which you refer on activities directly related to the maintenance of the electricity network has steadily increased. In 1997-98, actual expenditure on maintenance activities was \$68.1m. In 1998-99, Energex had budgeted for expenditure of \$84.3m on maintenance activities. However, actual expenditure reached \$97.7m. For 1999-2000, Energex have budgeted \$108.7m for activities directly related to the maintenance of the network. They have also increased the amount budgeted for vegetation management from \$12.7m in 1998-99 to \$22.6m in 1999-2000. Energex has increased the amount budgeted for pole inspection from \$2.5m in 1998-99 to \$3.4m in 1999-2000.

The question of maintenance is one which gives me a great deal of concern. Just a few months ago, I went to Perth to examine the program which the Western Australian Government have initiated, and I did address my findings in the Parliament. But if we are to overcome these major problems, it is going to take a massive amount of money. I have already written to the various councils around the State asking for them to come and talk to me and to the industry about the possibility of undergrounding cables, because it serves three purposes. First of all, if you have your cables underground, you run a lesser risk of power outages, whereby you get trucks and other things—

Mr ROWELL: Sometimes.

Mr McGRADY: Sometimes. That is one issue. The other one, of course, is the environment. And the third one is the problems which have been raised in today's Courier-Mail. In Perth, the cost per household on average is about \$4,000. In the pilot scheme which the Western Australian Government initiated, a third is met by the council, a third by the State Government and a third by the electricity authorities.

Mr ROWELL: Do you have the same figures for Ergon there?

Mr McGRADY: No.

Mr ROWELL: Could you take that on notice?

Mr McGRADY: As you would appreciate, Ergon is a relatively new organisation.

Mr ROWELL: That is true, but just as important.

Mr McGRADY: If you would like to ask me that question, I will ask the chief executive officer to give you a run-down on what is happening in Ergon.

Mr ROWELL: Could we put that on notice?

Mr McGRADY: Sure.

Mr ROWELL: Is it a fact that Tarong Energy is currently accruing a daily penalty payment to the tenderer, and that there is a provision for a lump sum payout if the contract for expansion of the power station does not proceed? If this is so, what are these payments?

Mr McGRADY: Tarong Energy has negotiated a new contract for one unit, which was valid until 11 October this year. Tarong Energy has negotiated an arrangement to extend the validity beyond this date.

Mr ROWELL: I asked if there are any penalty payments going to the tenderer, the person who put together the contract.

Mr McGRADY: I have just answered that Tarong Energy have negotiated a deal. Much of that is in confidence.

Mr ROWELL: So you are saying there are no penalty clauses whatsoever?

Mr McGRADY: As I understand it. What you have to understand, Mr Rowell, is that the Government owned corporations have boards, and they are the people who make the decisions. The Minister obviously gets briefed. The Minister seeks information, but the day-to-day activities of those corporations are indeed run by the board through the chief executive officer. My understanding is that a new

contract has been negotiated, and I do not believe there are any penalty payments.

Mr ROWELL: In the new agreement. But in the previous one, where do we stand with that? That is the point I am getting at.

Mr McGRADY: My understanding is that there have been no penalties incurred.

Mr ROWELL: No penalties whatsoever?

Mr McGRADY: My understanding is that there are no penalties incurred. However, I would be more than happy to ask Mr du Mee if he would address the Committee. But at the same time you must understand that a lot of these negotiations which are going on are commercial in confidence, and I would not expect him to tell the world exactly the state of negotiations which are currently taking place. So I will invite Mr du Mee to answer that question.

Mr ROWELL: Good.

The CHAIRMAN: Could you please state your full name?

Mr du MEE: My name is Alan du Mee. I am the chief executive of Tarong Energy Corporation.

Mr ROWELL: Mr du Mee, I asked a question of the Minister regarding the previous contract and the arrangements that you had as far as Tarong Energy's involvement to the point where arrangements were made by a tenderer to proceed with the construction and effectively get a clear understanding of what the costs were going to be. I understood there were some penalty clauses involved on a day-by-day issue, and certainly if the contract fell over completely there was a lump sum payout due to that tenderer; is that correct?

Mr du MEE: That is true. The day-to-day expenses are really just normal escalation in the contract, which should not really be regarded as additional costs per se. The discussions that have gone on with the EPC tenderer to date are structured in such a way that any penalties that would apply under certain circumstances will actually become null and void. They will be absorbed into the new contract, and that is what we are expecting the outcome to be.

Mr ROWELL: That is the arrangement that you have made with the person?

Mr du MEE: With the EPC contract tenderer.

Mr ROWELL: After Entergy decided that it wanted to pull out of the arrangements with you?

Mr du MEE: The entity's withdrawal did not actually have any material impact on the

negotiations for the EPC contract per se because when Entergy pulled out we picked up those negotiations to ensure that Tarong had the best possible outcome for the future.

Mr ROWELL: So what you are saying is that there is no lump sum payout and there is no day-by-day penalty at this present time, but perhaps previously there was a penalty at the point when Entergy pulled out of the contract?

Mr du MEE: There are some situations where the EPC contractor could in fact come back and claim from us and we would have no offset for a complete cancellation; in other words, it is a situation where, if there was no extension at this point in time in the negotiations that we have had with them, we have the opportunity not to have any penalties at all.

The CHAIRMAN: Mr Rowell, would you direct further questioning of Mr du Mee through the Minister and allow the Minister to determine whether he wants Mr du Mee to answer the question?

Mr ROWELL: Minister, would Mr du Mee be able to reveal the nature of those penalties?

Mr McGRADY: We have a situation where both sides of the political fence in this State have asked the Government-owned enterprises to go out and compete in the marketplace. In recent years in Queensland we have had a massive amount of competition in the industry. Whilst I want to cooperate fully with this Estimates Committee—and it is vital that we do so—there are some issues which I believe should remain in confidence. I think Mr du Mee has made it clear that negotiations are taking place and that at this point in time there is no direct penalty. He has further added that further down the track there could be penalties. Negotiations are proceeding. I do not believe that it would serve the Committee to receive this information. I am more than happy to keep you, as shadow Minister, abreast of details as regards the future of Tarong, but when we speak in this forum we are addressing our words not just to the people of Queensland but, indeed, to the world.

The CHAIRMAN: Mr Rowell, I think the Minister has answered that.

Mr ROWELL: It is up to my discretion as to whether or not he has, Mr Chairman. Minister, if you are prepared to do that, I will accept that at this present time.

Mr McGRADY: Since you have become shadow Minister, I have always demonstrated my willingness to discuss issues with you and

to keep you informed. I certainly will continue to do so.

Mr ROWELL: It is going to be ongoing?

Mr McGRADY: I have made that offer to you in the Parliament on another issue and I am more than happy to continue, provided you treat the information I give you with the utmost—

Mr ROWELL: I would do that, with respect.

Mr McGRADY: I am sure you would.

The CHAIRMAN: I think we have terminated that aspect of the session as far as Mr du Mee is concerned. We can move on.

Mr ROWELL: The table on page 35 of the MPS refers to the dramatic blow-out in community service obligation payments for tariff equalisation in the 1998-99 financial year from a budgeted \$93m to an actual result of at least \$267m. However, note 26 identifies \$420m in receipts from the Government to meet CSOs from the 1998-99 financial year. I ask: given that the projected \$411m for CSOs in the 1999-2000 financial year—note 28—involves a carryover of some liability incurred in the 1998-99 financial year, what was the actual CSO accrued for the 1998-99 financial year and what is the current CSO carryover to the 1999-2000 financial year? What solution does the Government have to address this problem in the future?

Mr McGRADY: The Government remains firmly committed to the provision of a safety net type of support for the franchise customers—that is, the non-contestable customers—in rural and remote parts of the State. I think this is a policy which is accepted by all sides of the political debate in this State. This policy provides a safety net for those customers who would face significant price increases if full cost reflectivity was applied to them because of their remoteness from generation. It is a safety net tariff which they can continue to pay rather than enter the competitive market. The safety net tariffs are underpinned by CSO funding, as the member just said. Whilst the level of CSO funding could be accurately predicted prior to the commencement of the competitive electricity market arrangements, with the advent of the national electricity market they became less predictable because of their relationship to the wholesale energy price.

This is because the CSO effectively represents the difference between the safety net tariff for franchise customers and the wholesale energy price at which retailers purchase energy—plus distribution and

transmission costs. As the energy pool price in Queensland was higher in 1998-99—at about \$60 per megawatt with a forecast of \$37—the CSO payments were much higher than forecast in the budget of \$419m, as the member stated, against \$90.5m.

The important point to note is that, whilst the CSO payments were higher than forecast, some of the payments will be offset by increased dividends payable by the generation corporations to the Government in respect of the 1998-99 financial year. The Government has estimated CSO funding to support the safety net-type arrangements at around \$259m in the 1999-2000 financial year. The Government is reviewing its arrangements for CSOs in order to provide greater budget certainty. It has placed a greater responsibility on the GOC retailers to more effectively manage the risk of purchasing energy in the national market. At this point, I am sure the chief executive officer of the Department of Mines and Energy would be more than happy to add to the answer.

The CHAIRMAN: We will see if the questioner wants to allow two minutes for Mr Boyle to answer the question.

Mr ROWELL: Mr Boyle, are you going to take two minutes to respond?

Mr BOYLE: I will only take a few seconds. The increase in the 1998-99 financial year, as the Minister has said, is due to higher than expected CSO payments by electricity retailers for tariff equalisation. The decrease in 1999-2000 to \$259m is due to expected stabilisation in the electricity price which will result in lower CSO payments to electricity retailers.

Mr ROWELL: Is that going to continue? What will we be doing about it in the future?

Mr McGRADY: This year we have budgeted for \$259m as opposed to the actual figure last year of \$419m. So we see a reduction in this financial year.

The CHAIRMAN: The time for questioning by non-Government members has concluded. Government-appointed members now have the opportunity to question the Minister. Minister, the wind-up of Austa Energy is mentioned on page 13 of the Ministerial Portfolio Statements. What are CS Energy's plans for the two groups acquired from Austa Energy—Power Plant Automation and Murarrie?

Mr McGRADY: I am glad you have raised this point because the wind-up of Austa Energy became a very important and significant part of the restructure of the Queensland electricity industry. I was the last

person in the world who wanted to see a Government-owned enterprise such as AUSTA wound up, but the facts of life were that, with the previous restructure by the coalition Government, Austa Energy lost its place in the world. It was losing \$25,000 per working day and there was no light at the end of the tunnel. Therefore, I came to the view that AUSTA had to be wound up.

We had the option of simply retrenching all of the staff or trying to find places within Government for them. At this point I congratulate the officers of my department and also the chief executive officers of the various Government owned enterprises on the way in which they have taken these people. When I say "taken these people", it was not some sort of charity; these people will find a new home in these organisations and they will continue to play a very important role in the electricity industry of this State.

Coming back to your question, the Government has sought to retain AUSTA Energy's Murarrie and power plant operators business units together as a group to provide an important service to the industry. The Murarrie unit provides material scientists, chemistry services, turbine technology and fuel utilisation services to the Queensland power generation industry. The PPA unit provides power station control systems and automation design services. These units will be transferred to CS Energy this month, where staff will continue to provide these services.

As I said, the Government does not want to lose valuable skills and experience from the Government owned energy sector. These actions are a clear demonstration of our efforts to ensure that the engineering expertise of AUSTA Energy staff will not be lost as a result of the wind-up of the corporation.

In conclusion, can I say that I believe that the restructuring of the electricity industry was a tremendous success. I would like to pay tribute to all of those people, particularly from my department, but also from the trade union leadership, too, who cooperated and obviously did the best they could for their members.

The CHAIRMAN: Thank you, Minister. The issue of maintenance backlogs at Government owned electricity generating authorities is outlined on page 13 of the Ministerial Portfolio Statements. Is it true that CS Energy power stations have all operated at high levels of reliability which place them among the world's best, including setting a State record for nonstop operations in one unit?

Mr McGRADY: Mr Chairman, Callide Power Station continues to operate reliably

with Unit B1 breaking the Queensland record for continuous operation. On 18 August 1999, the unit had been in continuous operation for 477 days. The previous record, also set by Callide B1, was 369 days. Callide B reliability for 1998-99 was 99.87%, which was the highest since the station was commissioned back in 1988. Callide A was in service 46.28% of the year, achieving a 90.76% reliability, which is above its refurbishment targets. The 30-year old Swanbank A achieved a reliability result of 94.7%—more than 5% above its target and a 7.5% improvement on the previous year. The B station availability for the period was 95.77%, including a four-week overhaul in November 1998 and the CS Energy Mica Creek Power Station performance, as measured in terms of lost load to consumers, was 99.9% for the year, in keeping with its target. So I think that the Queensland electricity industry is certainly achieving great results.

The CHAIRMAN: Thank you, Minister. The Ministerial Portfolio Statements include numerous references to environmental management of the mining industry but not as much information on the environmental performance of the electricity industry. How are the environmental issues being handled at CS Energy?

Mr McGRADY: I thank you for the question. Swanbank Power Station has developed and, indeed, implemented an integrated environment management system, which has been submitted to the Environmental Protection Agency. Currently, Swanbank Power Station is undertaking a receiving environmental monitoring program, which is a major study assessing the impact that the power station water discharges have on the receiving environment.

The power station has submitted an ash dam investigation report to the Environmental Protection Agency, which investigates the options for the long-term management of the ash disposal facility, other uses for ash and suggested rehabilitation of the ash dam. Ongoing investigations were conducted on the seepage issues associated with the Swanbank ash dam, which were notified to the Environmental Protection Agency on 4 July 1998. A detailed investigation was completed and identified that the seepages were most likely due to previous underground mining activities in the area. Changes to the management of ash placement in the dam were made to assist in preventing further seepage. Swanbank has installed a seepage collection system that selects and pumps seepage back to the ash dam. A long-term

management strategy for the management of Swanbank's ash dam is being finalised. This strategy will be aiming for total off site reuse and/or disposal of ash. This will allow rehabilitation of the ash dam to commence.

To achieve full compliance with its environmental licence, further environmental and engineering upgrades will be required at the power station. These engineering upgrades will be managed in a single environmental project for Swanbank Power Station. The scope and actions of this project will feed into voluntary environmental management programs with the Environmental Protection Agency. This will ensure all the upgrades are completed in consultation with the EPA.

The CHAIRMAN: Thank you, Minister. According to the Capital Statement, 868,000 jobs will be provided by the \$5.2 billion capital works budget in 1999-2000. As Energex has planned capital works expenditure of more than \$164m, I am interested in the number of new jobs planned for the next 12 months in terms of apprentices. How many apprentices is Energex planning to take on in the next 12 months? How does this compare to the number of new Energex apprentices in previous years?

Mr McGRADY: I thank you for that question on what essentially means jobs for Queenslanders, and this is certainly a good news story from Energex. This morning, I am delighted to announce that, as a direct result of Government funding, during the past 12 months Energex and Ergon have significantly increased their intake of apprentices. This increase in the intake of apprentices was made possible by the Queensland Government's \$80.8m Breaking the Unemployment Cycle initiative. This year, Energex took on 44 new apprentices and will take on at least 37 next year. They also appointed this year 15 office administration trainees and will employ 12 next year. Ergon took on 51 apprentices this year and will take on 49 next year. The funding is for employment over and above what the corporations normally take on and will pay for the direct wages incurred during the nominally four-year training agreements. Other costs being incurred by the corporations include providing on-the-job supervision and training and other on-costs. Both corporations have responded to the Government's emphasis on job creation and have been substantially assisted by our apprenticeship training initiative. We need apprentices now to provide skilled tradespeople in the future, especially in

the electricity industry where specialist skills are so often required.

During the term of the coalition Government, apprentice intake dropped as low as five at Energex in 1998 and as low as 15 at Ergon in 1997. I believe that these figures illustrate a coalition Government focused on cost cutting the industry rather than focusing on the business at hand, which should have been a reliable electricity supply. This Government is now reversing that downturn and putting the focus back on people, not profits. The Queensland Government's Breaking the Unemployment Cycle initiative is providing jobs for Queenslanders and is going a long way to ensuring that the industry continues to deliver good service and a reliable power supply to the people of our State.

The CHAIRMAN: On page 2 of the Ministerial Portfolio Statements, safety in the electricity industry is identified as a key responsibility of the department. I understand that recently Energex received an award for health and safety training. Could you tell the Committee about the award?

Mr McGRADY: Energex has won the Minister's Workplace Health and Safety Training Award presented at the 1999 Queensland Training Awards held on Wednesday, 22 September. Grace Grace, a member of the Workplace Health and Safety Board and also a director of Energex, made the presentation on behalf of the Minister for Employment, Training and Industrial Relations, my Cabinet colleague the Honourable Paul Braddy. The award was presented for the development of a full-body harness and fall-arrest device to replace the traditional linesman's body belt, and the associated training program.

The change to a full-body harness was prompted by two factors: firstly, amendments to the workplace health and safety legislation with respect to working from heights; and, secondly, Energex's own risk assessment of the exposure, possibility and consequences of inadequate attachment while performing line work. As there was no suitable harness available, Energex played a significant role in identifying requirements and designing modifications in association with the manufacturers. During this process, there was considerable input from practising field operatives, supervisory staff and the unions. A training program was developed, including revised rescue procedures for working on poles, towers and from an elevated work platform. Due to late delivery of the new equipment, training of over 700 employees

was compressed into a four-week time frame. The new harness is being incorporated into a national code of practice for the industry, which is being developed under the auspices of the Electricity Association of Australia.

Mr HAYWARD: In your opening address you spoke about underground cables. Although the capital expenditure programs for the Government owned electricity corporations are outlined in Budget Paper No. 5, I could find no specific mention of any projects to replace overhead power lines with underground cables. Are any such projects planned for the future?

Mr McGRADY: You may recall that Energex has recently commenced a program in Inala where work is currently being undertaken in undergrounding electricity cables in part of that suburb. Of course, many local councils around the State and around Australia have provisions whereby it is a condition that electricity cables in new developments be installed underground. I refer briefly to a visit I took to Perth to have a look at how the Western Australian Government is addressing this issue. I am told that, by the year 2012, 50% of cabling in Perth will be underground. I had the opportunity of looking around some of the municipalities in that city. I have to say that I was very, very impressed. In fact, I saw one house that had been passed in for \$700,000 before the undergrounding took place; when it was eventually sold after undergrounding, the value had increased by about 30%.

The pilot scheme that the Western Australian Government initiated was 30/30/30. The local council paid 30%, the State Government paid 30% and the electricity utilities paid 30%. The biggest problem was how the local councils recovered their money. In most cases, they simply made it a one-off charge to the owner of the property. I have some concerns with the way the Western Australian situation is carried out, because the reason I believe we should seriously consider such a scheme is to provide reliable power to people, not necessarily because of the environmental aspects of it. Although they are important, primarily it is the guarantee of power supply that is the driving force.

As I said, I have written to a number of councils. I will not let this initiative disappear. At the end of the day public opinion may say, "We are not interested; it is too expensive." It is expensive. In Perth, it averaged about \$4,000 per house. You have to bear in mind that Perth is built on sand and, therefore, it is cheaper than it would be in Brisbane. It is

something that all members of Parliament should become interested in. I am hoping to provoke a public debate on the issue. It is an important issue. It is one that has to be addressed. I certainly intend to continue with the public debate.

Mr HAYWARD: In the Capital Statement on page 59, there is reference to a number of business development projects being undertaken by the Stanwell Corporation. I understand that one of those projects is to be located at Windy Hill on the Atherton Tableland. Could you please provide more information about the Windy Hill project?

Mr McGRADY: I certainly can, because I had the opportunity to address a conference in Cairns a few weeks ago and then make the announcement formally. It is a good news story. It is about an alternative form of energy. It is about installing 12 megawatts of power by the middle of next year. It is about spending approximately \$25m in north Queensland. A great percentage of that money will be spent in the local community. I am certainly enthused about the project. In fairness to Ted Scott, who is the Chief Executive Officer of Stanwell Corporation, I think he should be the one to assist me in enthusing members of the Committee. Mr Scott can come forward and enthuse you all.

Mr SCOTT: I am Ted Scott. I am the Chief Executive Officer of the Stanwell Corporation. I am delighted to have the opportunity to tell the Committee of the Windy Hill project. The board of Stanwell approved that project in August of this year. As the Minister stated, it is a 12-megawatt wind farm located 5 kilometres east of Ravenshoe at place called locally Windy Hill—very appropriately. Once it is constructed, this will be the largest wind farm in Australia. Construction is projected to be completed by July of next year. As the Minister stated, the project brings some capital investment to a shire that is pretty depressed. We are pleased about that. It has also the potential to add to the tourist attractions in that area. These wind turbines are about 45 metres high and have 20-metre blades. In other parts of the world where they have been constructed, they have attracted quite an amount of tourism.

This particular site has the potential to double its capacity. We are currently doing a feasibility study on the other half of that project with the prospect of perhaps taking that to our board early in the new year. That project alone is about \$20m and comprises twenty 600-kilowatt turbines. When they are erected, those turbines will in effect displace something

in the order of about 25,000 tonnes of carbon dioxide that would have been otherwise produced by that electricity being generated in a fossil-fuel power station.

The CHAIRMAN: The time for questioning by Government members has expired. I now call on the member for Hinchinbrook, Mr Rowell.

Mr ROWELL: Turning back to the CSOs, when we look at the receipts and the grants that were paid out under the 1998-99 Budget, \$93m was provided and \$93m was paid out in grants. We have had a considerable blow out, as the Minister indicated. There has been something like \$419m or \$420m shown in the Estimates as receipts from Government, of which some \$267m has actually been accounted for. There is a further estimate going out to the year 1999-2000. We should also take into account the fact that, referring to page 26, the additional payments will be largely offset by increased dividends payable by generation corporations to the Government in respect of the 1998-99 financial year.

The CHAIRMAN: Put your question, Mr Rowell.

Mr ROWELL: Will there be additional requirements as far as Ergon and Energex are concerned, as has been reported for actual payments if there is a continual blow-out as far as the CSOs are concerned?

Mr McGRADY: Do you refer to increases in dividends?

Mr ROWELL: The increases that have occurred and are likely to occur in future from what the Estimates are saying.

Mr McGRADY: I refer you to the answer that my shareholding colleague, David Hamill, gave to Dr Watson on a similar issue regarding dividends. The question of dividends is the prerogative of the shareholding Ministers through the Government. Obviously, it is our intention to keep the dividends as low as possible.

Those of us in Government have to start to be a bit mature about how we handle the question of dividends, whether it be from the electricity corporations or, indeed, from other Government owned enterprises. Over recent years, there has been this to and fro with one side of politics criticising the other for dividends. I make no apologies to anybody for saying that the shareholders of any organisation are entitled to dividends. That is one of the major reasons why they invest in an organisation. Whether it be BHP, MIM, Stanwell or Energex, the shareholders are entitled to a dividend. The important thing to

realise is that the dividends are available after all the expenses have been paid.

In the case of Government owned entities, the dividends are used to provide hospitals, schools and roads, and to pay the salaries of public servants, members of Parliament and other people. There is nothing wrong with Governments extracting the highest possible dividend from its corporations, providing, of course, that it does not leave that organisation in a financially embarrassed situation. I suppose both sides of politics can present figures that would suggest that maybe one has taken more than the other. In the Parliament this year, I presented a set of figures that indicated that the coalition took more than we did. What purpose does it serve? It serves no purpose at all.

As I said, we have to start being a bit mature in the way in which we address the question of dividends. You have to bear in mind that the dividends are considered after all the expenses and the costs have been worked out and paid for.

Mr ROWELL: I take your point, Minister, about being mature. The point I was raising is that there is a considerable amount of money taken out of the dividends to go into the CSOs. If that is going to increase, the schools and hospitals that you mentioned will not be funded through the dividends that are coming from the generators and also from the distribution people. The question I really asked is: if this is to continue, how does the Government intend to go about addressing the situation of the increases that are now occurring as far as the CSOs are concerned, which are quite evident from the statement?

Mr McGRADY: As I mentioned before, I asked my chief to answer the question but, before he had the opportunity to do so, the bell went. I would invite him to do so now.

Mr BOYLE: the Government has estimated CSO funding to support the safety net tariff arrangements at around \$259m in 1999-2000, the figure which is shown in the MPS.

Mr ROWELL: It is a big increase.

Mr McGRADY: As I mentioned before.

Mr BOYLE: Yes. The Government, through the Department of Mines and Energy and Treasury, is reviewing its arrangements for CSOs, in order to provide greater Budget certainty in future. That review has commenced.

Mr ROWELL: Could you give some indication, when we look at the CSOs, of all the pensions and rebates that they are entitled

to or that are included in those CSO obligations that the Government has provided?

Mr McGRADY: They are not included in the budget of the Department of Mines and Energy. As you would know, they are addressed by the Department of Families.

Mrs LIZ CUNNINGHAM: I draw your attention to question on notice No. 1 regarding the extent of investigation done before Government owned corporations were signed up with an option for gas supply. In the Courier-Mail—and I understand that the Courier-Mail is not the be-all and end-all of information—the sentiment was expressed that the Government is determined to have the PNG to Brisbane gas pipeline developed and Tarong's development would have crushed the pipeline. In signing up the GOCs to the gas, were expressions of interest called to enable other gas suppliers the opportunity to provide costings?

Mr McGRADY: Any decision that is made by any Government owned enterprise or Government owned corporation would be based on the economics of that decision. If Energex or Ergon makes a decision to participate or to partake in a project, that decision would be based on what it considers to be the economic merits of that particular project. I can say categorically that neither I nor, I do not believe, any of my ministerial colleagues have in any way, shape or form suggested or indeed put pressure on Energex or Ergon, certainly, to participate in this. As regards whether or not other gas producers were invited to participate, I have to say that I am not aware, but I will certainly take that question on notice and get back to you within 24 hours.

Mrs LIZ CUNNINGHAM: Thank you, Minister. We have talked about the breakup of AUSTA. One of the concerns that was expressed to me was the loss of corporate memory, the memory of engineering long term. What steps are being taken to protect that? I notice 69 of the staff will go to CS Energy. Was that an attempt to maintain that corporate memory and experience?

Mr McGRADY: What we tried to do, and I think we succeeded, was to find positions in the industry for those people who would find themselves otherwise unemployed. That is the compassionate side of the argument. The other side, too, is that over the years AUSTA has been recognised right around the world as being a leader in the field. Therefore, the other reason for trying to utilise the skills of those people was to keep the corporate knowledge

that you refer to. I think we have done an excellent job. All the corporations have assisted, but CS Energy in particular has taken a large number. From memory it took 69.

Richard Cottee, the Chief Executive Officer of CS Energy, is very proud of the role he has played in this. Maybe Richard could come forward and address the Committee on how he sees the role of this new group, which he has been more than happy to accept into his ownership.

Mr COTTEE: CS Energy was concerned that there was engineering excellence within the Queensland electricity generation system that needed to be preserved, particularly with respect to some of its own ageing power stations. It wanted in particular to maintain what was a critical business unit at Murarrie as well as being at the leading edge of power plant automation. We are looking forward to being able to harness the skills and expertise of the people from AUSTA Energy in those two particular areas. Hopefully, within a very short period we will turn it to profit not only in a financial sense but also with respect to the people whom we have been privileged to take on board.

Mrs LIZ CUNNINGHAM: I wish to follow up on question No. 6 from Mr Rowell. You are talking about funding the CPO and the EMU—that is, the Consumer Protection Office and the Electricity Monitoring Unit—through a levy charged to the electricity industry. I have spoken with your office before about how the NEMCO levy has spiralled to the point at which some contestable consumers in my electorate are paying up to a 300% increase in the levy over a 12-month period. How will the CPO and the EMU levy be calculated and how will the costs be contained?

Mr McGRADY: As you would probably be aware, from 1 July this year about 7,000 electricity customers in Queensland were eligible to enter the national electricity market and source electricity from the supplier of their choice. Are the levies to which you are referring the ones that we have announced to run the ombudsman and also the Electricity Monitoring Unit?

Mrs LIZ CUNNINGHAM: That is right.

Mr McGRADY: I suppose some people could say it is a levy. I do not refer to it as a levy as such. I believe it is a service which the electricity industry will be giving to the people of Queensland. Whether it be an ombudsman or whether it be the other organisation, I do not believe the taxpayers as a whole should be responsible for it. I believe that the industry itself should pay this. Again, from memory, I

think the ombudsman is \$860,000 a year, which in an industry that runs into billions of dollars is not a significant amount. In the discussions that I have had with industry, they are not overconcerned about this. They realise that, if you are going to have an ombudsman, that ombudsman will be there to answer complaints against their industry and, as such, they are the ones who should meet the bill. In common with you, I share a concern that sometimes you have fees, or whatever word you want to use, and there is the possibility that they will rise. I have made it perfectly clear that in respect of staffing and all of the other matters that go with these organisations I have been giving the officers strict instructions—and the director-general will bear this out—that this is not going to be a bureaucrat's delight. It will not be an opportunity for empire building. In fact, there is one organisation in the State that is coming to see me fairly soon that wants a full-blown ombudsman set up. I have said, "No", because I think it would be too costly. While I am at the helm of this department, I guarantee you now—and you can quote me in years to come as to whether I was right or wrong—that there will be six bodies in each one of those organisations. I assure you that it will not be an opportunity for empire building by anybody. If you keep asking questions in the Parliament, I will keep giving you the same answer.

Mrs LIZ CUNNINGHAM: You have said that the operating cost for the CPO, or the ombudsman, is \$860,000 per annum. What is the projected annual cost for the Electricity Monitoring Unit?

Mr McGRADY: \$970,000. Both are less than \$1m.

Mr ROWELL: We spoke about dividends earlier. Further to your reply to my question on notice No. 9, section 159(1) of the Government Owned Corporations Act requires boards to advise the Minister within three months of the end of the financial year, that is, 30 September, of the dividend payment it is likely to recommend. As you have pointed out in your reply, the final recommendation is then made after further consultation with the shareholding Minister by the end of October. We are getting very close to that time. Given that you have now received this advice, what are the boards' likely dividend recommendations? We are talking about Ergon and the electricity generating boards.

Mr McGRADY: As I said before, I have figures which I presented to the Parliament that say we are better than you and no doubt

you can come back and say that you are better than us.

Mr ROWELL: I am not trying to get into a you and us situation. I am just asking you.

Mr McGRADY: The way you work out dividends is that the corporations suggest to the shareholding Ministers what the dividends should be. After we give consideration to it, we then make the final decision. The 1999-2000 Budget, which is the year we are working in now, does not, in line with a long established policy, specify the budgeted dividend payable for specific GOCs. The budget estimate for total other revenue is made well before final financial results are known and dividend consultations are complete. The GOCs have provided, as you said, forecasts of profits and dividends in their 1999-2000 statement of corporate intent, which are currently being negotiated with the two shareholding Ministers. It would be inappropriate at this time to comment on these figures on an individual corporation basis until those negotiations are complete and the two shareholding Ministers have made their decisions and in line, too, with some of the various major investment proposals that we are considering at this time.

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

Mr HAYWARD: Throughout the Ministerial Portfolio Statements the role of the Department of Mines and Energy in monitoring Government owned electricity authorities is emphasised. I am aware that you keep a close eye on all travel within the department, particularly overseas travel. I was interested in knowing whether you also monitor overseas travel by the electricity authorities?

Mr McGRADY: There has been a massive escalation in overseas travel by the electricity industry. A great deal of this can be justified, because as I have said before we are now in this competitive market and our technicians, engineers and other people do have to travel the world. I have no problems at all with those sorts of overseas trips. However, I have been very concerned about some of the overseas trips and costs incurred by the Government owned corporations. On 1 September this year, just a few weeks ago, the Government issued all electricity GOCs with a copy of the Government's guidelines for overseas travel for official purposes. These guidelines are Government policy. All overseas travel applications are to be approved by me as the portfolio Minister on the recommendation of the chief executive of that particular corporation, and the elements are

contained in an application for overseas travel as set out in those guidelines.

In planning overseas visits, GOCs are required to exercise restraint. All overseas trips must be essential for meeting the GOC's or the Government's objectives and all other avenues of gaining relevant knowledge or experience should be considered before overseas travel is proposed. I also want to assure you that no unnecessary duplication of trips will occur. As a condition of any overseas travel, employees on return from an overseas trip are to provide travel reports. Specific requirements in relation to overseas travel reports are set out in those guidelines and the reports must include details of the objectives of the trip, benefits to the corporation, recommendations and/or action plans arising from the trip and suitability of the report for interagency sharing.

I just want to say that the days have gone when Government owned enterprises were simply a travel agency. In my previous life as the Minister for Mines and Energy, if there were six overseas trips a year in the industry, people thought I had gone crazy. Today we are spending millions and millions of dollars on overseas trips and I just want to inform you and the Committee that those days are over.

Mr HAYWARD: On page 12 of the Ministerial Portfolio Statements the amalgamation of six regional electricity distributors into Ergon is mentioned. What process was used to select the CEO of the new Ergon corporation?

Mr McGRADY: Just going back in recent history, when the decision was made to amalgamate the six regional electricity boards into one, I commissioned Keith De Lacy, who was going to become the chairman, to do a lot of the work leading up to 1 July. Keith De Lacy was employed as a consultant to myself and, from memory, he was paid \$10,200. I stand to be corrected, but it was certainly in that field. It was basically a quarter of the salary he would receive as chairman of the board. The amalgamation went off without a hitch. This was due much to the work of Keith De Lacy. I also asked Keith if he could prepare the organisation for 1 July. Naturally, I did not want to come in and be hanging around for three to six months before a chief executive officer was appointed, so I asked him to start the preliminary work.

They engaged the services of PricewaterhouseCoopers as consultants for the change management process of the amalgamation of those former six regional boards. A major service was carried out by this

organisation to assist in securing the services of a chief executive officer. PricewaterhouseCoopers carried out a national merit based selection process, including the national advertisements of that position. Approximately 60 applications were received for that position. These were short-listed to four by the consultants and interviewed. The panel consisted of Keith De Lacy, Mr Barry Taylor and also Charles Ware, who is the chairman of Ergon Retail.

Following the interview process, the short-list was reduced to two candidates and PricewaterhouseCoopers coordinated reference checks and examinations of the strengths and weaknesses of the remaining two candidates. From the results of the above, the selection panel made a recommendation to the board of directors of Ergon Energy. The board accepted this recommendation and subsequently made a recommendation to the Governor in Council for the appointment of the chief executive officer. On Thursday, 30 September Kim Griffith was appointed Chief Executive Officer of Ergon with a total fixed remuneration package, which is in the public domain, of \$275,000 per year.

Mr HAYWARD: Just to follow on from that, was the selection process for the CEO of Ergon consistent with the process used to appoint the Energex CEO, and how do the salaries paid to the CEOs compare between the two organisations?

Mr McGRADY: I was not involved in the selection of the Energex chief executive officer because the current holder of that position has been there for some time. Can I just say with regard to the salary package that, when you have a new organisation coming into being, what I wanted to try to do was to try to have, to some extent, parity between the two organisations. Whilst some people will say both organisations are the same, other people will say there is a lot of difference. I think basically the organisations are similar. So on 5 August 1998 I wrote to all the Government owned entities in the electricity industry seeking the details of the salary packages of the executives of those corporations. I must say some of those corporations gave me the information right away; others procrastinated somewhat.

When I received the advice as to what the Ergon board were going to pay their chief executive officer, I had my senior policy adviser on 2 September seek what the Energex executives were earning. I was alarmed, to say the least, to learn that from the time I had been informed, which was in September last

year, of the salary packages of the executives of Energex there had been a 40% increase in some of the packages, one package in particular, without any ministerial knowledge or information. I was also quite flabbergasted and angry to find out that, as part of the package, executives at Energex received \$664 per year as payment of their electricity accounts, which I think is rude to say the least. In fact, I have informed the chairman of the board that I think that should be discontinued ASAP. I was so angry I took the matter to Cabinet and Cabinet have now decreed that, before there are any changes to executive salaries across-the-board, the shareholding Ministers would have to be consulted.

Mr HAYWARD: Have you got more to say to answer this question in more detail?

Mr McGRADY: I do not want to dwell on this. All I would say is that, whilst I accept that the electricity industry internationally—certainly in Queensland—required the best people, I realise that when corporatisation was taking place some people have seen this as a way in which to have massive increases in their salaries. Some of those people who are in very high positions today were in the same positions some years back. All I want to say now is that I do not believe that Government owned corporations should lead the marketplace with salaries and conditions. From now on in the shareholding Ministers, at the direction of Cabinet, will approve or otherwise any increases to senior executive salaries.

Another point I want to mention is that in a document which I received from that corporation it states that, before any salaries of executives are increased, the shareholding Minister would be consulted. I have to say that this was never the case in the latest round of increases. What made me angry is that we have just been through a process now where we were arguing and I was trying to resolve a potential industrial dispute between meter readers who were arguing for \$1 an hour or 50 cents an hour. I think there has to be justice. A labourer is worthy of his hire, but I do not believe we should be paying excessive packages to executives in the industry.

Mr PEARCE: Minister, I refer to the output performance relating to mineral and energy exploration and development services. A number of strategies which are aimed at encouraging exploration in the mining and petroleum industries are mentioned. In regard to the coalmining industry in particular, could you please provide details of the recent developments in the industry in terms of new projects or projects which are in the pipeline?

Mr McGRADY: There are many facets in the coal industry. While the markets for our prime coking coals are on hold due to the downward pressure on world steel production, sales of thermal coals for power generation and coals for pulverised coal injection are increasing. The 1998-99 financial year was yet another record for Queensland coal production with over 112 million tonnes of saleable coal mined. While production from open cut mines predominates, with the increasing use of longwall techniques for underground development we have seen a resurgence in underground mining as well, which is good.

Queensland's most recent new mine development is at Coppabella near Nebo in the northern Bowen Basin. This mine started production of PCI coal for use in efficient blast furnace operations in late 1998. Capacity is expected to increase to three million tonnes per year in the next couple of years. Ownership includes Queensland, United States, Chinese and Japanese interests. Expansion of existing Bowen Basin mines has been undertaken at Burton, Ensham, Newlands and Oakey North.

Coking coal mine developments or expansions proposed for the Bowen Basin include Hail Creek, Saraji and Peak Downs. Thermal coalmine deposits primarily intended to serve domestic power stations are under way at Millmerran in the Moreton Basin and in progress at Kogan Creek in the Surat Basin, with possible developments being considered at Pisces in the Bowen Basin and Chinchilla East in the Surat Basin. A thermal coal development at Ackland in the Moreton Basin is also proposed. A proposed low ash PCI thermal coal at Foxleigh near German Creek in the central Bowen Basin is looking for similar fast-track development as the Coppabella mine.

Whilst people continually talk about the negative state of the industry, it is clear from the coal development projects that there is a strong future for our coal industry. I recently went to Asia and met with many people who are traditional owners of Queensland coal and also people from organisations that are potential customers. I have to say that I returned full of confidence and optimism because the message I received right across-the-board was that Queensland is a reliable producer of coal, that the infrastructure in the State is second to none and that the economy in Asia has started to turn. It augurs well, I believe, for the future of our mining industry in Queensland.

Mr PEARCE: I note from page 17 of the MPS that a number of new pieces of safety and health legislation were finalised during 1998-99. Could you please provide more information to the Committee on this legislation and its impact on the mining industry?

Mr McGRADY: As you know, this legislation created a great deal of debate both in the Parliament and indeed in the industry. A review of the existing legislation commenced as far back as 1992. The way we started this review was through a tripartite review group which consisted of the department, the Queensland Mining Council and the trade unions.

When we had the Moura disaster, I believed that it was a waste of time to continue the review until we had received the recommendations from the Moura inquiry, so I put the review on hold. When we received the recommendations from the inquiry, they obviously became part of the many recommendations.

I introduced the Bills into Parliament in March of this year and they were passed on 19 August and received assent on 2 September. What I tried to do when I came back as the Minister was get a unanimous view. There were some difficulties and differences between the various sectors of the industry and I tried to, if you like, play Henry Kissinger, but I have to say I ain't no Henry Kissinger, because I failed.

Mr ROWELL: I don't think he's got a tie like that, either.

Mr McGRADY: I am very glad Mr Rowell raised this, because on Saturday evening I was given the honour of launching the Townsville Crocodiles basketball team's season and they presented me with this tie. As crocodiles are in the news of late, I thought it was quite wise to wear the crocodile tie today. It certainly does not reflect the teeth in all of the members of the panel today. It is just that I received the tie on Saturday evening and I thought it was appropriate that I should wear it. Mr Rowell, I take the interjection in the way it was delivered.

The emphasis of this legislation is duty of care. It is duty of care obligations to employers and also employees. I am hoping to create an environment in which the men and women who work in the industry can be guaranteed that it is safer now than it was under the previous legislation.

Mr ROWELL: I continue with the issue of the appropriation of the dividends, the recommendations that have been given to the

GOCs at this point in time and your reluctance to reveal what they would be. Could you at least give us some indication that those dividends would not be higher, that you would not be requesting higher than what those GOCs are recommending?

During the period of time you were in Opposition and on taking office, you were very critical of maintenance spending in the power industry. In reply to my question on notice No. 7 you said that maintenance levels have been generally reduced to an acceptable level. Given that maintenance levels have only generally been reduced to an acceptable level, why are the increases in maintenance spending within the distribution sector for the year 1999-2000 so small? Can you give a guarantee that dividends charged by your Government will not be an unsustainable 90% as they were in the 1997-98 financial year?

Mr McGRADY: With regard to the dividends, it is longstanding practice. I have outlined that today. I will not be announcing what the dividends will be for next year. As regards the maintenance in our power stations, I think it is a very important and certainly a very relevant question and I am more than happy that you have asked it. The situation we had in recent years is that insufficient attention was being paid to the maintenance in our power stations. That was not the only problem. There were other problems, but that was certainly one of them.

Mr ROWELL interjected.

Mr McGRADY: It was one of them. I said that. As you know, one of the first actions I took when I became the Minister was to invite Ron McGuigan, who had a history in the Queensland electricity industry. He had retired. He was respected by most participants of the industry. To give a balance, I also invited Mr Dick Williams.

Those people went into the power stations, and I understand that they received tremendous cooperation from the staff and the management, and they drew up a report with recommendations. Of course, today, in the Department of Mines and Energy, we have this implementation unit, which Mrs Cunningham mentioned before. The role of this implementation unit is to ensure that the recommendations which are contained in that report are carried out. The role of that implementation unit is to ensure that the lack of maintenance in the State-owned power stations in Queensland does not fall behind what is expected.

I have to say that I have received good cooperation. The chief executive officers, and

certainly the boards, know the views of the Government. And quite honestly, there has been a major transformation in the industry in the last 15 months, because when I took over blackouts and brownouts were the order of the day. Today, the question in the editorials of newspapers and other journals is: does Queensland have too much power? So there has been a transformation. I am not taking the full credit for that. I think it has been a deliberate policy of our Government, and we have in the main had the cooperation of the power stations, which I think welcome the interest being taken by the Government.

Mr ROWELL: What I was referring to is the actual dividend that they have to pay. And while they have made some recommendations to this point, would you be requesting an amount higher than what the recommendations are that they have put forward? Because when we looked at FNQEB—and I am talking about the distribution system—there was a case there where they had to borrow money to actually pay the dividend of 95%. Would that happen again?

Mr McGRADY: Every one of our three power companies has increased the amount of money which they have spent on maintenance. The implementation unit, which is now in the Department of Mines and Energy, will be ensuring that the work is done. As I have said many times previously, the dividends are determined after this work has been done. I am not going to be in a position today to give any guarantees, but you know I would find it awfully difficult to face this Parliament or, indeed, this Estimates Committee next year if there had been a reduction in the amount of money which was spent on maintenance if the problems still occurred.

So what I am trying to do is to get these organisations to run a successful business, bearing in mind that the more outages they have the less profits they receive. And I think, quite honestly, it is working well. There has been an increase in the amount of money that has been spent on maintenance. And the implementation of this group in the Department of Mines and Energy to ensure that the recommendations and the maintenance continues should be proof that we are concerned about the maintenance in the power stations, and we are doing all we can to ensure that the maintenance of the stations improves.

Mr ROWELL: I hear very clearly what you are saying. I was just simply referring to my

question No. 7, where the increases are not terribly big. You have indicated that they are small. Of course, we have to make sure that those levels of maintenance are kept up to a point where there is no capacity, I suppose, for blackouts to occur in the future.

I would like to go back to Tarong, because I think it is very important. I understand that Tarong Energy has now put forward a proposal, which Mr du Mee spoke about this morning, after the withdrawal of Entergy. Has Tarong's future been compromised by the Government's delay in making a decision on whether or not to award a generating licence? And when will your Government make a decision on the Tarong expansion? And if the expansion does not proceed, how long will it be before the station survives in the competitive power industry?

Mr McGRADY: We have before us a number of proposals. There is a major debate taking place in this State about the energy mix, how much gas we should use, should we continue with coal-fired power stations, the Kyoto agreement, the Papua New Guinea pipeline, Transfield gas and the Timor Sea gas. This is a debate which is raging within Government. Obviously, all of our corporations want to be in there, and they want to ensure that the assets which they look after on behalf of the people of Queensland are maintained. Tarong came forward with a proposal.

Of course, the difference between the public sector and the private sector is that everything is out there for people to see. Nobody talks about how long it takes for the Kogan Creeks or the Millmerrans or those other private developments to make a decision. But people always start looking at their clocks to see how long it takes for us to make a decision. Callide C was the first issue I had when I became the Minister. We were criticised by some of your colleagues about taking too long and trying to frustrate that activity. But we had to ensure that the money which was going to be invested by the taxpayers of Queensland was being spent wisely. We did that test and we gave it a big tick. It is a similar situation with Tarong.

The former board of Tarong, who are no longer there—some of them—made a decision. Now, before I or my colleague David Hamill or, indeed, the Government would be prepared to give the tick to over \$1 billion, we want to satisfy ourselves that, in the present climate and in the changes to the electricity industry, it is going to be economical, sensible policy. That is why we did not rush in the day that the application came to us.

Mr ROWELL: I think that was April.

Mr McGRADY: It does not matter how long it took. The facts are that we had Treasury, the Department of Mines and Energy and other people going over some of the issues. And then Entergy—to use your words—pulled out. But some people try to make political mileage. I would like to continue with this answer, Mr Chairman.

Mr ROWELL: That is fine.

Mr McGRADY: Some people try to make political mileage as if Entergy had pulled out and run away. This was simply part of the corporate structure of Entergy. Like most multinational corporations today, they are assessing their role in their non-core activities, and they took a decision. Now, obviously, that made us have to consider the future of that particular program. The Premier, the Deputy Premier and myself have met with the chairman and chief executive of Tarong on a number of occasions. We want to see that project—or a project—go ahead at Tarong, and we will be making an announcement in the very near future.

But what I have to say is that this nonsense that people come up with about the amount of time it takes for Governments to make these decisions—nobody but nobody ever questions the amount of time it takes for the private sector to make their decisions. And if something goes wrong—if we have a South Australian bank in Queensland where an investment of over \$1 billion goes wrong—it is not the chairman of the company, it is not its chief executive officer, it is not the board members, it is not the executives, it is the Premier, it is the Minister and the other shareholding Minister. So we do not rush into these decisions. And at the end of the day, I believe that we make the right decision. The Tarong episode would be the same thing.

The other point, too, that you should remember is that the regulator is the person who makes the decision as to whether or not a licence to generate will be issued, and he acts in complete independence from the Government of the day.

Mr ROWELL: I suppose 14 or 15 weeks is a long time for any corporate body to wait for a decision. That was about the time involved between the application and when Entergy decided to pull out. North Queensland is desperate for a base load power station to service an increasing range of industries. As you are well aware, there is a lot going on, particularly in the north-west mineral province and with refineries and that sort of thing. This would reduce the growing dependence on

tariff equalisation and the loss of energy through lengthy conductors from the increasing power generation supplies at the southern end of the State. What does the Government intend to do to overcome this costly and ineffective means of providing energy to this fast-growing sector of Queensland in the competitive price market?

Mr McGRADY: Just to go along with the comments you have made about the growing north, as I said a few moments ago I was in Townsville at the weekend and I am staggered by the development that is taking place in the twin cities of Townsville and Thuringowa. I think Townsville is going to become the mecca of Queensland in years to come. One only has to look at the work that is being undertaken by the council and the State Government on The Strand. Everywhere one goes one sees development taking place. We have Korea Zinc—

Mr ROWELL: There is a lot of private enterprise projects.

Mr McGRADY: Yes, that is what I was just going to say. We find that industry breeds and grows off industry. That is one of the reasons why our Government is so keen to get the pipeline into Queensland from New Guinea. We see the opportunity of having a base load power station in the north. It would probably be in Townsville.

We are not going to have a coal-fired power station in Townsville. The only real way of getting a base load power station will be with the use of gas. I hope that the Papua New Guinea pipeline comes to fruition. If it does not, there are still some other alternatives which will bring gas to Townsville. Townsville is not the only area that will benefit because the pipeline will come in and maybe we can take gas off at Cairns. Originally it was believed that the power station would be at Mareeba. The gas will come down to Gladstone to Mrs Cunningham's electorate. Eventually I believe it will come down to Brisbane. I think that is the answer to your concerns.

I mentioned tariff equalisation. I believe that tariff equalisation is vital. It is vital to those of us who live outside the major centres of population because when we have these tranches coming forward, all the benefits are going to people in the south-east corner of the State. If I wanted to build a brewery in Cairns and you wanted to build one in Brisbane, the difference in the electricity bill would probably mean that mine would not go ahead. That is the reason why, in my opinion, we have to forget party politics. We have to start talking as a State—particularly people who come from

regional Queensland. We have to do all in our power to ensure that that pipeline goes ahead. I know we can play games in Opposition. I do it, you do it—

Mr ROWELL: I am pleased to hear you admit to playing games in Opposition.

Mr McGRADY: Once again you interrupted because I was going to say that you do it a lot more than I used to do. I think we have to start coming together as Queenslanders and try to ensure that the pipeline becomes a reality.

Mr ROWELL: In Estimates Committee A last Tuesday the Treasurer said that he did not know what risks Ergon and Energex were carrying as aggregators for Chevron Gas. There was considered to be a lot of risk. Do you, as the other shareholding Minister for those agencies, have any better idea about the scale and nature of the risk to which Queensland taxpayers are being exposed?

Mr McGRADY: I have to say this: when you go into business—whether you open a corner store or whether you decide to build a gas pipeline—there is risk associated with it, otherwise everybody would be going into business. There are certain risks involved. Ergon and Energex have made some public pronouncements and have signed some memoranda of understanding about their involvement in the possible purchase of gas if the Papua New Guinea to Queensland pipeline becomes a reality. I have to say that they are commercial decisions which have been entered into by those corporations.

I have been briefed by both corporations and, because to some extent those corporations are in competition with each other and with other people, I have to be extremely careful of passing on information which has come to me as one of the shareholding Ministers. The board and the Chief Executive Officer of both organisations tell me that they have made their decisions based on commercial risks which may be involved. At the end of the day, they believe it will grow their organisations. We have to face one fact in this game, and that is if we decide to be fortress Queensland and not allow our instrumentalities to branch out and compete in other parts of the Commonwealth or other parts of the world, we will stagnate and, if we stagnate, we will die.

If those companies cannot compete on the national stage it means that the problems you referred to before about loss of dividends will certainly occur. We will all be the poorer. We have to have a balance about whether or not our corporations should go out and

compete in the marketplace. At the same time, we have to take the risk factor into account. That is why we have the situation that we have today where these people make those commercial decisions, and naturally we all believe that they are the right decisions. On the information which has been given to me, I believe they are.

Mr ROWELL: I might just follow that up, Minister. On the information that has been provided to you now, do you have a time frame as to when it is possible that the Chevron pipeline may come on stream?

Mr McGRADY: May I say that the energy industry is like a big jigsaw puzzle. I think it is fair to say that in recent times the big pieces have been put in place. There is a lot at stake. It is a multi-billion dollar project. There is some nervousness on both sides of the industry. The coal producers have their views and the gas producers have their views. I am confident that it will happen. It would be wrong of me, I think, to set a date. However, I would say this: over the last 12 months every announcement has been positive. For the reasons I outlined earlier today, the Queensland Government is anxious to see this pipeline come to fruition because I believe it will be of tremendous benefit to Queensland, and in particular to the northern and central parts of the State. It would be wrong of me to put a date on it.

The CHAIRMAN: The time for questioning by non-Government members has concluded. I call on Mr Pearce.

Mr PEARCE: Minister, I have heard you say on a number of occasions that coal is a major contributor to the revenue base and the wealth of this State. We have heard of massive job losses and a continuing decline in coal prices. I acknowledge the work that you have put into helping the industry through what is a difficult time. I wonder if you would mind telling the Committee the current status of the coal export industry?

Mr McGRADY: As I mentioned before, I travelled to Japan, Korea, Taiwan and some other Asian countries a few months ago. I have a whole brief here but I will not use the brief; I will just tell you my personal observations. I mentioned this before, but I will repeat it because it is about time that we started to realise Queensland's attributes. Without exception, every utility in every country I went to spoke in glowing terms of the Queensland product, the infrastructure, the transport system and the reliability of supply, which is so important.

We have a product that the world wants. Obviously, the Asian downturn affected our

mining industry, whether that be coal or metalliferous. Yet in the discussions that I have had in recent times, the Japanese in particular have started this J-curve, which another person used to use quite frequently. The economies in those countries are starting to move.

One of the most exciting developments, I think, is in Taiwan where they are desperately trying to build a steel mill. They are having negotiations now with the Queensland producers and they are looking at the possibility of six million tonnes of coal. I believe that this is a win-win situation for Queensland, because they are looking at the prospect of developing a steel mill in Taiwan. As you know, 75% of Taiwan is hilly so you have about 25% of land mass to deal with, with a large population. As no doubt Mrs Cunningham would be aware, if they cannot get the approvals to have it built in Taiwan, they want to come to Gladstone. So we have a market of potentially six million tonnes of coal and the jobs that go with it. If it does not go to Gladstone and it is built in Taiwan, hopefully we will still get the coal markets. That is what I am finding.

We do not kid ourselves that everything in the garden is rosy, because it is not. Coal prices are low, probably at an all-time low, but the other countries are having more difficult problems than we are. Whilst I accept that we have been through a very, very difficult period, I say to those people in the coalmining industry that I think that we are starting to be on the rise. The bottom line is that if you work for an industry that is making money, the prospects of your job security are far greater than working for an industry, or indeed an employer, who has to be subsidised. Whilst it is difficult to make these predictions at a point in time when the industry is suffering, I believe that we have turned the corner. I certainly hope that coal prices increase and improve and that some of the new developments which are in the pipeline come to fruition soon.

Mr PEARCE: In the output statement for mineral and energy exploration and development services on page 9 of the MPS I was interested to note a large volume of tenures processed by the Department of Mines and Energy. Does the department have any processes established to ensure that tenure approval processes are managed effectively, particularly with the added complexities associated with native title?

Mr McGRADY: I thank you for that question, because these are issues that do not really come to the light of day. They are

part and parcel of the ongoing work of departments such as Mines and Energy but, of course, if something goes wrong, everybody suffers. The tenures management quality system is being reviewed for implementation into the tenures administration function of the department. This will incorporate new native title provisions in accordance with the Native Title Amendment Act, the proposed amendments to the Mineral Resources Act upon amendment of the Environmental Protection Act, and the new cultural heritage legislation when it commences—and that is another very important piece of legislation that will have effects on the mining industry.

The tenures administration function provides services associated with the processing of and dealing with exploration, development and mining tenures, tenure register searches and survey plans, examination and registration. The revised system will ensure that the Government can continue to guarantee a consistently high standard of service to meet the needs of clients by putting in place clear, defined and documented processes, responsibilities and authorities for its staff.

A range of benefits will continue to flow from quality assurance. These include improved and consistent document control processes, the provision of relevant and up-to-date information to clients, the use and continued improvements of uniform process handling procedures in all relevant offices, increased client satisfaction through improved and consistent service, the effective and efficient facilitation of new mining projects and ensuring that all staff are appropriately trained, motivated and informed.

The need for a high-quality tenures management system is even greater than it was in the past due to the added complexities of native title. A quality assured system will assist in reducing the tenure backlog once the new provisions come into place.

Mr PEARCE: On page 8 of the MPS reference is made to the encouragement of value adding to minerals. What is the Department of Mines and Energy doing to encourage this type of development? It is another one of those things that we do not hear too much about.

Mr McGRADY: That is right. A lot of people pay lip-service to the ideals of value adding but then when you take a closer look, there is not too much evidence that it is actually taking place. I think that the mining industry is an excellent example of just one

industry where we can really try to get value adding.

One of the election commitments of our Government was to introduce policies that will encourage the development of value adding in Queensland's mineral and energy sectors. This commitment was in recognition of the need to develop value-adding industries within the State and to generate potential exports and, indeed, import replacements. On coming to office last year, a State Government working group, comprising officers from the Department of State Development and the Department of Mines and Energy, was established to develop a comprehensive policy framework. In the near future, the Government will consider a policy framework to encourage further value adding to minerals in our State. This will also include a range of project development opportunities aimed at attracting further investment and employment into this industry sector.

As part of the policy development process, I have ensured the inclusion of mining lease value-adding measures with a view to attracting greater downstream investment. These include the examination of the potential for expanding the existing royalty discounts for value adding to minerals within Queensland—and I would just say that this is something that we introduced during the Goss years where those products which were value added in our State in fact attracted a lower royalty rate, which I think is a demonstration of what we are trying to do—and for mining project proponents to examine this opportunity to value add as part of the mining lease application process. In line with the Premier's commitment to seek a reduction in the unemployment level to 5% within the next two to four years, the development of value-adding industries in Queensland is viewed as one mechanism by which to create new employment opportunities, particularly in the regions of our State.

The CHAIRMAN: The Committee will now adjourn for morning tea and the hearing will resume at 10.45 a.m.

Sitting suspended from 10.28 a.m. to 10.48 a.m.

The CHAIRMAN: I now declare the Committee hearing reopened. I call on Mr Pearce.

Mr PEARCE: I have one question in relation to the mining industry. There are numerous references in the MPS to the recent restructuring of the Safety and Health Division of the department. Can you tell me what happened to the district workers'

representatives positions that used to exist under the former structure?

Mr McGRADY: That is the first question we have had this morning on the metalliferous side of the industry, which I appreciate coming from where I do. Section 18 of the Mines Regulation Act of 1964 states that the governing body for the State of Queensland of each union or association which has in its membership persons employed in a mining operation in or about a mine may submit to the Minister a panel of names of persons being members of a union concerned who are eligible to be appointed as a district workers' representative. A lot of things that have happened in the mining industry are about culture, tradition and practice.

The district workers' representative has been a position in the metalliferous industry for many years. During its time in office, the coalition abolished those positions. In the new legislation, I brought them back. The reason I have brought them back is that, in my opinion and in the opinion of the Government, they play an important role in the safety of the metalliferous mines. A district workers' representative is a person who is seen to be independent both of the department and the industry. He or she can enter a mine or a mining lease and ensure that safety is at the highest level. He or she can react to complaints and, obviously, is involved in any inquiries in relation to accidents. I feel strongly about the retention of those positions. From memory I think there are four around the State. You are testing my memory now, but I think they are in Townsville, Mount Isa, Rockhampton and one other place that I will come to shortly. I believe that they are an integral part of the safety in the metalliferous industry. I have reintroduced them. I believe they will continue to play an important part.

The CHAIRMAN: On page 18 of the Ministerial Portfolio Statements, the issue of recent mine subsidence at Dinmore is mentioned. What is the status of that matter?

Mr McGRADY: I am glad you raised that question. I received a report that there had been reports of subsidence in Queen Street in the outer suburbs of Ipswich. When I received the report, I immediately contacted the Mayor of Ipswich, Councillor John Nugent, and the two of us went out and inspected the area in question. Initially, there was a subsidence in a block of wasteland opposite a number of houses. Obviously the residents of those houses were very concerned for fear of their own houses starting to move. The same day we got some experts to come and check those

houses. The information I received in a very short time was that there was a risk. Those houses could remain as they are for another 50 years, but there is also the risk that some of them could subside. I was not prepared to accept that situation once the information was given to me.

I had negotiations with the Mayor of Ipswich, John Nugent. Between the two of us, we agreed that we would do a fifty-fifty deal in purchasing the eight houses involved. I was well aware that Councillor Nugent did not have the authority to speak on behalf of the council; however, I did really believe that the council would have accepted his leadership and stick to the deal. We went ahead and purchased the houses in question. We secured from my colleague the Minister for Housing houses for those people who wanted to move immediately. We got three valuations of the properties and we offered the owners the average price. Subsequently, we bought the houses in question. The Ipswich City Council agreed to pay the cost of one house and to put some fencing on, with which, quite honestly, I was somewhat disappointed. I have no criticism at all of the mayor. In my opinion, he acted in good faith. However, I believe the council should have followed the leader when he was involved in such detailed negotiations. We were talking about the prospect of those houses going under. We have purchased them. It has cost about \$600,000 to purchase those houses. I believe it was the right decision. I could not have lived with myself if I procrastinated on that issue and discovered that one of those houses or all eight of those houses went under and caused concerns and perhaps physical damage to the people who lived in those houses.

The CHAIRMAN: In a note to the Output Operating Statement—Minerals and energy exploration and development services on page 10 of the Ministerial Portfolio Statements, there is a reference to a grant made in 1998-99 for research into rehabilitation of mine sites. Could you please provide more details about that grant?

Mr McGRADY: That is the grant of \$2.4m that you are referring to?

The CHAIRMAN: It is on page 10.

Mr McGRADY: In light of the social and economic importance of the Queensland coal industry and the increasing importance of the need to ensure that mining is an environmentally responsible industry, I agreed with the previous Minister, Mr Gilmore, who gave a direction that residual Queensland coal board funds be used to improve environmental

performance. Accordingly, it was determined that those funds would be used to establish a specific Queensland-based coalmine site rehabilitation program. Following discussions with the relevant research organisation, the Queensland Mining Council and the industry, it was determined that the funds should be provided to the Australian Centre for Mining and Environmental Research, on the proviso that that organisation be required to invest the funds and use the annual investment or the annual income stream to fund approved coalmine site rehabilitation activities and that the funds be used to encourage the development of relevant rehabilitation training, teaching and research activities at both the Central Queensland University and the University of Queensland. An agreement between the Government and the Australian Centre for Mining and Environmental Research has now been signed and the amount of \$2.4m was transferred last year. The agreement covers the purpose of the coalmine site rehabilitation fund, how the capital grant is to be invested and used, Government representation on the organisation, the type of teaching and research activities that will be funded, annual reporting requirements and how the agreement may be varied or, indeed, amended.

I personally look forward to the ongoing benefits that this program will bring to our important coal industry. I note that its activities will strongly support the Government's commitment to improved environmental performance, including rehabilitation of the State's mining industry.

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

Mrs LIZ CUNNINGHAM: I return to the issue of dividends. There are a couple of things that I am unclear on. In an answer to Mr Rowell, you indicated that the dividend was determined on the profits of the GOC after funds are allocated for maintenance needs. In answer to question No. 9, you state reported profit after tax and then the percentages paid in dividends. Are the dividends paid on the profit after tax, which takes into account all the maintenance needs of the GOC?

Mr McGRADY: The answer is: yes.

Mrs LIZ CUNNINGHAM: This question is predicated on a GOC in my area which is not under your portfolio and which has expressed concerns over the fact that over a couple of years their dividend has slowly crept up to 100%. They have concerns about their ability to meet their own objectives. Have concerns been expressed to you by the corporations as

to the amount of dividend being required or their ability to retain revenue for growth?

Mr McGRADY: It is fair to say that if you were the chief executive officer, whether it be of the Gladstone Port Authority, Ergon or Energex, obviously you would want to pay the least possible dividend. That is understandable. If you were in my position or in the Treasurer's position, you would want to get as much dividend as possible. That is the way that the world works. At this time of the year, you will always get the arguments coming backwards and forwards from the Government owned enterprises, Treasury and, of course, the relevant department, whether it be the Department of Transport or the Department of Mines and Energy. It is an issue that there is no clear-cut answer to.

As I have said in the Parliament before, during the coalition years, the Government actually forced South West Power to pay a 107.41% dividend. As I said to Mr Rowell, I am not in the business of going back to the way it used to be. I am trying to get some common policy as to how we should extract the dividends from the corporations. In my opinion, the chief executive officers or the chairmen of the boards would not be doing their jobs if they simply allowed the shareholding Ministers to say, "We are going to take 95% of your dividend", without putting up some sort of a battle. It is well known—it was raised in the Parliament—that my colleague Tom Pyne wrote to me, but no doubt the letter was written for him by his chief executive officer, and so it should be. The question of dividends has been a political football, but I reiterate that the dividends that we extract are after maintenance works and all the others costs have been allowed for.

I come back to my basic philosophy, which is that there are a number of reasons why Governments are involved in business activities. One is because that particular industry plays such an important role in the economy of our State or, indeed, the fibre of our State. The other one is that it does provide a financial stream for the Government to do much of the work that it has to do. This is why there has been the political debate in Victoria, New South Wales and South Australia on whether or not the electricity industry should be privatised. I am sure that you have your views on that, too.

Mrs LIZ CUNNINGHAM: I am sure I do. A number of the electricity generating plants are ageing. That has been acknowledged here on a number of occasions. What protection or assurance is given that adequate money is

retained for maintenance needs and not just the priorities, to ensure not only continuous supply but also safety for employees?

Mr McGRADY: That is the reason why we have set up this implementation unit in the department and that is why we set up the task force. As I have said to Mr Rowell, I want to see the assets that the State owns and that are in my portfolio retained and advanced. That is the reason why, at the present time, we are placing so much importance on new units at some of our power stations.

As you say, the plant in some of those power stations is getting on in years. Unless we make the right decisions, those plants could become obsolete. That is why it is important that CS Energy, some of the other corporations and Tarong keep on expanding. Obviously there is some work to be done at Swanbank, which has ageing equipment. We have to look after the assets that you and I own. As parliamentarians, we are custodians of that plant and we cannot afford to allow it to die of old age. That is why, if the power authorities come to us for moneys to maintain their plant and equipment, there would be no hassles at all.

As I said, you have the opportunity in the Parliament to ask me questions at any time at all. Next year when I come back to the Estimates hearing, you will want to see what my stewardship of this part of the portfolio has achieved. As a Government, as an owner of these utilities, we have to preserve them.

Mrs LIZ CUNNINGHAM: On page 15 of the MPS, under the subheading "Expenses" the line item "Supplies and services" is listed. Footnote No. 2 states that the increase is due to the treatment of property rentals and computer leases. Could you clarify that cost? It has gone from a budgeted \$7m in 1998 and an actual of \$5.5m to an estimate for the forthcoming year of \$11.3m.

Mr McGRADY: I believe in sharing the questions.

Mr CHARD: In 1999-2000 the accounting treatment for rent and computers will be in supplies and services as opposed to in other expenses, as it was in 1998-99.

Mrs LIZ CUNNINGHAM: All right. On page 17 mention is made of environmental compliance. There has been a significant increase in security deposits for non-compliance with the Minerals Resources Act—from \$10m to \$426m—over the past eight years. How much of that amount for security deposits is retrospective, that is, over existing mines, or is that figure the total amount of all deposits accepted in respect of

new mining ventures? Was any of it retained on behalf of QCL?

Mr McGRADY: Can I take that question on notice and get back to you within 24 hours?

Mrs LIZ CUNNINGHAM: You may. I turn to page 19 and to the table headed "Output Statement". For electrical licences \$6.4m is targeted for 1998-99. \$5.7m is actual. For 1999-2000 the figure increases to \$27.2m. You have indicated that electrical licences fall due every five years and that this forthcoming year is the target for those renewals. Have licence costs per licence increased and, if so, what was the increase?

Mr McGRADY: As you would be aware, there have been some changes to the method by which electricians secure their licences. At one time a licence was issued basically for life. Whilst that was attractive to some of the electricians, the fact is that the electricity industry is changing. You may have received your licence in 1945 and, technically, you were allowed to practise in the industry with that licence. Back in the Goss years when I was the Minister, we made a decision to require electricians to have a licence every five years. There was some resentment, and I could understand that resentment. Those people in the trade resented the fact that they would have to apply for a licence, and yet they were working in the industry every day. When you throw out big nets, you often bring in innocent people. The whole purpose was to ensure that people who had received a licence and had been out of the profession and who obviously were not up with the current changes in the industry were made to demonstrate that they understood the industry as it is today. They now have to renew their licence every five years. In relation to the price of licences, I do not believe there has been an increase. But again, I will check it out. I will take it on notice and get back to you.

Mr ROWELL: In relation to the assets of Ergon, Energex and all of the generators throughout the State, I know you are putting in place an assessment system. The fact is that a lot of these systems are ageing. Although regular maintenance may be one way of keeping them in reasonable condition, at the end of the day the replacement cost is horrendous in many instances. You indicated your method for calculating what 115% means when you were speaking about South West Power. However, there has been a dramatic increase in the amount of money that has been coming from dividends. How do you intend to preserve the integrity of the generating industry that is owned by the

State—the GOCs—and also the transmission side?

Mr McGRADY: One of the functions of the board, which is appointed by Cabinet, is to ensure that the asset which they control is maintained and improved. I think those are decisions for those individual boards. Obviously, the boards that we have in the electricity industry vary. As you would be aware, we have two distribution boards. Each one of those boards has a retailing board. We have the three power stations. We also have Powerlink, which does a tremendous job around the State. We also have the Transmission and Supply Corporation, which looks after the Gladstone Power Station and those smaller units that sell into the pool. Each one of those organisations has a responsibility to maintain the asset base and also to improve it. That is the reason why almost all of those organisations are out there in the marketplace. I explained before some of the proposals that Energex and Ergon are involved in, for example, with respect to gas. You would be aware that about 15 months ago Energex purchased Allgas, because its board believed—and this was supported by the two shareholding Ministers—that this was one way in which they could grow their business. No doubt you will see similar activities taking place in the months and years ahead. That is the responsibility of the individual boards. Obviously, they will brief the Minister. My job is to ensure that the current assets are maintained. I do that through my regular briefings with the chief executives or the chairmen of those boards.

Mr ROWELL: In reply to a question on notice, you disclosed that your department is sitting on 131 exploration permits, 59 mineral development licences, 270 mining leases, 133 mining claims, 45 authorities to prospect for petroleum and eight petroleum leases that have all been lodged for longer than 12 months and delayed by native title. Turning to page 9 of the MPS, the projected percentage of land access and native title action which will meet targeted time frames is anticipated to drop from 90% last year to 85% this year. Exactly what are you and your department doing to help the mining industry work through the existing legislation, instead of just waiting around for laws to develop?

Mr McGRADY: This gives me the opportunity to explain the position to some people who do not understand the situation with respect to native title. It was not the Queensland Government that initiated native title, nor was it the Federal Government; it was the decision of the High Court of Australia that

native title existed. As such, Governments, regardless of their political persuasion, had to work within the new culture we had been given. The very first piece of legislation which the Beattie Labor Government introduced into the current Parliament was the Bill on native title. That came in after massive consultations with industry, indigenous people and all of the key stakeholders. As a Parliament, we carry that legislation. Under the Commonwealth legislation, it has to be referred to Canberra.

My understanding is that the Federal Government, through its bureaucracy, sent back approximately 200 amendments to the Queensland native title legislation. It is all very well for people to be saying, "We should have done this" and, "We should have done that", but at the end of the day we knew that any legislation that we brought into Queensland had to be basically complementary to the Federal legislation. So we had to bring in legislation which we believed would get through the Senate.

The 200 amendments which I referred to a moment ago were, it is true to say, basically technical amendments, but they still have taken up a great deal of time. We have now sent back our legislation to the Federal Attorney-General. It is in his hands and, as you know, any House of the Federal Parliament can, in fact, take a decision which could change the whole basis of the State's legislation. So without appearing to be flippant on this question, can I just say that if you or your colleagues have any influence at all on your Federal colleagues, I would appreciate it if you could use it on them. Once the legislation has been approved, as a department—

The CHAIRMAN: Do you want an extension of time?

Mr ROWELL: Yes.

Mr McGRADY:—we intend to process all of the outstanding applications in batches according to the native title claimant areas and tenement types. We will bring in staff to ensure that the backlog is processed as soon as possible. Nobody, but nobody in this room today would want to see applications for mining activities being held up. I as a Minister coming from an area which I do and somebody who has a great love for the industry can assure you that I am doing all in my power to expedite this process. But on this occasion here, whilst I am not involved in Canberra bashing, I do have to say that the problem is with our colleagues in Canberra.

Mr ROWELL: I am pleased to hear you refer to "our" colleagues, because I think on both sides of the House down in Canberra we

have a particular problem. While you are talking about my influence with the coalition people down there, I think there is also a very big issue as far as the Senate and your people in there is concerned.

Mr McGRADY: I respond by saying if only you could have seen the way the Premier, I and some other Ministers worked on a certain occasion, you would be very proud of the role we played.

Mr ROWELL: I am pleased to hear that, but the whole point is it will go before the Senate. I understand that, while the Democrats are very ambivalent about the legislation, there is a group of people on your side who, when we talk about politics, are very ambivalent about the final result that may come down as far as native title is concerned. I refer to the High Court decision handed down regarding Murrandoo Yanner last week. Will this decision have an impact on mining royalties and, if so, what action is being taken to preserve the State's revenue while adding no further impost on the mining industry?

Mr McGRADY: I have to say that I personally have not studied the decision. I understand that initial information which we have received is that it will not have any impact on mining royalties. It was a specific case which, as you know, went before the Mount Isa Magistrates Court. The Queensland Government appealed that decision. We were successful in our appeal. It was then referred to the High Court and, of course, by five votes to two the High Court brought down the decision last week. I do not want to comment on that decision. I have made many comments in the past and I do not intend to make any today. But the initial advice I received is that it will not have any impact on royalties in Queensland.

The CHAIRMAN: The time for non-Government members' questions of the Minister has expired. In the Capital Statement, Budget Paper No. 5, there is an extensive list of capital projects which are currently under way or about to start which are the responsibility of Government owned electricity corporations. What role do you have as the shareholding Minister to ensure that projects entered into by Government corporations are viable?

Mr McGRADY: Through the corporate plan and the statement of corporate intent, I and the Treasurer as shareholding Ministers are advised of the current or, indeed, the proposed business development activities of the electricity GOCs. Significant investment proposals are subject to specific approval by

the shareholding Ministers as well as the individual boards. The GOC expansion or diversification strategies are commercial in confidence—and so they should be. Whilst I can be briefed, which I am, they are in a competitive situation and I do not believe that their activities should be screamed from the rooftops.

My department, in conjunction with Treasury, during the course of discussions with senior executives of the GOCs required that any strategies involving significant investment outside of Queensland and/or the core business have to be supported by substantial and detailed submissions as to how these investments would improve the GOC's financial performance and, as well, not result in a loss of focus on core requirements, such as reliability, customer service, safety and environmental management.

A good example of this is when we came into Government. In fact, a few days before we were sworn in as Ministers, we were being briefed on a proposal by Energex to purchase Allgas. The situation we found is that the Queensland owned corporation wanted to purchase Allgas. So, too, did Texas Utilities. We had to convince ourselves that the, from memory, \$200m investment was going to be in the interests of the people of Queensland.

We were having our deliberations and the stock market was playing games at the same time. Without being rushed into it—within a week—we had made a decision based on information given to us by the executives of Energex and the board members and we then went to our own people in Treasury and the Department of Mines and Energy and, of course, State Development and we determined that was a wise investment decision. So whilst many of the activities of these corporations are commercial in confidence, as a shareholding Minister, we reserve the right to advise if need be, and that is the way it should be. The commercial decisions basically are made by the board, but at times we can offer some advice and assistance as a result of the expertise that we have in Government.

Mr PEARCE: A continuing theme in the section of the MPS devoted to Mineral and Energy Sector Regulatory Services is the improvements brought about through restructure of the Safety and Health Division. This appears to be borne out by the statistics relating to the reduction in lost time accident frequency rate on page 19. On the basis of those statistics, has the level of accidents in

the mining industry reached an acceptable level or is there still need for improvement?

Mr McGRADY: There is never an acceptable level when you are dealing with fatalities or serious accidents in an industry. Every one of us from the director-general to the Minister, to chairmen of boards, through chief executive officers, right down to the men and women who are working at the coalface have a responsibility to try to eliminate accidents from this industry. Without becoming emotional, I have had friends of mine killed in the industry, and that is one of the reasons why I am probably so—if you want to use the word—arrogant in my desires to improve the safety of the industry. In spite of major improvements in fatality and lost time injury rates in the industry, I am still very concerned at the continued number of serious injuries and high potential incidents, which are just as important because quite often a lot of these near fatal accidents are not reported.

Two fatalities occurred in the last financial year. Both involved falling from heights. One was underground at Mount Isa Mines and one was at Phosphate Hill. A third miner was seriously injured when he fell down a shaft during maintenance operations.

I can go on giving you examples, but there is one issue that I feel has to be addressed and there has to be public debate and discussion on. In fact, it is starting to occur now. SIMTARS has organised a number of seminars around the State—in Mount Isa, Brisbane, Townsville and Emerald—to look at the impacts of stress and fatigue in our industry.

As you know, we have instances—in fact, it has been confirmed by executives of the industry—of people working 12 hours at one mine and then travelling to another mine and starting to work again. This is simply not acceptable. I do not care who you are: if you are working 12-hour shifts and you are working 24 hours without a break, halfway through that period of time obviously you are not as safety conscious as you should be. I am certainly not saying that we should not have 12-hour shifts. In fact, if I were to suggest that I would be lynched in my home town. There is nothing wrong with 12-hour shifts but, in my opinion, there is certainly something wrong with 12-hour shifts when people are working up to 25 days in one go. They are some of the issues we are starting to address. I appeal to all members of Parliament to take an interest in these seminars when they occur in their own areas.

Mr PEARCE: I congratulate you for that attitude. It is certainly welcome out there in the

coal industry. From looking at the capital works expenditure for the Mines and Energy portfolio and comparing it with that of other portfolios in the Capital Statement, Budget Paper No. 5, it can be seen that Mines and Energy is second only to Transport in terms of dollar value, with more than \$1 billion worth of projects. Could you please outline some of the more significant projects contributing to that \$1 billion figure?

Mr McGRADY: I certainly will. In this current financial year my portfolio responsibilities will see us spending over \$1 billion on capital works throughout Queensland. I am the first to admit that most of that money is going to be spent in the energy sector. \$165.4m is allocated for a high voltage transmission line to interconnect the Queensland and the New South Wales energy supply grids. I know that Mr Jardine and his board call it the interconnector, but to me it always will be Eastlink, although it is called Westlink now.

Mr PEARCE: I understand why.

Mr McGRADY: I still refer to my Eastlink. \$24.85m is allocated for maintenance and upgrades at the Tarong Power Station. Projects there include electrical works, upgrade of the flue gas sprays, work on the water treatment plant and other station mechanical works. At the Mica Creek Power Station at Mount Isa, work is in progress for the conversion of existing coal fired units to gas and the addition of three gas units. That is almost complete. The 1999-2000 capital budget includes \$10.4m including estimated capitalised interest for the completion of this work. Also in progress at Mica Creek is the installation of a 55 megawatt combined gas cycle unit. This year's budget also includes \$5.8m for the completion of this work. On 8 September this year, just a few weeks ago, I officially opened the Mica Creek C Power Station.

This year, \$14.4m is provided for capital outlays at the Stanwell Power Station in Rockhampton. Major projects are: scheduled overhaul of two units, costing \$6.1m—units are taken off line and overhauled every three years as part of the ongoing maintenance program—a build-up of spare inventory, costing \$1.98m; and the replacement of the uninterrupted power supply, costing about \$1m.

The Callide power project is a 50/50 joint venture between CS Energy and Shell, although you would be aware of the announcement that Shell has made, similar to other multinational companies, that they are

considering their position in non-core activities. That announcement was for the construction of an 840 megawatt power station at Callide. CS Energy's capital cost is \$455m.

I could go on. What I am talking about here is millions of dollars. It is all part of the infrastructure for the energy industry in Queensland. That is just the public sector. As you know, there is also work taking place in the private sector.

Mr HAYWARD: Minister, on page 15 of the Ministerial Portfolio Statements a note refers to the increased funds for the Office of Sustainable Energy. What did the Office of Sustainable Energy achieve in 1998-99? Are there any new programs planned for the current financial year?

Mr McGRADY: There certainly were a lot of achievements but, as you say, we underspent by \$2.4m. This reflects the lead time associated with establishing the Office of Sustainable Energy and its programs. These funds have been carried forward to this year. There is \$1m for the RAPS Scheme—that is, the Remote Area Power Supply Scheme. There is \$1m for the Queensland Sustainable Energy Innovation Fund. Briefly, that is \$1m to give seed funding to people who come up with innovative ideas. We have an independent panel that will judge that.

In relation to solar hot water rebates, about \$150,000 has been carried over. This is one of the great success stories of the Goss Government. It was abandoned by the coalition and we brought it back. We give a \$500 cash grant to those people who move from electric hot water systems across to solar.

The Energywise advisory service programs will receive \$250,000. That service travels around and informs people of the new culture which is taking place and of how they can save money on some of the programs that we have in place.

The Office of Sustainable Energy is recruiting people of the highest integrity. They are people who have this tremendous passion for the work they are doing. I believe it will do a tremendous job in Queensland. I am 100% behind this project within my department.

Mr HAYWARD: In the Operating Statement for the department, on page 30 of the Ministerial Portfolio Statements, the equity return for the Department of Mines and Energy is valued at \$1.049m in the 1999-2000 year. I understand that this arrangement is fully funded in the budget. Will the arrangement apply to the Government owned electricity corporations?

Mr McGRADY: There has been a lot of discussion, particularly in the Budget debate, about this 6%. Some people have called it a tax and some people have used other terms for it. I tend to go along with the Premier when he says that it is just trying to ensure that lazy money is being used. My understanding is that the current Opposition planned to introduce a similar incentive scheme.

I am pleased to confirm that this 6% does not apply to any of the Government owned corporations, including the electricity GOCs. It therefore creates no barrier for investment by the GOCs in new power stations, in maintenance programs or, indeed, in network upgrades. The Government has ensured that the GOCs are exempt from this policy. I expect the electricity GOCs to continue pursuing their capital works programs as before. Many of them have potential to deliver a significant economic benefit and, indeed, jobs to regional parts of Queensland. As I mentioned in answer to the previous question, almost \$1 billion is in the budget for projects.

Mr HAYWARD: Minister, on page 6 of the Ministerial Portfolio Statements, the Century mine is mentioned—and I know your strong views on that particular project—along with a number of other new mining projects. I understand that, to provide electricity to the Century mine, a transmission line had to be built from the Mica Creek Power Station to that mine. Were there any delays in the building of the transmission mine due to native title issues and, if so, how were they overcome?

Mr McGRADY: One of the great joys you get out of being Minister for Mines and Energy is that you see projects come to fruition. You start talking to people about how they think they have discovered something in the ground and then, some years later, you see a massive construction. I had the privilege of going out to Century just a couple of months ago to see what used to be barren wasteland, and now you see this massive complex employing 168—at the time—indigenous people.

A couple of Saturdays ago, I went to Karumba, and there I saw the vessel coming in which would take the zinc from the mine and take it out to the mother ship and then to Holland, where the contracts are for. Of course, I got a lump in my throat, because I knew some of the difficulties that we had experienced. There is an old saying: sometimes you can lose the battle, but you win the war, and this is one war which the people of Queensland certainly won, because that is going to be the largest supplier of zinc in the world. It is providing jobs, not just for

people who traditionally work in the industry, but indigenous people are actually driving pieces of equipment which cost \$3m. So in an area of almost total unemployment, we are going to have this massive industry.

Of course, there were many problems associated with getting this mine off the ground. The line itself was, in fact, constructed on time and below budget. I recall, over 12 months ago, doing a media conference where I said to the journalist of the day, "The line will be built. It will be built on time", and people were saying to me, "But will you resign if it is not?", and I said, "It will be built." So it was with a great deal of satisfaction that I participated at the opening ceremony back in September, when the line had in fact been completed.

I just want to pay my personal thanks to all of those people who were associated with the line, to the former employees of NORQEB, who have now been incorporated into Ergon, and the people from the indigenous community who worked long and hard to try to ensure that this happened. There were many obstacles put in our way in getting the Century mine up and running. Some people had genuine concerns about the environment. Others had other concerns. But at the end of the day it is there, it has happened, it is part of the Queensland infrastructure, and I am very, very proud of the role that our Government played—and myself, for the little part that I played—in bringing this to fruition.

Mr HAYWARD: Minister, page 17 of the Ministerial Portfolio Statements states that—

"The department has played a leading role in negotiations about the Environmental Protection Policies for mining and petroleum."

Given the recent transfer of environmental functions from the Department of Mines and Energy to the Environmental Protection Agency, what is the status of the environmental protection policy for mining?

Mr McGRADY: The change in the environmental policy for the mining industry in particular was conceived during the coalition years, and there is no criticism. What the former Minister did was to bring 20-odd parties together and go through the new world, if you like, for the environmental issues which are of concern to the mining industry. My understanding was that the Queensland Mining Council agreed to the processes which are now in place. But environmental protection policies, as you would know, are subordinate legislation under the Environmental Protection Act of 1994. The development process

dictated by that Act requires two lengthy consultation periods.

Subsequent developments were managed by a policy steering committee of six, which included the Department of Mines and Energy, the former Department of Environment, the Queensland Mining Council, the APEA, the Queensland Conservation Council, the Queensland Farmers Federation and a stakeholders consultative committee with representatives from those 27 organisations, which I mentioned a moment ago, including all interest groups with a significant interest in the environmental protection policy. The Department of Mines and Energy and the Environmental Protection Agency jointly chaired those committees, and several working groups and a writing group had the responsibility of refining the discussion papers.

Cabinet endorsed a broad framework for the environmental regulation of the mining industry on 10 May. This position was publicly supported by both the Queensland Mining Council and the Queensland Conservation Council—one of the very few times that both organisations had a press conference to declare their support. The new environmental framework will see the EPA having lead agency responsibility and the DME taking a stronger industry facilitation role. A number of joint EPA and DME technical working groups have been established to rapidly progress the outstanding technical, legislative and operational issues. These will provide detailed advice on the final regulatory framework.

In the meantime, the Environmental Compliance Division of my department was physically transferred to the Environmental Protection Authority on 9 August this year, and discussions are continuing with the EPA on transfer of the regional resources which they believe they require. It is expected that the new environmental regulation regime will be implemented by the end of this year.

The CHAIRMAN: The time for questioning by Government members has now expired.

Mr ROWELL: Minister, on page 2 of last year's MPS, one of the key departmental initiatives was the establishment of a task force to reverse the impact of fly-in/fly-out operations on local development in regional and remote communities. Minister, if such a task force was established, who was on it, what did it recommend, and have these recommendations been implemented? Are any funds allocated in this year's Estimates for activities in this area? Also, having regard to the ongoing problems with fly-in/fly-out

operations—and I refer particularly to the Mount Gordon copper mine—does it not appear that the impact that you and your department have had on this matter is negligible?

Mr McGRADY: The answer is: no. I think this is a very serious issue which, again, should be addressed on a non-party platform. Your former Premier, and now your leader, made it perfectly clear that mining companies could and should make commercial decisions. As such, policies such as trying to reduce fly-in/fly-out operations really could not be considered by Government. Your former Minister made a similar comment that he was not prepared to take any action with regard to fly-in/fly-out.

Can I say at the outset where I stand on fly-in/fly-out? I do not believe that mining companies which find new deposits should, in fact, have to build new towns. Those days have gone. They will never, ever return. But what I do say is that those companies which are developing resources close to existing towns should try to recruit as much of their labour as possible from that particular town. Fly-in/fly-out is now part of the mining culture—something I am not happy about at all, but it is there—and it is going to be very, very difficult to reverse that process.

But coming back to the task force and what our Government has done—our Government has done a lot in the short space of time that we have been in office. I believe that if you are going to get people to move away from the coast or the major centres of population and go and live in those mining communities you have to create the infrastructure; you have to give them a way of life which is as good as the way of life on the coast. One of the initiatives we have taken in the north west is to set up a fund where organisations can access funding to improve the infrastructure and the facilities in those communities.

A committee, which comprises the mayors of the shires and the city of Mount Isa, has been set up under my chairmanship. We have already allocated approximately \$250,000 for the first round, and some of the things we have done include giving \$50,000 to the TAFE college to initiate training courses for gasfitters in an attempt to try to improve the skills base in the north west. In the first round we also allocated funding to Camooweal, which is a very small border town, to try to improve its tourist industry.

In round 2, on which we will be meeting very soon, I expect to see some major projects which will certainly breathe life into those

communities. The task force has met on a number of occasions. The task force comprises people from the employers, the unions and the Government. We had a major workshop in Mount Isa earlier this year. On Friday of this week we will have a major workshop in Mount Isa where we are going to explain to the community of north-west Queensland the new chapter 2 of the Carpentaria/Mount Isa minerals province which we now have in place.

Let me say that I have been able to attract some of the cream of Queensland business and some of the people who were participants in chapter 1 of the Carpentaria/Mount Isa minerals process. Rather than concentrate on the mining industry, this time around we are going to concentrate on mining, energy, the tourist industry, agribusiness and the possibility of improving education with perhaps a campus of the Cook University of north Queensland and a mining school.

These are just some of the initiatives that our Government has introduced since coming to office in an attempt to try to attract people to the bush and mining areas. Regardless of which side of the political fence we sit on, we cannot allow the continual drift from regional and rural Queensland to the coast. We have to take some positive actions. Those actions will cost money but, as a community and as a Government, be it State or Federal, we have to do it otherwise we will completely denude rural and regional Queensland.

Mr ROWELL: I have heard very clearly what you have had to say. I know that as far as the north west is concerned Mount Isa is probably the epicentre of what happens in relation to a lot of the mining enterprises in that region. However, as you have said, there is the Carpentaria/Mount Isa minerals province which is quite important. It extends to a lot of towns other than Mount Isa. I did ask you whether any money has been put into this year's budget as far as additional support is concerned. I cannot find any reference to it. I am referring to this fly in, fly out operation or the alternative arrangements that you are proposing. While you are critical of what may have happened under the coalition, it is your Budget and I want to know what direction you are taking in regard to future investment in an attempt to assist people in those regions.

Mr McGRADY: This is a joint effort. Any funds that we require will be absorbed by our base budget. We are working very closely with the Department of State Development. That department has allocated money for

consultancies for chapter 2 and for other work. We have had a number of sessions with industry. There is tremendous enthusiasm from industry. We are hoping that industry will come to the party with funds. We have had a number of commitments from industry. In this financial year I fully expect to have approximately \$1m at our disposal.

We have also invited the Commonwealth Government to participate because many of the benefits from mineral development flow on to the Commonwealth Government. In an attempt to make this bipartisan, I have invited the Federal member for Kennedy to join a group of his choosing. I sent him a registered letter but at this stage I have not received a reply. I would use this forum today to actively encourage him to come along and be part of the team because I think it offers a tremendous possibility of success. If you wish to participate in your role as shadow Minister, I am more than happy to extend an invitation to you.

Mr ROWELL: What level of participation is now occurring between the MITEZ group and your Government?

Mr McGRADY: That is a good question. It is quite irrelevant to my portfolio, but I will answer the question.

Mr ROWELL: It is part of the development of that region which entails the types of things that you were talking about.

Mr McGRADY: I was in the Burdekin yesterday and it was highlighted that some of the cuts which the Federal Government has initiated in order to bring in a balanced Budget are now starting to bear fruit in reverse. Many organisations who are receiving Federal Government funding are now being told to go elsewhere. MITEZ is an excellent example and I am glad you raised it.

It was the Keating Government which gave MITEZ \$400,000 to do its work. Out of the blue the Government said, "You will simply not get another cent from the Commonwealth Government." The MITEZ organisation came to the Queensland Government and asked if we would pick up where the Commonwealth left off. As you would know, the Department of State Development has the criteria for funding organisations. That is not within my portfolio. The Department of State Development has offered \$100,000 to set up an organisation in the north west. MITEZ, because it covers from Mount Isa to Townsville, does not qualify because the region is too big.

However, I gave a commitment that we would fund \$50,000 per year to MITEZ on the condition that that was matched by the

Federal Government. The Federal Government again reneged. I do not know what more the Queensland Government can do to assist that organisation. It was conceived by the Federal Government. However, the Federal Government reneged after four years. The Queensland Government said, "We will give them \$50,000 on the proviso that it is matched dollar for dollar by the Federal Government."

Mr ROWELL: In your answer to one of the questions on notice relating to serious mining accidents, you admitted that last year not one report by the inspectors was forwarded to the Mining Warden; he was sent only two reports relating to fatal accidents. You also disclosed that since July 1999 six reports have been sent to the Mining Warden. In June, the Mining Warden publicly disclosed that he was not getting reports. You went out of your way to attack him in the media. Is it not the case that during the whole of last year your department sent not one report to the Mining Warden, but since this public outing your department has sent six reports to him? Some would suggest that that is proof positive of incompetence by you or your department or a deliberate attempt to preclude the Mining Warden from properly investigating accidents. It is a very serious issue.

Mr McGRADY: I take exception to your allegation that I attacked the mining warden in the media. The mining warden made public comments and I was asked to respond. My response was quite simple: I, as the Minister, do not refer those matters to the warden. If the warden so desired, the warden could seek that information.

I am not in the business of attacking anybody in the media. I did not initiate that discussion or that debate. But let me say this: some years ago, the mines inspectorate was medium to say the least. In recent years—and let me say that it started under your Government's regime, if you like—I believe that we have had a very, very professional inspectorate. I am sure that Mr Peter Dent, who is here today, would like to respond to the question and in particular to the fact that, under the Act, the mining warden could have requested any information he wanted. He never did. As far as I know, the mining warden has never ever requested—and I have just been passed on information that the warden has, indeed, checked the last six inquiries and he is happy not to require any further investigation.

We can refer every single issue to the mining warden while he is still in that position.

When we have professional people, I think that this demonstrates that the issues that they believe to be important and believe to warrant the attention of the warden are referred to him. If time permits, Mr Dent can give you a broad outline of some of the work that his department is doing.

Mr ROWELL: Sure.

Mr DENT: There has been no protocol in place over recent years for reports of accidents to be provided to the warden. They are available, of course, if he so requests. Major accidents are on the public record and the warden has been able to seek reports of those that he believes could be investigated. Recently, we met with him and we went through a number of accidents and submitted to him a number of reports, which the Minister has just mentioned that he does not wish to pursue further. Two serious amputations occurred earlier this year. On the instigation of the Minister, we provided reports to the warden. Those are the subject of inquiries about to be initiated in the near future.

The CHAIRMAN: Thank you, Mr Dent.

Mr ROWELL: Minister, with respect to the internal audit section of your department, could you inform the Committee how many internal audits were conducted last year, the matters that were investigated, and whether the recommendations have been adopted?

Mr McGRADY: I will have to take that question on notice, thank you.

Mr ROWELL: Right. Minister, I refer to page 16 of the MPS and the importance placed on a proactive mines inspectorate. I also refer you to an article that appeared in the Rockhampton Morning Bulletin on 24 August where it is reported that coalmine field inspectors were excluded from the Queensland mining industry health and safety conference. I also refer to comments made by Greg Dalliston of the CFMEU that field inspectors were missing out on vital information. I ask: how much money was saved by excluding inspectors from this conference? Did you intervene so as to deny the inspectors the opportunity to play a part in this conference? As you addressed the conference, were you accompanied by any members of your staff and, if so, which staff members?

The CHAIRMAN: Mr Rowell, what section of the Ministerial Program Statements does that refer to?

Mr ROWELL: I refer to page 16 of the MPS and the importance placed on a proactive mines inspectorate.

Mr McGRADY: The last part of your question, was I accompanied by a member of my staff, from my memory, the answer would be: yes. We have a strict policy that Ministers are always accompanied by a member of their staff when they are on official business, and that is the way it should be. I think from memory it was Mr Tim Conroy. However, I will confirm that later.

The question, I think, is important, because first of all, who goes to conferences and who does not go to conferences is a matter that is determined by the director-general. I think that we have to try to find a balance because, if you recall, last year I highlighted to the Estimates committee the fact that, from memory, 17 geologists went on a safari to Townsville at a tremendous cost to the taxpayers of Queensland.

The health and safety conference is an important part of the mining industry. I did not determine who was to go and who was not to go. But let me say this: as you would know, if you wanted to, you could attend a conference every week of the year. Meanwhile, back at the ranch, somebody somewhere has to perform the work. I will be quite honest with you: there has been a major reduction in the cost of travel and conferences in my department. From day one I have had discussions with the director-general but, at the end of the day, it is the director-general and the managers of the various sections who recommend who goes to conferences. From memory, I do not believe that anybody has, in fact, raised that issue with me. I did recall it being in the Rockhampton Morning Bulletin, but I do not apologise. Our people attend conferences where they are applicable, but somebody somewhere has to look after the fort while people are away.

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

Minister, I refer to the backlog of mining tenure applications caused by native title, as outlined on page 7 of the Ministerial Portfolio Statements. How many applications for exploration permits are currently held up and what is the department doing about it?

Mr McGRADY: At present, there are over 1,150 applications for exploration permits over land where native title may exist and which, therefore, cannot be granted without compliance with the complex provisions of the Commonwealth native title legislation, which I detailed previously. It is logistically impossible to comply with the right to negotiate process for all exploration permits. The alternative State provisions, which will provide simpler

procedures, are still awaiting Commonwealth Government approval.

The exploration industry is becoming increasingly concerned about the inability of Queensland to grant exploration tenements and a major reduction in exploration expenditure is now evident in statistics. Recently, I authorised the department to grant exploration permit applications that are predominantly over existing tenures. The permits will be granted over existing tenures only, with the other land tenures excluded. Where there is 50% to 90% extinguishment of tenures throughout all sublets, applicants are given the option of a partial grant over the extinguished tenures only or waiting until the State alternative provisions for dealing with native title are commenced. Where a partial grant is made, the holder's priority over the remainder of the application area will be continued.

By close of business today, I would like to confirm to the Committee that 15 exploration permits have been offered or granted on this basis and there are possibilities for at least another 100 or more. That will assist exploration in the eastern parts of the State where there is considerable freehold land. It still does not address the problem in the most prospective areas further west.

The CHAIRMAN: Page 18 of the Ministerial Portfolio Statements contains a reference to the problems caused by mine subsidence at Dinmore. I imagine there are a larger number of properties in the Ipswich area that have been built on land that was mined in the past. Does the Department of Mines and Energy have any records that can be accessed by the public to determine whether properties are likely to be affected by old mine workings some time in the future?

Mr McGRADY: The department's Mineral and Energy Resources Location and Information Network, which around the industry is known as MERLIN, is a geographic information system that has been operational since 1990. It facilitates the process of all mining tenures. It functions at the regional and district offices as well as head office here in Brisbane. Also it facilitates the capture and storage of geoscience and resource data. A major redevelopment of MERLIN was implemented in May 1998. There were several subsequent performance and reliability issues that have been addressed under warranty by a specialist team, including contracted representatives. Additional enhancements to improved functionality were also made during this period.

The department charges the public to use the system for searching to determine whether or not a property has been subject to undermining. In 1998-99, \$49,000 was received by the department for those searches. That revenue is retained by the department's southern regional office and used to subsidise the salaries and administration expenses of the Bundamba testing office where the searches are undertaken. The performance and reliability of MERLIN will be further enhanced by a planned major hardware and operating system upgrade during this current financial year. A project to improve access to the department's computer system using the Internet is currently in the planning stages. The costs and time frames are yet to be determined.

The CHAIRMAN: On page 12 of the Ministerial Portfolio Statements the Green Energy Purchasing Program is discussed. The MPS mentions that a number of Government buildings are now supplied totally by green energy. Which buildings are supplied with green energy? How much has been saved in terms of greenhouse gas emissions by that initiative?

Mr McGRADY: As part of our election commitment, the Government promised to source a minimum of 2% of all its electricity from green renewable energy sources. The Department of Mines and Energy and the Department of Public Works and Housing work together to enable the Government to meet that target. Since 1 February, the Government has sourced over 156 gigawatt hours of green power and has exceeded its target, purchasing almost 4% of its electricity requirements from green energy sources. The green power is supplied to a number of Government buildings, including the Executive Building, the Precinct Centre and the Queensland Minerals and Energy Centre. The equivalent of 14,500 tonnes of greenhouse gas emissions or CO₂ have been saved through this initiative. Under the latest tender, the Government is seeking to source up to 50 gigawatt hours per annum of green power.

The CHAIRMAN: The description of activities undertaken in the Energy Plans and Programs Output Statement states that one of the roles of the Department of Mines and Energy is to support the development of sustainable energies technology. What is the department doing in that regard?

Mr McGRADY: The Government is actively supporting the growth of the renewable energy industry in Queensland. It is aiming to create a more diversified energy mix

for the future. That is evidenced by the establishment of the Office of Sustainable Energy, to which I referred before. It is proof of the Government's commitment to a sustainable energy future for Queensland. Through this office the Government provides rebates on the installation of hot water systems and remote area power supply systems. It also operates the Sustainable Energy Innovation Fund, which I outlined before.

Under the Green Energy Purchasing Program, the Government now purchases just under 4% of its electricity needs, as I mentioned in answer to a previous question. Energex and Ergon now offer green energy products whereby customers pay a premium for electricity that is being sourced from green energy sources, such as biomass. Tarong Energy is developing a 30-megawatt cogeneration plant in Ipswich to supply green energy to the surrounding industrial park. Stanwell Corporation is actively considering several green energy projects, including, as the chief executive officer highlighted before, the wind farm on the Atherton Tableland. CS Energy is also investigating renewable energy projects, including the use of landfill gas to supply a unit at the Swanbank Power Station.

The CHAIRMAN: On page 11 of the Ministerial Portfolio Statements, reference is made to the Remote Area Power Supply Rebate Scheme. Is that scheme to be applied to residents north of the Daintree River who are looking to install a power system following the announcement that there will be no extension of mains power north of the Daintree?

Mr McGRADY: I thank you for this question, because it is an important one. It is a political decision and I make no apologies for that. I do not think anybody on the panel would accuse me of being or say that I was a greenie. However, the first time I visited the Daintree I was overwhelmed by its beauty. I came to the view then that something had to be done to preserve that unique part of the planet. I fully believed then as I do now that, if we were to allow an extension of mains power north of the Daintree, that would have a very detrimental effect and would deny future generations the opportunity of seeing that particular part of our State.

During my previous Ministry, a campaign was launched by people to try to bring me to change my mind. Those blocks of land in the Daintree are owned in many cases by people who live in London, New York and other places around the world. They had simply made an

investment there in the hope that mains power would come and then, I suppose, they would try to sell. There is nothing at all wrong with that. As I see it, my job as the Minister for Energy in this State is to try to preserve those unique parts of our planet. Where normally we give \$7,500 to people to assist them with their remote area power systems, because it was a political decision—and I accept and acknowledge that—we did agree to give those people in the Daintree \$15,000. I fully admit and acknowledge that a political decision was taken.

As to some of the other schemes—and I would have expected a question on remote power in other parts of the State, in particular Boulia and Barcoo—if Opposition members have a question on those, I will defer my answer until later.

Mr ROWELL: We certainly do have a question.

Mr McGRADY: I will address that particular question at that time. Where the grant was previously given to commercial properties, it is intended to extend that to commercial operators. That will help to reduce the use of large diesel generators in the region and enhance the area's appeal as an ecotourism destination.

The CHAIRMAN: The establishment of a Consumer Protection Office is listed as a new development under the Energy Plans and Programs Output Statement on page 13 of the Ministerial Portfolio Statements. What powers will that office have? When will it be established?

Mr McGRADY: As you know, a traditional ombudsman does not have too many powers. His job is to negotiate, encourage and try to resolve issues. In the restructuring of the electricity industry, we decided to establish a Consumer Protection Office. We are now finalising the necessary legislative changes to allow the office to commence operations by the end of this current year. The office will be located within the Department of Mines and Energy. The use of an electricity industry ombudsman was given thorough consideration. In the final analysis, I believe, as I mentioned before, that a Consumer Protection Office will provide a superior, more timely and more cost-effective service. I refer this to the question from Mrs Cunningham. This office will essentially mirror the functions originally considered for the electricity industry ombudsman, but without instigating the complex bureaucratic processes that would be necessary to establish and maintain a separate statutory authority.

The fundamental purpose of this office is to provide access to specialists who will investigate complaints and/or disputes with electricity entities on behalf of the consumer. It will also employ the use of a panel of seven independent arbitrators who will have the power to make determinations and orders in relation to matters that cannot be resolved through mediation. This process will ensure that electricity consumers and other affected parties have an accessible and effective means of having complaints and disputes with electricity entities investigated and determined by this independent third party.

An energy arbitrator will be able to make an order against an electricity entity that is party to a dispute, but not against a customer. It could order that the electricity entity pay an amount of no more than \$10,000 to the other party to the dispute or ultimately make a non-monetary order against the electricity entity to remedy any issue in dispute. The CPO may eventually contain a staff of six, as I outlined before, in comparison to the Victorian ombudsman, who employs eight staff, and the New South Wales Ombudsman, who employs six staff with a proposal to engage two additional staff members.

The CHAIRMAN: Page 16 of the Ministerial Portfolio Statements refers to the upgraded explosives inspectorate and gas and petroleum inspectorate. Given the expansion of the gas industry in recent years and the associated increased potential for accidents, what is being done in the Department of Mines and Energy to maximise safety in the petroleum and gas industries?

Mr McGRADY: As you rightfully say, the gas industry in Queensland is one of the most dynamic and challenging of all the relatively new industries in the State. As part of the Budget that we are discussing today, the Government will continue to provide additional resources to the gas and petroleum inspectorate. In particular, a quarter of a million dollars in funding will be spent on audits and inspections of petroleum and gas facilities right around the State.

While the safety statistics in the gas industry have shown modest improvement, further work is still needed to ensure that this trend continues. The petroleum industry has continued to have a less than acceptable safety record and considerable effort will need to be made in the next few years to recover from this situation. The gas and petroleum inspectorate has initiated a program of major audits for gas operations. Large installations such as LPG terminals, major gas pipelines

and gas reticulation systems are certainly targeted by the inspectorate. As part of the audit process, the requirements to have competent persons performing duties at terminals has been monitored. The same rigour is being applied to petroleum installations and a comprehensive new audit program commenced in this area earlier this year.

Installation audits have been occurring since January of this year at the rate of approximately one to two per month for petroleum and two to three per month for gas. Staff in the inspectorate have been increased from eight to 11, with three positions being held by professionally qualified engineers. Recent growth in the petroleum and gas industry, coupled with the introduction of open access competition to down-stream markets, may result in attempts to reduce costs. The Government will ensure that this does not occur at the expense of safety standards.

The CHAIRMAN: Following on from that, is it likely that a disaster like the explosion that happened at Longford, Victoria, could happen in Queensland?

Mr McGRADY: That was certainly a very serious accident that resulted in two deaths, several injuries and, of course, Statewide, gas interruptions had a major effect on the economy of that State. The possibility of this sort of incident occurring in Queensland can never be completely ruled out, but it is extremely unlikely.

Queensland is fortunate in having several sources of supply of natural gas, namely, south-west Queensland, the Surat Basin near Roma and the Denison Trough wells. The failure of one source of gas supply would certainly result in shortfalls, but not to the same extent as happened in the State of Victoria. This Government continues to actively enforce safe operations in oil and gas plants, as I detailed in my answer to the previous question. In last year's State Budget, there was an increase in the number of petroleum and gas inspectors from eight to 11. The Government is reviewing legislation affecting the petroleum and the gas industry and I hope to introduce a new Bill in the middle of next year. This new legislation will introduce additional safety provisions and will include many of the safety recommendations handed down in the Longford report from Victoria.

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

Mrs LIZ CUNNINGHAM: Minister, I want a clarification on the staffing levels. Last year, the Budget refers to staffing levels of 541.

From what I can find, this Budget indicates actual staffing levels of 618 for 1998-99 and projected levels of 617 for 1999-2000. Could you indicate what the additional staff are allocated to and whether your staffing model in the current budget includes an additional stream?

Mr McGRADY: I will ask the director-general to answer the question, but I can certainly say that there has been a massive reduction in the office of the director-general. I understand that the office now employs four people as opposed to the 28 who were employed under the previous administration. It is a good question and I would ask the director-general to answer it.

Mr BOYLE: Over the last 12 months, the main areas of growth in the department have been in the Energy Division of the department for the reasons that the Minister just outlined. Looking to the future and the differences between the 1998-99 and the 1999-2000 estimate, the growth in the energy plans and programs represents the growth in the electricity monitoring unit and the consumer protection office. Each of those offices will have an additional six people, so that the 12 and 60 provides the 72. The reason for the reduction in the minerals and energy sector regulatory services represents the transfer of the Environmental Compliance Division of 12 people from DME to the Environmental Protection Agency, which has already occurred.

Mrs LIZ CUNNINGHAM: The staffing full-time equivalents in the previous year were 541. It is stated that in 1998-99 the actual was 618 and that is estimated to reduce to 617. You have explained the 12 for the two new programs that you have indicated and 12 transferred to the EPA, but it does not explain the extra 50 or 60 people.

Mr BOYLE: I do not have the figures in front of me, but they are primarily in the energy area.

Mr McGRADY: We will take it on notice.

Mrs LIZ CUNNINGHAM: I take you to page 32 of the MPS. I need more information. Under the topic Outflows from operating activities, the figure for "Other" in the 1998-99 Budget was \$340,000 and the actual was \$5,579,000. The estimate for the forthcoming year is \$1.682m. There are no notes to indicate what the "other" includes. Could you clarify that, please?

Mr CHARD: The reason for that is the reclassification from an accounting point of view of computer leases and the corporate rent at 61 Mary Street.

Mrs LIZ CUNNINGHAM: In a previous reply you said that no equity return was applied to GOCs. According to all of the explanations, the equity return was intended to encourage departments to manage their assets more responsibly. Could you explain how the Government has applied that policy rationale to the electricity GOCs?

Mr McGRADY: I have not had time to discuss this issue with my colleague the Treasurer. I certainly will be. I will get back to you, but not in the time frame which is normal for questions on notice. As you would appreciate, we have had one or two other issues before us. I will certainly be discussing with the Treasurer how best we can carry out that policy.

Mrs LIZ CUNNINGHAM: I have a fundamental problem with the equity return. I understand the rationale for it. Your department has been required to pay \$1.49m in equity return. I understand that it has been funded in this current year. How do you see that obligation affecting your decision-making process as far as asset development is concerned?

Mr McGRADY: As the Premier has pointed out on a number of occasions, if this policy is administered in the way it is intended to it can have only beneficial effects for the State and for Government departments. As I said a moment ago, I want to be able to discuss this with the electricity entities and also my department. I am sure most Ministers would be in exactly the same position.

Mrs LIZ CUNNINGHAM: I refer to page 34 and to the line item for "Creditors", which appears under the subheading of "Administered current liabilities". I acknowledge that note No. 23 relates to this. Can I have some more information? There is a significant difference between the budgeted figure for 1998-99 of \$13.8m, the actual liability of \$153.57m and the projected liability of \$102.7m?

Mrs TAYLOR: The reason for the increase in the 1998-99 actual is that it refers to a community service obligation payment that will be made to the electricity industry. The actual physical payment will be made in 1999-2000, but it relates to costs incurred in 1998-99. It was accrued so it shows up as a creditor for 1998-99. The estimate in 1999-2000 relates to the timelag between when community service obligation payments are incurred, the time they need to be paid and the physical cash transaction taking place. It is the delay that creates that figure.

Mr ROWELL: Minister, I refer to your answer to question on notice No. 10, which sought information on the estimated loss of royalty revenue by Mines as a result of the recent changes in respect of export coal royalties. You referred to section 334 of the Mineral Resources Act and claimed that this precludes your disclosing information on a mine-by-mine basis. I read that section and I do not believe that it does. In fact, I think it is extraordinary that this Parliament can be denied this critical information. I ask: have you received formal legal advice to this effect from Crown Law or are you relying on your or your department's interpretation of the requirements?

Mr McGRADY: I think the question of royalties is one which should in fact be discussed at the Estimates. In years gone by, sweetheart deals were done between various mining companies and the Government of the day. There was no consistency, nobody knew what the rules were and people would parade up to the Executive Building, do a deal and go away. This was not just the situation for royalties; it also existed in respect of rail freights.

One of the first things the Goss Government did was change the concept and culture that rail freights were simply no more and no less than a de facto royalty. In cooperation with the mining industry, we brought in transparent rail freights so that people knew and understood exactly what their payments would be. That took away the ritual of parading up to the Executive Building to do a deal.

The next concern we had was how the royalty regime operated in this State. Even today you have a situation where some companies are paying 4% in royalties and other companies are paying between 18% and 20%. Those of us who dream about the level playing field—and most people pay lip-service to this ideal—could not accept that situation. At a time when the coal industry is going through some major problems, we could not, in my opinion, continue to go along the lines where some people were paying 4% and some people were paying 20%. Sure, those people will say that they were the deals we entered into. But when you examine some of the companies that were involved, you see that some of the people at the lower end of the scale are simply digging out the coal and shipping it overseas. Some of the older companies in this State actually built the towns and facilities and were excellent corporate citizens. That is not to say that the new ones are not.

I could no longer tolerate a situation where we had this massive difference. We discussed the issue and we tried to bring some sense into the royalty situation. We tried to bring some fairness into the system. We have agreed that those people who were paying 4% will go up to 7% and, obviously, those people who are paying 18% will come down. It has meant and will mean a reduction in royalty levels to the Queensland Government, but my understanding is that over about a 12-year period it will balance itself out and it will be neutral to the Budget of this State. Let me just say this: you can keep milking the cow for only so long; sooner or later it runs dry. It would be easy to keep bleeding some of these companies of royalties. However, I have a fundamental belief in the royalty system, because the resources which are taken out of this ground do not belong to the mining companies, they belong to the people of the State and, as such, they are the ones who should get some reward. But at the same time you have to be fair and you have to try to be consistent. I believe that the policy that we are putting in place is fair and equitable.

I admit to you today that in one or two areas some of the rules may not have been carried out to the letter, and perhaps they should have been. I understand there is a letter in the mail, which I have not seen yet, from the Chairman of the Scrutiny of Legislation Committee. But that does not take away from the philosophy that we have put in place of trying to create a level playing field for this important industry in this State. But for some of the decisions we have taken, some of the mines in the Bowen Basin would have been closed today and those people would have been thrown on the unemployment scrap heap. As a result of the policies we have adopted, I believe we have saved some of those mines.

Mr ROWELL: You spent something like five or six years as Minister for Mines and Energy during the Goss Government period. Was there not an opportunity for you to rectify the problems, if you perceived there were problems, as a result of the previous Government and things that may have been done as far as royalties, variations and so on were concerned? Why can we not have full disclosure now of what is actually the situation as far as royalties are concerned with the variety of mines that we have around the State? What is the problem with disclosure?

Mr McGRADY: There is no problem.

Mr ROWELL: We have asked for that and we were not able to get it.

Mr McGRADY: When you say that I had five years as Minister in the Goss Government, you are so right. I think the program I have just outlined to you of what we did is testimony of the success that the Goss Government achieved in its years. I will repeat again that when we took over we had the situation where mining companies marched up to the Executive Building and did sweetheart deals. You know the story about the old brown paper bag.

Mr ROWELL: What has changed now?

Mr McGRADY: I will tell you what has changed. A great deal has changed in that people now understand that, when they try to do a deal with Queensland Rail, it is transparent. There are no sweetheart deals. They negotiate with QR and the executives of QR on a commercial basis; they do not run to Premiers or Ministers. That is the first thing we have achieved in the field of rail freights. Everybody in the industry knew that rail freights was nothing more, nothing less than simply a de facto royalty payment. Those days have gone.

We have now addressed the situation of royalties. As I explained to you a moment ago, some companies are paying 4% and some companies are paying 18% and 20%. Surely nobody in this day and age can say that that is fair; they cannot say it is equitable because it is not. It is not fair and it is not equitable. As I said before, winners are grinders and losers run to the media. That is what happened in this instance here.

What we tried to do was to meet with the Queensland Mining Council to get the views of the industry. I sympathise with the Mining Council because they could not come out with a policy decision because some of their members were winners and some of them were losers, and they chose not to have a policy on this. But somebody somewhere has to make the important decisions, and the Government and the Ministers involved in the industry were the ones who make those decisions.

Surely there is no nobody here today who can say to me it is a fair system where some companies are paying 4% and other companies are paying up to 20%. We have taken steps to change that. We have taken steps to try to bring this industry onto a level playing field, and I believe we have succeeded. Sure, I expected criticism. I expected criticism from those people who stand to lose. Let me say this: I can go to bed tonight knowing that, as a result of this policy, we have saved a number of mines in the

Bowen Basin from closing down. That is great satisfaction for somebody like myself.

Mr ROWELL: You talked about transparency as far as transport and rail freight are concerned. Why can we not have transparency as far as what is being paid in royalties on the mines? That is the question that I asked.

Mr McGRADY: I believe there are certain issues which are commercial in confidence and at this point in time I am not prepared to divulge those figures. All I can say is that there is a more equitable system in the State of Queensland today than there was some years ago.

Mr ROWELL: How do we know that when we cannot see what the variations actually are?

Mr McGRADY: In the words of a famous Queensland politician: don't you worry about that.

Mr ROWELL: I do not think that is satisfactory as far as the proposal or the question that we put forward are concerned.

Mr McGRADY: If you want to pursue the argument, the policy we have in place now is that every mining company will be paying 7%. That is what I call a level playing field; that is what I call fairness; that is what I call an equitable regime when we bring it down to every coalmining company in this State paying 7%. I do not think you can be fairer than that.

The CHAIRMAN: I think the Minister has answered the question. I do not think it is worth pursuing any further.

Mr ROWELL: That is probably his opinion and perhaps yours. However, we did not get the result we wanted. At page 5 of the MPS, total staff by 30 June next year is projected to be 617, or a decrease of one. This is despite the fact that environmental management for mining is to be transferred to the Environmental Protection Agency. How many staff and resources and what functions will be transferred from the department to the EPA and when do you envisage that any such transfer will take place?

Mr McGRADY: An article in the Courier-Mail of 23 August this year stated that the DME is deliberately obstructing transfer of responsibility to the EPA. That is totally incorrect. It represents an ongoing narrow and one-sided interpretation and perspective of what the Government's decision in relation to this matter means. In the first instance, both the DME and the EPA have been giving the highest priority to the implementation of the Cabinet decision to transfer the responsibility

to the EPA. A number of working groups are urgently progressing the development of relevant legislation and operational matters. The Environmental Compliance Division has already been transferred to the EPA and my department has proposed the transfer of relevant regional resources across to EPA.

The Department of Mines and Energy is now awaiting advice from the EPA on the specific mix of skills and service delivery it needs in the regions so that the regional resources requirement can be accurately identified and then transferred across. What the Queensland Conservation Council and the greens need to realise is that putting broad policy decisions into practice can take time as all legitimate operational and human resource issues are fully and fairly addressed.

Just in conclusion and before I ask the director-general to comment on this, I strongly object to and refute the deliberate misleading statements by the Queensland Conservation Council and the greens. It does nothing to progress what has been an historic agreement and reflects poorly on the goodwill and the efforts that all parties have brought to this process. I will ask the director-general if he wants to add to my answer.

Mr BOYLE: As part of the changed responsibilities, it was agreed that DME would take a stronger industry facilitation role, particularly in terms of the provision of extension services. They will include assisting industry in understanding the new environmental regulation regime and a range of technical transition activities. We have fundamentally reached agreement now which will see four people retained in DME's head office and up to 12 people in the regional offices. The remainder of the staff will transfer to the EPA in the very near future.

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

Mr PEARCE: I have a question in relation to my electorate. It is with regard to the rehabilitation of the Mount Morgan mine site. It is referred to on page 17 of the MPS. Could you please tell the Committee how much money will be spent on this project during 1999-2000 and what does the project involve?

Mr McGRADY: The amount of money which will be spent is \$420,000. As you know, mining commenced at Mount Morgan in 1882. Mining of fresh ore ceased in 1982 and reprocessing of the tailings ceased in 1990. The mine undertook a further two years' work of rehabilitation under the terms of an agreement with the State Government which limits the company's ongoing liability for the

site. The town of Mount Morgan grew adjacent to the mine's eastern edge. The Dee River flows between the mine and the town. The water of the Dee River had been polluted by acid mine drainage from the mine for many years.

The Mount Morgan site consultative committee was established by the Goss Government in early 1993 to address mine site rehabilitation, heritage and other aspects of site management. The mine was sold and its leases assigned in 1993 to a joint venture. The joint venture has maintained a program of exploration since that time and the consultative committee has not been reactivated.

The advent of the joint venture has not relieved the Government of the responsibilities to address important pollution and heritage issues, but it has provided a mechanism whereby some of these aspects can be managed in the short term. A pump-back water management system, at the current cost of about \$330,000 annually, is maintained by the joint venture under contract to the Department of Mines and Energy. The system intercepts contaminated seepage water from various areas of the site and directs it to the mine pit and away from the Dee River. Several further minor works are planned this financial year to improve interception of the contaminated seepage. The Government will be preparing a conceptual rehabilitation strategy for the Mount Morgan mine in consultation with the joint venture in the next 12 months, with preliminary work started on the planning for this strategy.

Mr PEARCE: On page 7 of the Ministerial Portfolio Statements there is some discussion about the effect of native title on the granting of mining leases and there is mention of a number of right to negotiate processes involving the department. I am personally aware that some small miners have been seeking a solution to the backlog of lease applications regarding opal mines. Could you tell the Committee how the issue of opal mine leases has been addressed in the context of native title?

Mr McGRADY: Opal miners, like many small miners, have been frustrated over several years at the lack of progress towards the grant of new mining leases and, indeed, mining claims, which are predominantly over land where native title may exist. These cannot be granted without compliance with the complex provisions of the Commonwealth native title legislation.

The opal miners have requested use of section 26C of the Native Title Act 1993, which allows grant of certain opal and gem mining tenures without the right to negotiate process. The Government has decided not to take advantage of section 26C because of its limitations regarding eligible areas and because of likely alienation of native title parties. Instead, in addition to developing simpler alternative State native title provisions, the Government has commenced a group right to negotiate under the Commonwealth legislation for numerous mining lease and mining claim applications right across the State, including opal tenures in the Winton and Quilpie districts, with a view to the early grant and the negotiation of indigenous land use agreements for the grant of future tenures.

This process is starting to bear fruit. Fourteen mining leases and mining claims of small miners over which no native title claims were lodged after notification of the right to negotiate process have been granted and agreement has been reached for the grant of 20 leases and claims in the Winton district.

Negotiations are well advanced at Winton for indigenous land use agreements for the grant of future tenures in this area, including exploration permits. As part of this process, the Government is re-examining the size and conditions appropriate for exploration permits for opal to assist coordination with the native title requirements. Negotiations for small mining tenements for opal are also continuing at Quilpie and it is hoped that further agreements will be reached in the near future.

Mr HAYWARD: I think under the new format for the Budget papers it is difficult to gauge the performance of the corporate areas of the department as all costs are spread across the various outputs. I refer to the office of the director-general and in particular to staffing costs. How many staff are employed in that office to service your office and to service the department?

Mr McGRADY: Question on notice No. 1078 sought information on the number of departmental staff employed as liaison officers between the department and my office. It is interesting to note that I was not asked this question. Perhaps the Opposition knew what the answer would be and that it would not be in their best interests.

Neither the previous Minister for Mines and Energy nor I employed staff in a liaison officer capacity. We both employed two staff on a temporary basis to assist in the Minister's office. Where we differ, however, is in the size

of the establishment of the office of the director-general, which I referred to previously. During the former Minister's term the office of the director-general employed 29 people. This number has now been reduced to four. The current director-general has closed down the self-serving bureaucracy and has transferred most of the staff to those areas of the department where they are used to provide real service to the public and where the resources can be used more effectively and, indeed, more efficiently.

Mr HAYWARD: One of the achievements of the energy plans and programs output in 1998-99 is mentioned on page 12 of the Ministerial Portfolio Statements as heading a team to manage the tight electricity supply conditions over the 1998-99 summer period. What is the situation with the coming summer period? Are we likely to experience the problems that we had last year?

Mr McGRADY: Peak demand last summer reached almost 6,000 megawatts in February. This coming summer demand peak is expected to reach about 6,225 megawatts, based on average summer weather. The Queensland experience is one in 10 years with extreme weather conditions. Peak demand could possibly reach 6,500 megawatts.

Total system supply capability currently stands at 7,837 megawatts. That is following the commissioning of over 550 megawatts of generation since the Government came to office. A further 276 megawatts generation capacity is scheduled to come on line by 1 January next year with the completion of the Oakey power station. Construction of the station is well advanced and it is expected to be completed before its scheduled 1 January commission date.

North Power and Transenergie have also proposed an underground 180 megawatt link down in the south-east corner of the State. That is going to be called Directlink. This interconnector is planned to provide support to the local Gold Coast power supply and is expected to be in service early next year.

These power projects will take system capacity to 8,242 megawatts in summer. Bear in mind that I said a moment ago that the peak capacity could reach as high as 6,500. This is expected to provide sufficient reserve capacity to meet expected peak demand this summer.

Powerlink Queensland has agreed to work to an accelerated timetable to ensure that the interconnector is commissioned late next year. If plans for my old Eastlink had still been in operation, you would expect that to have

come on a lot earlier. Testing is expected to begin in October next year to enable a staged commissioning of the line. About 300 megawatts of capacity is expected to be available before the end of December next year, with the remaining 200 megawatts of capacity coming on line in early 2001.

Obviously, my department is closely examining the demand/supply balance expected for this coming summer and is working with industry to minimise possible problem areas. I have to, at this point in time, pay tribute to Powerlink and, in particular, its Chief Executive Officer, Mr Jardine, who I believe is extremely competent and in whom I have complete faith.

Mr HAYWARD: Minister, on page 26 of the Ministerial Portfolio Statements there is some information regarding the tariff equalisation system, whereby the Government subsidises the cost for remote electricity consumers. I understand that pensioners also receive discounts on their electricity costs, although this is not administered by your department. Minister, is there any similar subsidisation or discounts for gas consumers?

Mr McGRADY: I thank you for that question because, last month, Allgas, which is owned by Energex, introduced a pensioner concession scheme for its reticulated gas customers. Under this scheme, pensioners will receive a 10% discount on their Allgas bills. This scheme has been introduced as an alternative to the 10% early payment discount which was discontinued by Allgas earlier this year. The removal of the early payment discount was not technically an increase in the tariff and, therefore, it did not require Government approval under the provisions of the Gas Act of 1965. As shareholding Minister for Energex, which owns the controlling interest in Allgas, I was concerned about the decision to remove the early payment discount. I therefore urged the Energex chairman to investigate other discount options, particularly those sectors of the community most in need. After a comprehensive review of alternative options, Allgas has now introduced a concession giving pensioners a 10% discount on their reticulated gas bills. I congratulate the Energex board on that decision.

Mr HAYWARD: Minister, I understand that the Commonwealth Government is to make some funds available for renewable energy programs. Given the level of funding set aside—and we talked about this in earlier questions—in your department budget for these types of programs, is it likely that

Queensland will be able to access the Commonwealth funds?

Mr McGRADY: As part of the GST deal, over \$200m over the next three years has been committed to renewable energy programs. The Commonwealth has set aside a further \$100m each year for the next three years for greenhouse programs. Funding is to take effect as from July next year. The Department of Mines and Energy is negotiating with the Commonwealth over Queensland's share of the funding and how the Commonwealth programs can be integrated with existing State programs, such as RAPS and DRAPS rebate schemes. Final agreement is expected soon.

One of the conditions for accessing the Commonwealth funding is for the State to commit to maintain funding for existing renewable energy projects. This will not be an issue for Queensland. In this year's budget, \$10m was allocated to the Office of Sustainable Energy as part of that \$35m over four years which we committed last year. This new source of Commonwealth funding is welcomed and could provide an opportunity for improving access to power to remote communities and working properties in western Queensland. Again, if you are going to ask a question on that, Mr Rowell, I will elaborate at that time.

Mr HAYWARD: Minister, on page 17 of the Ministerial Portfolio Statements reference is made to the electrical safety switch rebate scheme. Is this scheme continuing in the 1999-2000 year?

Mr McGRADY: The Government-sponsored safety switch campaign was introduced in April 1998 and was finalised on 30 June 1999. Over 26,000 electricity consumers installed safety switches and qualified for the \$50 rebate. The Electrical Safety Office has assisted in the establishment of Stage 2 of the safety switch campaign with the two major Queensland electricity retailers, namely, Energex and Ergon Energy. Both will introduce schemes to promote the installation of these valuable safety devices, and I will be launching these schemes in mid to late October.

Both retailers are currently formalising the form of the scheme, including the particular provision that will be adopted for periodic payments for safety switches, including a subsequent electricity account. This will enable families with limited disposable income to take advantage of this initiative. This is certainly an improvement on the previous scheme, which relied on householders paying up front for the

installation of the switch, which is around about \$200, and then claiming that \$50 rebate. Both retailers will also promote electricity safety in the home and provide advice on the best product or installation arrangements to meet the customers' needs.

The scheme will offer two packages: \$185 for single switch protection and installation, and \$295 where two safety switches are used to provide increased performance levels. Development and marketing costs are commercial-in-confidence, and both distributors are endeavouring to keep administration charges associated with the time payment option to a minimum.

The CHAIRMAN: The Committee has about 15 minutes remaining for examination of the portfolio of the Minister for Mines and Energy. The time will be evenly divided between non-Government members and Government members.

Mr ROWELL: Minister, you talked about the area north of the Daintree and the requirements of power up there. A lot of that area is freehold country. The coalition had a process in place of very prudently making application of powerlines—some of them were to be underground, so that the visual impact was reduced to an absolute minimum. There are people up there who believe that they are entitled—as many other Queenslanders are—to mains power. The situation is that, currently, they have to use generators that belch carbon dioxide out into the atmosphere. As they do not really have the opportunity in many instances to put in solar-type energy, why are they being denied this opportunity?

Mr McGRADY: I touched on this before. I believe that the area north of the Daintree is of supreme importance to future generations. It is my belief—and obviously the belief of the Government—that if we were to allow wholesale power in that part of the State, you would destroy forever that pristine, unique part of Queensland. I believe that we owe it to future generations to preserve that part of Queensland.

As I said a moment ago, there will be no turning back. Once the decision is made to bring mains power to that area, that is it—finished. Now, regardless of what people say, regardless of people saying that there will be no development, you know and I know that once mains power goes to that part of the State you will then get requests for industry and business.

I do not want to sound melodramatic today, but I do not want it on my conscience that I was privy to, or that I participated in, a

decision which meant that that unique part of this planet would be destroyed forever. There are certain things in life which you have to take away financial considerations for, and I believe the Daintree is one of them. I have been to the Daintree many times and I have held a number of public meetings, and I can tell you that the division in that community is right down the line.

Mr ROWELL: Fifty-fifty?

Mr McGRADY: It is fifty-fifty, in my view. And I have to say that people on both sides of the argument feel strongly about it. That is why you are elected to the Queensland Parliament and I am elected to the Queensland Parliament—to make decisions. And you cannot please all the people all the time, but you do your best. It is one area that I value, and I want to hand it down to future generations. I have in my home a Christmas card which I received a number of years ago from some young kid, and it simply said, "Happy Christmas, Mr McGrady, and thank you for saving the Daintree." I value that Christmas card. And while I have any say in it, we will not be bringing mains power any further than we already have north of the Daintree.

Mr ROWELL: Can we come to the Boulia/Barcoo area and the remote power incentives that have been put in place? The people in the area feel that they are entitled to a mains power system, even if it is a single wire earth return type of system. There is little question that the cost would be quite prohibitive. But let us face it: the people out there are entitled to a reasonable supply of energy, just as is every other Queensland. In the past these people have heard talk about generators and solar power and all these sorts of things. They have experienced the breakdowns that occur with diesel fuel generators. These breakdowns lead to expense as far as repairs are concerned. As a result, these people are denied the opportunity of having computers and many other similar amenities.

Mr McGRADY: I welcome this question because it gives me the opportunity to compare what we are doing with what happened previously—

Mr ROWELL: With what we did?

Mr McGRADY: Yes. In the Goss years we set up four pilot programs, and one of them was on the property of the Boulia Shire Chairman, who is a friend of mine. I tell the story that we used to have a cold drink. Under this scheme, where you had a cool drink you had a cold drink. Where you had Sunshine

Milk I would drink cow's milk. This scheme was excellent.

When the coalition came in it abandoned the scheme and, as a result, nobody knows what is happening. As you say, those people are entitled to a regular power supply, but a single phase power supply will not give them the power supply that you and I have. One of the main problems we have today in some of the remote areas which may have electric power is that a bird, a galah or a flying fox can put the system out of commission. Some of these places are out of power for days on end. I instance Dajarra, Urandangie and some other places. So, whilst those people might think that by getting mains power they will resolve all their problems, it is simply not true.

Mr ROWELL: That is more the exception than the rule, though.

Mr McGRADY: Mr Gilmore came in and put \$5m into the fund for one year. All the people present here today can tell you that what I am saying is true. This program is going to cost approximately \$126m. If the previous Minister was fair dinkum he would have put in \$5m to start the scheme and then subsequent amounts in the years ahead. He did not! He did not because it was a political exercise!

Let us forget political rhetoric. I refer to the answer I gave earlier about the possibility of Queensland getting \$40m from the Federal Government. I believe this money can be used to bring power to the people of Boulia and Barcoo. I had a meeting as late as Friday of last week with the new Electricity Council, which takes in the old NORQEB area, and which comprises people who live on properties. Professor Peter Arlett, the former deputy chairman of NORQEB, is now chairman of the Electricity Council. He is full of enthusiasm about accessing money from the Commonwealth fund. My aim is to be able to give those people reliable power, just as you and I have in our homes.

Mr ROWELL: It is not reliable.

Mr McGRADY: Again, you are referring to the way it used to be. After meeting these people at the Barcaldine Cabinet meeting I chartered a plane and I took them to Boulia to see what the you-beaut, modern RAP system means. It is not the way it used to be in years gone by. It is not the Dad and Dave variety. We have advanced. The council is going to organise a workshop in one of those centres so that all the latest technology will be on display. The council will be able to explain to the people who live on these properties what the new systems entail.

We need \$126m to bring power to the remote parts of Queensland. I have to be honest with you: there is no prospect in the near future of my being able to access that sort of funding. But what I can do, and what I will do, is try to use a large percentage of this \$40m. We cannot access this money if we go on mains power, but we can access it under the other scheme. Why do you not come along and support these initiatives instead of sending out these silly media releases?

Mr ROWELL: Because the people out there do not want it, that is why.

Mr McGRADY: What we are trying to do is improve the quality of life of people who live on those properties. An improved quality of life does not mean leaving them with the Dad and Dave system which they have had for years, or leaving them with the belief that simply having mains power will solve all their problems, because it will not. At least give us the opportunity. As a State Government, we will be prepared to put money into the scheme. We are prepared to bring expertise from all around the State because these people are now represented by me in this Parliament and I want to do the best I can for them. I will not become involved in political gimmicks such as Mr Gilmore did when he put \$5m into the budget, knowing full well that it was not even going to pay for—

Mr ROWELL: It was a pilot scheme.

Mr McGRADY: It was not a pilot scheme at all. It was a pilot scheme which meant that property owners would have to pay about \$120,000 and the Government would pay a maximum of \$80,000. This occurred at a time when beef prices were at an all-time low. Not one single person took up the offer. Do not talk to me about pilot schemes! What I want to do is provide this facility for the people. I am not going to rip them off by saying, "I will give \$80,000 but you have to find a minimum of \$120,000."

Let me say this: the people I represent in Boulia simply could not afford to pay up to \$120,000 or \$180,000 to get the scheme which the coalition envisaged. I believe we have an answer to the problem. I am prepared to work it through. I believe that, at the end of the day, those people will be satisfied and happy with the scheme which we introduce.

The CHAIRMAN: The time for questioning by non-Government members has expired. I call on Mr Pearce.

Mr PEARCE: I am just going to throw down a couple of gentle ones before the luncheon adjournment. On page 21 of the Ministerial Portfolio Statements there is

mention of an emergency response capability provided by the Safety in Mines Testing and Research Station. Where is this facility located and has it been used in the past 12 months?

Mr McGRADY: I mentioned last year, and when we were in Opposition, that SIMTARS is one of these organisations in the State of whose existence not too many people are aware unless they work in the mining industry. It is doing a tremendous job. It is an organisation in which I have a great deal of faith and confidence. I believe we should allow the organisation to continue to grow.

The organisation maintains an emergency response group to respond to minor emergencies. These emergencies tend to be coalmine fire-related, although in recent years the organisation has responded to sulfur dioxide problems at a metalliferous mine. The service is available seven days a week, 365 days a year. A state-of-the-art mobile gas analysis vehicle is now located at the SIMTARS Mackay office, something of which I am sure the Chairman is aware. It is in close proximity to the Bowen Basin coalmines and has been utilised on two occasions to date during the current year.

The SIMTARS emergency response group is now regarded as the best of its type in Australia and has recently provided advice to a New South Wales coalmine which had fire problems. It is an opportunity for us to expand and get away from the fortress Queensland attitude which used to be the view in the past.

Mr PEARCE: At page 16 of the MPS there is reference to the upgraded explosives inspectorate. Does the Department of Mines and Energy still operate the explosives reserves and, if so, are they funded through the budget?

Mr McGRADY: Mr Chairman, currently, there are four Government explosives reserves operating in our State—Helidon near Toowoomba; Bajool, south of Rockhampton, which will be known to you; Brookhill outside of Townsville; and one just outside of Cairns. The reserves are part of the explosives inspectorate and provide considerable benefit to the people of Queensland. They act as centralised storage depots for large quantities of explosives which, as you know, are used in mining operations. They offer ideal inspection and testing facilities, they are ideal monitoring points for explosives distribution right around the State and, indeed, around the country, they act as an incentive for growth in the explosives industry in our State, and they provide effective response facilities for

emergency situations, such as illegal or unsafe explosives repositories.

The reserves act on a fee-for-service basis and, as such, require no funding from a departmental base. These reserves satisfy significant community service obligations, such as the disposal of old explosives, and inspections. Further, they have been contributing funds towards the operation of the explosives inspectorate. Revenue from the reserves is approximately just over half a million dollars a year.

The CHAIRMAN: Thank you, Minister. The time allotted for the consideration of the Estimates for the Minister for Mines and Energy and Minister Assisting the Deputy Premier on Regional Development has expired. I would like to thank you, Minister, and your representatives from your department and the CEOs of the Government owned corporations for their attendance here today.

The next portfolio to be examined relates to the Minister for Health. I now adjourn the Committee.

Mr McGRADY: Mr Chairman, just before you adjourn, I thank you for the way in which you have handled this session. I would like to thank the non-Government members for the constructive questions that they asked and also the Government members. When a Minister has to sit from 8.30 to a quarter past 1 and answer questions about his or her portfolio, I think that demonstrates how important Estimates are. I think also that it is an excellent situation and unless we have the calibre such as that of the people on the panel today, we would not get the results which I think—I certainly hope—you as members of Parliament have received.

The CHAIRMAN: Thank you, Minister. I now adjourn the Committee for lunch. The hearing will resume at 2.15 p.m.

Sitting suspended from 1.17 p.m. to 2.15 p.m.

HEALTH**IN ATTENDANCE**

Hon. W. M. Edmond, Minister for Health
 Dr R. Stable, Director-General
 Dr J. Youngman, General Manager
 (Health Services) and Acting Chief
 Health Officer
 Mr P. Monaghan, A/Manager, Finance
 Unit
 Ms T. Davey, Health Systems Strategy
 Branch
 Mr K. Evans, Alcohol, Tobacco and Other
 Drug Services
 Ms S. Edwards, Health Systems Strategy
 Branch

The CHAIRMAN: I now declare the Committee's hearings open. 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 warning bell will be given 15 seconds prior to the expiration of these time limits. An extension 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. I declare the proposed expenditure for the Minister for Health open for examination.

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

The question before the Chair is—

"That the proposed expenditure be agreed to."

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

Mrs EDMOND: Thank you, Mr Chairman. The Beattie Government is committed to maintaining Queensland's free, innovative and vigorous public hospital system. It is clear that we have a set of policies to meet the health needs of Queenslanders and build a sustainable health system for the future. In our first year we delivered a record Health budget, and this year we are again delivering another

record recurrent budget of \$3.45 billion. A further \$563m is earmarked for capital works projects. This budget again boosts funding for mental health and allows many programs introduced last year to be expanded.

The 1999-2000 Health budget will allow Queensland Health to continue to meet key health priorities while also making a major contribution to the Government's key priorities. There will be more jobs for Queenslanders, with more than 8,300 full-time equivalent positions created in the building and construction industry under the Statewide Health Building Program. The new Noosa Hospital will create 200 health positions and the new Robina Hospital about 350 health positions. Up to 50 additional school-based nurses will be recruited over the next two years, an additional 18 child health nurses will be employed and 11 extra emergency registered nurses will be appointed to emergency departments. We will also appoint about 80 extra clinical staff in mental health, inpatient and community sectors. Extra scientists and technical officers will be employed at the John Tonge Centre for forensic sciences and we will be employing more staff specialising in indigenous health.

We are helping to strengthen Queensland's regions through our commitment to providing health services as close as possible to where people live. We are skilling Queensland in contributing to the development of the Smart State. Particular highlights are our \$20m commitment over four years to support the establishment of the comprehensive cancer research centre at the Queensland Institute of Medical Research. We are providing a further \$8m to help establish a medical school at James Cook University. We are helping to create safer and more supportive communities by boosting funding for blood services with an extra \$4m to be shared by the Australian Red Cross blood service and haemophilia centres. There is also \$1m available to expand services at child health centres and I am delighted that \$3m is available to expand our Strengthening Families parenting initiatives.

We have boosted funding to community palliative care services. The previous Government thought that \$500,000 in State funding was enough for palliative care. It was not. So we have followed up the \$2.7m we injected last year and made \$5.1m available this year. Queensland Health is helping to provide a better quality of life with a further \$13.2m to improve mental health services, including \$6.5m for expanded community based mental health services to ensure

appropriate access, particularly in rural and remote areas. Our School Nurses Program is expanding and so are alcohol and drug services. An amount of \$12m more will be injected into home and community care services, which includes Commonwealth and State-matched funding. But most of all, we are providing strong leadership.

We have reduced waiting times for elective surgery to record low levels, with some 3,820 more procedures performed during 1998-99 than were performed in the previous financial year. We have also tackled waiting times in public emergency departments. We have the Capital Works Program back on track building and equipping world-class hospitals for Queensland families.

Unlike our predecessors, this Government has fully funded the latest enterprise bargaining agreement to ensure that funds do not have to be drawn from already tight hospital budgets to pay for the rises for the hardworking staff. I am happy to say that every health service district has received a boost in its base operating budget this year.

May I now introduce for the benefit of the Committee the departmental officers who are with me: the Director-General of Queensland Health, Dr Robert Stable; Dr John Youngman, the General Manager of Health Services; Tina Davey, from the department; and Susan Edwards. Other departmental officers as required will be called to the table, if that is all right with the Chair.

The CHAIRMAN: Thank you, Minister. The member for Maroochydhore.

Miss SIMPSON: Minister, I note that under your Charter of Social and Fiscal Responsibility, your Government states that you will have transparency and accountability in the pursuit of social and fiscal objectives. How do you intend to bring about that transparency in the budgets for the various programs of Queensland Health and, in particular, the individual districts? Given that Premier Beattie commented that he would not allow Ministers to use the Cabinet process to hide documents under freedom of information laws, why then did you hide last year's district budgets by taking them to Cabinet after I applied for them under the FOI provisions?

Mrs EDMOND: The district budgets are a moving feast, as I think you would find if you went back to the Estimates hearings in previous years, including under the coalition Government. They are there as an indicative budget that comes out early and then from there, a range of extra funding arrangements go on to that base budget. What I can say is

that this year every base budget for every district has had an increase. However, there are a number of different issues that have to be taken into account. The budget for the districts can be misleading, because they often do not—

Miss SIMPSON: But why take it to Cabinet to hide it under the FOI provisions?

Mrs EDMOND: I am sorry, if you are wanting me to answer the question—

The CHAIRMAN: Would the member allow the Minister to answer the question.

Mrs EDMOND: All Budget documents go to Cabinet. That is a normal—

Miss SIMPSON: After I put the application in.

Mrs EDMOND: I do not know whether the member wants me to answer the question or not. If she does not, I am happy to sit here. If she would like me to answer the question, I am happy to answer it.

The normal process for preparing Budgets is that the information comes to the Minister and it goes to the Cabinet Budget Review Committee. That happens on an ongoing basis throughout the year and, in particular, in preparations for the budgets. I think that one of the important things to highlight this year is that the enterprise bargaining agreement reached last year was actually fully funded by Treasury. Of course, that information needs to be put before Cabinet—about the number of staff and the arrangements for that enterprise bargaining. Queensland has also been negotiating, through Cabinet and through Treasury, growth funding and so on through the year and, of course, all of the new initiative funding programs. I am not sure how other Governments handle this, but in the Labor Party it is done as a Cabinet process with the consensus of all members of Cabinet on our new initiatives and the directions that we want to go in.

Miss SIMPSON: It is obvious that the Charter of Social and Fiscal Responsibility is a joke. I remind you—and I table the relevant documents—that I made an application for information pertaining to district budgets and also to the elective surgery wait times. You blocked that by taking it to Cabinet after I had made the applications on 16 February. You took them to Cabinet on 12 April and 15 March respectively. I table that, because quite frankly the Charter of Social and Fiscal Responsibility and the transparency that you talk about are not reflected in your actions.

Mrs EDMOND: Is this a question?

The CHAIRMAN: I think it is more of a statement and a personal reflection.

Miss SIMPSON: I table those documents.

The CHAIRMAN: I remind the member for Maroochydore that under Standing Order 120 all personal reflections are deemed highly disorderly.

Mrs EDMOND: Mr Chair, I am happy to answer the question about waiting list information and the availability of that information. We have made unprecedented amounts of information about waiting lists available. It is published on a quarterly basis—something that has never happened before. Indeed, it is available on the Internet, and it goes to GPs. It lists the hospitals and the kind of surgery in a way that has never ever been done in Queensland or very few other places before. Indeed, if members opposite would like to visit their local hospitals, they will probably find the information for the local hospital on the wall of the lift or the waiting room, or in some other public place. I see Mr Rowell nodding. He has obviously seen it made available.

I think that the information about FOI is very misleading. I am aware that the member has put in applications for some 55,000 documents under FOI, including for documents that cover the two years of the coalition Government. Presumably there was no handover of information. I have to say that that is an onerous job to put on the department staff, who will have to personally go through 55,000 pages of documents, take out anything that may refer to anyone personally and all of the information—

Miss SIMPSON: And send it to Cabinet.

Mrs EDMOND: No. Those documents have not gone to Cabinet. Those documents relate to the professional registration legislation amendments and the consultation that has been ongoing since 1993, including during the period of the previous Government.

In terms of waiting list information—I am happy to remind the member that, as of 1 July this year, in the last lot of information that was made public, the Category 2 patients reached a record low of 8.6% who were waiting for more than the target time of 90 days. In addition, we achieved a record number of elective surgery patients—3,820 more than the previous year. The waiting list reduction strategy is very available. It is available to GPs, the hospitals and interested persons if they take the time to look for it on the Internet.

Miss SIMPSON: Quite frankly, Minister, if you will not release the information and the documents, why should we trust you? My question is with regard to—

Mrs EDMOND: Excuse me, Mr Chair—

Miss SIMPSON: I have not finished the question. I can ask the questions that I want to ask.

The CHAIRMAN: Hold on. I remind the member for Maroochydore that Standing Order 120 provides that all imputations of improper motives or personal reflections upon other members are deemed highly disorderly. I ask the member to desist.

Miss SIMPSON: Minister, 12 months ago you established a nursing task force to come up with key recommendations to address the shortfall in qualified nursing staff. What levels of funding were recommended in that task force report? Why have you not released publicly the recommendations in that report?

Mrs EDMOND: The task force was an initiative of my Government. Indeed, it was a pre-election commitment, because we were aware that nothing was being done about the shortage of nurses, particularly specialist nurses, the high turnover of nurses and the need to take measures to retain nurses. I established a task force last year that was to report to me in the middle of this year. It was commissioned in August 1998 to review all of the work force issues, including the recruitment and retention of nurses in Queensland. The terms of reference were to undertake a comprehensive review of the pre and post registration, education, training and staff development needs of nurses to better match work force planning needs, to develop guidelines for the management of nursing resources and workloads, and also to promote the introduction of family-friendly rostering and management practices.

The key findings of the task force were that there was an average turnover of nursing in Queensland Health from December 1993 to September 1998 of 20.2% for permanent nursing staff. There was specific difficulty in recruiting and retraining nurses in the rural and remote areas and identified specialty areas. The age profile of the regulated nursing work force is moving upward at an increasing rate, which is of concern to all of us. Nationally, there is a continuing reduction in the number of nurses below 30. There has also been a significant drop in Year 12 students entering nursing pre-registration tertiary courses.

I am currently reviewing the recommendations from the task force to determine the most appropriate

recommendations to implement. Funding of \$1m has been allocated—which has been specified in numerous press releases—to look at those retention and training areas.

Miss SIMPSON: Minister, only \$1m has been allocated for that. I think that is why there is such anger from nurses at the moment—because of the critical shortage. It is getting to the stage where people are talking about possible hospital and clinic closures. I refer you to Mount Isa and other country hospitals. Mount Isa, in particular, has had intensive care nurses flown in from Brisbane in order to keep the intensive care unit at the hospital operating. What is the cost of employing those nurses who are being flown in? What is the additional cost of employing agency staff at Mount Isa? Is it not true that this is making it very difficult for such hospitals to keep to budget?

Mrs EDMOND: We are aware of shortages for critical care nurses in north Queensland and we have made a special effort to address that. This is an issue. There is a shortage of critical nurses across all of Australia and, indeed, I understand, internationally. As a result of that, we have appointed a nurse educator for Mount Isa specifically to address this very need. That is over and above the \$1m, which has come out of other general funding. To go back to that \$1m, I have to say that that is \$1m that I did not find in any of the Budgets of the Opposition when in Government.

Of course, this is a national and international area of concern. By appointing a nurse educator to work in the peri-operative and ICU areas, we are training specialist people on the ground in Mount Isa so that they tend to stay there. We know that highly specialised people tend to come in, stay for a short time and leave. We are addressing this at the grassroots level by training people who are currently in Mount Isa in a way that had not been done before.

Miss SIMPSON: I note that it has still taken one year. You made a lot of promises about address the nursing crisis, yet it is one year after your taking Government and hospitals and clinics are talking about possibly closing down. Is the fact that there has been such a slow down in the task force and that you have not taken the recommendation into the Budget process a sleight of hand way for the department to look at closing down some country clinics and hospitals?

Mrs EDMOND: First of all, let us address

some of those issues. No hospitals are talking about closing down because of a lack of nurses. There is not a general lack of nurses.

Miss SIMPSON: What about downgrading?

Mrs EDMOND: Across Australia and across the world there is a lack of specialist nurses such as midwives and mental health nurses. We have contributed to the mental health area through the numbers that we have accessed this year with our new programs. ICU and other areas are also affected. As a result of that, we are working on this. Can I say that there has been no slow down in the task force. It was given time to implement its task. I actually asked task force members to consult with nurses in the field and they did that. They have been doing that across the State. It was clearly considered in the Budget. It is listed in the Budget initiatives.

A Budget initiative went forward to have that extra funding for training and recruitment purposes and to look at those issues. But they put forward a range of issues. We will be looking through and prioritising those. There is no expectation from nurses that they will all be implemented in one month. The nurses involved—the nurses who have committed themselves and their time to the consultation—have an understanding that these are issues that have been going on for 20 years and they are delighted that at last somebody is listening. They do not want it dismissed in a month with a fate of hand, that is, with more money being thrown at it in a quick answer. They want the whole training process and what is happening looked at so that considered decisions can be made at the end of that process, and not something that is done hastily.

Miss SIMPSON: You have allocated only \$1m. How do you intend to spend that \$1m on a district-by-district basis?

Mrs EDMOND: This is not going to be something that will be determined on a district-by-district basis. You seem to think that the \$1m is to pay any extra nurses that we get. That is simply not the case. This is to look specifically at providing initiatives in training or recruitment or retention possibilities. For instance, we are supporting things such as family-friendly rostering, which will not necessarily mean any increase in cost. In fact, there would be savings, because people who would otherwise have left work because of very rigid workplace practices will stay there. There are a lot of areas where good management and commonsense can have more of an impact than extra funding would.

Miss SIMPSON: I wish to ask a question about the capital works program. I note with interest that Arts Minister Foley said that you would be spending some 2% of your capital works budget on artwork. How much of this is coming out of Queensland Health hospital budgets?

Mrs EDMOND: Importantly, members of the public who were lucky enough to go to the launch of the arts policy when we were in Opposition would have been well aware that Minister Foley had as part of the arts policy a policy of providing public art in all new State Government buildings so that those buildings can be a source of pride for the whole State rather than something to be embarrassed about—just bricks and mortar. It is certainly a policy that applies to every building being built, whether they be office blocks, schools or hospitals. The policy is part of this Government's commitment to creating jobs for Queenslanders. In this case we are talking about jobs for creative Queenslanders—Queensland artists. That is important, too.

Having a job is beneficial to one's health. Nothing could benefit the arts community more than having the Government help them create jobs. The art is to be found in the public areas of our hospitals. From the feedback that I have been receiving, it is well received by the public, the staff and particularly the patients.

Miss SIMPSON: Given the fact that there are nurses in country Queensland who are saying that they deserve incentives to stay there or to be attracted there, do you not think it is more important to spend that money on nurses, doctors and allied health rather than artists?

Mrs EDMOND: It is important that we stick to the policies that we went to the people on. We had a commitment as part of our policy to create jobs in this area, to be proudly part of the arts community in Queensland. People in the community are sick and tired of people who change their policies once they become the Government. It is important that we keep that faith. We took this policy to the people. We were elected on it. It received enormous support at the time. We are proudly implementing it and we are creating jobs for Queenslanders. We know quite well that there is a link between unemployment and ill health. That is well documented. We know that people who do not have jobs are more likely to suffer from ill health. We also know that quite often the artwork in the hospitals, such as that we have in the children's wards, is mostly about innovation and the way you use particular materials. I invite the member to have a look

at the wonderful new children's ward at the Gold Coast Hospital, in particular the murals across the walls done by the students of the Griffith School of Art. I ask you to have a look also at the Redcliffe Hospital, where the innovative use of materials has created an atmosphere of beach, surf and boats. That makes it a fun place to be, as opposed to an intimidating and scary hospital. I understand the member has been to the Prince Charles Hospital. I hope she had a look at the children's ward, where again the innovative use of laminex, floor coverings and so on—at no extra cost—has produced a very pleasing effect, made the place a lot of fun and helped to reduce children's fear when they go there. The money does not come out of the hospital services budget. The member's claims in the media that nurses were being cut to pay for it was an out and out untruth. That should be placed on the public record.

Miss SIMPSON: Would the money that you are spending on art not be better spent on doctors, nurses and allied health?

Mrs EDMOND: The proportion spent on art in Queensland is minuscule compared with the amount of money—

Miss SIMPSON: Two per cent.

Mrs EDMOND: It is 2% of public areas, not the whole hospital.

Miss SIMPSON: So how much of the Health budget is that?

Mrs EDMOND: It is not of the Health budget. For heaven's sake, woman! This is about capital works in public areas.

Miss SIMPSON: Thank you, Mr Chairman, for your consistency! Two per cent of the budget for capital works for the Health Department—how much of that is going towards it?

Mrs EDMOND: No, it is not 2% of the whole capital works budget. That is nonsense.

Miss SIMPSON: How much is it?

Mrs EDMOND: It is only affected in the public areas. It is very hard to put a figure on it. It would vary from place to place. For instance, at the Proserpine Hospital a lot of the art was donated.

Miss SIMPSON: Minister, it is your policy. You must know the amount?

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

Mrs EDMOND: A lot of the art was donated by public artists in the area. Have you been to have a look at the Proserpine Hospital? Beautiful artworks hang on the walls.

Those works were donated by the artists who live and work in the area. That is a tribute to what is happening in Queensland Health and a recognition by everybody that it is important to have pleasant surroundings for people who are ill. We do not want them getting worse through becoming depressed by the fact that they are in hospital. We want them in an uplifting atmosphere.

Miss SIMPSON: I note, Mr Chairman, your lack of consistency with regard to politeness in respect of the way we are addressed. Minister, this was your Government's policy with regard to artwork. How much is being spent from the capital works budget on artwork?

Mrs EDMOND: We do not have a figure on that. It is done on a project-by-project basis. It looks at the area—

Miss SIMPSON: Could you take that question on notice, Minister?

Mrs EDMOND: It depends on what is happening at the time. For instance, at the Prince Charles Hospital, of which you have been highly critical, it was \$250,000, which is 0.004% of the capital works budget. The figure of 2% is overall for all State Government buildings. It is a commitment that our buildings as a State Government will include overall 2% public art.

The CHAIRMAN: Thank you, Minister.

Miss SIMPSON: Minister, will you take that question on notice?

Mrs EDMOND: Okay.

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

Mr PEARCE: On page 1 of the MPS, under the heading "Departmental Overview", there is a reference to declining levels of private health insurance. Can you tell us what effects this has had on the public hospital system?

Mrs EDMOND: This is an area of significant concern to us. The Commonwealth Government is putting enormous funds into propping up private health cover. In fact, it is putting more funds into propping up private health cover than it is putting into the entire public health system in Queensland. There is evidence that this year \$1.2 billion in public funds is being invested into private health companies, which will not have any positive impact on the public hospital system.

The marginal growth in private health insurance since the rebate scheme came in is 0.2% and has not offset the 13% decline in Queensland over the past five years. There is

no evidence that this massive injection of public money is anything more than a subsidy for the well off—the people who already have private health cover. Last year Queensland received from the Commonwealth just over \$1 billion. We are talking about \$1.2 billion a year going into private health funds in Australia, and Queensland is getting about \$1 billion in funds from the Commonwealth.

The Commonwealth Government's private health rebate to date has not shown any decrease in the pressure on the public hospital system. There has been a lot of talk about it. It has been a furphy, I think, being peddled by the Commonwealth. But the biggest selling private health policies since they have implemented these changes have been those that actually discourage contributors from using private cover when attending public hospitals. That is because to get cheaper private health cover, you can take out excesses of about \$1,000 or more so that the contributor pays the first part of that. It also means that they limit the number of things that you can be covered for in a way of keeping down those premiums.

Under the Australian health care agreement, the privately insured have the right to choose to be public patients. Our hospitals are committed to accepting those patients if they choose to be public patients. What is happening in Queensland hospitals at the moment is the throughput is increasing by approximately 4%, which is well above population growth. So the funding that has gone in—the \$1.2 billion of Commonwealth funding, or \$5.2 billion estimated over four years—is nothing more than a very costly prop-up of the private health system. The community would indeed be better served if the money was just given to public hospitals around Australia to support the throughput of the public hospital system. It has had absolutely no benefit to the public health system of Queensland.

Mr PEARCE: Page 8 of the MPS refers to outputs. Can you tell the Committee what percentage of the Health budget is directed into hospitals?

Mrs EDMOND: Hospitals continue to attract most of the Health budget with hospital in-patient and non-in-patient outputs attracting over two-thirds of the total Health budget in 1999-2000. In terms of the total recurrent budget in 1999-2000, approximately 50% will be spent on acute in-patient services; approximately 23% will be spent on non-in-patient services, which covers hospital-based emergency, medical and surgical treatment for

non-admitted patients and this also includes community-based treatment support services; approximately 3% will be spent on subacute and non-acute services such as older people's convalescence, rehabilitation, respite and palliative care in hospitals.

In terms of the capital budget in 1999-2000, approximately 74% will be spent on building and redeveloping state-of-the-art hospitals for Queenslanders, with major redevelopments at 23 hospitals across the State. As a Government, we are also refocusing our health system to take account of new pressures and trends in health care delivery. We were elected just over a year ago, as you would be aware, with a set of policies to meet Queenslanders' present health needs as well as building a sustainable system for the future. As Health Minister, I was determined to improve our prevention services and build up the community sector to support our public hospital system. In the many programs and initiatives funded in this budget, we are seeking to balance our investments in these areas and, in the longer term, I believe this will give the best coverage of services to promote, protect, treat and maintain the health of all Queenslanders.

Mr PEARCE: I just wanted to raise a couple of questions with regard to recruitment and retention. I know you have touched on this already briefly, but I think it is important that the Committee gets a little bit more detailed response from you. As you know, I am aware of the difficulties in attracting and retaining medical professionals in rural and regional areas of Queensland. I note that page 19 of the MPS refers to the offering of 51 scholarships for practice in rural areas, and I ask: what other steps have been taken to address rural and regional recruitment and retention issues?

Mrs EDMOND: We have been working with other areas and including the practices at the Royal Australian College of GPs and the Australian College of Rural and Remote Medicine on a package of initiatives and we have now come up with a wide range of innovative programs to attract and retain medical professionals in rural and remote areas. As Minister, I have played a key role in getting the Doctors for the Bush project off the ground, and I will be introducing legislation very soon to deal with that.

But the program that we are developing in Queensland is way ahead of the programs in the other States. It will start from next year and, indeed, the Federal Minister has recognised it is the most innovative in

Australia. It will provide vocational training and supervision under the joint management of the Royal Australian College of GPs and the Australian College of Rural and Remote Medicine, and I think that is a first. It means both Australian as well as overseas doctors will have a shortened pathway to an unrestricted provider number and, in the case of overseas doctors, to permanent residency. That is the key point that is very, very different to the other States.

The James Cook University Medical School, which is aiming to have its first intake of students in 2000, will have a strong focus on attracting rural students to medicine. Research has shown that students from rural areas are more likely than their urban counterparts to take up rural practices. The State Government has committed \$10m to the establishment of the James Cook University Medical School.

I must say that I was surprised and rather appalled last week to see an attempt by the Commonwealth to cut 40 places over two years from the University of Queensland's Graduate Medical School on the basis that James Cook University Medical School would be opening next year. Unfortunately they do not seem to understand, although they do now because we had strong words with them very quickly, that one is a four-year postgraduate course and the other is a six-year undergraduate course. That would have meant that for two years we would have had 20 fewer students graduating, which would have left a hole of 40 graduate doctors in about 2005-06 during that catch-up period. Luckily, the DG spoke very strongly with senior people in DETIR in the Commonwealth and they have finally seen sense. But it is one of the issues that we face. I think they do not understand that Queensland does have great difficulty with staff in rural areas. It is not like Canberra and it is not like Victoria.

We have had another situation arise just last week where the Royal Australian College of GPs has decided that 32 out of Queensland's 79 training places will go to interstate graduates, which means that we have a significant number of Queensland graduates who are going to miss out. The 80 places of the 400 given—

The CHAIRMAN: Would you like an extension of time?

Mrs EDMOND: Can I have an extension of time?

Mr PEARCE: Yes.

Mrs EDMOND: I think this is important. It is just something that has recently come up.

The Federal Government has limited the number of training positions to 400 around Australia. Queensland gets 79 of those, which is a reasonable number; we get about a fifth. But what has happened is that the college, which is based in Melbourne, has decided to allocate the places on a national basis rather than a State-by-State basis and Queenslanders are going to miss out. We are very concerned about it. I have written to the Royal Australian College of GPs. We have also let the Commonwealth department know our concerns and it is simply not acceptable at a time when we are having difficulties attracting GPs to our country areas. I have to say that the interviews and half of that were done in Melbourne. It was all geared towards what would suit Victorian graduates.

Mr PEARCE: A nursing recruitment and retention task force has been established, and you will find that on page 15 of the MPS. What was the role of that task force and what were its key findings?

Mrs EDMOND: I indicated some of this to the member for Maroochydore earlier. It was set up to look at a range of issues. The member for Maroochydore seemed to have some misunderstanding that it was to look at extra places for nurses. It was looking at how we keep the ones we have got, the ones who are already on the pay system, by providing the training, etc., or support mechanisms to keep them there. It was to look at the pre and post-registration, education, training, staff development, the needs of nurses to better match work force planning needs, to develop guidelines for the management of nursing resources and workloads, and to promote in particular the introduction of family friendly rostering systems. We know that we have a lot of nurses out there who, because of family commitments, have flexible arrangements. It makes a nonsense to train people and put a lot of effort into educating nurses only to lose them because of rigid rostering practices. We are concerned about the 20% turnover for permanent nursing staff and, in particular, the recruitment of specialty nurses into rural and remote areas. The age profile of the regulated nursing force is also a concern. We are aware of the fact that we need to attract younger nurses. We will be taking up a number of the recommendations from that task force and we will be looking at all of those issues as soon as we have prioritised them. Obviously it will not be a short-term strategy. It is a strategy we are looking at in the longer term and implementing over time.

Mr PEARCE: On page 2 of the MPS you have made reference to extra nurses for

emergency departments. Can you tell us where these nurses will be based?

Mrs EDMOND: I am happy to. We did an analysis of the throughput of emergency departments around the State. One of the issues coming out of that was the need for extra staffing in a number of those areas. We also recognised that sufficient numbers of experienced emergency nurses is pivotal to prioritising care and ensuring prompt admission where required.

Eleven new emergency department nursing positions have been funded from the Government's emergency services strategy. This, again, was an election commitment to reduce waiting times in emergency departments. The positions are based at the following hospitals. There are four positions at Mount Isa Hospital, where they have a heavy workload; two at Bundaberg Hospital; two at Mackay Hospital—the Chair would be interested in that—one at Ipswich Hospital; one at Logan Hospital; and one at Redcliffe Hospital. The extra emergency nurses had already been allocated to the Gold Coast Hospital following the Youngman report.

The allocation of the positions was not just an ad hoc decision but was determined by an analysis of the ratio of existing nursing staff to emergency department attendances and subsequently funding those extra positions at the hospitals that showed low staff to attendance ratios. It was part of an overall strategy, as I mentioned, to reduce waiting times in emergency departments. We will continue to work through a number of things to deal with that.

Some of the other strategies to address those waiting times included increased staffing, including recurrent funding for 17 emergency positions, and Royal Flying Doctor Service support. Those had been announced in last year's Budget. Another strategy relates to enhancements to emergency department information systems to increase functionality and enable hospital staff to gain optimum benefits from the systems, resulting in improved service delivery and patient outcomes. The benchmarking of outcomes for patients with a specific diagnosis will also be developed—that initiative is strongly supported by the clinical staff—and local service enhancement projects will be undertaken with a view to expanding successful programs across the State.

Mr HAYWARD: Page 3 of the Ministerial Portfolio Statement refers to drug and alcohol treatment programs. What progress has been

made with the trial of the use of Naltrexone in the treatment of heroin addiction?

Mrs EDMOND: This Government is committed to maintaining, enhancing and diversifying drug treatment services to meet the needs of individuals throughout the State. To this end, Labor Governments since 1995 have provided over \$7m in new recurrent funding for treatment services. This funding has resulted in the establishment of new and enhanced services, including additional methadone places and a new residential detoxification and residential treatment capacity in the non-Government sector.

The services will be complemented by a detoxification training program for medical practitioners. This is a new approach. The detoxification training program will provide enhanced opportunities for medical practitioners to learn how to safely detoxify people who are drug dependent but in a community setting. We have provided \$40,000 in funding to provide three training sessions per year, with at least one session being held in north Queensland. Forty-five medical practitioners throughout the State will be trained each year.

Queensland Health is conducting a trial of the use of Naltrexone to induce detoxification under anaesthetic. This procedure is known as rapid opioid detoxification. The trial also involves the use of Naltrexone as a relapse prevention agent. I should mention that the new training program for medical practitioners is one of a range of programs that we now provide, including the use of Naltrexone for GPs in maintenance programs and methadone treatment programs. These four programs mean that Queensland is leading the way in providing training for drug treatment programs in Australia.

The first phase of the rapid opioid detoxification trial commenced in early February 1999 with an initial screening exercise of 200 people who had indicated their interest in participating in the trial. The second phase of the trial was conducted during March this year and involved in-depth assessments of the participants, including medical examinations, laboratory testing, et cetera. The third phase—that is, rapidly withdrawing people from opioids under anaesthetic—was commenced in March and is continuing.

The Commonwealth Government has funded the National Drug and Alcohol Research Centre to also perform a national evaluation of pharmacotherapies for opioid dependence, and information from this trial is being provided to NEPOD. The aim of this

national evaluation is to compare the results of all of the various treatment options being trialled and allow us to determine which ones are safe and effective and the best to use.

The CHAIRMAN: The time for questioning by Government members has expired. I call the member for Maroochydore.

Miss SIMPSON: What was the actual full-time equivalent staffing level for 1998-99 in corporate office? What is the projected FTE for that office for the next year?

Mrs EDMOND: We do not have a break-up of the corporate office staff because of the numbers that are on secondment and so on. I will ask the director-general to answer that.

Dr STABLE: Because of the various programs coming on line and the fact that we have a policy now of seconding staff from districts into corporate office for corporate office experience, we do not actually have set numbers and projections for this financial year.

Miss SIMPSON: It surprises me, I must say. If you have a corporate office structure you must have a full-time equivalent actual for 1998-99 and surely you have a projected FTE because you are paying their salaries. If you cannot provide that detail today, can you please take that question on notice and provide that detail—for 1998-99 and also for this year?

Dr STABLE: If the question is how many FTE equivalents we had in corporate office in 1998-99, I can certainly answer that. The Minister has agreed that we will take that on notice. As far as the numbers for this financial year—again I can only say that it depends on the programs and the roll-out of the programs as to how many that will be. It will be determined on a program by program basis. I could provide a guesstimate, but it would be no more than that at this stage.

Miss SIMPSON: It just seems a little surprising that with the size of the Health budget there is no detail to provide accountability or transparency as to the full-time equivalents that are in corporate office. Quite frankly, I find it very difficult to accept that you do not have some idea of the number of people you have in that administrative centre down in the middle of the city. So you are taking on notice the actuals for 1998-99. As I said, I find it very hard to believe that a department such as Queensland Health does not have some figures as to how many people are employed in corporate office. Are you saying that you have no idea how many people are employed in corporate office these days?

Dr STABLE: With due respect, I have not said that at all. What I said is that I do not have the information immediately available. The question was about full-time equivalents for 1998-99 for corporate office. That figure is available and the Minister has agreed that we will provide that figure. The member has asked for an estimate for this financial year. We can provide an estimate. It will be based on assumptions on a program by program basis and funds flowing from the Commonwealth for various programs, but I have not said that we cannot provide that.

The CHAIRMAN: So you will supply all that information.

Miss SIMPSON: And you will also provide an estimate for this coming year, as well.

Mrs EDMOND: The difficulty is that these are provided on a program basis. Some of those programs are managed in corporate office rather than out in the districts. So the figures are provided on a program-by-program basis so that you can compare them with previous years. You are wanting something that is just not provided for in that information. It is not that the information is not there; it is just that it is provided in a different way so that you can compare it with previous years.

The CHAIRMAN: You will take that on notice then, Minister?

Mrs EDMOND: Yes.

Miss SIMPSON: Obviously, those figures seem to be fairly hidden. Minister, at a time when you were closing wards in some 40 outpatient specialist clinics—

The CHAIRMAN: I do not think so, the member for Maroochydore. The Minister and the director-general have indicated—

Miss SIMPSON: With respect, Mr Chairman, I can ask a question in any way that I so choose.

The CHAIRMAN:—indicated that they will supply you with the information.

Miss SIMPSON: Please do not interrupt me. Minister, at a time when you were closing wards and some 40 outpatient specialist clinics at Royal Brisbane Hospital, as well as closing beds at Prince Charles Hospital and telling people that they had to have the right postcodes to use certain hospitals, why has there been an increase in the size of the administration of Queensland Health and no published figures as to the efficiency or effectiveness of corporate office?

Mrs EDMOND: The member seems to have a range of issues confused. The number of outpatients at the Royal Brisbane

Hospital—there is restructuring going on at Royal Brisbane Hospital. There is a major rebuilding program going on at Royal Brisbane Hospital, the business case of which was, I understand, signed off by the previous Government.

Miss SIMPSON: It was never agreed to close 200 beds at RBH—

The CHAIRMAN: The member for Maroochydore, I call on you to let the Minister answer the question.

Mrs EDMOND: Including the services, etc. There was a commitment given—

Miss SIMPSON: With respect, Minister—

The CHAIRMAN: Order! The member for Maroochydore!

Miss SIMPSON: Please provide the documentation to prove what you are saying is correct.

The CHAIRMAN: Order! The member for Maroochydore, you have asked the Minister a question. Allow the Minister to answer the question. If you keep interjecting, I will take each interjection as a question and allow the Minister another three minutes to answer.

Mrs EDMOND: Thank you, Mr Chairman. The coalition was in Government at the time that the contracts were signed for the rebuilding of the Royal Brisbane Hospital and the PA Hospital. I seem to remember that they had a great deal of public announcements about that. I am sure there are records in the public library with media statements saying that they had signed those contracts for that redevelopment. If the member for Maroochydore are saying that they did not, I will take her word for it.

I think it is important to note that, as part of our commitment to delivering services to where people live—whether they be in Mackay, Gladstone or Caboolture—part of that is also providing the services in those areas so that 27% of people who currently go through those areas to get to the Royal Brisbane Hospital for fairly basic services—and we are not talking about tertiary services, we are talking about your routine, regular outpatient services that are provided in regional hospitals—can now get those services in Caboolture Hospital. The Caboolture Hospital this year, by the time it is finished, will be almost double in size from what it was at the beginning of this year. That has to make an impact.

The 40 outpatient clinics you are talking about that are being discussed and being reduced at Royal Brisbane Hospital are 40 out of, I understand, over 900 outpatient clinics at

the Royal Brisbane Hospital. In fact, that would come to about 0.4%. Is that right? Who has got their abacus out? It is a very small change at the Royal Brisbane Hospital but a very large benefit for the people of Caboolture and those surrounding areas, that they no longer have to go past those areas—past Caboolture, Redcliffe and Prince Charles—to access those fairly basic services.

That is something that we are committed to as a Government—providing services. The increased services and range of specialist services that we are trying to provide at regional centres will also reduce, too, the need for people to go to the major tertiaries, such as the Royal Brisbane and PA. But what will happen is that those major teaching hospitals will be focused more strongly on the tertiary services. So that is the aim. They will be focused on the very high-tech and tertiary services. They will still have an important role to play for the communities around them—their immediate local districts—but increasingly, they will serve that supertertiary role for all of the State.

You were talking about postcodes. No-one is talking about working by postcodes. We do use postcodes as an indication of where people come from. It is important, for example, to have a look at where the Royal Brisbane Hospital patients come from: 65% come from the Brisbane north district, and the rest of them come from other areas, including as far away as the Gold Coast.

Miss SIMPSON: Minister, I note that there are services you are cutting at Royal Brisbane, and those decisions are being made under your Ministership. I want to ask a question with regard to some of the salary packages that you have been agreeing to. As you are aware, the Director-General of Health has served under the Goss Labor Government, a Borbidge coalition Government and now this Labor Government. On coming to office in 1996, Premier Borbidge found that the Peter Beattie/Rob Stable extravagantly negotiated salary package was legally enforceable. The extravagant package included a salary and trimmings plus a \$60,000 performance bonus totalling, I believe, about \$250,000. Does this salary package still exist, or has another package been negotiated? If so, what is the total value of the new salary package?

Mrs EDMOND: I actually do not pry into his private affairs. I will ask the D-G if he would like to respond to that one.

Dr STABLE: The contract that I previously had was signed by the previous Premier. With

the new Government, the Premier announced new packages for directors-general. At that stage, it seemed appropriate that I went onto a similar package. That was arranged. My new package, which includes a salary which was in the Government Gazette last year, is a salary of \$190,000. If you want the exact figure, I can check that for you.

I actually do have it here. The previous bonus that was paid under my previous contract under the previous Government—in fact, because the directors-general have a bonus arrangement currently, it has been changed to accommodate that. In fact, the net effect in the last financial year will be a reduction of \$8,000 on what I was paid under my incentive package last year. If you want the all-up figure, I would have to take that on notice and give it to you during the course of the afternoon.

Miss SIMPSON: I will put that on notice. So that would be in the vicinity of about \$240,000, would it?

Mrs EDMOND: I think it is important that you also note that that is a reduction from the incentive package that was signed by Premier Borbidge.

Miss SIMPSON: And negotiated by Peter Beattie as Health Minister.

Mrs EDMOND: It was signed and finalised by Premier Borbidge and Minister Horan.

Miss SIMPSON: With respect, Minister, that is not correct. It was negotiated by Peter Beattie. The package is about \$240,000 then?

The CHAIRMAN: The member for Maroochydore, the director-general has indicated, through his Minister, that he will supply the information regarding his salary package on notice to you within 24 hours.

Mrs EDMOND: He actually has it now.

Dr STABLE: I can do that now. I just quickly added it up. I understand it is in the order of \$246,000. If I can just give you a very interesting comparison which I happen to have here with me—in New South Wales they advertised in the Australian, closing on 10 September this year, the salary package for the chief executive officer of the South Western Sydney Area Health Service, with a budget of \$510m. That salary is \$262,000. The CEO Level 3 is \$255,000. That includes the bonus payment in the Queensland Government service.

Mrs EDMOND: That is a budget of \$510m. Ours is \$4 billion.

Dr STABLE: Our budget is \$4 billion. I will just find, if I can, my exact package, if that is

what the member wants. The top level CEO, which is the top Government level, including the bonus arrangements, is \$255,891. As I mentioned, that is \$7,000 less for responsibility for a budget which is one-eighth of the budget for which I am accountable. I can give other figures, if that is required.

Miss SIMPSON: I direct a further question to the Minister. I note that the former Deputy Director-General of Health Services is now titled General Manager of Health Services. What was the purpose of this change in title and why were his salary arrangements moved from the SES stream into the DES stream?

Mrs EDMOND: The change in title was to better reflect Dr Youngman's role in the structure. I think that is one of the most important aspects of it. What was the other part of the question?

Miss SIMPSON: Why were his salary arrangements moved from the SES stream into the DES stream?

Mrs EDMOND: I will ask the director-general to answer that because Dr Youngman answers to him. These arrangements are part and parcel of his interest in the department.

Dr STABLE: Basically, Dr Youngman's package was less than the all-up package of medical superintendents, and Dr Youngman is responsible for the whole operational budget of Queensland Health, which is measured in billions of dollars, and it was very important for the strategic and operational service that Dr Youngman remain in that position. A recommendation had been made on a number of occasions that the position needed to be moved into the operational stream because, as per the structure which we have had since 1996, he is responsible for the operational stream in Queensland Health and the district service within Queensland Health. It was felt that he was more properly aligned on that side of the house, if you like, and remunerated accordingly with staff who report to him not receiving a remuneration package greater than his.

Miss SIMPSON: What is the justification for establishing three zonal manager positions on salary packages of \$180,000 each when you were chopping cancer diagnostic services at Royal Brisbane Hospital?

Mrs EDMOND: I have to say that the member is drawing some long bows about things which have absolutely nothing in connection with each other. When I was in Opposition and went around the State under the previous Minister, one of the complaints I heard almost everywhere I went—be it

Gladstone, Mackay, Kingaroy or the Sunshine Coast—was about the poor coordination between districts and the fact that it caused significant problems in the management of patients and the better wellbeing of patients and the health of the people of Queensland.

I made an election commitment in this direction. I have to say that nine out of 10 districts lobbied me very strongly to bring back the regional structure so that we could get regional services again rather than the very centralised system that I inherited. I also understand that there was some weariness within Queensland Health. It had been through significant change over the previous six years, and some of that had been purely for reasons of ideology. I did not want to again put people through massive change. I believed there needed to be work done in getting decisions made that were based on the conditions and issues in regional areas. The previous Minister had divided up the State into 39 districts and three zones. I made a decision that, rather than bring back regions, I would strengthen the zones so that we could get some decision making—

Miss SIMPSON: But there was no zonal management system in place before with zonal managers receiving a package of \$180,000. They did not exist before.

The CHAIRMAN: Member for Maroochydore, could you allow the Minister to answer the question?

Mrs EDMOND: There were three zonal areas and they had zonal coordinators in them—

Miss SIMPSON: But they did not have \$180,000 packages.

The CHAIRMAN: Member for Maroochydore, would you stop interjecting and allow the Minister to answer the question?

Mrs EDMOND: They were paid on senior executive service salaries. The concern in the hospitals and at the workplace was that these areas were not receiving the attention they needed and were not providing some muscle, I guess, at the top and getting decisions and issues dealt with in that area. The role and the purpose of the zonal managers is to provide effective executive leadership over health planning and the procurement functions of the respective zones, with resultant formulation and negotiation of service agreements for health service providers out there in the zones, and to address specific health outcomes, priorities and targets within the zones. It is also, most importantly, to provide strategic leadership, support and direction to public sector health services in their respective zones

of Queensland Health, and to monitor and evaluate the performance of health service providers in achieving the requirements of their service agreements, with particular emphasis on the contribution being made to address specific health outcomes, priorities and targets. If they achieve that, I think it will be money worth spending.

The CHAIRMAN: The time for questioning by non-Government members has expired. I call the member for Kallangur.

Mr HAYWARD: Page 10 of the Ministerial Portfolio Statements refers to a youth detoxification facility at the Mater Hospital. What other detoxification facilities are available for young people in Queensland?

Mrs EDMOND: As with any alcohol and drug treatment service, detoxification relies on the individual concerned being sufficiently ready to change his or her drug use and behaviour. However, when that decision is made it is important that the appropriate services and facilities are also available. Withdrawals can be conducted in either residential or non-residential settings, home-based settings, outpatients and day programs. The choice of setting can depend upon the severity of the dependence, the level of social support, or the individual's own choice.

As noted in the MPS, one new service is the one you have just mentioned—the drug and alcohol withdrawal service for adolescents at the Mater Hospital. This service offers a five-bed residential program designed to provide young people aged 13 to 18 years with support. The pilot project has been funded for two years by Queensland Health. Teen Challenge in Charters Towers also provides a dedicated residential facility for young people. Young people can be catered for in any of the adult residential detoxification services.

These residential detoxification services are provided by 21 agencies across the State. Of these services, eight are Government, six are non-Government and seven are private establishments. Dedicated district services are also provided at Royal Brisbane Hospital through the hospital alcohol and drug service. Services are also provided at the Gordonvale Hospital in north Queensland, as well as the Nambour and Toowoomba Base Hospitals. The principal non-Government services are Fairhaven, Mirikai and Goldbridge on the Gold Coast, Logan House at Logan, Moonya Rehabilitation Centre at Red Hill, The Haven, Lucinda House and St Vincent's in Brisbane, Mancare rehabilitation services in Townsville, the Palm Island Alcohol and Drug Rehabilitation Aboriginal Corporation and the

Roderick Street Rehabilitation Centre at Ipswich.

Hospital services, particularly in the private sector, tend to use general beds and therefore the availability of beds can fluctuate. Non-residential services are provided by 21 different agencies across the State as outpatients, day programs and home detoxification services. The option is mostly provided by district health services at Bayside, Bundaberg, Gladstone, Gold Coast, Logan, Beaudesert, Prince Charles Hospital, QE II, Redcliffe and Caboolture, RBH, Sunshine Coast, Toowoomba, Townsville, West Moreton and the Queensland Intravenous AIDS Association—or QIVA. The benefits flowing from the trialling of new pharmacotherapies involving naltrexone and buprenorphine will also be available to young people as they become better understood.

Mr HAYWARD: Page 10 of the Ministerial Portfolio Statements refers to the Alcohol and Drug Information Service. Where does this service operate and what is its usage?

Mrs EDMOND: ADIS, or the Alcohol and Drug Information Service, is a Statewide, 24-hour, seven days a week counselling and referral service which also provides a quit line service. The service provides information, counselling and referring for anyone with concerns relating to the use of alcohol and other drugs, and has operated for the last 12 years from Biala in Roma Street.

ADIS is a vital link for all people seeking information, but it is particularly important for people in rural and remote locations where they do not have access to bodies on the ground. They can then access telephone counselling or information via the free call 1800 number. It is the first point of contact for many people who can then be referred to the relevant service in their local area where there is one. If there are no local services readily available, ADIS can provide ongoing intervention via the telephone.

ADIS receives in excess of 40,000 calls a year. That is an average of around 110 calls a day. The Government, through its new illicit drugs initiative, has recently enhanced the ADIS service by 50% with the provision of funding for an additional three counsellors, but that number of calls coming in each day shows that it is certainly earning its keep.

Mr HAYWARD: Minister, at page 11 of the Ministerial Portfolio Statements reference is made to the development of a comprehensive guide for drug prevention. What does this entail?

Mrs EDMOND: Currently, *A Safer World*, which is a comprehensive guide for drug prevention, is in development through alcohol, tobacco and other drugs services. It is a guide aimed to be a practical contribution towards reducing the damage caused by the misuse of alcohol, tobacco and other drugs. *A Safer World* is structured into five main sections. Section one is an explanation of harm minimisation, its historical development, its rationale, key elements, and who plays a fundamental role in Australia's and Queensland's approaches to drugs, including any national or State policy decisions and funding agreements. Section two represents an analysis of the harm done to our community by alcohol, tobacco and other drugs. Section three highlights those locations, venues or settings where interventions have already been successful and where harm minimisation strategies could be implemented. These include in sporting clubs, in schools, at home, in the workplace and in GPs' clinics. Section four of the document details particular population groups in our community with special needs who require some immediate or significant attention in terms of targeted programs and outreach, specifically youth, indigenous people, women, people from a non-English speaking background, people living in rural and isolated areas, gays and lesbians. Section five seeks to provide accurate organisational contact details, a comprehensive bibliography for more detailed reading and a series of practical skills that will be necessary in carrying out any successful community development process or harm minimisation strategy.

The package will be a valuable resource for the general public; community and Government agencies; health and welfare workers; teachers and other professionals. The comprehensive guide to drug prevention will be available by the end of 1999 as an interactive CD-ROM and/or a web site format.

The CHAIRMAN: Thank you, Minister. Minister, on page 28 of the Ministerial Portfolio Statements, reference is made to the Mental Health Bill. Could you tell the Committee when this Bill will be introduced?

Mrs EDMOND: Yes. This is well on the way. It has been a long time coming, but it is very much well on the way. Recently, an exposure draft of the Mental Health Bill has been released for focused consultation. This is the final stage of a very extensive and exhausting review process. I must make reference to the fact that this process, I think, started with the release of a discussion paper in 1993-94 when Mr Hayward was Minister.

Mr HAYWARD: 1993-94.

Mrs EDMOND: Yes, as a result of the 10-year national mental health strategy that came out in 1992 following the very damning Burdekin report and Ward 10B revelations in Queensland.

So the Bill was largely under review. I plan to introduce this Bill during the first parliamentary sittings in the year 2000. It contains a number of quite definite modifications since your day, Mr Hayward. The purpose of the consultation that it is going through at the moment is to ensure that the measures proposed as a result of representations from various sectors do not have unintended consequences. So this is for other sectors or, indeed, for people with a mental illness when the legislation is applied in practice.

The consultation that we are undergoing at the moment is focused consultation with the key stakeholders—professional service providers and people such as the victims of crime who have intimate and practical knowledge to confirm that the proposed Bill will, in fact, operate in the way in which it is intended. It is going out to these targeted groups, because it has been such a long, involved consultation program over many years. It is going out to the people who have been involved in all the different stages rather than the Bill going out and having a whole new debate about where we are coming from.

The Mental Health Bill brings the current legislation up to date with community expectations about the care and treatment of people with a mental illness and the current clinical practice. It is important that we have this new legislative framework to support the really remarkable and dramatic reforms in the mental health services across Queensland in keeping with the national strategies. The Bill achieves a balance between the need to protect the community and the need to protect the rights of people with a mental illness who are treated involuntarily. These are very complex and difficult issues. The Bill balances conflicting views while maintaining consistency with the policy objectives.

Its aim is to provide an effective and accountable system for the treatment of people with a mental illness and to establish a just and accountable system in dealing with people with a mental illness who have committed offences. I think that is probably the most difficult area in this whole bit to deal with.

The CHAIRMAN: Thank you, Minister.

What are the enhanced mental health services referred to on page 3 of the MPS and where will they be located?

Mrs EDMOND: The adult in-patient services providing a total of 54 extra beds have commenced in 1998-99 in Maryborough, Redland and Kirwan Hospitals. Maryborough has 14 beds, Redland 24, and there are 16 new beds at Kirwan Hospital. As well, there are new in-patient services with a total of 84 beds due to be commissioned this year at Logan, Mater Children's and the Robina Private Hospital down on the Gold Coast. This includes 41 adult and 10 child youth beds at Logan, 12 at the Mater Children's and 10 adult and 11 child/youth beds at Robina Private Hospital. The Mater Children's Hospital will also provide day programs for children and young people.

On top of the 121 adult community mental health service positions and the 52 child and youth community mental health service positions established in 1998-99, there will be more jobs created in mental health this financial year. This includes an extra 16 new community mental health service positions due to start in January 2000 at Cairns, Central Highlands, Fraser Coast, Gold Coast, Gympie, Logan, Beaudesert, Moranbah, northern downs, Rockhampton, Gladstone—and the member for Gladstone will be pleased to hear about that for Banana in the southern downs—and enhanced child and youth community mental health services at the Sunshine Coast.

The CHAIRMAN: Minister, on page 27 of the MPS, reference is made to mental health funding. How does mental health funding this year compare with funding for mental health in 1997-98?

Mrs EDMOND: It is a bit difficult to do a straight conversion because of the changes to accrual accounting. In cash terms, mental health funding has increased by approximately 17% since 1997-98, with specific mental health funding enhancements to continue the development of mental health services of \$29m in 1998-99 and a \$13.2m increase in 1999-2000. Preliminary estimates indicate that in 1997-98 to 1999-2000, Queensland's per capita expenditure on mental health will increase approximately 10% from \$68.01 to \$75.41 per capita. This includes an 8.7% increase from \$41.69 to \$45.30 per capita on in-patient services and an impressive—and I have to say a really significant part—boost from \$21.2 to \$29.42 per capita on community mental health services—a 38.7% increase on community mental health services.

The 1999-2000 estimates are based on Budget Estimates and, of course, will be subject to validation in the mental health report of 2000. This significant increase will result from the Beattie Government's investment of \$42.3m in mental health over the last two Budgets. That is the largest investment in mental health in recent history. I think this area had been seriously neglected and I am delighted that we have been able to pick it up now.

A sum of \$25.5m of this increase has been allocated directly to mental health services for additional staff. \$2m was allocated to progress the Queensland Government Youth Suicide Prevention Strategy. An additional \$1m was also provided under the National Suicide Prevention Strategy to continue the suicide prevention projects in rural and regional areas, and the development of an education program for mental health workers in youth suicide prevention, which commenced in 1997-98. A sum of \$3.8m was allocated to non-Government agencies to provide additional services and programs, and to progress the mental health reform agenda in that sector.

The remaining \$10m will be used over the next four years to progress the reform of mental health services for the people of Queensland in line with the second National Mental Health Plan. \$276,000 has been allocated to establish a scholarship program for mental health nurses. It is intended to have the first round of scholarships available in January 2000. I should point out that that is the way that we are handling things like the nursing shortages in specialist areas. \$2.25m has been provided over four years to develop a program of collaborative mental health service delivery with the Queensland division of GPs.

The CHAIRMAN: Minister, page 28 of the Ministerial Portfolio Statements refers to a Forensic Mental Health Policy. What are its key objectives?

Mrs EDMOND: The major objectives of the Forensic Mental Health Policy are: to ensure that people with mental disorders and serious mental health problems who are involved with the criminal justice system have access to comprehensive, quality mental health treatment services at all stages within the criminal justice process; optimal outcomes; balancing the rights of the individuals to treatment; and the safety of the community. People with a mental illness are disproportionately represented in prisons, with prevalence rates of 7% to 10% reported. This

includes people who develop mental illnesses while in prison and those who have a mental illness at the time of entering the criminal justice system. Of course, these people may be also discriminated against when accessing treatment services within the community.

The Forensic Mental Health Services Policy will encompass services for adults who have a mental disorder or a serious mental health problem, and children and young people who have serious levels of disturbance or are at risk of developing mental health problems and who have been charged with an offence. The policy encompasses the principles embodied in the National Mental Health Policy and Plan, and the 10-year Mental Health Strategy for Queensland.

The most important principle is that those people have access to the range and quality of mental health services available to other members in the community. A range of services are required, including court liaison services and services to watch-houses to enable offenders from the criminal justice system with mental illnesses to receive treatment for their mental illnesses at an early stage. I am sure that all members of Parliament have had representations made to them by members of the community who have family members with a mental illness who seem to go in and out of the judicial system. We will also have clinical services within prisons and youth detention centres akin to those that would be found in the local community mental health facility, and in-patient services and consultation liaison services to mainstream mental health services.

Policy development in Queensland has been progressed simultaneously with work being undertaken nationally. In November 1998, the initial draft report towards a national approach to forensic mental health was circulated for consultation. It is anticipated that a second draft will be available for comment prior to the December meeting of the National Mental Health Working Group and that the guiding principles included in this document should inform the final developments of the Queensland Forensic Mental Health Policy statement.

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

Mrs LIZ CUNNINGHAM: At the outset, I thank the Minister for her answers to questions on notice. I know that some of those questions had a number of parts, but she responded in spite of that. I thank her for that.

I return with some trepidation to the issue of art work. Minister, I understand that a

question was put to you about 2% of the budget being spent on art work. You have corrected that to say that it is 2% across Government. Even if this is taken as a question on notice, could you calculate what, in dollar terms, that participation will cost or mean for the Department of Health? I am happy to put that question on notice.

Mrs EDMOND: One of the reasons that it is hard to determine is that within the budget for any building we already allow an amount for finishings, such as floor tiling and so on. On the question of public art, the answer is that we may look at a special finish that incorporates art. I refer you to the Convention Centre, where the tiles of the foyer are part of the whole art concept, although I am not suggesting that we have leaping frogs embedded in the floors of our hospitals.

It is very difficult. An amount is allocated for, perhaps, specific landscaping or particular finishes and so on. Utilising some of that money and expanding it a bit to use in public art is the way we are going, and it is a responsible approach. We are giving creative opportunities to artists in Queensland without it being something that is one-off. I have worked around the world in many hospitals that have major statues and other pieces of art work in their foyers. That is not the way that we are going. We are trying to incorporate art as part of the fabric of the building as much as possible, so it is very difficult. Also, the projection of expenditure is only in the public areas such as the entrance foyers and so on. It is not in the wards or the operating theatres. First of all, we would have to determine what part of the hospital falls into the category of "public area", what that particular bit would cost in terms of overall expenditure and then work out a figure that is 2% of that.

Hospitals have been always used for art works. The foyer areas are usually designed to be attractive and restful places, although often over time that is lost a bit as they get more crowded. It is important that we try to work design concepts and so on into the finishes as much as possible, and to be practical as much as possible, but also to give creative opportunities. That is why it is a bit difficult to work out with particular buildings how much it will be. It is not just a straight lump 2% of the capital cost of the building.

Mrs LIZ CUNNINGHAM: Page 23 of the MPS refers to the treatment and management of non-in-patient services. Along with a lot of elected people and providers of health services, I am particularly concerned about the impact of case-mix funding on the early

release of patients and their in-community care. Under Expenses, Supplies and services, there appears to be a proposal to reduce the amount of money expended on that. Given the fact that there is a higher demand on in-community care, why has that money been reduced?

Mrs EDMOND: What you have hit on is something that concerned me when I first read the figures in the tables. I refer you to the explanations on page 49. The other thing that concerned me is that, if you look up Other revenue, you will find that there is a significant increase in Other revenue. You really have to look at all of these things in conjunction. Accrual accounting, Mrs Cunningham, changes where things are found in terms of where they are allocated in these areas. I am pleased that I am not an accountant having to deal with this. If you take those totals of the accounts and then look at the total expenses, you will find that it has gone up. It really is just a case of where the varying expenses have now been allocated with the changes to accrual accounting. It is important to look at the total expenses. It makes it very difficult to compare year to year at this point when we are changing over.

Mrs LIZ CUNNINGHAM: But the particular budget Vote is for Supplies and services. If I take the total amount at the bottom of the column, it includes the equity return obligation. That is \$853,651,000. That is a jaundiced return as well. Perhaps you can just answer this in a generic sense. I am concerned that with increasing community obligations on community health staff they also be given an increase to be able to cope with that extra workload. It is perhaps not on that page. Could you explain to me how their increased responsibilities have also attracted increased funding?

Mrs EDMOND: In terms of the changes in the figures for the Supplies and services, some of that relates to the fact that, for instance, Project 300 is now funded through the Department of Families. Several millions of dollars have gone across to Families. That was in there before; it is not in there now. A range of different things are accounted for in that figure which were not accounted for in those areas before. I do not know how better to explain it than that.

Mrs LIZ CUNNINGHAM: Has there been an increase in the amount of funding available for community health services?

Mrs EDMOND: Absolutely; that is one of the biggest areas of increase.

Mrs LIZ CUNNINGHAM: Do you have any figures?

Mrs EDMOND: If you look at most of our new initiatives, you will find that they are in the community services area. For instance, the increases in mental health funding are largely in community services, as are the increases in the youth health nurses. Community mental health is one of the big areas of increased expenditure in the community services area. The child health nurses are also in the community health area. As I said, the school youth nurses are in the community services area, as is the Triple P program. A significant range of different programs are happening in the community health area.

Mrs LIZ CUNNINGHAM: Is there an increase in post-acute care?

Mrs EDMOND: Post-acute care was funded in a package from the Commonwealth. It is an area where there is a problem, because the Commonwealth stopped funding that last year. We have kept it up this year. Rather than just cutting it out as a lump sum of \$7m last year when the Commonwealth stopped funding that program, we rolled out extra funding over the next three years so we could do it in a gradual manner while other services took that place. Basically, I understand that the aim of the program—and this is why it had a time frame on it—was to mainstream these post-acute services as part of their core business. We made that a bit more gradual than it would have otherwise been. The different districts have implemented these models according to their particular district structure. I understand also from talking to the districts that some of them use that funding for palliative care funding. That was not what it was designed for. As you would be aware, there has been a significant increase in palliative care funding so they are no longer having to utilise that. But they used it because there was a shortfall in palliative care funding. Certainly, many of the aims of the post-acute projects have been to integrate these services into the community and mainstream them as much as possible as part and parcel of the normal hospital arrangements in arranging for care when they leave.

Mrs LIZ CUNNINGHAM: I have discussed with you my concerns about the equity return in the past. The Department of Health has been given an obligation of \$165m. I understand that that has reciprocal funding for this year. How do you see your department guarding against the risk, particularly for regional members, of disposing of regional

clinics and regional health facilities in an effort to reduce your asset load?

Mrs EDMOND: I think Queensland Health manages its assets pretty well now. In terms of making big changes, I do not see any. This is to put a bit of attention on us and make us focus on disposing of assets that are not being used and are just sitting there. The best example I can think of is what we are doing at Redcliffe, where we are selling off a number of small community health buildings so that we can integrate all of those services into a new site that was bought from Energex—I keep saying "SEQEB"—that is larger. We needed to get larger accommodation there to hold all of the new extra mental health community workers that we had provided for Redcliffe that were not there before. Instead of looking for new accommodation for one part of the service, we have pulled all of the different services into one and we are selling off all of the little ones that will now not be used. Another example would be the future sale of the current site of the Townsville Hospital. When the new Townsville Hospital is built, we will be left with a site. Mr Rowell is looking at me. That is a sensible thing to do. We have a site in a beautiful position overlooking the bay.

Mr ROWELL: It would be interesting to know who put it there?

Mrs EDMOND: What?

Mr ROWELL: The new general hospital being built in Townsville.

Mrs EDMOND: It is going there and the existing Townsville Hospital will not be utilised. Obviously, it will be in our interests to facilitate the sale of that and to get the best value for money we can. That is the sort of thing that Treasury is trying to get us to focus on. I hope that we do not have a heavy debate with Treasury when we make savings through our investments and want to utilise those for other health services, such as those in Gladstone, where we have used the lease of the site for the co-location to provide funding for the new morgue and roof.

Miss SIMPSON: In relation to the Beattie stealth tax of 6% on capital, will the surplus Health Department land at Mount Ommaney, Burleigh Heads and Rockhampton be put up for auction?

Mrs EDMOND: Certainly, at Mount Ommaney we have arranged for a larger percentage of that land to be made as parkland than was signed off under the previous Government. No doubt you would be aware that a commitment had been given for some of it to be kept as parkland. We have

increased that area of parkland. We have also—

Miss SIMPSON: Is that still held by the Health Department and will you be paying 6% on that?

Mrs EDMOND: It is still held by the Health Department and it will be sold off, yes. The area that is not going to be parkland will be sold off. It is not going to be utilised for a hospital.

Miss SIMPSON: How much land are you proposing to sell there?

Mrs EDMOND: I do not have the figures in my head, but the amount that we are selling off will not be as much as that proposed under the previous Government. It will be less. I think we have increased the area of parkland significantly. What were the other sites you mentioned?

Miss SIMPSON: Burleigh Heads and Rockhampton?

Mrs EDMOND: At Burleigh I understand we are doing a swap with the council to provide extra land at the Gold Coast Hospital. That is in the interests of both the council and the hospital. What was the other one you mentioned?

Miss SIMPSON: Rockhampton?

Mrs EDMOND: At Rockhampton I understand there is an issue with respect to the horses on it. I understand it is on a disposal plan. It is surplus to requirements. Unless we have staff with serious skills with horses, I guess we will be looking at disposing of that. I do not really think our core business is running agistment paddocks.

Miss SIMPSON: What is the valuation of the Herston site, the Noosa Hospital site and the Gold Coast Hospital site?

Mrs EDMOND: I would have no idea. I do not think we have any interest—

The CHAIRMAN: Do you want to take that on notice?

Mrs EDMOND: While other political persuasions may be interested in selling off public hospitals, we are not.

Miss SIMPSON: I will rephrase that so you understand what I am talking about. The valuation of those sites will have an impact upon the amount of capital charge you have to pay back to Treasury. Valuations are going to be done on Health Department sites and you will be paying 6% upon those sites. Therefore, if you have highly valuable land, does that not impact upon your operating statements?

Mrs EDMOND: The capital charge is something that was under the previous Government. There is not a capital charge under this Government. It was an election commitment—

Miss SIMPSON: So your equity return is not a capital charge? Are you seriously trying to tell us that?

Mrs EDMOND: The member is mistaken. The equity is a bonus. It is fully funded up front so that, at the worst case scenario for Queensland Health, there can be no diminution of our budget. The capital charge by the previous Government was interest payable on capital works, which would have meant at the Royal Brisbane Hospital alone—not counting the Royal Children's Hospital—\$10m going out of their recurrent budget each and every year as interest payments. The capital charge was a charge set on all of the capital works on all the new and major refurbishments around the State—

Miss SIMPSON: No, Minister, with respect, you are misleading—it was not on all the projects around the State. You are misleading the Estimates committee.

The CHAIRMAN: The member for Maroochydore!

Mrs EDMOND: I sat where you sit there and I heard the previous Minister say it would be on that portion over and above the amount spent—the amount allocated—

Miss SIMPSON: It was not on all projects around the State, Minister.

Mrs EDMOND:—and it would be on about half the capital budgets of all the hospitals. You will forgive me if I rely on my memory rather than yours. It would have meant an impact on the budget of something like \$150m in the first three years of its implementation and I think in the order of about \$90m thereafter. It would have been \$25m out of the recurrent budgets of this particular year—off the top of all the recurrent budgets. I have to say I am delighted that, as an election commitment, we promised to get rid of that iniquitous tax on hospitals. We did so at the first opportunity and the capital charge is no more.

Miss SIMPSON: With respect, you are introducing a capital charge across all capital in the Health Department. I would draw your attention to the fact that you have sites that will increase in value on the property market, which means the capital charge will be charged against the value of the property that you are holding. Is it not true that, while you may have a cash book in which you may have

an entry this year of \$165m from one hand to the other to deal with the equity return, you are holding capital which will increase in value, such as Herston and all the other sites across the State upon which you will be paying 6% tax back to Treasury? That is a capital charge on all capital in Queensland Health.

Mrs EDMOND: I am hoping Mr Hayward, as an accountant, will correct me if I am wrong. The assets will be increasing while we are adding to those assets. They will also be depreciating as they go on. Is that not right, Mr Hayward? So we will also have depreciation of those assets happening at the same time. It is a very complex situation—the figures. I do not particularly want to spend the afternoon debating the ons and offs of accrual accounting.

Miss SIMPSON: And you are delighted with this new tax?

Mrs EDMOND: Can I say, though—

Miss SIMPSON: It is not accrual accounting.

Mrs EDMOND:—that the difference between this and the previous capital charge, however the member wants to look at it, is that this is fully funded. I should also remind the member that Noosa, of course, is a private hospital.

Miss SIMPSON: On State land.

Mrs EDMOND: We have not put capital into Noosa Hospital.

Miss SIMPSON: It is State-owned land, though. It is a State-owned asset.

Mrs EDMOND: The capital investment there is by a private company. We are buying services off them.

Miss SIMPSON: The land is owned by the State.

The CHAIRMAN: The member for Maroochydore!

Mrs EDMOND: And it is leased by the private organisation—

Miss SIMPSON: It is State-owned land.

Mrs EDMOND:—as a commercial transaction which will take all of these factors into account. Again I say that the major difference that the member is missing is that the equity bonus—the equity return—is fully funded up front so that it does not have an impost on the recurrent budgets of the hospitals as the capital charge did have. The capital charge was to be taken out of the recurrent budgets in efficiencies before those hospitals received their recurrent budgets.

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

Miss SIMPSON: You have not even started charging. It is 18 months after operation.

The CHAIRMAN: The member for Maroochydore! Previously I was asking questions in relation to mental health. I just want to ask one additional question before I hand over to my colleague the member for Kallangur. When is the mental health services trial involving general practitioners, which is referred to on page 28, expected to start?

Mrs EDMOND: The funding has been allocated in this budget for what is really quite an innovative program with partnerships between general practitioners and mental health services. It has been identified as one of the key areas of development within the second National Mental Health Plan. The Queensland Division of the General Practice State Mental Health Program—I was delighted to be able to take the opportunity to launch it just a week or so ago—comprises five components. The program that will have the most significant impact on public mental health services will be the General Practice and Psychiatry Partnerships Program, or GPPP, as it is called.

Queensland has allocated \$2.25m over four years to establish the collaborative project between Queensland Health and the Queensland division of GPs for this program. The Commonwealth Department of Health and Aged Care has contributed \$458,000 over the next two years to assist in the establishment of the program. The program is a collaborative mental health service delivery based on partnership between mental health services, general practitioners and consumers.

The pilot programs are being developed across three settings in the metropolitan areas, the south-eastern corner, provincial and remote areas. The areas involved in the program are Brisbane North, Brisbane South, Logan and the Gold Coast, Rockhampton for Mr Pearce, and Longreach. In the metropolitan areas the project will focus on the collaborative model of shared care using the consultation, liaison and primary care psychiatry model, or CLIP model as it is called. Planning for implementation of this project is in progress. We expect to start the clinical component in January or February of 2000. So it is not too far away.

In Rockhampton the project is already under way. It commenced in July of 1999 and there it is designed to improve linkages between GPs and the mental health services

and to provide training to assist GPs provide primary care. In Longreach the project will provide regular consultation liaison visits to the area by specialists from the Royal Brisbane Hospital district to provide training and support to GPs and other service providers in the far west. The Longreach project will commence at the end of October—at the end of this month.

The importance of working in partnership with GPs was highlighted in a 1997 national survey of mental health and wellbeing of adults, which reported that one in five people experienced a mental health disorder at some time during the 12 months prior to the survey. Those facts have been pushed very hard quite often. It was also estimated that 18% of these people were seen by a GP, but more concerning was the fact that 52% of people did not receive any assistance. The need for this program is well established. I think it will be an innovative program and something that we are really looking forward to seeing the results of.

Mr HAYWARD: Page 38 of the Ministerial Portfolio Statements refers to the Robina and Noosa Hospitals. What impact will the purchase of public patient services from these two private hospitals have on the Gold Coast and Nambour Hospitals' budgets?

Mrs EDMOND: As members are aware, these are hospitals which are private hospitals—privately owned hospitals—from which Queensland Health is buying a range of services. Certainly we expect the provision of these services to have a very positive effect on those districts and certainly it will have a big impact on the budgets of the Sunshine Coast and Gold Coast Health Service Districts. Both districts will receive record budgets this year.

However, unlike the previous Government, we have provided for the purchasing of public health services from these new facilities. One of the difficulties I had when I came into this job was finding out that we had contracts, one of which was signed two hours before the election was called and one a couple of days before the election was called, that committed us to \$909m over 20 years, but no forward estimates and no forward funding had been provided for those services.

We have managed to find that funding without taking it from the existing services, either in those districts or across the State. Indeed, the allocations to these hospitals will be over and above the allocations the districts would have received even without it.

The budget for Noosa Hospital will be sourced from separate recurrent funding and will not impact on the Nambour Hospital

budget, though obviously we expect the increased service delivery in that area to reduce the demand on Nambour. The part-year budget for the Noosa Hospital in 1999-2000 will be \$10m. The forecasted 2000-01 budget is \$12.5m.

The budget for the Robina Hospital will be sourced, again, from separate budget funding and will not impact on the Gold Coast Hospital budget. That is not in line with some suggestions that have been in the media. The part-year budget for the Robina Hospital for 1999-2000 will be \$4.6m and the forecasted 2000-01 budget for Robina Hospital is \$22.3m.

Clearly, both the Sunshine Coast and the Gold Coast are greatly benefiting from this Government recognising that these are major growth areas. We have faced up to the fact, we are doing something positive about it and we are providing that funding over and above the growth funding that has gone to those particular areas.

Mr HAYWARD: How many public patients are expected to be treated at Robina and Noosa respectively in the 1999-2000 year?

Mrs EDMOND: We have entered into service agreements with these hospitals. Noosa Hospital has started opening and is being progressively opened over time. Robina is expected to open in March or April next year. Stating how many patients is a bit predictive at the moment. The services provided at the new Robina Hospital will include oncology, renal dialysis, day surgery and endoscopy and the hospital is expected to provide 20,111 acute in-patient episodes of care, 3,540 non-acute occupied bed days and 4,158 mental health in-patient occupied bed days of public patient services. These figures will vary a bit depending on when the actual hospital opens and when it gets up to optimal capacity. I should also point out that the new Robina Hospital will create about 350 jobs in the health services area.

The new Noosa Hospital will create an extra 200 health jobs. The services at Noosa will also include oncology, renal dialysis, day surgery and endoscopy. Noosa Hospital is expected to provide 8,368 acute in-patient episodes of care and 1,971 sub and non-acute in-patient occupied bed days of public patient services. Again, these are the full-year figures. They could vary a bit depending on when they start full operation.

Mr PEARCE: Earlier in response to some questions from the member for Gladstone you were talking about funding in the community health area. You mentioned new initiatives. Page 3 of the MPS refers to additional funding

for Australian Red Cross services and haemophilia centres. I think we are talking about \$4m. How will this improve the safety of Queensland's blood supply?

Mrs EDMOND: Members may be aware that at the recent meeting of Health Ministers from around Australia an agreement was made to follow a model for blood services of establishing nucleic acid testing, particularly after the tragedy we saw in Victoria with the child who has contracted HIV from blood. While this decision was made, I think so far Queensland is the only State to actually commit to funding that. That is a very expensive technology. It does not completely eliminate the risk. The risks are already small, but it does further reduce them.

In light of the growing demand, therefore, for blood and blood products and the need for, I think we all agree, the highest quality processes for the State's blood supply, we have allocated this extra \$4m for 1999-2000 for the Australian Red Cross Blood Service in Queensland and also to establish a haemophilia centre in Queensland. This is a significant increase in funding. It will enable the Red Cross to achieve improved outcomes in the collection, production, management and delivery of blood and blood products. I urge all members to be part of giving blood to that worthy service. They can join us any time they like.

As I said, it is also part of implementing the nucleic acid testing, which will again improve the already high international safety standards and quality of Queensland's blood supply. The new test will halve the window in which we are unable to identify HIV in blood donations, from 22 days to 11 days—it halves the already small risk—and reduces that window for hepatitis from 80 days to 20 days. Funding for the Red Cross Blood Bank will also be used to upgrade the facilities and production equipment and increase operational activities to meet collection and management requirements in response to increased demand on services.

The haemophilia centre, which is something that has been looked at for some time, will be based at the Royal Brisbane Hospital and Royal Children's Hospital. It will assist people with haemophilia to better manage their condition and will enable optimum use of very high-cost blood products. It will also be a central point for coordination and expert advice for the treatment of people with haemophilia. We hope that will lead to more efficient use of those blood products and at the same time provide outreach services to

country areas and better quality of care for people with haemophilia within the system.

Mr PEARCE: On page 11 reference is made to new programs aimed at building protective factors in young people against drug misuse. For the benefit of the Committee, could you outline some of the projects the Government is undertaking this year to continue the fight against drug and alcohol abuse?

Mrs EDMOND: A range of different programs are being implemented across Queensland. Some of them are very innovative. Members will be aware of the Rock Eisteddfod Challenge, which takes place in our high schools and gets young people very involved. They may not be as aware that Queensland Health is a major sponsor of the Rock Eisteddfod Challenge through the 100% In Control initiative. In 1999, 44 Queensland schools took place from Cairns, Toowoomba, Townsville, Mackay and Brisbane.

There is also the 100% In Control Croc Eisteddfod festival which is held in Weipa and is now being picked up and copied in other parts of the State. It particularly focuses on children from rural and remote and indigenous communities. I acknowledge the role of the previous Minister in agreeing to that. I have been to the last two, and it is really impressive to see the self-esteem these young people are given by participating. It is very moving experience. The aim is to get across positive messages about health, education and reconciliation to young people in a non-threatening way. At the Croc Eisteddfod people come from the cape, from Torres Strait, from the Murray Islands, from the Atherton Tablelands and all over the place.

It is a tribute to Queensland Health that, along with the Rock and Croc Eisteddfods organisers, these projects have won national sponsorship awards. Queensland Health also sponsors a peer mentor program and the Drink Smart campaign for TAFE and university students. There is a range of initiatives to work with young people when and where they socialise, such as Schoolies Week and other student licensed events. Queensland Health also works with the Queensland police, the Liquor Licensing Division and licensed venues to create safer environments and more responsible behaviour amongst owners and patrons.

The Premier's recent youth drugs summit also set out to establish what is good practice in preventing drug abuse by young people. Importantly, a set of pilot initiatives will involve young people in creating local responses to

the issues that they face, and we hear from the young people.

Under our Crime Prevention Strategy, this Government has allocated \$3m to expand health promotion and treatment activities; \$1m to four indigenous communities in the far north to assist them to address the impact of alcohol in their communities; \$100,000 to liquor licensing to do further work on developing models for safer and more responsible drinking practices and behaviours, and treatment services, including funding for a counsellor at the Brisbane Youth Services; expanding methadone programs; and, of course, the training package for general practitioners.

Mr PEARCE: You have an extra \$1.5m going into forensic science services. I understand that this is to reduce the backlog of forensic work. How will this money be spent?

Mrs EDMOND: You would be aware—and this has been an issue, I know, in the Rockhampton paper—about the backlog of forensic testing, particularly with the very rapidly increasing demand on it. We have almost an explosion in illicit drug factories around the State. It has been a major concern of mine that nothing had been done to address the backlog of work that has been piling up for years. So we were successful in getting an additional \$1.5m in funding for Queensland Health Scientific Services at the John Tonge Centre to address this need.

\$500,000 has been applied immediately to the employment of eight additional scientists. Three new scientists are working in forensic toxicology. The backlogs have been growing, and the existing backlog will still take about eight months to clear. Three new scientists are working in forensic chemistry. All current illicit drug court dates with advanced notification are now being met. I think that is important. The development of the backlog has stabilised and can now be addressed, but it could still take up to two years to clear. Backlogs within the clandestine laboratory investigation group are unchanged.

It is important for members to realise that some of the cases that are being reviewed go back 20 years, with the improvements in DNA testing and equipment. Scientists at John Tonge can go back and look at cases that have remained unsolved for 20 years, and they have solved a number of those longstanding murder cases. Two new scientists are expected to start in forensic biology within the next three weeks, and backlogs in serious crime will stabilise with this staffing level. However, again, the backlog in high-volume, low-level crime will be unchanged.

Almost \$1m of an extra funding component will be applied to the employment of temporary scientists and support staff to particularly focus on increasing productivity and addressing those backlogs in forensic biology and forensic chemistry. Applied research is being conducted into high-technology areas that also have the potential to free staff when those new high-tech areas are implemented.

Mr PEARCE: The School Nurse Program—what services are provided by these nurses, and just how successful has it been to date?

Mrs EDMOND: I think this has to be one of our most successful programs, judging by the support I have received—going out into the community and going to health districts—from GPs. I think everybody has commented on how successful it is.

Following the first two phases of program implementation, 64 nurses are presently employed within the program covering approximately 150 schools. There are nurses in schools across Queensland in metropolitan, rural and remote areas, including Brisbane, the Gold Coast, Sunshine Coast, Kingaroy, Bundaberg, Thursday Island, Bamaga, Mount Isa, Palm Island and Charleville. We have really tried to get a spread across the State.

A significant part of their role is providing consultations with young people. They provide assessment, brief intervention, advice and support for young people, their families and the school community on issues affecting their health and wellbeing and referral to other health and welfare professionals as appropriate. They are not expected to deal with everything themselves, but they coordinate with existing school and community-based health and preventive youth focus programs.

Importantly, the nurse engages and supports the whole community in addressing contemporary health issues and social issues that are facing young people and their families. What we are hoping that they will do—and are looking for them to do—is to pick up those early warning signs of depression, isolation, eating disorders, drug use, smoking, and early signs of mental ill health. They support schools in adopting a health-promoting schools philosophy and framework that promotes the development of a healthy school environment and way of working.

The nurses provide support in the development of school curricular, which integrates teaching and learning activities aimed at promoting the health and wellbeing of young people, and they promote the

development of partnerships with relevant Government and non-Government agencies in the community. I think it is important to know that they have been so well received.

I included in my briefing notes a comment from the Maryborough High P & C complimenting this initiative and saying—and I quote from the letter—

"In a short time, Karen the school nurse has had a positive impact on the general health of the students at our school. Through actively promoting her position as school nurse, Karen has been able to reach both students, their parents and staff at our school. Karen has also been pro-actively involved in the HRE program within the classroom to the benefit of our students."

The final word from the Maryborough High P & C is—

"We see this position as a developing role and we believe that this role is very important to our students."

It is wonderful to have that sort of feedback. That is the sort of comment I am getting from around the State, wherever we have them. Certainly, there is a demand from most members in the House on both sides who have lobbied me about getting extra school nurses in their particular areas.

The CHAIRMAN: It is a great initiative. The time for questioning by Government members has now expired. I will now adjourn the Committee for afternoon tea.

Sitting suspended from 4.21 p.m. to 4.40 p.m.

The CHAIRMAN: I now declare the Committee's hearing resumed. I call on the member for Maroochydore.

Miss SIMPSON: Minister, as you would know, the community on the Gold Coast does not believe that your 1999-2000 budget meets their expectation as to the level of funding that is required to meet the medical and clinical crisis down there. I ask: when will you be providing supplementary funding for the Gold Coast Hospital from the budget so that it does meet those community expectations and the needs for what is a very high-pressure tourist destination with an aging population?

Mrs EDMOND: This is a very interesting question for the member to ask. You may be aware that in last year's coalition May budget the amount of extra funding for the Gold Coast was \$700,000 or \$750,000, something of that order, which was regarded at that time as being more than ample, I remember the previous Minister saying, for the growth of the

Gold Coast, for the tourists, and for the fact that it was a major hospital servicing a very important area.

When we came in to Government I indicated my concern that this was an area of high growth and that I did not think that that growth was reflected in the budget. I made a special allocation to the Gold Coast Hospital of over \$2m. That was made in August last year, even before the final budget came out. As for concerns about where and when pressure was being placed on the Gold Coast Hospital, I asked the general manager of Health Services, Dr Youngman, who knew the area intimately, to undertake a review of what services were required for the area, taking into account the pressures that were placed on it then, the likely future pressures and what would happen with the introduction of a new hospital at Robina for which we would also have to find funding which had not been committed in previous budgets by the coalition.

I have to say that, as a result, there has been a significant boost in the Gold Coast health service budget. There was a significant boost last year and there will be a significant boost this year. As well, contrary to statements made by the member for Maroochydore in the newspapers, the enterprise bargaining agreement has been fully funded. I saw somewhere where the member indicated that that process would use up the increased funding.

A range of detailed services which the Youngman report found were needed have been funded and implemented. I think a range of those services was introduced before July last year. The last figure I saw indicated that nine of 13 new services were implemented before the end of July this year. In the 1998-99 financial year, stage 1 of the resource allocation program funding was implemented. That was an extra amount of \$741,000 over and above the \$2.2m by which it had already been increased. The 1999-2000 financial year saw an extra \$3.7m—

The CHAIRMAN: The Minister's time has expired.

Miss SIMPSON: In answer to a question on notice from the member for Gladstone you outlined a breakdown of the full-time equivalent staff complement for the Gladstone health district. Could you please provide the same type of breakdown on FTE on a district by district basis for all the State? I would certainly welcome it if you could table that information.

Mrs EDMOND: I do not normally carry that sort of information around in my head. The member had the opportunity to ask that as a question on notice—

Miss SIMPSON: Would you take it on notice now at the Estimates?

Mrs EDMOND: You are wanting the full-time equivalent—

Miss SIMPSON: I am happy if you could take it on notice. I want you to table the full-time equivalent staff complement on a district by district basis for the State.

Mrs EDMOND: That is a huge task, Mr Chairman. The details in terms of totals of those figures for budget determination purposes are outlined in the MPS. I do not think it is fair to ask staff to go through such an onerous task, district by district, across the State. I am happy to provide the information on individual districts. These are figures, as you would be aware, Mr Chairman, that change, depending upon staff coming and going and vacancies which are filled. It would lead to a huge amount of work for the staff. I am sure that the staff of Queensland Health have better things to do. I do not believe it will add anything to the Estimates process.

Miss SIMPSON: I hear that the Minister does not want to provide that information. My next question to the Minister regards the explanatory notes to the financial statements. I refer to the fourth page of the Ministerial Portfolio Statements where this appears—

"In some agencies, funding for depreciation and amortisation exceeds the Government's agreed capital contribution to the agency, and an equity withdrawal is effected to maintain the overall capital program at the level agreed by Government."

Basically, Minister, what is the point of accrual accounting if the money is not really being set aside?

Mrs EDMOND: I think what you are mistaking is the way that accrual accounting refers to it and puts it on the record. These are things that were not referred to before. When it says there is an increase in capital, this is because we are going through a massive capital rebuilding program far and above anything that has happened—

Miss SIMPSON: Would you like to read the actual words because I do not think you are referring to the question? It is the fourth page in, but it is an unnumbered page prior to the rest of the Ministerial Portfolio Statements.

Mrs EDMOND: Which page of the MPS?

Miss SIMPSON: It is an unnumbered page. It is about the fourth page in.

Mrs EDMOND: I can only respond in respect of this agency. This is talking about "some agencies". It is trying to explain equity adjustment. I think you would have to ask the other agencies because that is what it is talking about. It is not talking about Health; it is talking about some other agencies.

Miss SIMPSON: If it does not apply to any of the Health Department units why is it in the Health portfolio statements?

Mrs EDMOND: It is trying to give an explanation of equity adjustment and funding for depreciation and amortisation. I understand this is an explanation that is contained in every MPS. It is trying to explain—

Miss SIMPSON: If it does not apply to the Health Department—

Mrs EDMOND: Excuse me, it says at the top "Explanatory notes to financial statements". It makes the point that this is about trying to explain the changes in the financial system. It is Treasury trying to explain for your benefit that this may occur in some cases. I think if you refer to the pages within Health, and if you have a query within Health, it will be clear. However, this says "in some agencies". To my reading, it does not say "in this agency" or "in Health". Therefore, I think you would need to take that, with due respect, as a general comment about the changes to accrual accounting.

The CHAIRMAN: It is also contained in the Ministerial Portfolio Statements of the Minister for Mines and Energy.

Mrs EDMOND: It is in all of them.

Miss SIMPSON: I understand that West Block at the Herston complex is under some threat as to when and in what configuration it is going to be constructed. Under the plans proposed and funded by the coalition Government, West Block was recognised as the most significant and integral part of the hospital's redevelopment. West Block was to accommodate some of the State's most needy and ill patients who required oncology services or who needed treatment for infectious diseases. Why are patients, doctors and nursing staff still left in a state of limbo as to what West Block is finally going to contain? When are you going to release some detailed plans as to the final configuration of West Block?

Mrs EDMOND: I am pleased that you have raised this question because it was under serious threat under the previous Government. In fact, I think those statements were made

when I made it public that there were plans to cut West Block and save the funding involved there.

There are no plans under this Government to cut West Block. There is a reconsideration of what will go in there as progress continues. That is because—I am not sure if you have noticed—with the co-location proposals, St Andrews and then later on the HCOA have indicated that they are not prepared at this stage to go into co-location arrangements because of the dire straits that private health cover, private insurance, is finding itself in. I have noticed that there is a massive problem there. They are not prepared to commit significant sums of money to new ventures at a time when things are pretty tricky.

In working with the private sector, we were looking at a number of the things in West Block. I think at some stage under the previous Government there was a discussion about some of the linear accelerators being funded by St Andrews and that they would have access to radiation/oncology specialist services. There was also discussion of a major significant auditorium for lecturing purposes and other things that were going to be incorporated in that building. With the changes and the non-proceeding of the co-location, we have to look at what things they were going to provide, what things we were going to provide and how we manage those services now. So, of course, there will be some changes. We are working with the senior clinical staff of those services—with radiation/oncology staff, with the infectious diseases staff—all of the senior clinical staff are being consulted as part of that decision-making process. I am sure that they will come up with a very, very detailed concept when they are ready.

Miss SIMPSON: On 23 August Premier Beattie announced a 6% or a \$200m increase in spending in the Health budget. In Budget Paper No. 2, on page 18, the first dot point, it is stated that the 1999-2000 funding has increased by \$163m or 5.2% on the actual funding in 1998-99. In Budget Paper No. 4, on page 40, it is indicated that there is only a \$138.1m increase in spending after adjusting for the \$165m equity return. What is the real increase in funding?

Mrs EDMOND: It depends on what you are looking at—whether you are looking at total budgets. Last year we had a massive capital works budget. This year, it has decreased. I know you have commented on the fact that we actually do not keep on paying capital works when we finish the building. I

have to say that is an interesting concept but it is not one that I am prepared to do—to go on putting out capital works when we have actually finished those projects.

So last year was the peak in the capital works projects. Last year we spent \$632m on capital works. This year we have allocated less than that; we have actually allocated \$563m. So you will see right from the start that, if you are looking at the total Health budget recurrent plus capital, there is a significant lump that goes out in the capital, which will be seen to reduce those figures. In terms of the recurrent budget, we have a record recurrent budget of \$3.45 billion. Last year's recurrent budget was \$3.12 billion. I think you will find that, in actual fact, the Premier said more than \$200m and, in raw terms, it is more than a \$200m increase.

However, if you look at the overall increase after you have taken out the equity return—and this includes the capital—it is \$138m. If you look at the recurrent increase after the equity return, it is \$163m, or a 5% increase. I have to say that I have been amused to see some of your calculations that show a 0.18% increase. I am not sure that anyone else has found that figure—

Miss SIMPSON: Minister, you cannot tell me how much it has increased by.

Mrs EDMOND: Look through your Budget Speech. I would have to say that this year the Commonwealth increase is only a \$20.7m increase. So the increase is significant compared to the increase from the Commonwealth. But as I said, there are various figures throughout the Budget papers, depending on whether you are comparing actual budget to actual budget, estimated budget to estimated budget, budget including capital compared to budget including capital of what you are doing. So if you could ask me which figure you are specifically interested in. I think the most important figure is that one that provides extra services to people. This year's recurrent budget is another record of \$3.45 billion.

Miss SIMPSON: Minister, I note with interest that employee expenses have increased by \$104.8m. While staff in the State's public health system play a critical and central role—

Mrs EDMOND: Sorry, which page are you at?

Miss SIMPSON: It is in several places. The increase in staff expenses—at the back of the portfolio statements, it has a financial outlay, I think. It has increased by \$104.3m.

Mrs EDMOND: Sorry, which page?

Miss SIMPSON: There are a number of places in regard to an increase in staff expenses.

Mrs EDMOND: Staff expenses?

Miss SIMPSON: Page 49 of the Ministerial Portfolio Statements.

Mrs EDMOND: Are you meaning payments for the numbers of staff? What do you mean by "staff expenses"?

Miss SIMPSON: Minister, with regard to the increases in employee costs and expenses, \$135m was the full-year implementation for EBIII. You have a breakdown with the increase in employee expenses on the actual last year, which was about a \$30m increase, and this year was a \$104m increase. While staff in the State system are important, please provide a breakdown for the increase in employee expenses. For example, what amount relates to an increase in staffing numbers, remuneration increases and salary and other benefits?

Mrs EDMOND: Because staffing is a large part of our increases, of course, it has an impact. In 1999-2000, the increase is mainly due to the cost of EBIII, growth and other initiatives and the funding of 450 extra full-time establishment numbers.

Miss SIMPSON: No, you have only an increase of 1% of your actual staff full-time equivalent, Minister.

Mrs EDMOND: Sorry?

Miss SIMPSON: You have over a 5% increase in staff costs but only about a 1% increase in full-time equivalent staff.

Mrs EDMOND: You may remember that the staff actually got an increase in pay. That was EBIII. It was fully funded, as you would be aware, from Treasury. It was fully supplemented. That means that the full cost of that increase is shown in the papers rather than the case under the previous Minister where a significant amount of that increase had to come out of savings, so it was not shown as an increase in cost. That is something that we are still bearing the burden of. Most of the districts still have not made those savings. In this case, the full cost of the EBIII is shown there as an increase in cost. Also the fact that we are increasing the number of full-time employees by approximately 450 people—that clearly must lead to an increase in the cost of staff employee expenses.

Miss SIMPSON: You have only about a 1% increase in full-time equivalents.

Mrs EDMOND: There have been 450—

Miss SIMPSON: My question—

Mrs EDMOND: As a number of those—

Miss SIMPSON: Mr Chairman—

The CHAIRMAN: Let the Minister answer the question.

Miss SIMPSON: That was not a question.

The CHAIRMAN: What was it, then?

Miss SIMPSON: It was a preamble to the question.

Mrs EDMOND: It is very difficult to know—

The CHAIRMAN: No, let the Minister answer the question. Then you can put your other question.

Mrs EDMOND: It is very difficult to know whether they are political statements or they are questions.

Miss SIMPSON: I cannot have preambles to questions. If you do not want me to have preambles to questions, that is fine. My question to the Minister is: in regard to the enterprise bargaining agreement, you have talked about so-called increases to district budgets. Could you please provide a breakdown of the increases to district budgets and the enterprise bargaining component of that increase?

Mrs EDMOND: The district budgets have been fully supplemented for their EB.

Miss SIMPSON: So how much of the increase is actually the EBIII component?

Mrs EDMOND: There are a number of components. There is the EB increase which, as I say—and I will repeat it again for the benefit of the member—is fully funded on this occasion. The growth funding that has gone out to the different districts is over and above the EB. Clearly, it will depend on the number of staff that the various districts have, the different levels they are at and the packages that they are on. That will be in there. I have to say that that is how it is funded: it is funded by Treasury and it is fully supplemented by Treasury, depending on the numbers of staff, what levels they are at and the increase they got—whether they are VMOs, whether they are wardsmen or whether they are nurses. That has happened. That is over and above any of the increases according to growth factors.

In the enterprise bargaining agreement, an increase of \$17.3m is allocated for the full-year effect of the first increase of 2.5%, effective from 1 November 1998. The majority of EB3 funding is for medical and nursing staff. The enterprise bargaining agreement also had

an increase of \$34.1m, with a second increase of \$2.5m effective from 1 November 1999. \$15.2m has been added to the 1999-2000 operating budget for growth and a further \$14m in growth in recurrent funding is allocated in the 1999-2000 budget. An additional \$41.4m is yet to be allocated. That includes funding for Noosa and Robina which, of course, will depend on when they are started and when they start taking fully effective patients. The new initiative funding has yet to be distributed and the Commonwealth funding has yet to be distributed. Therefore, it is very difficult to break these things down. A number of things depend on the staff, the staffing vacancies and the number of people employed at any given time.

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

Mr HAYWARD: Minister, page 4 of the Ministerial Portfolio Statements refers to an additional \$12m for expanded Home and Community Care services. How will this assist elderly and disabled people?

Mrs EDMOND: I am delighted that the Budget has provided a significant boost for older people and for younger people with disabilities who are in need of Home and Community Care services. The increase is consistent with the Government's commitment to improving the quality of life of all Queenslanders and, in particular, people whose health status renders them vulnerable.

The \$12m increase comes at a key time in the ongoing development, improvement and extension of the program in Queensland. I expect that we will soon be entering into a new agreement with the Commonwealth Government that streamlines the bureaucratic processes that have caused, among other things, long delays in approving new initiatives. I know that staff around the State are probably as frustrated as I am that sign offs on a lot of the HACC programs out of last year's Budget did not take place with the Commonwealth until after its budget finalisation for this year. We are running 12 months behind on getting those programs signed off and anything we can do to streamline that process will be welcome. I have certainly indicated to the Commonwealth Minister my frustration at it.

Recently, advertisements were placed in the press around Queensland inviting applications for new and expanded HACC services. The applications are due to close at the end of the month. Allocation for priorities are still to be finalised by myself and the Commonwealth Minister for Aged Care,

following data analysis and advice from the advisory structures located across Queensland.

In terms of HACC service types, four have been specifically identified at a State level for expansion. These are allied health, personal care services, respite care and home help. Funds will be allocated to other service types like community transport and nursing, but it is those four areas that will receive emphasis this year, reflecting advice from communities about a growth in the need in those communities and/or from the analysis of the data that we get back. The allocation of growth funds will not be restricted to those service types and I expect that other areas will also receive funds to enable the expansion of their valued services.

As well as looking for extensions of those service types, we are looking for proposals that focus on the needs of particular population groups. This financial year we are looking for services focusing on the needs of under-serviced groups such as indigenous people living in both urban and rural areas, and frail aged and younger people with disabilities who are financially disadvantaged, who are housed in problematic circumstances and are at risk of becoming homeless or are currently homeless. Those priorities have been identified at the State level and I now look forward to finalising agreement with the Commonwealth on them.

Mr HAYWARD: Minister, page 37 of the Ministerial Portfolio Statements refers to Queensland Health's Capital Works Program. How many jobs did those projects generate in 1998-99? What is the projected number of jobs to be generated this year?

Mrs EDMOND: The Capital Works Program has been a major job creator in 1998-99, with 8,747 full-time equivalent jobs created. For this year, it is expected that 8,376 jobs will be created. That figure is slightly down because this year's capital works budget is slightly down on the peak we had last year. As I mentioned earlier, this year it will be \$563m.

Mr Hayward, as somebody who was instrumental in getting this program under way, you will remember that, as had been planned, 1998-99 was the peak of the health services rebuilding program that was started by the Labor Government in 1992. I acknowledge the contribution that you made in this really visionary project to rebuild health services across Queensland. We are all benefiting from that now.

As I mentioned earlier, this year we spent a record \$632m on capital works. That was more than was budgeted for due to some

programs, including the Princess Alexandra Hospital redevelopment program, being well ahead of schedule. That is a credit to all parties involved in the massive undertaking, from Queensland Health staff to the construction companies, unions and individual workers on site. I pay tribute to all of the people involved. I know it is a big step forward from the dismal effort that we saw before that. Of course, the first thing that the coalition Government did was to put a freeze on capital works for the first six months of coming to office, which managed to put many of the major projects well behind schedule. In 1997-98, the total actual capital expenditure was only \$483m, a shortfall of some \$85m against the projected total. This money should have been spent at that time creating jobs for Queenslanders and, at the same time, creating Queensland Health facilities. I am delighted that we have been able to get it back on track and have been able to catch up on a lot of those projects. It is now going very, very well.

Mr HAYWARD: Minister, how is the Government providing dental services that were discontinued by the Commonwealth in 1997?

Mrs EDMOND: With great difficulty, is the short answer to that. I think Queensland is the only State in Australia that has continued to provide this program through the original Commonwealth dental health program. When the Commonwealth Government ceased that funding in 1996, it meant that an additional \$20m per year which would have gone into providing dental health services in Queensland was withdrawn. I know that in some States that has led to time lags and waiting lists of up to seven years, if you choose to go on the list and are prepared to put your name on the waiting list over the phone line.

I pay tribute to the previous Minister for continuing the funding. It is a very important program, but the Commonwealth's move has made it difficult to expand it. Queensland has the largest and most comprehensive public oral health program in Australia, with a total work force of more than 1,400 staff, including more than 300 dentists and 400 school dental therapists. Overall, between July 1998 and April 1999 the oral health work force has grown by more than 50, including 23 dentists and 24 school dental therapists. That is a significant increase.

EB3 introduced an enhanced career structure for dentists and created a career structure for dental specialists who were previously paid at one only salary point. By

doing this, we are attempting to retain those very important providers. Dental therapists and oral health therapists have also gained an enhanced career structure through EB3 and the formalising of the oral health therapists' position by the Industrial Commission.

The oral health service currently operates 183 mobile clinics and 125 fixed clinics for students throughout the State, with eligible adults receiving comprehensive general dental care and some specialist care in 120 community clinics and outreach services, in association with the Flying Doctor Service. A record 692 completed courses of care, of which 347,000 were for adults and 345,000 were for students, were provided in the public sector in 1998-99. That is an increase of 45,000, the population of a sizeable town, or 7% over the previous year. There has been unprecedented growth in performance in both adult and school-based services, with nearly 700,000 patients receiving completed oral health care—an increase of 130,000, or 23%, since 1995-96. Even without that funding we are still getting on with the job and providing oral health care to the people of Queensland.

The CHAIRMAN: Page 3 of the MPS refers to the State Government's contribution of \$8m towards the establishment of a medical school at James Cook University. Can you advise the Committee of the contribution to this project by the Commonwealth Government?

Mrs EDMOND: After the Budget, the Commonwealth committed \$10m in capital funding towards the establishment of the James Cook University medical school, conditional on the formal announcement of accreditation of the school by the Australian Medical Council, or the AMC. It still has to finalise funding for the 60 student places that have been allocated to the school. Originally, Dr Kemp indicated that that funding would take place only in 2001. I understand he has now made a verbal commitment that it will be available for the year 2000. I hope that is the case, because I understand there has been significant interest by students throughout Queensland in those places. The Commonwealth funding was finally committed after our Government took the initiative and made clear our commitment by providing the initial \$2m allocation in last year's Budget. That honoured our State election promise that we would provide that funding.

The initial \$2m was provided to progress the planning and design of the James Cook University medical school building and also to ensure that necessary teaching facilities were

made available at the Townsville General Hospital and also at Cairns and Mackay. That \$2m was provided in advance of the Australian Medical Council accreditation, because we recognised the need to get on with it and get the planning done at least before that accreditation was made available. However, the final \$8m contribution was allocated in this year's Budget. It is there. But again, in common with the Commonwealth, we need to see that accreditation before we can fund it.

In spite of the media bleating of various coalition members, both State and Federal, I have to say that progress with the establishment of the James Cook medical school only really got under way seriously when I used a very good technique to get people together. I convened a meeting at Parliament House of all of the key stakeholders, locked the door and refused to let them leave until we had resolved some of the issues. That had the wonderful effect of getting people to sit around the table and talk through the issues. I see Mr Rowell nodding.

Mr ROWELL: No, I was just about to stand up.

Mrs EDMOND: Prior to that meeting, we were getting different stories from different members, from the universities and from the Commonwealth. Indeed, the only people who did not seriously commit at that time were from the Commonwealth. It has been a concern to us that they seem to be somewhat ambivalent and dragging their feet. I look forward to getting some commitment from them in writing, not only in terms of the remaining funding but also in terms of student places in the year 2000.

The CHAIRMAN: Minister, do you expect that the school will be operating next year; is that what you are saying?

Mrs EDMOND: It is certainly our hope that it will be operating and taking students from the year 2000. It has always been the position of this Government that we support the earliest appropriate commencement date of the JCU medical school. I am aware that right from the beginning the Australian Medical Council indicated that it was a tall ask. It said that they usually took several years to get through the accreditation process. I understand that is well under way. I look forward to hearing from them very soon. I understand they set up an independent committee, with a chair from New Zealand, to look at the whole process and make sure that it was independent.

It is an important process. We could not possibly contemplate encouraging people to a medical school that did not have accreditation.

It would leave those students out on a limb. It is normal that, when the accreditation comes through, it might have some provisos for different areas that have to be addressed. The most important point is that we have given our total commitment and support to it. The funding has been there whenever they have needed it to get on with the job. We are hoping that James Cook University makes haste to provide any information necessary to the accreditation committee to get that process rolling as quickly as possible. I have read in both the Mackay paper and the Townsville paper that there has been significant interest from students in north Queensland. We look forward to that happening. We also look forward to a formal allocation and resolution of funding of the student places by the Commonwealth Minister for Education. I think we need all of those things to come together very quickly if it is to happen before 2000. We cannot leave those young people who are very keen on going there in limbo.

The CHAIRMAN: Let us hope so. That is only about 12 weeks away.

Mrs EDMOND: I know; it is getting scary.

The CHAIRMAN: You mentioned earlier that the JCU Medical School would have links with regional cities such as Mackay. What sorts of links will the James Cook University medical school have with regional cities in north Queensland?

Mrs EDMOND: We expect that the JCU medical school will be using the public hospitals in Cairns, Mackay, Townsville and the health service districts throughout north Queensland for clinical placement. In progressing those links, as I mentioned earlier, we are providing significant in kind contribution to the JCU medical school over and above our existing \$10m financial commitment. But as I mentioned earlier, part of the \$10m financial commitment is also to establish training facilities in those hospitals so that they can deal with the students from the JCU medical school when they are there.

Clearly, it also provides a substantial public benefit in regional, rural and remote areas in the State. Our understanding from James Cook University is that its research shows that the two key factors influencing students' choice to establish a career in rural health are growing up in a rural community and experience in rural health as a student. Having access to Queensland Health districts in north Queensland will be advantageous in giving them that experience as students. The additional advantages of offering medical

training at James Cook University include establishing relationships with health care providers in the region and extending and developing the role of rural health professionals by drawing on their expertise as teachers and researchers. It will also help to address the major disincentives to rural practice of professional isolation, career development, lack of support and difficulties in accessing continual professional development opportunities and resources.

This feeling of professional isolation is one of the key reasons that we hear for professionals leaving rural areas. It is not so much about salary packages, it is about feeling that they are not moving forward and keeping in touch with their mainstream profession. These factors contribute to the sustainability of practice, as outlined in a 1998 discussion paper released by the Commonwealth Department of Health and Family Services on attracting people to these areas. We think it will have a significant impact once it is up and running on helping to attract people to areas such as Mackay, where there are a lot of difficulties, as you know.

The CHAIRMAN: Let us hope so.

Mr PEARCE: I have a couple of questions about palliative care. Page 24 refers to a Centre of Excellence in Palliative Care. Where will this be established and what is its role and function?

Mrs EDMOND: It has not been determined where it will be established as yet. We have called for expressions of interest and established an assessment panel to undertake an evaluation of all of the submissions that we receive. Basically, we are looking at a major boost to palliative care through the establishment in Queensland of the centre of excellence. This has been made possible by the Government's doubling of the palliative care funding, which was one of Labor's election initiatives, as you would remember. The Government promised to match the existing Commonwealth allocation of \$5m. Accordingly, in this financial year we have provided through the budget \$5.1m to improve and expand palliative care services throughout Queensland. Last year, we saw an increase of \$2.7m as a part-year effect.

The process of the establishment of the centre of excellence commenced earlier this year when we went through an open tender process looking for a preferred provider. The preferred provider is then required to establish and operate a centre of excellence in palliative care for Queensland. That tender interest process closed on 30 July 1999. As I said, an

assessment panel has been formed to undertake an evaluation of those submissions and that is now happening.

The announcement of the preferred provider for the service is expected in the near future. The centre will be a reference point for stakeholders with an interest in palliative care, including the community, health care professionals and health care workers, Government and non-Government service providers, educators, and researchers. Part of their role is disseminating best practice from which other service delivery agencies can benchmark and through which collaborative education and research can be supported. Research initiatives should reflect the whole person philosophy of palliative care, faculty and staff at the centre of excellence.

I think one of the things we have lacked in this State is a reference point for palliative care. It has grown in a fairly ad hoc way. The centre will also be expected to deliver services that do not currently exist or are not currently accessible in Queensland. It may be a resource to improve current practice and to encourage innovation in palliative care service delivery. It is envisaged that the centre should focus on clinical service, education and research and it may reside within a hospital facility, a community centre or other relevant facilities. Certainly the clinical services may target a local population, but the research and education should have a Statewide impact. The arrangement will be for three years' funding with a possibility of an extension of time.

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

Miss SIMPSON: In a previous answer I believe you said \$15.2m in growth funding was in the budget. I may have misheard your answer in that regard. Could you please outline what the total growth funding pool is for this budget and what is the new initiative funding pool? Please provide a breakdown on the allocation district by district.

Mrs EDMOND: What I indicated in that answer is that \$15m that was allocated in 1998-99 has been added to the 1999-2000 operating budget, and an additional \$14m in recurrent funding is allocated in the 1999-2000 budget. An additional \$41.4m is yet to be allocated.

Miss SIMPSON: Could you outline what the total growth funding pool is and what the new initiative funding pool is as well? Could you give us the total of those new initiatives in growth funds?

Mrs EDMOND: It is a long list.

Miss SIMPSON: Perhaps the Minister would like to table the list.

Mrs EDMOND: No, I am quite happy to read it out. Basically there is around \$49m in growth funding to be allocated across a range of health services and there is also \$19m for continuing 1998-99 new initiatives. There is \$66m for enterprise bargaining wage increases, \$4m for the Red Cross and haemophiliac centres, \$1m for the nurses retention and recruitment strategy. In new initiatives, there is \$1.5m for forensic services.

I will just read out the list of places that got increased funding: Palm Beach oral health; the Rural Registrar Program; the bayside district—we had a new hospital at Redlands coming on line; Bundaberg District Hospital got increased funding; growth funding in the Gold Coast district; the Mater; Logan district; Mackay district; PA district; Redcliffe/Caboolture district; Sunshine Coast district; Townsville district; West Moreton district. I understand there was a separate allocation for the small districts where they do not actually have much growth; in fact, they had decreases in usage. The bone marrow transplant was growth funding; Cairns paediatric outreach; child health nurses in public health; community health information management enterprise; Collinsville got recurrent costs for the new air conditioning that we are putting in there, which I am sure they are most appreciative of.

The CHAIRMAN: They do appreciate it.

Mrs EDMOND: Yes, I know. So did Bamaga and Palm Island. There was increased growth funding for the Mount Isa Nursing Program. Palm Island Hospital, as we said earlier, also got increases in recurrent growth funding for airconditioning services; growth of \$1m for the Patient Transit Subsidy Scheme; the health centre at Jumbin near Innisfail got increased funding—the list is endless. It goes on and on and on. There are so many wonderful new initiatives around the State.

Miss SIMPSON: In recent media reports Wolston Park management blamed the state of the buildings for a murderer walking free recently from the John Oxley Hospital, yet nursing staff advise that this particular patient on previous occasions had ground leave and did not escape from a secure ward. What was the real reason for this murderer walking free and do you believe that it is acceptable or that your department is managing for outcomes in allowing a murderer to walk free because of lax management?

Mrs EDMOND: I think this is one of the issues that we have been coming to grips with in relation to the new Mental Health Bill that I will be introducing next year. The provisions for time on leave under the current Act are fairly flexible, to put it mildly. My understanding is this particular patient was attending a rehabilitation program at another part of the hospital when he absconded. I also understand that he is a very confused person who had no funding—no anything to go anywhere with—and was very quickly returned to the hospital without any risk to anybody involved. I do think it stresses the need for the changes that we will be introducing in the new Mental Health Bill, which will provide changes to how people are allowed out on leave, with strict requirements on that, particularly those patients who are considered could be a danger to themselves or the community.

Miss SIMPSON: I understand about \$100,000 will be expended on alterations to the Clark Unit at the John Oxley Hospital to change it from a secure ward. Why is the security level being reduced at this particular ward?

Mrs EDMOND: I have to say I am not aware of that and I do not think it will be reduced, but we are just checking on that. We will get back to that. It is not my understanding. There are no intentions to reduce the security. If you have information to that effect, I would welcome you providing detailed information so we can follow up, but it is contrary to the advice I have been given.

Miss SIMPSON: Would the Minister perhaps take that question on notice so that—

Mrs EDMOND: If you provide us with detail—I mean, that was a fairly vague—

Miss SIMPSON: I talk to nursing staff and they would get sacked if I name them. Perhaps you would take that on notice.

Mrs EDMOND: I think you could provide the detail of what particular changes are being made. With all due respect, the staff do not always have all of the information. I have on numerous occasions had confused reports to me where people do not understand what is happening and what is going on. If you give the details of what changes are being made—I do not want the name of the person. No-one has ever been sacked under my administration for speaking out and nor will they. But I think it is important that we actually know what we are talking about. A vague "\$100,000 is being spent in reducing security" is not much to go on. We need to know: is that bulldozing a hole through the fence or what?

Miss SIMPSON: The complaint was that it would no longer be a locked door policy on that particular unit and that the alterations would mean that patients who had previously been in a secured environment would no longer be. Could we please clarify that? If that can not be clarified at this point, perhaps you could take it on notice and come back.

Mrs EDMOND: Is this to do with the foyer entry?

Miss SIMPSON: This has been one of the complaints from nursing staff. If you can clarify that and assure us that the door will still be locked and that it will remain a secure unit, I will be pleased to hear it.

Mrs EDMOND: We will have to chase that up. It is contrary to the information we have.

The CHAIRMAN: Take it on notice.

Mrs EDMOND: We will take that on notice, then.

Miss SIMPSON: How many women are currently in SES positions in the Health Department and what are you doing to improve the ratio?

Mrs EDMOND: You would be aware that throughout Health there are a lot of women in senior positions, because these days more than 50% of the graduates through health programs are women. However, because of equal opportunity they are paid the same, so I am not sure what implications that has for the budget estimates. I think that is a policy question that you might like to pursue with the Minister for Women's Policy. Because of our equal pay opportunities, it does not make any difference. It depends where you are looking at and how wide you want to go. Quite a number of district managers are women and there are senior people in the districts who are women. We would have to accumulate that but, as I said earlier, we have equal opportunity. These people are paid exactly the same, so it has no budget implications whatsoever.

Miss SIMPSON: How many Health Department sites have now been audited for backflow hazards? What amount of money was set aside for this program and how much was spent last financial year?

Mrs EDMOND: I can guarantee the member that we will not be wasting the hundreds of millions of dollars that she wanted us to spend on dealing with an issue that in the 100 years of reticulated water has not actually affected anybody anywhere in Queensland Health. I am sure that members of the community would be delighted that we

will put our hundreds of millions of dollars into treating patients, into real issues.

In terms of how this is dealt with in Queensland Health—the member may be aware that in 1992 there was legislation introduced by the previous Labor Government to make installation of devices compulsory in all new facilities. Of course, these Australian standards also have to be met anywhere there is significant upgrade of facilities. As a result of that, all of the new hospitals and all of the hospitals around the State that are undergoing significant redevelopment work will as a matter of course have to meet those new standards. That covers most of the major hospitals in this State. Also in the district budgets are allocations for maintenance programs. As part of those maintenance programs districts are putting in devices anywhere they see that there is a need or there could be a risk.

If the member has evidence of people working in morgues, as I think she has indicated, and leaving hoses lying in bodily waste, I will welcome that information and we will pursue that. But the current hygiene practices that are firmly enforced throughout our health system are enough to minimise any possible effects of backflow. Indeed, they have done so so successfully that there has not been a single case in any of Queensland's health facilities in the 100 years that we have had reticulated water and this has been a possibility. I actually have to say: I think most people are more at risk of this in their own homes where they are not as aware of the issue. I wonder if the member actually has backflow devices at home.

Miss SIMPSON: Minister, perhaps you should start reading the report that was given to your department about this issue.

Mrs EDMOND: Advertising.

Mrs LIZ CUNNINGHAM: Minister, could you please turn to page 45 of the MPS? In the inflows from operating activities under "other" there is no notation to clarify what is included in this vote. The 1998-99 budget was \$939,000 and the actual was \$2.34m. In the budget estimate for the forthcoming year it is a \$73.77m loss. What is included in that vote?

Mrs EDMOND: I hate to say it because I know it sounds awkward, but I think this is one of those adjustments for the accrual—

Mrs LIZ CUNNINGHAM: There needs to be a notation to that effect.

Mrs EDMOND: I think there is. There are a whole lot of notations at the very back of the MPS.

Mrs LIZ CUNNINGHAM: It talks about actual other revenue.

Mrs EDMOND: It is offset at the top of the page, where it sets out payments for outputs. I know your frustration—I had it, too—when you try to compare this year's budget with last year's because of the change to accrual accounting and where things are put in separately. As I indicated, it is an accounting treatment, about where things are placed in the budget line. I can get that detail for you. It is incorporated in the output receipts at the top of the table.

Mrs LIZ CUNNINGHAM: Page 45?

Mrs EDMOND: Yes, which has gone from \$2,879,547 to \$3,292,535. That figure which is in brackets has been taken off that other area. It is a movement within the change to accrual accounting. I am sorry to keep saying this, but it really is complex and difficult to follow. I am happy to get you a detailed explanation of it. We will have to get it from Treasury. A number of these things are being dealt with in a different way because of the way they have been set out. I will ask Paul Monaghan, the manager of finance, to answer this question for us.

Mr MONAGHAN: The statement of cash flows basically summarises the cash effect of money in and money out. To that extent, this item here is a technical adjustment associated with carryovers. The way the transaction has been processed through the Tridata system has meant that a negative has been put against an inflow in the other column. The corresponding effect is recorded in the output receipts item.

The way to verify this figure is by looking at the operating statement on page 43. Members would note that in "other revenues" for the 1999-2000 estimate there is a \$20.6m receipt item. The negative carryover effect gives a \$90m transaction. While it is not disclosed in the statements, that is the underlying reason for the difference, reflecting the \$93.7m difference. If members would also like to verify that on page 43, they will note that payment for outputs is \$3,207m. They will also note that the inflow receipts there are actually \$3,292m—basically the difference of the \$77m.

Mrs LIZ CUNNINGHAM: With the greatest of respect, though, we have been through accrual accounting changes in local government. You cannot blame every entry in new budgets on: "Oh, that is a complication of accrual accounting", particularly when they are not footnoted. I take your explanation. There is a similarity in the amounts of money that you

are discussing there. But to every question so far, where there is a non-footnoted entry, the answer has been, "It is to do with the complexities of accrual accounting", when it really is not as complex as some are trying to make out.

Mrs EDMOND: Did you look through the explanations on page 49?

Mrs LIZ CUNNINGHAM: Too right I did! And they are attributed in certain sections—footnote No. 10 talks about revenues in, revenues out. Thank you, Paul.

Mrs EDMOND: Was there another question for Paul?

Mrs LIZ CUNNINGHAM: No, I do not think so. As to the compulsory third-party insurance scheme—I did ask a question on notice about the allocation to the health system of the compulsory third-party insurance scheme. You have said that only the first quarter has been allocated to the budget. Where exactly in the Budget papers is that entry reflected?

Mrs EDMOND: That shows up in "other revenues".

Mrs LIZ CUNNINGHAM: Is that page 46?

Dr STABLE: Page 43.

Mrs LIZ CUNNINGHAM: Has only the \$2.56m been recognised in this statement, or has it been projected by four quarters?

Mrs EDMOND: I would expect it to be a projection. As you are aware, the third-party insurance is under review at the moment. So rather than use actual figures, we are using the same sort of figures as last year. I would expect that to be the projected figures, using much the same figures as last year.

This is an area where there has been an increase, of course, in litigation. I guess we have all seen the stories of ambulance chasing, etc., with third-party insurance, too. The Government has appointed a committee to review the whole operation and the principles underlying third-party insurance. As a result of that, we are not sure of the exact amounts of funding that will be coming in. In particular, the Government is interested in improving the affordability of the scheme to the public, the distribution of the funds to the injured parties, and establishing what is the most appropriate role for Government in setting those fees. But to reduce and minimise the inflationary effects on the level of insurance that they have to pay—for people in the third-party insurance scheme—for 1999-2000, the fraction of each insurance premium that is paid to Queensland Health and the other Government agencies has been kept at

the same dollar value as last year, rather than rising with those increased claims.

The CHAIRMAN: Thank you, Minister. The time for questioning by non-Government members has expired.

Mr PEARCE: Minister, returning to where we were with questions on palliative care, I refer to page 24 under the heading "Review of Output Performance" and "Recent Achievements", which refers to "Better outcomes and integrated service delivery in palliative care achieved by ... establishing a cystic fibrosis service at The Prince Charles Hospital." What is the function of this service?

Mrs EDMOND: Last year the Government recognised the enormous pressure on patients with cystic fibrosis. I am sure that members will be aware that cystic fibrosis is a really pretty nasty disease which is often fatal in quite early stages. What we have found is that an increasing number of young people are living beyond where they used to live. It used to be that they died before they hit 20 or so. Now we have people in their early thirties, etc., who are still living with cystic fibrosis.

The aim of this unit is to increase the specialist cystic fibrosis knowledge. \$740,000 went to the Prince Charles Hospital—that is an increase of about 70% in their funding—to provide, in particular, specialist hospital and outreach services for people with cystic fibrosis. The multidisciplinary team at the Prince Charles Hospital cares for more than 120 adult patients a year now, and more than half of them, of course, are under 25. This number is expected to grow to 150 over the next 12 months.

The advances in treatment and understanding of cystic fibrosis have meant that more people are now living into adulthood and that those services have had to alter and expand to meet the needs of the increasing number of adult patients requiring care. We have allocated an extra \$300,000 for extra staff to be appointed. That means people with special skills in physiotherapy and dietary needs of cystic fibrosis patients. The service is now able to care for more patients right across the State.

The funds are allowing the Prince Charles unit to work with Queensland's other major CF units at the Mater and, of course, to tick-tack with the Royal Children's Hospital as well as the regional hospitals. It will ensure a better quality of life for the 250 adults with cystic fibrosis, many of whom are reaching end stage but who are receiving treatment in Queensland. For example, outreach services to support patients in the community can

expand, including nursing care, home IV therapy, physiotherapy and dietitians.

The expanded outreach service will particularly help people in regional Queensland. It will include staff exchanges and training so that hospital staff and non-Government health workers can undertake training at the Prince Charles Hospital and take their expertise back to the regional centres. It is a practical example of how we are committed to delivering services closer to where people live, no matter where they live, and supporting them in their communities.

Mr PEARCE: Under the same headings you talk about establishing a Queensland Palliative Care Education Partnership. Can you tell us what that is about, what its role is and what its functions are?

Mrs EDMOND: The Palliative Care Education Partnership is another initiative in partnership with the palliative care community and the Government. This particular education partnership began as an initiative of the St Luke's Nursing Service and was designed to develop and improve palliative care services for all Queenslanders. By pooling existing resources and expertise, people and organisations, the partnership will consolidate existing education resources and benchmark future best practice in palliative care services. This partnership has, as its purpose, the progression of palliative care education through collaboration and working together to achieve better care outcomes. The objectives of the education partnership will be directed to improving access to palliative care education, to identify education gaps and refocus education resources, and develop multidisciplinary models of care.

The Government saw an opportunity to contribute to the development of palliative care in Queensland and opted to participate in this St Luke's Nursing Service initiative. I think it is important that we work with the non-Government area as well as this particular area to get the best spread of resources. Not only have officers of Queensland Health been active members in the partnership, but the Government provided \$100,000 to assist in the production of a modular education package. This funding was made possible, of course, by the Government's significant cash injection of \$5.1m over a full year in the area of palliative care and demonstrates our commitment.

Members of the Committee may be well aware of my concern about palliative care resourcing in the past, when we actually had waiting lists for people receiving palliative care.

I believe that that was inappropriate, and I have done everything I can to increase palliative care funding for the people of Queensland and have successfully persuaded Government to take that approach.

Mr PEARCE: You refer to that \$5.1m increase for palliative care services. Can you give us any more details about how those services will be delivered?

Mrs EDMOND: We are committed to providing—and again, working with the community and the non-Government sector—the best spread of resources. People may be aware that research shows that something like more than 90% of people with terminal illness want to die, if possible, in their own homes. So the major emphasis of our extra funding has been on community-based services, working with those people who are out there providing those services currently—different organisations in different parts of the State. I think it is the Whites—do you call them the Whites in Mackay?

The CHAIRMAN: Yes, Whites.

Mrs EDMOND: We have St Luke's, the Blue Nurses and Karuna providing those services. This extra funding will allow an expansion of those existing services such as St Luke's, the Blue Nurses, Karuna and the Ipswich Hospice, and it will also allow for new services in areas of need such as the Sunshine Coast. I believe over \$300,000 has been committed for providing services in an area where there was previously a whole spread of palliative care services. It will allow for the establishment and operation of a centre of excellence, which we have already talked about, for palliative care in Queensland and the establishment of an 1800 telephone number for support services. We also have the children's palliative care service which was launched a few months ago as part of the new initiatives.

Pending finalisation of the funding round for 1999-2000, Commonwealth funding for the current financial year had been committed to the health service districts, together with State funding to the non-Government organisations, to ensure continuity of service provision. A further process for the remaining funding to be allocated to priority areas is currently being finalised.

Community based palliative care is recognised as the core component of palliative care services. It is planned that it will continue to receive considerable resources until Statewide coverage is achieved and maintained. This is in response to the increasing client preference for community

based care over inpatient care. It is in line with the importance of the client's right to choose the type and site of care. We are finding that, with successful palliative care services being provided in the home, the time that people are spending in hospitals is being minimised. Sometimes they go in for a brief respite for their families or for adjustments to their pain programs. Overall, the feedback I am getting is that it is very successful in keeping people as happy and as comfortable as possible in their own homes with their loved ones around them.

Mr HAYWARD: Page 11 of the Ministerial Portfolio Statement refers to the expansion of initiatives for healthy ageing in regional areas through the 60 and Better Program. Where does this program operate and how does Queensland Health contribute to its operations?

Mrs EDMOND: As I have said on a number of occasions, I am very interested in healthy ageing, and the older I get the more interested I get in it. If we are going to have a sustainable health system we have to get people actively taking a role in looking after their own health. It is important that we have everyone undertaking fitness programs. In the International Year of the Older Person a key priority of Queensland Health has been to ensure that tangible benefits from the 60 and Better Program, which has proved very popular, flow to the community. The program has been a grassroots way of getting people active and doing things.

The program is aimed at encouraging older persons to engage in community health and other related activities designed to reap positive benefits for individuals and their communities. The 60 and Better Program currently funds 20 community groups. The organisations operate in a range of areas such as Acacia Ridge, Barcaldine, Bundaberg, Cannon Hill and Charters Towers. I went to the conference at Charters Towers, which was very well attended. The organisation also operates at the Greek community premises in South Brisbane and on the southern Gold Coast. I have been on their walking program with them. It also operates at Deception Bay, Hervey Bay, Inglewood, Inala, Ipswich eastern suburbs, Mackay, Maroochydore, Rockhampton, the south-west, Tara, the Torres Strait, Winton and Wynnum.

Approval has been given to establish three new projects and additional funding of \$200,000 has been committed to establishing these three new 60 and Better Programs in each of the three rural and remote zones as part of the celebration of the International Year

of the Older Person. I encourage members to get involved and get to know their local 60 and Better Program. The new projects are proposed for Charleville, Blackall and Cooktown. Public meetings have been held in Charleville and Blackall, and a public meeting is proposed for Cooktown at the end of this month. Funding applications from Charleville and Blackall communities closed on 24 September this year and are being assessed by a Statewide health and non-Government services unit in consultation with the zonal health units.

The existing projects at Cannon Hill, the Greek community and Mackay have now been granted recurrent funding for the 1999-2000 financial year to bring them into line with the other 60 and Better Programs already in existence. Queensland is also working with Aboriginal and Torres Strait Islander communities to establish a framework for the development of a culturally appropriate and relevant program for older indigenous people. I think we would all agree that it makes sense that the 60 and Better Programs are heavily reliant on active community involvement for their successful operation.

Each project is managed by a steering committee comprised of older residents within their local areas who make their own decisions about activities, based on the expressed need of the older people themselves. I have to say that they have been a great success.

Mr HAYWARD: Page 32 of the Ministerial Portfolio Statement refers to the development of the Eventide Home at Rockhampton and the refurbishment of the Eventide Home at Sandgate. What do these projects involve?

Mrs EDMOND: This is part of a commitment to the retention and improvement of the State-owned and operated aged care facilities as evidenced by the investment in the Eventide Homes at Rockhampton and Sandgate. The Premier opened the Eventide Home at Rockhampton on 31 May 1999. I have to say that it is very impressive. It is a beautiful facility. I notice that the member for Fitzroy is nodding his head. Were you there?

Mr PEARCE: I have been there lately.

Mrs EDMOND: It is a very nice facility. The Eventide Home at Rockhampton was rebuilt at a cost of over \$8.5m. It is now a modern 80-bed residential aged care facility providing high-quality care for 50 frail aged residents, 23 residents with dementia and seven psycho-geriatric residents. The new State Government nursing home consists of five separate accommodation units and an administration building. It is situated in very

attractive landscaped grounds. The frail aged residents occupy three units in which each has a private room and most of the frail aged enjoy their own private ensuite. All 30 psycho-geriatric and dementia residents have their own room and ensuite.

The Eventide Home at Sandgate has also been undergoing refurbishment in order to meet the building certification fire safety and resident care requirements of the Commonwealth. This is a \$5.45m refurbishment and is due for completion this month. The work includes \$4.2m of capital works, together with a \$1.25m equipment purchase program. The capital works have been undertaken in each of the seven units which are situated on the Eventide campus and include new fire walls and doors, emergency lighting, an upgraded fire detection system, an improved ventilation system, new ramps for disabled access, and reconfiguration of the four bedrooms to permit the provision of change rooms connected to the bathroom. Anyone who saw those facilities previously would recognise that there was a complete lack of privacy.

There have been modifications made to Geddes House to enable the provision of palliative care in a four-bed room, and a smaller home with lounge rooms, computer room and a recreation room. In addition, a new roof was erected on the amenities building. In Dolphin House the work included the cleaning and rectification of the air-conditioning system and the upgrading of the nurses' quarters. A \$1.25m equipment program has allowed the purchase of new beds, mattresses, wheelchairs, spa baths, shower chairs and lounge and dining room furniture. I know that that has resulted in a significant improvement in the quality of care for the residents. I understand it has also enabled the staff to manage difficult lifting as a result of having much better beds and mattresses. Lifting patients has become much easier.

Mr HAYWARD: Page 33 of the Ministerial Portfolio Statement refers to extra mobile dental facilities. Which areas will be serviced by these new facilities?

Mrs EDMOND: There have been two additional self-drive mobile dental facilities which have just been commissioned. These units follow very successful trials in other parts of Queensland. Three similar units are already in service in the West Moreton, the Sunshine Coast and the Mackay health service districts. Feedback from the staff and clients has been very positive. An order has already been

placed for one more facility. The additional units have been deployed in western and central Queensland. The western Queensland unit which is deployed in Charleville/Cunnamulla will service Charleville, Augathella, Thargomindah, Roma, Longreach, Blackall, Isisford, Tambo and other townships.

I have to say that the media in response to that has been very, very positive and it has been very well received. The other unit will service Rockhampton and the hinterland of central Queensland. I think that recently the member for Gladstone would have seen announced in the paper up there that it is actually getting out and around. Specifically, the mobile clinic will provide dental services for people with special needs, including the disabled, people who cannot normally get out to get those services, elderly people and indigenous residents in Woorabinda, Banana, Central Highlands, Gladstone, Bauhinia Downs, Rockhampton, Yeppoon, Keppel Sands and Rolleston.

The average mobile clinics are valued at \$180,000 each and are staffed by either a dentist or a dental therapist and a dental assistant. These units are very versatile and are able to operate in any situation, making them particularly useful in areas where there are limited or no facilities, such as remote townships and some residential care facilities. The new self-drive units have the potential to achieve significant recurrent savings in towing costs and, moreover, during the wet season, some of these units may be able to reach townships that traditionally cannot be visited by towed facilities. So I think that, overall, we are seeing a real outreach service provided to people who just did not have that access before. It is a wonderful new initiative that I think is quite exciting to get out there. As I said, they are particularly beneficial in offering services to patients in nursing homes, people with disabilities, and small, rural and remote communities.

We recognise that some 34% of people who use public dental clinics are aged 60 years and over. These self-drive mobile units fulfil a commitment under the Queensland forward plan for the ageing, through the provision of additional services to frail, elderly people as well as obtaining improved information on the oral health status and service needs of older people in residential care.

This landmark initiative of having five mobile facilities with wheelchair lift—and I think that is important—to meet the specific needs of disadvantaged Queenslanders, particularly

those with a disability, is significant in this the International Year of Older Persons.

The CHAIRMAN: Thank you, Minister. The time for questioning by Government members has expired. The member for Maroochydhore.

Miss SIMPSON: Minister, I have another question in regard to oral health. At the dental clinic at the Bundaberg Base Hospital, I understand that patients have to wait something like 49 months for treatment. What level of resources and funding has the Minister provided for oral health services at the Bundaberg Base Hospital to address this intolerable debacle? Can she guarantee that that level of waiting time is going to be reduced?

Mrs EDMOND: The difficulty in getting dentists to Bundaberg has been of concern to us. The recruitment of dentists to that area has been particularly difficult and this has contributed to the increased waiting times. It has not been for the lack of positions being made available there; it has been through a lack of being able to fill those positions.

There are 9.3 dentist positions at the Bundaberg Health Service District. Current vacancies comprise 3.3 full-time equivalents. Recent advertising, I am happy to say, has attracted two full-time dentists, who will commence in November of this year. However, we went through this process last year where we attracted dentists and filled all of those positions only to have other people leave. I cannot give any guarantees that these dentists will stay there forever.

Certainly, in June 1999 dental services in the district were enhanced with the commencement of a part-time dental service at Childers five days a week. Some \$102,000 has been provided to enable the construction of a dental clinic at the Childers Hospital. To make sure that emergency treatment and patients with high needs are met, we have made arrangements for those to be met by local private practitioners. We have had a contract with those practitioners.

It is a difficult situation. I think that Bundaberg is probably the worst situation in terms of attracting dentists to that position. It is not one that we are very happy about and one that we are continually working to fulfil. It is also fair to say that there has been some criticism of the efficiencies at that clinic and suggestions have been made to improve that. We have had other dentists, experienced dentists from outside, have a look to see if we can improve the throughput with the existing dentists that we have.

Miss SIMPSON: Minister, in regard to the Health Department's annual report, it was revealed that \$51.6m was spent on patient and staff travel and accommodation. Please provide details of this expenditure and the ratio between patient travel and accommodation and that of staff.

Mrs EDMOND: I am happy to have a look, but you would understand that that would cover the year when the coalition was in Government. It might be more appropriate that you ask my predecessor for that information.

Miss SIMPSON: Can you provide it for the 1998-99 financial year?

Mrs EDMOND: To my knowledge, the annual report for 1998-99 has not been released yet. It will come down in October—it will be coming down soon. I think that you will have to get those figures then.

Miss SIMPSON: Does it provide a breakdown in the ratio between patient—

Mrs EDMOND: I would think that it would provide similar information to that provided in the previous annual report.

Miss SIMPSON: Can you give me a guarantee that we can get that information if it is not actually outlined in the report?

Mrs EDMOND: My understanding is that it will be in a similar format to the previous year. As I said, the other figures that you are wanting—the breakdown that you are wanting—actually relate to the year that Mr Horan was the Minister. Again, I suggest that perhaps you ask him for that information, because it would be impossible to compare it.

There are a huge range of ways in which Queensland Health is funding travel. For instance, we have doctors going out doing outreach work across the State. We have a major contract, you might be aware, with Ansett to provide travel services across the State. This being a huge State, we do have enormous travel costs in providing services and also moving patients through the Patient Transit Subsidy Scheme down to either Brisbane hospitals or major regional hospitals for treatment.

Certainly, I can give you an estimation of the Patient Transit Subsidy Scheme, although it is done through the districts. I do not think that you have any idea of what you are asking to be done.

Miss SIMPSON: Could I have a breakdown of what you estimate it will be for the districts, because I understand anecdotally that Yeppoon Hospital is going to have only about \$17,000 for PTS. Perhaps you could

confirm that and what the estimated PTS is for the other hospitals.

Mrs EDMOND: We do not have that. These are funds that are provided as patients need them. It is very difficult to estimate that. We have made a commitment to providing as many services as possible to the different regions so that we can reduce the amount of patient travel and, therefore, have people treated closer to where they live. That is our first aim. To have them travel for treatment is a secondary issue.

In 1997-98, the patient travel expenditure was approximately \$12.5m. For 1998-99, it was increased to \$14.4m. We are expecting an extra \$1m in growth to this year. So that gives you an idea of the amount that we are spending on just patients coming down from rural areas to regional hospitals, or to the major tertiary hospitals in Queensland.

As I said, that happens as it is needed in those districts. Also, the amount of money that we spend on getting practitioners—be they nursing practitioners, medical practitioners, or other staff—going around the areas depends on vacancies in those areas and what services are being provided. As part of remote area packages to encourage nursing staff into remote areas, they have an entitlement for travel out of those areas. Similarly, senior medical staff also have entitlements to travel. Of course, a major component of that is visiting clinics, providing those outreach clinics and also providing relief staff at any given time. Those things are changing. I do not think that you realise the enormity of what you are asking and I do not think that it is appropriate to provide that information.

Miss SIMPSON: Minister, what are the staffing levels and classifications of administration in the Aboriginal and Torres Strait Islander Health Unit in the corporate office and out in the communities?

Mrs EDMOND: Again, Aboriginal health is dealt with as a program across the district. I think these were changes implemented by my predecessor to put it in this structure. That means that people out in districts are part of that structure and so on. Perhaps the director-general would like to comment on that?

Dr STABLE: Basically, this information is not readily available. There are various programs. For example, the Minister has previously announced the Indigenous Health Work Force program. Program officers are put on specifically for that for time-limited periods. Staff have been put on secondment as part of their staff development in an out-of-corporate office. There are zonal appointments. That is

not the figure of the particular category that you have asked for and it is not monitored. Of course, for the whole indigenous work force the Minister has set targets that, over a period, will reflect the percentage of the indigenous population in the work force within our organisation. Also, there are targets over the next 10 years to employ a similar representation in the professional groupings. That is highly appropriate, but it takes a period because obviously there are issues about finishing education for many of those groups, particularly in the remote communities. Then, of course, there is university education before they get into the highly professional groups. Nursing is 40% of our work force, for example, but you need to finish school nowadays and complete a university degree. That is just as much the case with allied health, medical management and so on. The figure you asked for is not readily available, but we have set targets and they have been published. We are committed to reporting annually on those targets.

Miss SIMPSON: In regard to alcohol and drug programs, Minister, how are you measuring the outputs within the Government-run alcohol and drug programs? What targets have you set? The only measurements I can see here are the number of people going through the methadone clinics.

Mrs EDMOND: I might ask Keith Evans, who is head of the alcohol and drug area, to fill you in on the range of services that are provided. In terms of outputs, we are talking about the number of people who are treated and the range of services that we are providing. I introduce Keith Evans to the Committee.

Mr EVANS: It depends really on the program area in which we are working. In terms of methadone, it is straightforward. The number of people who come onto the methadone program and the number of people who exit the program in a year is our measure. In terms of people who are being treated for other illicit drug problems but are not coming onto the methadone program, it is the number of people who enter a particular program such as the residential program and the level of retention within that program. The overall measure of success in terms of illicit drugs is the length of time people stay on the program, and not the speed with which they come off the program. In terms of alcohol treatment, it is very much the same sort of model for measurement: how many people and what is the increase in the number of people we have been able to access. That is the treatment.

In terms of prevention programs, it is measured somewhat differently, that is, the size of the population that we can access in a given year with our messages about alcohol and the impact that might have, not on overall alcohol consumption for a community but on the rate of hazardous or harmful drinking as established by the National Health and Medical Research Council. Our goal there is to reach as many people as we can across a population.

Our measures for doing that in terms of alcohol, tobacco and drugs are through a variety of programs. Most of the newer ones tend to be around Internet access to students, providing information directly into their homes or schools. The other measure is the number of increased calls that we would get in any given year through our alcohol and drug information service help line. That measure has been increasing over the time the line has been in place. Therefore, it is a different measure depending on what it is one is trying to achieve.

Mrs EDMOND: I have information that the member for Maroochydore asked for in one of her earlier questions about the services at Wolston Park being changed. She made a statement that they were being made less secure. In fact, the information I have supports what I said. Clark Ward is not being made an open ward. The services provided are being expanded to improve the scope of rehabilitation services offered in line with recommendations. Those rehabilitation services will be for persons requiring a secure environment. The aim is to provide more rehabilitation services for those clients within a secure environment. Of course, that means that people who are currently in a secure environment will not have to leave that secure environment to take advantage of those rehabilitation services. This will have the benefit of allowing more patients access to those secure services. It is also planned to provide better facilities for female clients. The cost of the renovations has not been estimated at this stage, but they will include toilet facilities for females. Those changes are being planned for the transition services at Wolston Park hospital. It is certainly not being made lower security.

Miss SIMPSON: Thank you, Minister. I have a supplementary to the question with regard to the drug and alcohol outputs. I appreciate you outlining that you have ways of measuring this. In regard to the Budget documents, could we please have some published targets of what you are trying to achieve with the drug and alcohol funding? I

note that there has been only a \$3m increase in that funding, which is of concern. Are there published targets that you are trying to achieve with the funding that you have allocated?

Mr EVANS: There are two mechanisms for getting the information that the member has asked for. One is that currently there is the development of a State alcohol tobacco and drug plan that is due for release for consultation before the end of November. It is being managed through the Office of Premier and Cabinet. That will give overall targets for each Government department. As a secondary program, Queensland Health is developing its own plan that will basically say, "This is what we will hope to achieve over the next one to three years in terms of increasing our penetration into the treatment and the prevention markets."

Mrs LIZ CUNNINGHAM: I have a question for the Minister on a question that was asked by the member for Maroochydore on the Aboriginal health issue. The director-general stated that you have targets for the next 10 years but you do not have funding allocated to achieve those targets, or no allocations that you can delineate. It is strange, to say the least, if you have designated targets to be achieved but no funding allocated to that.

Mrs EDMOND: The first point is that what we are looking at as a target is the number of indigenous people in the department. That does not necessarily mean that the number of positions will be increased. We are very strongly encouraging Aboriginal and Torres Strait Islander people to take up career opportunities in Queensland Health, be it as nurses, health workers, enrolled nurses, doctors and so on. Actually, we had quite a significant launch with our only two indigenous doctors.

It is a very important issue. Certainly an important way of accessing indigenous communities is to have indigenous people involved in their health care. They are much more likely to have an impact on those people than white fellas going in and telling them what to do. When I go there, I am always conscious of the fact that I am not black and why would they listen to me? If we are really going to make inroads into indigenous health care, it is really important that we get the communities involved in taking a leadership role and we have to get more indigenous workers involved, through Queensland Health, as part and parcel of that program. Wherever we can, we are doing it.

In terms of targets, we are talking about the percentages of the work force that reflect

the percentages in the community. It has been difficult in Queensland Health because so many of our positions need professional training. However, I have met the mother of an indigenous audiologist. I cannot think of a more important area than audiology in which to have an Aboriginal specialist dealing with hearing loss and so on in young Aboriginal people. Part of one of our strategic programs focuses on trying to pick up those signs of hearing loss at a very early stage and treat it. It is very important to have as many Aboriginal people as possible involved with health programs throughout the State.

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

Mr PEARCE: I turn to capital works. I am sure you would like to answer some questions about this area. In relation to pages 36 and 37 of Budget Paper No. 5, which refer to hospital capital works projects, I ask: which projects were completed in the 1998-99 financial year?

Mrs EDMOND: As I indicated earlier, 1998-99 was a record year for the State health building program, which was initiated under the previous Labor Government in 1992 as part of an election commitment. As I mentioned earlier, \$632m was spent on this program during the year—slightly more than we had anticipated. Hospital projects completed during that year included Redland, Emerald, Proserpine, Gladstone, Clermont, Mundubbera, the Gold Coast tower block, Morningson Island, Beaudesert and Woorabinda.

The \$47m Redland Hospital was commissioned on 30 September 1998 and it includes a new ward block of 120 acute beds, including emergency services, four operating theatres—with a huge number of power points - day surgery, medical imaging and pharmacy. In Emerald, the new hospital wing was commissioned in November at a cost of \$11.9m. The new Proserpine Hospital was commissioned on 12 October 1998 and provides new accident and emergency, a theatre complex, medical imaging, in-patient wards and refurbishment of community services. That cost \$8.56m.

At Gladstone, the A and E and outpatients wing was opened on 6 November 1998. The rest of the \$7.9m project was completed on 23 June this year and included refurbishment of pathology, pharmacy, medical imaging, an operating theatre suite and day surgery. I was delighted to join the member for Gladstone for the official opening recently. The staff are delighted with the new refurbishment. A new 18-bed hospital was

commissioned at Mundubbera in April 1999, with birthing suites, a procedures room, oral health and community health area. This project cost \$5.2m.

The Gold Coast tower block was completed in June this year at a cost of \$34m. I challenge anyone to go on a tour of the Gold Coast tower block and say that it is a Third World service. The Gold Coast Hospital, with all of the refurbishment, is now equal to any hospital anywhere in Australia. A new 11-bed facility at Morningson Island was completed in June 1999 at a cost of \$8.2m. It was impressive to see the community taking responsibility for that new facility and their pride in it.

The new Beaudesert facility incorporates community health services and provides a one-stop shop for health services within the Beaudesert community. Again, this was at a cost of \$10m. Woorabinda's new \$5m facilities comprise 12 beds, with four for aged people, and the renovation and construction of new and old staff accommodation. I was delighted to have you there for the opening of that, Mr Pearce.

Mr PEARCE: We have had a great year. What do you think will happen over the next 12 months? What can you tell us about that?

Mrs EDMOND: There is no satisfying some people. A number of projects are due for completion this year, including the Redland mental health facility and work at Bundaberg, Prince Charles, Redcliffe, Caboolture and Bamaga Hospitals. The new mental health facility is being established at Redland. It includes 24 mental health beds and additional services to be provided from within upgraded facilities, including rehabilitation services involving physiotherapy, occupational therapy, speech pathology, social work and psychology. At Bundaberg, work planned for completion next year includes the extension to the mental health facility, construction of the new link building and refurbishment of existing blocks. The total cost of the redevelopment is \$26.77m.

The new main acute building at Prince Charles opened in July 1999 and the total redevelopment is due for completion in May 2000 at a total cost of \$103m. A staged commissioning of works costing \$30m is planned to be completed by November 1999 at Redcliffe. We have already seen some of those units, including the intensive care unit and new palliative care unit and some other areas, being made available for patients. The total work also includes the new western extension, tower levels and new education,

peri-operative and ward accommodation and a new paediatrics ward. Again, people should have a look at the innovative artwork as part of the building process at that ward.

The Caboolture Hospital is being upgraded and expanded to 198 beds, involving enhanced obstetric, neonatal, day surgery and emergency services, and a new 24-bed mental health unit. Commissioning is planned for that final part in December 1999. The new Bamaga Hospital facility, which will meet the expanding needs of this remote community, will be commissioned later this month. It provides for a new A and E, a minor procedures room, a consulting room, in-patient rooms, medical imaging and so on. There is quite a lot on the agenda for this year, too.

Mr PEARCE: You have a very busy year ahead of you, Minister.

Mr HAYWARD: Page 15 of the Ministerial Portfolio Statements refers to plans for the ongoing management of elective surgery waiting times. What progress has been made in reducing waiting times for elective surgery?

Mrs EDMOND: As the member would be aware, as part of our election strategy we promised to implement a Waiting List Reduction Strategy, which so far has been very successful in reducing waiting times for elective surgery in Queensland public hospitals. I remind people constantly that elective surgery is only part of what happens in public hospitals—about 15%. More importantly, an additional 3,820 elective surgery patients were treated in Queensland public hospitals than in the previous year. That means nearly 4,000 more people had operations last year.

As at July of this year, 8.6% of Category 2 patients had been waiting longer than the recommended 90 days. This represents a reduction of 2% from the previous year's figure of 10.6%. The main components of the Waiting List Reduction Strategy that have contributed to this reduction include the quarterly publication of the elective surgery waiting list report and distribution of general practitioner briefings. That has assisted specialists and general practitioners to refer patients to hospitals that have shorter waiting lists so that they share that load around. That is certainly happening. The allocation of dedicated funding to support the performance of complex procedures and also the allocation of funding to improve the day surgery rate resulted in an increase in surgery from 46.6% in 1997-98 to 51% in 1998-99. As part of that strategic approach, in conjunction with clinical specialists, members of the surgical access

team regularly undertake site visits to address specific local issues impacting on the ability of hospitals to achieve elective surgery performance targets. In some areas we do have problems with a shortage or absence of specialists. Importantly, both the director-general and the general health manager and I meet regularly with senior clinicians involved in surgery and get feedback from them about how the whole process is going so that we can make sure that we are dealing with their concerns or any issues raised during the process. It is running very tightly and effectively.

Mr HAYWARD: Page 35 of Budget Paper No. 5 states that the advancement of elective surgery goals will be assisted with the provision of new and refurbished operating theatres and intensive care units throughout the State. Where will these be built and when?

Mrs EDMOND: Part of improving our throughput has meant providing improvement in the facilities in the infrastructure. I think it shows that we are serious about meeting those goals and reducing waiting times by providing a comprehensive strategy. In focusing on the infrastructure needed to support our strategy, part of that process was getting the hospital rebuilding program back on track and running according to schedule. Hospitals across the State are being redeveloped to provide state-of-the-art facilities. Modern, efficient operating theatres and intensive care units are critical to improving the access to services. Increasing day surgery, as I mentioned earlier, has been one of the most powerful tools that we have in reducing waiting times for elective surgery. Many operations can now be performed in the day and patients do not have to be admitted.

Where we have completed this work so far—I think Cairns, Bundaberg, Toowoomba and Redland Hospitals and the new Noosa Hospital have new operating theatres, day surgery and intensive care units; Redcliffe Hospital has a new intensive care unit; the Gold Coast Hospital has upgraded theatres and a new intensive care unit; and at Gladstone Hospital there is a new day surgery, intensive care unit and refurbished theatres. Last month—in September—I inspected Ipswich Hospital's two new theatres, and Logan Hospital also has two new theatres. Caboolture Hospital has new and refurbished theatres, day surgery unit and critical care unit.

The next few months will see new and upgraded services coming on stream at Logan Hospital, which will have two refurbished theatres and a new intensive care unit in

February 2000. At Ipswich Hospital the four existing theatres are now being upgraded and that will be finished by March 2000, and there will be a new day surgery and intensive care unit completed in December 1999. New theatres and intensive care units are also part of the Prince Charles Hospital redevelopment. Over the next few years we can also look forward to major improvements through these projects under construction or in the early planning phase.

Mackay Hospital will have an extra theatre, upgraded day surgery and a new intensive care unit in about July 2000. In December 2000, Rockhampton and Caloundra Hospitals will have new operating theatres and day surgery units. Caloundra Hospital will also have a new critical care facility—hopefully ready by August 2000. In 2001 new operating theatres and a procedures room will be completed at Maryborough Hospital. The Princess Alexandra Hospital will have new operating theatres, a day surgery unit and intensive care unit. Also Nambour Hospital is being redeveloped with new operating theatres and intensive care as well as Townsville and, of course, the Royal Brisbane Hospital—the list goes on.

Mr HAYWARD: Pages 14 and 15 of the Ministerial Portfolio Statements refer to the publication of quarterly waiting list reports. How are these published and how many hospitals are included in the report?

Mrs EDMOND: The elective surgery waiting list report is published quarterly and distributed to the districts, the medical specialists, general practitioners, professional colleges and associations throughout Queensland. As I indicated earlier, it is also on display in most of the hospitals. They put it up in their waiting room—I have seen it in lifts. It is certainly made available. The report in its entirety is also published on the Internet.

The open publication and distribution of the waiting list data allows the referring practitioners and patients access to the true state of the elective surgery waiting lists at Queensland hospitals. This, in turn, allows patients to be referred to those hospitals with shorter waiting lists. I think it is also important to say one of the things I was trying to do is demystify the whole waiting list program and to show that it reflected quite often the other activity that was taking place in the hospitals. In particular, in winter you usually see an increase in medical admissions and, therefore, a decrease in elective surgery admissions. I think we need to see that that is part and parcel of how a hospital operates efficiently.

So far 33 hospitals contributed information to the elective surgery waiting list report, and these represent approximately 95% of the elective surgery activity performed in Queensland public hospitals. The Government's waiting list strategy has proven to be very successful, as I indicated earlier, with nearly 4,000 extra patients being treated last year compared with 1997-98. The Government has also been successful, I believe, in significantly reducing the number of patients waiting too long for surgery.

Mr HAYWARD: I refer you to page 15 again of the Ministerial Portfolio Statements which refers to the planned completion and commissioning of a new building for Bundaberg Hospital, and I ask: what new facilities are operating at the Bundaberg Hospital?

Mrs EDMOND: The Bundaberg Hospital is undergoing a \$26.77m redevelopment which is due to be completed next year, though a number of those facilities have already been completed and have indeed been opened. The new facilities at Bundaberg Hospital include a 12-bed paediatric ward, intensive care and coronary care unit, outpatients and emergency departments, day surgery unit, improved and expanded pharmacy, medical records area and mental health unit.

In September I officially opened the paediatric and acute care units and the outpatients department at the hospital, which marks the first stage of the redevelopment. I have to say I had great delight in showing the media through the brand new and expanded outpatients department, which is now three times bigger than the old one, with up to 15 consulting rooms. I think they suddenly finally realised it is not being closed, no matter what the rumours had been.

Bundaberg Hospital has a level of service to be proud of. In the new outpatients department, the community can access a wider range of health care services, including general surgery, vascular clinic, cardiology clinic, diabetic education centre, paediatric respiratory clinic, coagulation clinic, paediatric spinal clinic, orthopaedic surgery clinic, oncology clinic, fracture clinic, dermatology clinic, rheumatology clinic, a dressing clinic, genetics clinic and a pacemaker clinic. The hospital also offers radiology and gynaecology clinics.

In the past 12 months this Government has also provided for new and increased services in the district, including a new emergency specialist doctor and two extra emergency nurses; a visiting rheumatology

service with 12 clinics a year; a 96% increase in palliative care funding; greatly increased HACC funding; 13 new staff positions in community mental health services for adults and children—I have to point out there that was probably the worst served area in the State previously—a state-of-the-art CT scanner, which was an unfunded election commitment by the previous Government, but we have delivered on it and it is ready to be installed when the building is ready; a school nurse for the Bundaberg, Bundaberg North, Rosedale and Kepnock State High Schools; and free parenting courses as part of the Government's strengthening families policy. So Bundaberg has received quite a significant amount of attention over the last year, with a significant increase in health resources being put into that community.

Mr HAYWARD: Page 22 of the Ministerial Portfolio Statements refers to emergency department waiting times and targets. I ask: how do these results compare with other States?

Mrs EDMOND: I guess this is the first time that these throughputs have been publicly released in this format. Certainly another of the election commitments this Government came in on was to reduce waiting times in emergency departments. In our first budget \$2.5m was provided and in this year's budget \$5m was provided in a full-year effect to deal with this issue. I was concerned, as I am sure all members were, about stories of people waiting 8 and 12 hours to be seen in emergency departments. So the emergency services strategy was introduced by the Government about six months ago and is already achieving very good results.

Based on the data collected from the 20 largest public hospital emergency departments in Queensland, the proportion of Queensland hospital emergency department patients seen within the recommended times is comparable with Victoria and New South Wales for national triage scales Categories 1, 4 and 5. The targets for Category 2 and 3 patients are recognised as the most difficult to achieve. While the proportion of Category 2 and 3 patients seen within the recommended times is currently less than the rates achieved in Victoria and New South Wales, impressive improvements have been achieved since the implementation of our emergency services strategy. As a result of this strategy, approximately 700 more patients were seen within the recommended times in June 1999 compared with January 1999. This is a notable improvement indeed.

Queensland hospitals are now performing well with respect to the achievement of targets related to access block, which is the time taken to get a patient a bed if a decision has been made to admit. In comparison with New South Wales, Queensland hospital emergency departments are now performing extremely well with respect to the proportion of patients admitted or transferred within eight hours of being seen by a doctor—95% compared with 78% in New South Wales. Queensland hospital emergency departments' performance is comparable with Victoria with respect to the proportion of patients who are admitted or transferred within 12 hours of presentation.

The targets adopted in Queensland are those recommended in the Commonwealth Government report of 1997 entitled the Development of Agreed Set of National Access Performance Indicators for Elective Surgery, Emergency Services and Outpatient Services—its final report. It certainly gives us something to aim at as we implement our emergency waiting times strategy. Certainly I do not think we have seen the full effect of the increase in specialist physicians in emergency departments or, indeed, the increase in nursing staff in those departments. I look forward to seeing that result.

The CHAIRMAN: The Committee has 20 minutes remaining for examination of the portfolio of the Minister for Health. This time will be divided evenly between Government and non-Government members. I call the member for Gladstone.

Mrs LIZ CUNNINGHAM: Page 29 of your portfolio statement details the expansion of acute mental health in-patient services. There are two hospitals that I have no idea of the location of. One is Mosman Hall and the other is Rosemount.

Mrs EDMOND: Mosman Hall is in Charters Towers and Rosemount is here in Brisbane. It is part of the Royal Brisbane Hospital district.

Mrs LIZ CUNNINGHAM: Thank you. Excluding Charters Towers, in an arc from the Sunshine Coast down to Toowoomba the majority of those services appear to be in that south-east corner. What services are proposed external to that? If you take from the Sunshine Coast to Toowoomba out of the equation, what in-patient acute mental health services are proposed for the region?

Mrs EDMOND: In the past, people with mental illness who needed in-patient care came to the south-east corner, except for those at Mosman Hall—mostly at Wolston Park and Baillie Henderson in Toowoomba.

What we have seen as part of the mental health strategy is smaller in-patient services provided at almost all of the regional hospitals, for example at Cairns, Townsville and Mackay. New ones have opened up in Cairns and Mackay. The Townsville facility was already there. There are services in Rockhampton, Maryborough and Caboolture. Bundaberg's service has been enhanced. Emerald has some beds. Mount Isa has a unit.

In effect, we are trying to provide the services for in-patient care next to acute hospitals so that people can be treated now not in the major institutions as they were in the past but close to their family and their loved ones and, hopefully, as part of an integrated system in the community and the in-patient area so that we minimise the amount of time they spend in hospital. The hospital beds are needed so that if they tell their case workers that they feel they are getting ill and they need to be admitted they can be. That gives them the confidence to remain in the community with that support. It is meant to be integrated care based on acute care in a small unit attached to the district hospital and, other than that, as much as possible in the community—but really right across-the-board.

Miss SIMPSON: I notice that on page 10 of the Ministerial Portfolio Statements the passage of the Radiation Safety Act 1999 is listed as a recent achievement. Why have so many provisions of that Act remained unproclaimed? Why was the approval of drug testing machines in prison also delayed?

Mrs EDMOND: The Act was set up so that the regulations could be written as a result of that Act and then be implemented as of 1 January of this year. You may be aware that I inherited a huge backlog in legislation in a whole range of areas including mental health, radiation safety and professional standards and registration. There are years and years of backlog in health legislation.

The regulations to go with the Radiation Safety Act are quite complex, detailed and very technical. Those are being drafted at this moment. Hopefully we will have all those that need to be ready by 1 January next year, when the Act is due to take effect. It was deliberately built in there to give time for them to be finalised.

In terms of the radiation equipment used for testing in prisons, the delay was caused by time between meetings of the Radiation Advisory Council. With one Bill going and a new one coming into effect, we had to reappoint those members to carry on until such time as new members had been called

and appointed. The delay was between the meetings of that council. I understand that the council has now met. They have approved that equipment. It is all go from here.

Miss SIMPSON: I refer to the output statement on page 12 of the MPS. With regard to radiation safety I note that the target figure of 5,785 was not reached. The actual was only 5,523—a shortfall of 352. What is the reason for the target not being reached?

Mrs EDMOND: Part of the reason for that not being reached is that most of the staff were and still are involved in the drafting of the new legislation. That was an expected reduction in the audits, because it is a fairly small team of staff. They have been very involved in developing very technical and quite complex regulations, and indeed in finalising the Act. It was anticipated that this year there would be a reduction in the number of audits they could carry out, particularly as this is in a changeover process from one Act to the other.

Miss SIMPSON: The Sunshine Coast Children's Therapy Centre provides desperately needed therapy services for children with moderate to severe physical, intellectual and sensory disabilities. The centre, which already has a waiting list, is possibly going to close two or three days a week due to lack of funding. If you want to help parents, I implore you to find some funding for this centre. Will you consider their plea for recurrent funding to meet their shortfall?

Mrs EDMOND: Is this a centre that is funded by Queensland Health?

Miss SIMPSON: I am not aware of recurrent funding with the centre, but your department might be able to advise. They are actually providing therapy services which are health-type services, such as physio and OT for disabled children. It is clearly a service which is in the health arena. They are desperate for some sort of recurrent funding. They have a waiting list and they are looking at having to close several days a week.

Mrs EDMOND: My understanding is that it does not come into our programs. It may be funded under Families, but I have no awareness of that program. There are thousands of very worthy causes providing wonderful services across Queensland. We have to prioritise, and obviously we prioritise for those within our budget parameters.

Miss SIMPSON: Would you give some consideration to hearing their plea?

Mrs EDMOND: I am sorry, I understand it is a disability service and it does not come within my portfolio. I have a range of health

services to provide funding for. There are lots of health services for which I would like to provide funding that do fall within this portfolio. I understand this is within the Families portfolio and you may wish to speak to the Minister of that portfolio.

Miss SIMPSON: So you are saying that speech therapy and physiotherapy are Families type services?

Mrs EDMOND: I do not know what services they provide or within what parameters. My understanding is that it falls within the Families department's range of activities. The advice I am given is that it is most likely to be funded under Families. It is not coming from Queensland Health.

If we were to take on funding for a new service, they would have to go through a rigorous examination through SHANGU, the health funding group within Queensland Health. As I said earlier, there is a list of people who believe they provide excellent services that should get funding. We cannot always meet that need. I am not going to promise funding for something I do not know anything about. I am not aware of it, and I do understand it comes under Families.

Miss SIMPSON: They did receive capital funding from the Health Department.

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

Mr HAYWARD: Minister, page 36 of the Ministerial Portfolio Statements refers to the Residential Care Subsidy. How does Queensland's subsidy from the Commonwealth compare with that of other States?

Mrs EDMOND: This is a major concern of ours. It is one of several areas where we believe Queenslanders and, in this case, aged Queenslanders who are in nursing homes, dip out as a result of poor Commonwealth funding.

The Residential Care Subsidy is a payment by the Commonwealth to approved providers. This includes Queensland Health, but it is not only Queensland Health. This also affects all of the private service providers, the church groups, etc.—everybody who is providing aged care services in Queensland. That is for the provision of those residential aged care services. The subsidy varies according to the level of care required and, for residents receiving high care, the State or Territory in which the care is provided.

The complaint that Queenslanders have, I guess, is that, as at 1 July 1999, Queensland providers received the lowest level of subsidy

of all States and Territories. I understand that where we exist in the tier of payments came about because when this was set back in history in 1984, at that time Queensland probably had lower salaries, etc., for their caring staff than other States. That is no longer the case. Our nursing staff, in particular, probably have parity with anywhere in Australia, but it has a serious impact. For example, the patient allocated the highest category of care, Category 1, gains a subsidy of only \$91 in Queensland, yet the subsidy is \$111.17 if that particular patient is a resident of Tasmania. This unfair discrimination, as I said, applies for all categories to the most dependent nursing home residents.

Queensland has a total of 13,522 high-care residential aged care beds, and the funding shortfall to Queensland providers for the most dependent category of 1 to 4 patients is in the order of \$49.7m—nearly \$50m a year—when measured against the average, not the highest but the average national subsidy. I think this is \$50m that our aged Queenslanders are missing out on and which they desperately need. This means that Queensland would receive, as I said, nearly \$50m extra if the current average national subsidy rate was used to determine the Residential Care Subsidy paid to Queensland providers. If the current Tasmanian level of subsidy was paid to Queensland providers, they would get \$83.5m per annum each and every year.

We have raised this on numerous occasions with the Federal Government, and the Federal Government referred this question to its own research body, the Productivity Commission, in July 1999. The commission reported in January 1999, confirming that aged care providers in Queensland were historically underfunded and acknowledging the merit of our case and recommending that it be addressed. The Federal Government still has not complied with that request.

The CHAIRMAN: Minister, page 38 of the MPS refers to the purchase of CT scanners at Bundaberg, Cairns, Nambour and Toowoomba. How many of these are in operation now?

Mrs EDMOND: CT scans are very important. It is one of the reasons we are able to reduce hospital admissions, as more and more is done with rapid, accurate and non-invasive diagnosis of many illnesses rather than having to do invasive surgery. In Cairns, Toowoomba and Nambour, the CT scanners are now operational. The CT scanner is in place at Bundaberg, but due to the current

redevelopment works at Bundaberg the CT scanner will not be operational there until late November this year.

I have to say that these machines were promised by the coalition Government, but unfortunately there was no funding provided for their purchase. The equipment was part of the Horan black hole that we inherited last year. I think members of the Committee may be aware that there was some \$200m in unfunded commitments. But we have funded these machines. We have made it possible through our management, and the Government has provided \$5m as new initiative and special funding for the purpose of purchasing the scanners at Cairns, Bundaberg, Nambour and Toowoomba.

Comparing expenditure on equipment and furniture in relation to the years 1997-98 and 1998-99, it is interesting to note that, last financial year, this Government spent \$52.4m, compared with the coalition Government's expenditure of \$28.8m in 1997-98. I certainly hope we do not return to the stage when I was working in the public health system in Queensland, when we were working with equipment that was 30 years old, trying to do modern technology but with equipment that was way out of date. The only way you could keep that equipment running was by cannibalising other bits of equipment, because none of the manufacturers had replacement parts any more. I would hate to have seen what would have happened if the coalition Government had remained in office. We would have seen a running-down of that important equipment and high-tech work across the State.

The CHAIRMAN: Minister, pages 35 and 36 of Budget Paper No. 5 refer to community capital works, with a budget in 1999-2000 of \$18.5m. How does this compare with expenditure in 1998-99?

Mrs EDMOND: Expenditure for community projects in 1998-99 was \$43.9m. The reduction of this figure to \$18.5m in 1999-2000 is largely as a result of the fact that our capital works program went very, very well last year and a substantial number of projects were completed. As I have already stated, Queensland Health had a massive capital works year last year, with more than the allocated budget being spent—around \$632m, compared to the target of \$621m.

Community projects completed last year included the Edmonton and Smithfield Community Health Centres, both costing \$3.37m; Barcaldine Hospital, \$7.78m; Palm Beach Community Health Centre, \$5.2m;

Proserpine Hospital, \$8.3m; Sarina Hospital, \$730,000 in that redevelopment there; Woorabinda Health Service, \$5m; Thursday Island Primary Health Centre, \$4.3m; and Clermont Hospital, \$7.2m. Major community capital works expenditure this year—and a number of these projects are very much on the way, and a lot of the funding has already been expended: Bamaga Hospital, \$3.9m; Palm Island, \$4.7m; Goodna Community Health Centre, \$2.7m; Ipswich Oral Health, \$1.2m; and Longreach staff accommodation of \$640,000.

Clearly, we are providing services right across the State where people live, and clearly we are delivering in regional and rural Queensland. I would also remind members that, I think while Minister Hayward was the relevant Minister, a massive amount of building was done up in Cape York, with many of the community health centres in that area going from being fibro or tin shacks to modern facilities up in the cape. Certainly, these are well appreciated by the people whenever we go up to those communities. There are a few more to be done, but many of them across Cape York and the islands in the Torres Strait have already been done.

The CHAIRMAN: The time allotted for the consideration of the Estimates for the Minister for Health has expired. I thank the Minister and the portfolio officers for their attendance. I also thank officers from Hansard, the parliamentary attendants and the staff of the Committee secretariat for their assistance in today's proceedings. That concludes the Committee's consideration of the matters referred to it by Parliament on 27 August 1999.

Mrs EDMOND: Mr Chairman, may I also take this opportunity to thank the Committee and Hansard and the other parliamentary staff who have sat through these long proceedings and, of course, all of my Queensland Health staff who have put an enormous amount of work into preparing the budget and the briefings for today. I place on record my thanks to Dr Stable and all the staff in Queensland Health and my own personal ministerial staff. Thank you all.

The CHAIRMAN: I call on the member for Maroochydore to make some comments on behalf of the coalition.

Miss SIMPSON: I would just like to thank the Minister and staff of the Health Department for their time today, and also the parliamentary staff for their time and in making this possible.

The Committee adjourned at 7 p.m.