

**ESTIMATES COMMITTEE G**

Mr T. S. Mulherin (Chair)

Ms E. A. Clark

Mrs E. A. Cunningham

Mr P. J. Lawlor

Mr R. L. Poole

Mr M. H. Rowell

Mrs J. M. Sheldon

**PRIMARY INDUSTRIES AND RURAL COMMUNITIES****IN ATTENDANCE**

Hon. H. Palaszczuk, Minister for Primary Industries and Rural Communities

Dr W. Hoey, Director-General

Mr T. Johnston, Deputy Director-General

Mr P. Neville, Deputy Director-General, Queensland Fisheries Service

Mr J. Skinner, Executive Director, Corporate Performance

Mr C. Holden, Chief Executive Officer, Queensland Rural Adjustment Authority

Mr M. Richards, General Manager, Finance and Business Development (Acting)

Dr R. Clarkson, Executive Director, Agency for Food and Fibre Sciences

Mr R. Beck, Executive Director, Forestry

Mr K. Dunn, Executive Director, Animal and Plant Health Service

Mr K. McCubbin, Director, Fire Ant Control Centre

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The committee commenced at 8.59 a.m.

**The CHAIR:** I declare this hearing of Estimates Committee G now open. On behalf of the committee, I welcome the minister, departmental officers and members of the public to the hearing. I am Tim Mulherin, the member for Mackay and chair of this committee. I will introduce the other members of the committee: Mr Marc Rowell, the member for Hinchinbrook; Ms Liddy Clark, the member for Clayfield; Mrs Liz Cunningham, the member for Gladstone; Mr Peter Lawlor, the member for Southport; Mr Robert Poole, the member for Gaven; and Mrs Joan Sheldon, the member for Caloundra.

The committee will examine the proposed expenditure contained in Appropriation Bill 2003 for the areas set out in the sessional orders dated 30 April 2003. The committee will commence this morning with the Department of Primary Industries followed after lunch by the Department of Tourism, Racing and Fair Trading. The committee will suspend proceedings for the following breaks: morning tea from 10.30 a.m. to 10.45 a.m.; lunch from 12.15 p.m. to 1.30 p.m.; and afternoon tea from 3 p.m. to 3.15 p.m.

I remind all those participating in the hearing today that these proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In this regard, I remind members of the public that, under the standing orders, the public may be admitted to or excluded from the hearing at the pleasure of the committee. The committee has resolved that television footage without sound be allowed for the opening statements by the chair and each minister. I ask that mobile phones and pagers be either switched off or switched to silent mode.

I remind members of the committee and the minister that the time limit for questions is one minute and the time limit for answers is three minutes. A single chime will give a 15-second warning and a double chime will sound at the end of the time limits. An extension of time may be given with the consent of the questioner. A double chime will sound two minutes after an extension of time has been given. The sessional orders require that at least half the time available for questions and answers be allocated to non-government members. Any time expended when the committee deliberates in private is to be equally apportioned between government and non-government members.

The committee has given leave for non-committee members to ask the minister's questions. In this regard, Mr Howard Hobbs, the member for Warrego, will be participating in the hearing this

morning. On a similar basis, Mr Jeff Seeney, the member for Callide, and Mr Mike Horan, the member for Toowoomba South, will be participating in the hearing this afternoon. I ask departmental officers to identify themselves when they first come forward to answer a question or if the minister refers a question to them so that *Hansard* can record their name.

I now declare the proposed expenditure for the Minister for Primary Industry and Rural Communities open for examination. The time allocated is three hours. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, if you wish to make an opening statement the committee asks that you kindly limit it to five minutes.

**Mr PALASZCZUK:** I intend to make an opening statement. The resilience of our primary industries sector has never been stronger. However, rarely has that resilience been as harshly tested. The continuing drought, a rising Aussie dollar, a soft world economy, an ever tougher trading environment and a continuing threat of emerging pests and diseases have certainly combined cruelly. Despite all of this, the Department of Primary Industries has projected the sector's gross value of production to be more than \$8.4 billion. Industry cannot expect to achieve that result alone.

The 2003-04 state budget invests in four pillars to support the sectors performance—innovation, sustainability, security and recovery. The budget for the DPI is a solid investment. It follows a \$15.2 million increase to the department's operating budget this financial year. The budget builds on the new directions chartered by the government over the past five years. Our goal has been to strengthen our position as an innovative, safe and sustainable producer of quality food and other agricultural products to markets and consumers right across the globe. I welcome this opportunity to detail the investment in DPI and the benefits that it will generate to Queensland.

In addition, consideration of our estimates will no doubt examine the Queensland Rural Adjustment Authority, which is also under my portfolio responsibilities. I believe since the move of QRAA to the primary industries portfolio we have certainly seen a greater relevance of that authority. I would like to pay tribute to the authority's board led by Graham Davies and the authority's staff led by Chief Executive, Colin Holden, who is here today.

Next financial year, QRAA has projected that it will provide \$55 million in loans and grants. QRAA had estimated that the total loans and grants administered this financial year to be approximately \$50 million. In fact, that amount has been exceeded. QRAA also administers FarmBis training grants for primary producers, subsidised loans for farm build up, development, land care and water related projects as well as loans for new entrants into our primary industries sector. QRAA has also established a regional presence in recent years with offices in Mackay, Innisfail, Kingaroy and Roma. Plans are to expand that regional presence over the next 12 to 18 months.

In recent years a major item for estimates has been the ongoing eradication campaign for fire ants. That campaign continues and it is now most certainly at a very critical stage. The third and final treatment under the eradication campaign will be undertaken this financial year. The fact is that if we can defeat the fire ants here in Brisbane we will have protected Australia and, in particular, our farming regions from this invasive pest. As we know, there are enough challenges for the rural sector without the fire ants.

One of the major challenges to emerge in recent months has been the resurgence of the Australian dollar. This month's decision by the Reserve Bank to maintain official rates rather than reduce them will exacerbate the problem and prompt more speculation of the dollar breaking through the 70c US barrier. The NFF has estimated that a one per cent increase in the Australian dollar against the US dollar cuts Australian farm incomes by \$115 million per year. The Reserve Bank board is due to meet again on 5 August so, hopefully, we will see a reduction in rates.

The issue of the Aussie dollar was very prominent in my talks during my visit to Korea and Japan last week. I hope that, during the course of the estimates hearing, I can outline some of the issues and opportunities I have brought back with me from those two major trading partners.

On the market access front, but much closer to home, I can announce today that for the first time in more than two years bananas from the Tully Valley region in the states far north will be able to be sold right across Queensland. Since the discovery of black Sigatoka in early 2001 there have been restrictions on the movement of bananas from that region within Queensland and

across the border. In Queensland, the restriction was that Tully Valley fruit was not to be marketed south of Bundaberg and southern interstate transports had to travel via an inland route to protect other Queensland banana growing regions. Whilst the major market restrictions have been resolved in the intervening period, the announcement today means that bananas from the far north, Australia's largest banana growing region, are free to be sold and enjoyed by all Queenslanders.

**The CHAIR:** The first period of questioning is allocated to non-government members. I call the member for Hinchinbrook.

**Mr ROWELL:** Page 1-7 of the MPS outlines the financial summary for the department. This summary shows that there is a decline in the forecast revenue and expenditure between 2002-03 of \$357.368 million and \$350.404 million in the 2004 financial year. This is a reduction of \$7 million. Why is the forecast expenditure dropping? The actual fall in 2002-03 is \$5.26 million. Is there pressure on the minister to reduce the budget for DPI and is this to be pursued through the Workforce Renewal Program, WRP?

**Mr PALASZCZUK:** I can understand the honourable member's question. I refute the assertion that the government is deliberately reducing the budget of the Department of Primary Industries. That is entirely untrue and an unfair statement. Could I just explain briefly my account and I will then ask John Skinner to fill in further. When we talk about the comparison between the 2002-03 budget and the 2002-03 estimated actual and controlled expenses, the decrease in the 2002-03 estimated actual largely relates to reduced expenses under the Tuberculosis Freedom Assurance program due to a lower than anticipated number of incidents and reduced staff numbers resulting from the Whole of Government Workforce Renewal Program.

We also have the deferral of expenses for the Cape York Partnership Program into the 2003-04 financial year due to the delays in the establishment of a fishing company. There is also the deferral of the sugar industry package expenses into the 2003-04 financial year. I am quite sure the honourable member asking the question knows why. We also have the transfer of a National Action Plan for Salinity and Water Quality funding deferral to the Department of Natural Resources and Mines. We have the deferral of expenses relating to that into the 2003-04 financial year as result of extensive industry and regional consultation. Expenses included in the 2002-03 budget for South-East Queensland Forest Agreement were required in 2001-02 to meet higher than expected costs incurred at the end of 2001-02.

We have also had a change in the application of Australian accounting standard 35 to livestock valuation resulting in lower associated expenses and revenue. We can also go through what these decreases are partly offset by. I will leave further comment to John Skinner, the Executive Director of Corporate Services.

**Mr Skinner:** The major item impacting on those figures in output revenue is changes in terms of the regional forestry agreement which totals \$7 million. That will be offset by initiatives under way in the commercial forestry area which will show in the financial statements of forestry. The other area in own source revenue relates, as the minister stated, to reductions in the Tuberculosis Freedom Assurance program of the order of \$2 million and AAS 35.

**Mr ROWELL:** I refer to 1-13 of the MPS which shows that the food and fibre science and innovation output has experienced reductions in total revenue estimated for 2003-04 of about \$15 million. Note 3 explains that the state funded component of extension activities in this output has been realigned to the policy analysis and industry development output for 2003-04. Can you describe the type of activities that will be dispensed with in food and fibre science and innovation to cater for the \$15 million reduction in funding in 2003-04? Why does it require such an increase in policy analysis and industry development to take away funding from the extension activities in food and fibre science?

**Mr PALASZCZUK:** As the honourable member would know, within the research section of the Department of Primary Industries many programs have a life of, say, three years. When programs come to the end of their life those programs cease and the funding for those programs ceases also. We have a few of those. However, we have one area where I believe we have had an increase. As our Executive Director for Corporate Services explained earlier, there was a reduction in funding for the South-East Queensland Forest Agreement with the program ending. We are now in the process of expanding our hardwood plantations by a further 5,000 hectares. The good news there also is that we have realised how important hardwood plantations are to the state, how important research into the hardwood plantation is, that we have allocated additional

funds to our research division of our hardwood forestry section. I will ask John Skinner to elaborate on that statement.

**Mr Skinner:** The major component that comprises those figures in terms of the changes is the \$5 million, as you have mentioned. What that involves is an arrangement for no loss of staff from this particular output. It is an arrangement whereby there will be a funding arrangement for extension activity between the policy and industry development output and the food and fibre sciences output. So it is an alignment of those dollars to that output, but no loss of staff within the food and fibre sciences output.

The other major area, as I mentioned before, is the regional forest agreement and in this output that is in the order of \$2.3 million. As I mentioned before, that will be somewhat offset by activities that are getting under way in commercial forestry, which will show up in the Forestry financial statements.

The other area that I mentioned before was in terms of AAS35, which is an accounting standard, and that has a \$2 million approximate impact on this output. That deals with self-generating and regenerating assets. In this output, obviously, there is a significant number of livestock that are used for scientific research. The prices of those livestock vary with market fluctuations and that has an impact, therefore, in terms of the impact on this output, particularly in the user charges area.

**Mr ROWELL:** Thank you very much for that response, but really, I fail to be convinced that there is not a transfer. I just want to confirm that this government is not getting out of food and fibre science and innovation and getting more into the rhetoric of the paid-type facilities that are provided under that policy analysis and industry development portfolio section. I think that is critical, because if we are going to have good, sound, sustainable industries in the future, we just do not want rhetoric as far as the department is concerned. I think that the main purpose of the department is to be involved in research and development. I am just very concerned that I see a transfer of nearly \$15 million going on.

**Mr PALASZCZUK:** No, no, it is still industry development. That is the main point. It is still industry development.

**Mr ROWELL:** Industry development.

**Mr PALASZCZUK:** Yes.

**Mr ROWELL:** On-the-ground type facilities are so necessary. I cannot see where that is going to occur with the loss. The next question. Minister, I would like to again refer to page 1-13 of the Ministerial Portfolio Statements, which refers to the reduction in total revenue from the ordinary activities from the 2002-03 actual of \$152.70 million to an estimate of \$138.216 in 2003-04. The note refers to the funding being adjusted to reflect the reduced staff numbers resulting from the whole-of-government Workforce Renewal Program. Page 1-8 of the Ministerial Portfolio Statements shows that 26 FTEs—that is, full-time equivalent staff—have been cut from Food and Fibre Science. Minister, what is the Workforce Renewal Program? What is its objectives and where exactly have the reductions to staff shown in the 2003-04 estimates in Food and Fibre Science occurred? Will there be other reductions than those indicated?

**Mr PALASZCZUK:** Could I just say that I believe that my response to your second question was detailed enough to explain the situation in relation to item 1-13 that you referred to just then.

**Mr ROWELL:** 1-13, yes.

**Mr PALASZCZUK:** Yes. Let us look at the period 1 July 2002 to 30 June 2003 where 84 staff members took voluntary early retirement. Of course, that was part of the Queensland Public Service Workforce Renewal Program. So that is 84 staff. For the period 1 July 2002 to 30 June 2003, three staff members took VERs. Thirteen staff members are currently participating in redeployment processes. In the period 1 July 2002 to 30 June 2003, 14 staff members participating in redeployment were successfully assisted to find alternative employment. We have had no forced redundancies which have occurred during the 2002-03 year.

The department actively assists staff whose positions have changed or been abolished to find alternative employment. Where this is not successful, voluntary early retirement is offered as a means to compensate officers for their loss of employment. As far as the Workforce Renewal Program is concerned, it was a whole-of-government decision and the staff who put up their hands did so for their own reasons.

As far as I am concerned as minister, I have seen absolutely no diminution of services that are provided to our primary industries sector. Our client survey that has just recently been

completed shows a very, very high degree of satisfaction by our clients, which certainly is a vote of confidence in the work that our department is doing. It is a vote of confidence in the staff of the Department of Primary Industries and it is also a vote of confidence in the leadership of the Department of Primary Industries. What we have been attempting to do over the past five years is to make the Department of Primary Industries far more relevant to our primary industries sector and I believe that we certainly have gone a long way to achieving that aim.

**Mr ROWELL:** Minister, could you give us an indication for this particular unit—we are talking about Food and Fibre—as to how and what numbers are involved in amenities horticulture? Are they part of the Food and Fibre staff allocation? If so, how many staff will be involved in amenity horticulture in the future as against the total number in, say, horticulture research? Perhaps if you could give us a breakdown of how the staffing is allocated right throughout that particular side of Food and Fibre Science.

**Mr PALASZCZUK:** If you want a detailed response, we can take that on notice. If you want a general response, I can give you a general response now. From the tone of your question, I do not know whether you are asking that question in a derogatory sense. Is it an attack on the government's position in working towards assisting—

**Mr ROWELL:** No, it is not at all.

**Mr PALASZCZUK:** A \$1 billion industry.

**Mr ROWELL:** I just want to know how many staff.

**The CHAIR:** If you want a detailed response, then ask the question on notice and get a detailed response.

**Mr PALASZCZUK:** Let us have a look at the lifestyle horticulture industry in Queensland. We have certainly spent quite a deal of time working on that industry. Not too many people know that the lifestyle horticulture industry is a billion-dollar industry in Queensland. When we talk about lifestyle horticulture, we speak about gardening, we speak about landscape architecture, we speak about parks, gardens, golf courses—it is a billion-dollar industry. Take, for example, the parks in a shire. Let us talk about the Pine Rivers shire. They have extensive parklands. If through our lifestyle horticulture section of the department, where we are now trialling around about 140 different turfs to be used as grasses for golf courses, for parks, for yards and so on, we can develop a new turf variety that needs less water and does not grow as quickly as the ones that we have in place now and we could reduce the mowing regime of that council once, that will mean a reduction in the costs of looking after their parklands of \$300,000. That is what we are looking at.

As far as the other areas of our lifestyle horticulture are concerned, I can see a huge potential—huge potential—for people who work in that industry in Queensland to be able to sell what they do to the rest of the world. By 'the rest of the world' I mean the Asian market, the Middle East market, and I can also see opportunities for us in the southern Mediterranean areas. Currently, one of our nursery persons is so successful in the Middle East that he has actually shifted permanently there to supply that market.

**The CHAIR:** Thank you. I take it that that was a general response. I think the member for Hinchinbrook would like a more detailed response on notice.

**Mr PALASZCZUK:** We will get the detail—

**Mr ROWELL:** A detailed response. In response to my question on notice No. 1 for the estimates, you have stated that an estimated \$66.910 million will be collected in revenue from the user charges for 2003-04. Minister, I refer to page 1-37 of the Ministerial Portfolio Statements and the line item for user charges. Why was your budget of \$72.769 million not met from the user charges actually met in 2002-03? Can you please explain the difference between the figures for those provided under the user charges on page 1-39 and the statement of cash flow, which in the budget says \$74.68 million in user charges for 2003-04. There is a difference.

**Mr PALASZCZUK:** There is. I will give you the short answer and I will ask John Skinner to give you the more detailed answer. If I could refer back to my opening statement where I referred to the ongoing and continuing drought in Queensland, that explains quite a deal as to why there is a discrepancy in the user charges revenue. I will pass it on to John to give a far more detailed answer now.

**Mr Skinner:** The main adjustment in terms of user charges, as we have indicated in the question on notice response, is that fees and charges are reviewed regularly to ensure that they keep adjusted according to inflation rates. This is an ongoing process. But there being no plan to introduce any new fees, charges or levies in 2003-04, the major impact on fees and charges has

obviously been the drought and, therefore, less movements of stock and those types of climatic effects which would normally have lessened the impact in the collection of fees and charges. Therefore, in the main, the projection of fees and charges revenue has tended to be lower than was originally anticipated. Obviously, people make decisions on stock movements, the timing of when those stock should be treated and various other factors, which therefore means reduced collections.

**The CHAIRMAN:** The time for questioning by non-government members has expired. I call on the member for Southport.

**Mr LAWLOR:** Minister, I refer to page 1-19 dot point 5 of the Ministerial Portfolio Statements. What has the government done to assist primary producers during the drought?

**Mr PALASZCZUK:** The review of the Drought Relief Assistance Scheme was completed in February. Following consideration of industry views, the government established three new assistance measures to help Queensland's primary producers cope with the impact of the current drought. We started off with the Drought Carry-On Finance Scheme, which provided primary producers with concessional loans of up to \$100,000, and the Drought Recovery Loan Scheme, which provided concessional loans of up to a maximum of \$200,000. This can be \$200,000 for the purchase of breeding stock, \$100,000 for other stock purchases, and \$60,000 for the replanting of a post-drought crop or a combination of each of those categories. There is also mortgage duty relief for those primary producers located in exceptional circumstance declared areas who wish to refinance with the existing lender or a different financial institution.

The Drought Carry-On Finance Scheme and Drought Recovery Loan Scheme will mean that those producers in need of a new line of credit will have the benefits of these concessional loans. In addition, those producers who are located in prima facie or exceptional circumstance declared areas who are also eligible for interest rate subsidy assistance could get further assistance to lower the interest rate to less than three per cent. Both schemes are available to all primary producers in industries including aquaculture, agriculture, livestock and horticulture other than retail nurseries.

The development of the Drought Recovery Loan Scheme recognised that the most equitable way of providing post-drought assistance is by way of concessional loan. Unfortunately, previous governments have focused on the needs of the broadacre grazing and cropping industries whilst ignoring the needs of other participants within the primary industry sector.

In addition, the government has also announced a range of new initiatives in response to the drought to assist primary producers manage their farm businesses through to the post-drought recovery stage, which means that we have increased freight subsidy rates for both the grazing and the dairy industry through our DRAS scheme, increased freight subsidy levels for registered charitable organisations when they transport donated fodder into drought declared areas, and an electronic feed link site to facilitate the buying and selling of stock feed and supplements. Of course, the Department of Primary Industries has a toll-free hotline to assist all producers to access any information they need on drought management and assistance measures. As honourable members of the committee can see, the government certainly has worked diligently with the interests of our primary producers foremost in our minds.

**The CHAIR:** I welcome non-committee member Mr Howard Hobbs, the member for Warrego, to the hearing this morning.

**Mr LAWLOR:** I refer to dot point 2 on page 2-1 of the Ministerial Portfolio Statement. Minister, how has the Queensland Rural Adjustment Authority been able to assist primary producers through increasing their productivity and profitability and encourage new entrants into farming during the last financial year, 2002-03?

**Mr PALASZCZUK:** QRAA, under its PIPE scheme, has approved significant assistance to industries during the past financial year totalling \$25.2 million. As I indicated in my opening statement, as minister I believe that the role of QRAA has certainly been enhanced since its shift from Treasury to the Department of Primary Industries just a short time ago. This is an increase on the 2002-03 financial year of \$6.3 million.

I have reported previously what lending was like under this program when the previous coalition government was in power. It is worth repeating those figures. The combined lending by QRAA under those schemes for the financial years 1996-97 and 1997-98 was approximately \$25 million. At that time QRAA was the portfolio responsibility of the then Treasurer, the honourable member for Caloundra. It is fitting that the honourable member be a member of this estimates committee.

To recap, under this government borrowing under the PIPE subsidised loan scheme for farmers has increased dramatically. Of significance are the funds approved under the First Start Farm component of PIPES, with \$7.5 million being approved to 35 applicants, in comparison to the \$4.2 million approved to 20 applicants in the 2001-02 financial year. These increases highlight the benefits available to producers through this particular program, particularly with changes that were implemented over the past 12 to 18 months. A significant change has been the increase in the maximum available under the development and First Start components—it has gone up to \$500,000, which is a far more realistic figure—and the introduction of a new interest rate policy which has seen fixed rates being offered below six per cent, which was previously in place.

In terms of QRAA, I would also like to refer to the FarmBis program, which is also referred to in the MPS. FarmBis provides training subsidies to primary producers, commercial wild catch fishers, macropod harvesters and rural land managers to improve their business management schemes. The program has \$30 million committed over three years to 30 June next year. Of course, this is a program that is funded 50-50 between the Commonwealth and state governments. The past financial year has seen an increased uptake of assistance through this program on 2001-02. A total of \$10.8 million has been approved to 4,000 applicants, compared to \$3.78 million approved to 1,551 applicants in 2001-02 financial year. The QRAA story is a good news story for primary producers in Queensland. Its programs are certainly being taken up by our primary production sector.

**Mr LAWLOR:** I refer to dot point 1 on page 1-14 of the Ministerial Portfolio Statement. Could you please highlight the biosecurity enhancements flowing from the significant four-year initiative announced in the budget for 2002-03?

**Mr PALASZCZUK:** In the last budget I announced a significant initiative to enhance Queensland's preparedness to respond to BSE and foot-and-mouth disease. This initiative identified an additional \$13.1 million over four years to biosecurity enhancement, particularly with reference to FMD and BSE. Recent work has included the DPI's successful participation in the national FMD simulation exercise, Exercise Minotaur. Queensland played an important role in this exercise. The planning for and conduct of the exercise have identified lessons that will be addressed to further enhance preparedness. I was very pleased to visit the control centre up in Toowoomba during that exercise. I was certainly impressed by the professionalism that was displayed by officers of the Department of Primary Industries and officers from other states in that exercise.

We have also identified and advertised key staff positions needed to enhance our capability to respond to a major disease outbreak. A number of these positions have been filled and others are in the process of being filled. We are participating in cross-government committees to contribute to enhancement of a whole-of-government response, including the co-chairing of the FMD cross-government committee and membership of the FMD socioeconomic recovery group.

We also have a range of other activities, including standstill zone implementation workshops and contribution to the development of a cross-border response MOU. We have introduced legislative amendments. We have contributed to the national biosecurity enhancement agenda through input into a range of national committees and input into a national FMD vaccine bank and increased compliance services for animal feeding bans.

The capital improvements included the equipping of laboratories for rapid diagnostic techniques which would be required in emergency responses. In 2003-04 the allocation to this biosecurity enhancement will be \$3.295 million, made up of \$2.445 million in enhancement activities and \$850,000 in capital improvements for diagnostic laboratories.

As members of the committee can see, the government certainly is committed to biosecurity in Queensland. No matter where you go and no matter who you speak to, the one saleable point about Australia, and Queensland in particular, is that we are a safe and a clean producer. That is known worldwide. One outbreak of BSE would completely jeopardise that reputation. To see that one only has to look at what has happened in Canada with its one outbreak and the effects that have filtered through not only the beef industry but also all the way through processing. That is something I do not want replicated here in Queensland.

**Ms LIDDY CLARK:** Minister, I refer to dot point 8 on page 1-15 of the Ministerial Portfolio Statement. Can you report on the opportunities for Queensland primary industries in Korea and Japan, which I understand you have recently returned from?

**Mr PALASZCZUK:** I thank the honourable member for the question. You are correct. I did return on Sunday from a week-long trade visit to South Korea and Japan. I believe that both of

these countries are major markets for Queensland's food and agriculture industries. Let us look at some of the outcomes and issues from the mission.

Firstly for South Korea, I believe we have increased beef sales into South Korea, particularly through the restaurant and hotel chains; in-principle agreement to permit kangaroo meat imports into South Korea; institutional investment in forestry in Queensland to give South Korea timber resource security; and negotiated the removal of the quarantine restriction on Queensland-bred thoroughbred racehorses entering South Korea.

For Japan, we have lobbied for a reprieve from the increased beef tariff on beef imported into Japan and seen opportunities for Queensland's soy bean and maize in the manufacture of tofu, cereals and snack food, potential for Queensland-grown kenaf as a recyclable fibre used in the manufacture of appliances, and increased sales for Queensland seafood and horticulture products, including the iconic Golden Circle range.

I refer to the Queensland government logo. I found that the best way to sell Queensland was this. Probably most of the people in this room have seen this logo but do not understand what it means. For the benefit of the committee members and others here, I will explain it. The red strip signifies the very rich, fertile soil of Queensland. The blue signifies the blue sky, the crystal clear blue rivers and the blue ocean. The yellow is for the yellow sand and for the yellow sun, and the sun rays are in the shape of Queensland. Once this logo was explained to consumers and to people involved in business in Japan and Korea, their attraction to our country certainly increased because those are the things—the red dirt, the blue sky, the crystal clear waters, the blue oceans—that, because of the pollution in those countries, it is very hard for them to have a look at.

This logo is a saleable product not only for our primary produce but also our tourism. In that regard I believe that my trip to South Korea and to Japan was very successful. We conducted a lot of business. I believe that we certainly did a lot of good public relations for Queensland. It was so good that the product of such an iconic company as Golden Circle, owned by farmers, is readily acceptable for people in Japan.

**Ms LIDDY CLARK:** Minister, I now refer to paragraph 3 on page 1-9 of the Ministerial Portfolio Statement. What are the Department of Primary Industries' research priorities?

**Mr PALASZCZUK:** Our DPI research priorities align themselves with our government's priorities. Our priorities relate to increased market access, resilience in managing climate variability and climate change and assisting our primary producers towards economic, environmental and social sustainability. In terms of increased market access, this priority aligns with the whole-of-government goal to increase the diversity of Queensland's economic base and grow export markets.

DPI research creates innovative technologies and products to give Queensland's primary industries a competitive edge in accessing traditional and new markets for food, fibre and lifestyle products. Resilience in managing climate variability and change refers to both short-term drought and flood and long-term climate change, such as global warming. Research in this area will provide Queensland primary producers and Queensland regions with much greater ability to be productive, profitable and sustainable in the face of climate variability and long-term climate change.

Assisting primary producers towards economic, environmental and social sustainability involves a broad range of research that is being conducted to develop knowledge and technologies that will optimise profitability, ecological sustainability and social outcomes from Queensland's food and fibre sector. To comment further on that wide range of technological terminology, I would like to call on Dr Rosemary Clarkson to further enlighten the committee on what wonderful work we are doing in our Agency for Food and Fibre Sciences.

**Dr Clarkson:** Thank you, Minister. As the minister said, the research that we undertake in DPI really does closely match the R&D priorities that have been developed by the Queensland government. I think a couple of things are outstanding this year. With the drought, we had called a forum of the best climate scientists in Australia and brought them all to Queensland to talk about where climate science is taking us in terms of our ability to predict much further ahead than the three months we can predict at the moment. As a result of that, we are now working on developing a CRC in climate science, with Queensland leading that for Australia. The other thing of significance is that we did review all the work that we are doing in environmental science in terms of sustainable production systems. We cover a huge range of technologies with that, and we invest about \$34 million a year in that in Queensland.

**Ms LIDDY CLARK:** Minister, I refer to page 1-9 paragraph 3 of the Ministerial Portfolio Statements. How does Queensland agriculture benefit from the Australian Centre for International Agricultural Research projects?

**Mr PALASZCZUK:** That centre, the ACIAR, is a Commonwealth funded statutory authority and its role basically is to promote research collaboration between Australia and developing countries in South-East Asia, the Pacific islands, Papua New Guinea and India. It brings together agricultural research institutions in Australia, such as our department, which features very prominently in assistance to those overseas countries and also partners in developing countries where we all work together in fields where we certainly have a comparative advantage.

In 2002-03 our department received over \$2 million from ACIAR to lead 16 projects. ACIAR currently funds DPI projects in animal production, field crops, fisheries, post-harvest technology, forestry, land and water research management and agriculture economics. Benefits generated through these projects include additional important research outcomes which have application in both Queensland and a number of overseas countries, new and enhanced linkages with international agricultural research centres with expertise in the same fields in which DPI has interests, and valuable departmental experience for our DPI researchers.

For the benefit of committee members, as minister, I have to sign off travel applications for all DPI staff to travel overseas on the recommendations from the executive directors. Whenever I receive an ACIAR application, I sign it off almost immediately because I believe the work of those DPI officers working in these fields is of the utmost importance to those countries that I mentioned earlier. Sometimes the work of our departmental officers goes beyond the call of duty, and I would like to thank them for that. Could I ask Dr Rosemary Clarkson to add a bit more light to some of those 16 projects that we currently have under way.

**Dr Clarkson:** It is a bit hard to go into too much more detail about all the projects.

**Mr PALASZCZUK:** Just one will do, Rosemary.

**Dr Clarkson:** I think the significant thing is that we are the major supplier to ACIAR in Australia. Some of that I think is because many of the countries the centre is dealing with work in tropical areas and we lead the world in tropical agricultural science, but the other is the way in which our staff operate.

**The CHAIR:** The time for questioning by government members has expired.

**Mr HOBBS:** Minister, I notice in your MPS under the DPI strategic direction you say that you equip the sector to take advantages of opportunities and adjust to change. I refer to the funding application to your department from the Western Downs Solution Group, which was successful in obtaining up to \$3 million from the Commonwealth government under the Australian Development Program. However, it has been unsuccessful in obtaining complementary matching funding from your department. This hardworking group that you initially helped to set up, along with \$25,000 for a social and economic study, will lose its Commonwealth commitment soon. Will you commit to this joint funding program even on a phased-in basis? We know there are some problems there funding wise, but a phased-in basis would at least start the program. We do not want to lose it.

**Mr PALASZCZUK:** I understand the honourable member's passion for that region. The thrust of his question is correct. I did visit Chinchilla and attended a meeting where we discussed the issue at length. Through the department we did initially provide the admin support that I offered to that group. I understand that officers in Toowoomba have continued to liaise with the group and they have also identified the potential for the Commonwealth's bureau of rural and regional resources to undertake a socioeconomic study of the area.

I understand it has also been suggested to the Western Downs Solution Group that the group may benefit from the group facilitation services provided by the rural partnership development officer based in Toowoomba. Through the Centre for Rural and Regional Innovation at Gatton, DPI has committed \$25,000 to enable a socioeconomic study for the Queensland section of the Murray-Darling. This takes in the areas of the Western Downs Solution Group, and it is being carried out by the bureau of rural and regional resources. It is anticipated that the study will provide data on which the Western Downs Solution Group will be able to base a social and economic development strategy.

However, my concern is this: this partnership program is the rural development program you have when you are not having a rural development program. In the 2001-02 federal budget—that goes back to May 2001—federal Agriculture Minister, Warren Truss, announced \$24.6 million had

been allocated over four years for the ADP. I do not believe that anything has been achieved anywhere in Australia. I am advised that funds from that scheme have been reassigned to other programs. That is all I can say.

**Mr HOBBS:** I think it is a shame if we lose the program, but I will move on to another question. Can you advise the committee the cost to date of a court case brought under the Forestry Act between Mackay v. Doohan?

**Mr PALASZCZUK:** That is one out of the blue. Ron, are you aware of that court case? Are you able to comment on it?

**Mr Beck:** I am aware of the court case.

**Mr PALASZCZUK:** Is it still before the courts?

**Mr Beck:** Yes, it is. The action is being brought by Natural Resources and Mines, as I understand it.

**Mr PALASZCZUK:** If that is the case, we are not too sure. Can we take the question on notice and if we can comment on it we will.

**Mr HOBBS:** Thank you, Minister. It is just that DNR said it is up to you fellows.

**Mr PALASZCZUK:** We are not going to pass the buck. I have given you the commitment. We will take it on notice, and if we can we will give you the answer.

**Mr HOBBS:** I am also after the cost.

**Mr PALASZCZUK:** Sure.

**Mrs LIZ CUNNINGHAM:** Minister, in relation to changes to the fishing industry, I note on page 1-4 of the Ministerial Portfolio Statements that \$1.6 million is allocated to address requirements arising from environmental assessments of 25 fisheries and \$0.2 million to integrate development related fish habitat management, et cetera. Negative impacts arising from government policy has not ceased as far as the fishing industry is concerned. What funding has been allocated to compensate, for example, trawl fishers where their allocated effort can be demonstrated to be below viability and to other licence holders whose income opportunities have been or will be reduced?

**Mr PALASZCZUK:** That is quite a detailed question. I can give you a general answer, but Peter will be able to comment more specifically.

**Mr Neville:** In answering the question in relation to the trawl fishery, the changes to the management arrangements of the trawl fishery were developed over a five- or six-year period after lengthy consultations between the Commonwealth and the state governments. In that case, it was largely being driven by the Great Barrier Reef Marine Park Authority and Environment Australia's desire to reduce effort in that fishery to sustainable levels.

There was a compensation package offered to trawlers for a buyout of \$20 million, and that was funded by the Queensland government and the Commonwealth government. In addition to that, trawler operators themselves forfeited a number of days of an equivalent value of almost \$10 million. So we ended up with a \$30 million adjustment package, of which \$20 million was in cash, and that was provided to buy out those operators who wished to leave the industry under the new management arrangements. So it was a voluntary buyout; it was not a compulsory one.

In addition to that, the management arrangement that came in had an allocation of a number of days to each vessel and there was then free trading between operators. In other words, those who wished to stay in the industry at their level of fishing for the days allocated could do so. Alternatively, if they felt that was uneconomic, then they could sell and cash in. A lot of them did that, and a lot of them used that money to convert into other fisheries which, by the way, we are now having to manage. Likewise, there was a lot of trading that went on, and that trading was basically at free market prices and arrangements. There was no government direction, control or ability to decide who would buy and who would sell, who would stay and who would go. We are now addressing the impacts of that.

Two other parts of that management arrangement which did impact on fishermen were the need to have what we call turtle reduction devices and fish bycatch reduction devices—basically big holes in nets that let out things other than the targeted prawn species. That has also had an impact upon incomes from trawler operators, but unless the fishery gets a tick from Environment Australia there would be no export permit offered by Environment Australia or severe conditions would be imposed by Environment Australia to continue the export licence for that fishery.

**Mr PALASZCZUK:** The final point that could be made is that the plan has been so successful it has been accredited by Environment Australia, which means that we can now export prawns to the United States.

**Mrs LIZ CUNNINGHAM:** Minister, I acknowledge the information, some of which has been around for some time, the TEDs, et cetera, but there are still fishing families that have been affected. I am not sure that the effort reduction has been as successful as it could have been. Has there been any consideration by your department to be able to support, whether by compensation or in other ways, those families that have been so badly affected because of the changes to policy?

**Mr PALASZCZUK:** My understanding is that the effort reduction in the trawl fishery has been very successful. I think it is in the vicinity of about 30 per cent, and that is way above the target that has been set. Are you speaking of hardship cases?

**Mrs LIZ CUNNINGHAM:** Hardship and those that demonstrate significant income reduction.

**Mr PALASZCZUK:** I do not know whether we can address the concerns of people who have had income reduction. In the case of people who suffer hardship, while I will not go through the process, I understand there is one fishing family in north Queensland that was treated very sympathetically by the government. We have also introduced a new regulation to ensure that people who own vessels that go down during storms are treated fairly when it comes to replacement vessels under what we call an act of God. That is being addressed. That has come as a direct result of a fishing family that came to see me about the problems they experienced when their vessel went down.

Could I suggest this to the honourable member: if she has any cases of hardship that she believes need to be addressed specifically by our Queensland Fisheries Service, please let the Queensland Fisheries Service know so those cases can be looked at. Whether anything can be done, I cannot answer you now. But the cases will be treated sympathetically, just as the person in north Queensland was and just like those three or four fishers who through no fault of their own lost their vessels and were going to be penalised under the provisions of the previous trawl plan. Those issues have been readdressed to make sure that those people are adequately looked after after those act of God incidents. That is the best commitment I can give you, Liz.

**Mr ROWELL:** In the previous question—and I do not know that I got a clear, definitive answer—I was looking for the variations that are occurring between the statement on financial performance and also the statement of cash flows. We can see some substantial variation between user charges. Could you exactly—

**Mr PALASZCZUK:** What page of the MPS is that?

**Mr ROWELL:** It is on page 1-37 as against page 1-39. Could you also tell us exactly how much of this accounts for your new Safe Food charges, subsidy reductions for tick inspections, ICAs and all those sorts of user charges? It is quite important that I get that. If you cannot provide it straightaway, maybe you can provide that on notice.

**Mr PALASZCZUK:** Was that one of your questions on notice?

**Mr ROWELL:** No, it was not. There is a variation, as I was saying before, between the statement on performance—and we dealt with that prior to the changeover to the government members—and the statement of cash flows. In the user charges you see a variation for next year in particular, 2003-04, of \$69.910 million as against \$74.681 million. You talked about drought and so on, but there are still user charges and they have been accounted for in the financial statement on performance and also on the cash flow.

**Mr Skinner:** The other area impacting significantly on user charges is the reduced revenue under the Tuberculosis Freedom Assurance Program, TFAP.

**Mr ROWELL:** Yes, but I cannot understand why we have differences between the cash flow and the statements on financial performance, because they are both expectations.

**Mr PALASZCZUK:** To save the time of the committee, we will take it on notice and we will give you a detailed response.

**Mr ROWELL:** I want all the user charges for the various groups like the Safe Food—

**Mr PALASZCZUK:** We will have to check on that.

**Mr ROWELL:** I am just saying because I did say it before, Mr Chair. I request that now. It is up to the minister.

**Mr PALASZCZUK:** Whether we can or not—

**Mr ROWELL:** They are user charges.

**The CHAIR:** Order! We are not having a debate.

**Mr PALASZCZUK:** We will see how long it takes.

**Mr ROWELL:** I am a bit confounded, because all I really asked about is user charges. Surely the department must know what those—

**The CHAIR:** The member for Hinchinbrook! We are here to ask questions, not make speeches.

**Mr ROWELL:** Minister, since 1998-99 your government has spent something like \$7.2 million on funding drought assistance and recovery. This was provided through question on notice No. 6. With \$3.5 million for EC and \$3.5 million through the various state-run schemes, are you satisfied with the small amount of assistance your government has been able to provide given that the Commonwealth has allocated almost three and a half times that with its \$25 million to drought affected farmers?

**Mr PALASZCZUK:** I will refute that assertion, because the drought scheme that has been in place in Queensland is no different from the drought scheme that was in place from 1992 onwards, even when you were a minister. As a matter of fact, we have built on that drought scheme. We have also allowed for other industries to be included in that scheme. The exceptional circumstances scheme has also been in place. The state government, in common with other state governments throughout Australia when they participate in the exceptional circumstances scheme, contributes 10 per cent to the business component of the exceptional circumstance scheme.

I would have thought the family support package, which constitutes about 50 per cent of the federal government's scheme, is one that is funded by the Commonwealth. That is where the lion's share of the money comes in. When it comes to business support, we provide 10 per cent of the remaining 50 per cent, which is no different from the moneys that were supplied by the state government from 1992 onwards. As the honourable member would know, it is during the recovery period when governments expend most of the money, with cattle returning from agistment and so on.

I believe that the current scheme has worked well and we have built on it. It is still working exceptionally well. It has been well received by our primary producers. Where we can continue to build on that scheme within reason we will do so. As minister, I have no concerns at all about the manner in which our drought scheme has been handled.

**Mr ROWELL:** Minister, on page 1-4 of the MPS you refer to the \$25 million being invested in continuing drought assistance activities for 2003-04. In response to my question on notice No. 6 you indicated that only \$6 million is budgeted to go to drought affected farmers in 2003-04. Can you explain what the other \$19 million referred to in the MPS will be spent on in 2003-04 and where this is allocated in the budget?

**Mr PALASZCZUK:** I refer the honourable member to the Centre for Climate Applications. That is part of the funding. All of the R&D, the research into drought-resistant crop varieties, is part of the funding. It goes into research, administration and dealing with stock inspectors. The drought component, as the honourable member rightly pointed to, is a certain amount. That is the assistance we have for our primary producers. That figure does not mean to say it is going to be the be-all and end-all. If producers apply for more money under this scheme and they are eligible, of course they will be paid.

The short answer basically is that the discrepancy between both figures is as I explained earlier. We look at the Centre for Climate Applications, we look at administration, we look at all the research projects and we look at stock inspectors as compared with the figure that is there for the actual amount that will be spent under the Drought Relief Assistance Scheme—assistance to our farming families. Could I ask our director-general to add to that, please?

**Dr Hoey:** As the honourable member would appreciate, when a drought occurs the DPI swings into action, hopefully, as early as possible. As the minister has identified, the Drought Relief Assistance Scheme component is only a small part of the total resources that are available to primary producers. There is a considerable body of research and extension ranging from our work at the climate centre, our field trials and working with the industry to improve their risk management skills. Once that hits the ground, there are many very different projects that we are involved in, but they all have a remarkable effect and are well appreciated by the industry.

During the drought, we have been running a considerable number of drought information days and nights. I have been to some of those to look at them. We have brought along other agencies to do that. Yes, we have had to pull out all stops to grab people from some jobs in some areas and our farm financial counsellors as well. I would say that figure is probably an underestimate at the peak. I am anticipating that during the recovery we will be facing some new challenges and we will be continuing to put in a very significant effort.

**The CHAIR:** The time for questioning by non-government members has expired. I now call on the member for Gaven.

**Mr POOLE:** Minister, I refer to page 1-9, paragraph 4, of the Ministerial Portfolio Statements and to the importance of the environment. What research is the Department of Primary Industries undertaking to reduce methane gas emissions by livestock?

**Mr PALASZCZUK:** I think this was a matter that was raised in the estimates hearing last year. This is a very serious issue because countries other than Australia, such as New Zealand, are looking at introducing a tax. Our department is continuing research into areas to improve feed conversion by livestock, which basically means a reduction in their methane emissions which have a negative impact on our environment.

Since last year we have seen a move by the New Zealand government, as I said earlier, to announce a new tax. That rate is NZ9c per head for gas emissions. The member for Hinchinbrook and I have opposed any notion of introducing such a tax in Australia. I am also pleased that the Federal Agriculture Minister, Warren Truss, was prompted by the New Zealand decision to say that the Howard government was also opposed to such a tax. The last tax we imported from New Zealand, sadly, was the Goods and Services Tax. The Howard government has form on importing a tax from across the other side of the Tasman.

Since the announcement of an emissions tax on livestock in New Zealand, the federal government and the New Zealand government have signed an agreement to strengthen practical cooperation and ways of addressing climate change. It is a very important issue. One of the key areas of that agreement is measuring and reducing emissions from the agriculture sector.

To return to the honourable member's question, the DPI is focused on research. The fact is that through research we can achieve better utilisation of the feed by ruminants to reduce methane emissions and to improve efficiency of animal production, thereby delivering a far better return to producers. In a related area of research, the DPI has made major advances in the use of permeable pond covers to reduce odour emissions from intensive livestock and processing plant effluent lagoons. Of course, we can talk about piggeries and the like. Odour is the major environmental impact on surrounding communities from intensive livestock and livestock processing facilities.

Could I just add that we are currently undergoing quite a deal of angst within the Beaudesert shire over problems associated with intensive livestock production. As we all know, Beaudesert is becoming more urbanised. It is slowly and sadly losing its rural image. The good news for our Queensland producers is that the state government and the federal government are opposed to the introduction of such a tax.

**Mr POOLE:** Minister, I refer to page 1-9, paragraph 2, of the Ministerial Portfolio Statements, which refers to the food and fibre science innovation output. How does the DPI benefit from involvement in strategic alliances such as cooperative research centres?

**Mr PALASZCZUK:** Could I just say that I am very proud of the achievements of our Department of Primary Industry's researchers right across the state. I believe they play a very important role not only in research in Queensland and Australia but also worldwide. Our researchers are the most sought after researchers to address conferences and seminars to share their ideas around the globe. I am very proud of what our DPI researchers do in that area.

To build on that we have formed many strategic alliances with other organisations. We currently have 900 research projects conducted annually at state, national and international levels. We collaborate with over 150 organisations and we are involved in 14 CRCs. The DPI in Queensland as a whole benefits from these alliances by capitalising on the strengths of different organisations to more effectively address industry problems and opportunities. These strengths include special research infrastructure and expertise. As discussed, the DPI is a major participant in the CRC program which was established to strengthen long-term collaboration between research organisations and users of research in order to obtain greater benefits from our investment in research and development. We have been the most successful Queensland state

government department in taking advantage of CRC programs to address specific Queensland issues. Independent reviews have found the CRC program to be extremely successful.

We have been partners in successful bids for three CRCs in the 2002 selection round. Two of these bids were for new CRCs, namely Australian Biosecurity: Emerging and Infectious Disease CRC, and the Bushfire CRC. The third successful bid was for supplementary funding for the CRC for the Great Barrier Reef World Heritage area. Although we were not a formal partner in other successful bids in the latest selection round, we are currently negotiating to perform paid work for a number of those CRCs. These include the CRCs for rainforest and reef, for viticulture and for innovative grain food products.

Already I have indicated that the department is taking the lead in developing the case for a drought climate variability CRC. We have provided seed funding for this to the tune of \$50,000 and this proposal was an outcome of the national drought forum for researchers brought together by the government's senior climatologist, Dr Roger Stone. What we are trying to do is get enough support from the states and from the Commonwealth to base this CRC in Toowoomba. It is a CRC on drought and drought management.

**Mr POOLE:** This is a very important question from me seeing as I am a Gold Coast member, and I refer to the table on page 1-27 of the Ministerial Portfolio Statement which refers to the fact that the shark control program currently protects bathers at 87 beaches. Can the minister advise what is being done to eliminate the capture and death of marine mammals in this shark control program?

**Mr PALASZCZUK:** The incident at the weekend which involved an eight-metre humpback whale being entangled in shark control gear off Surfers Paradise certainly highlights the importance of your question. Over the last decade DPI has introduced a range of measures to reduce the accidental capture of non-target animals in the shark control beach safety program. For example, we have fitted whale and dolphin alarms to nets in the form of acoustic pingers. These devices are now a permanent feature of all our shark control nets, but some of the incidental evidence that is coming back from our shark control people is that these pingers could in actual fact attract juvenile whales and juvenile dolphins, especially the bottlenose dolphins, to the pingers, which are part and parcel of the shark nets. When these pingers go off, the dolphin or whale inadvertently gets scared, dives down and dives straight into the net. What we intend to do is conduct research to see whether that is the case, and if that is the case we will certainly be taking remedial action in that area. Over the past 13 years there have been 10 whales entrapped in shark nets off Queensland. The good news is that all of those have been freed.

What we have also done is we have now the best trained and the best equipped marine animal rescue teams which are stationed at Rainbow Beach, the Sunshine Coast and the Gold Coast, and I believe we work in very well with Sea World in effecting the rescues of those entrapped mammals. Last year we also approved a research package of half a million dollars over five years to further assist our attempts to reduce program impacts. So what are some of these programs we are looking at? Some of the research is into drumline technology, including identifying alternative baits and the use of bycatch-friendly hooks; comparing the effectiveness of nets and baited lines; and research into alternatives to current catching technology, including investigating advances made using electromagnetic devices for the repulsion of sharks and their application to bather safety at beaches.

The one thing that I believe is very important is this: our program is working. Human safety is of paramount importance. We also have a new acoustic device that we intend to place on entrapped mammals. If the weather is rough and it is difficult to free them, this device will then be able to be tracked by our rescue teams and they will be able to follow the mammal and then when the weather conditions are far better the mammal will then be allowed to be released by our teams. I just think that that is a very positive step that has been taken by the government. That device will be here very shortly. I would have liked to have had it here today, but unfortunately it has not arrived from the United States yet.

**Mr LAWLOR:** Minister, I refer to page 1-26 dot point 5 of the Ministerial Portfolio Statement. The approval of a management plan for the east coast trawl fishery came at the end of a long and difficult process. What has happened in the management of this fishery since and what is intended for 2003-04?

**Mr PALASZCZUK:** Could I just say that the honourable member for Gladstone asked a question on this issue and I believe that Peter Neville answered that question quite thoroughly.

So to save the time of the committee, I might refer to Peter Neville's answer and we might go on to the next question.

**Mr LAWLOR:** Sure. Thank you, Minister. I refer to the table on page 1-27 of the Ministerial Portfolio Statement. This table identifies that 11 of Queensland's major fisheries are being scientifically monitored. Which fisheries are being monitored and how are the results being used?

**Mr PALASZCZUK:** The Queensland Fisheries Service's long-term monitoring program commenced in July 1999. When I was a shadow minister it was my passion to ensure that we closely monitored our fish stocks, and I am very pleased to say that our Queensland Fisheries Service is certainly doing that. Some of the major commercial and recreational fisheries are now being monitored annually. They include tailor and mullet caught in the ocean beach fishery off southern Queensland; the coral reef fish in the reef line fishery along the Great Barrier Reef; Spanish mackerel off north Queensland and in Torres Strait; spanner crabs off southern Queensland; scallops off central Queensland; barramundi off north and central Queensland; freshwater fish in rivers throughout Queensland; mud crabs throughout Queensland; tiger and endeavour prawns off north Queensland; and stout whiting in the trawl fishery off southern Queensland. We also monitor bycatch in the scallop, spanner crab and north Queensland prawn surveys. Habitat data is also collected in the freshwater fish, mud crab, barramundi and reef fish surveys where habitat change is known to have a more direct impact on the health of fish stocks.

I also want to highlight the significance of the fishery assessments through the Commonwealth's Environment Australia. It is a requirement under that act that all fisheries with an export component are assessed as being sustainable before 1 December this year. These assessments are currently being conducted under guidelines which were introduced by Environment Australia. I understand that currently there are around about 25 fisheries that have to be assessed. The Queensland Fisheries Service has now established a fishery assessment unit which has the priority task of ensuring the development of fishery assessment reports for all export oriented fish. An ecological assessment of the spanner crab fishery was submitted and accredited in late 2001. It is good news, because this assessment was one of the first two Australian fisheries to achieve such accreditation, which is really a reflection of the effectiveness of the management arrangements Queensland has in place for this fishery. Assessment reports for a number of our other fisheries have been submitted to EA for consideration and are awaiting accreditation. These are east coast trawl, the incidental trawl harvest of pipefish, the east coast beche-de-mer fishery, the coral reef fin fish, the mud crab fishery, the Gulf of Carpentaria inshore fin fish fishery, and the eel fishery. Of course, these are getting as much attention as possible from our Queensland Fisheries Service.

**Mr LAWLOR:** I refer to page 1-25 dot point 3 of the Ministerial Portfolio Statement and the importance of educating children about fisheries and marine habitats. What is being done to spread the message about caring for our marine habitats and are there any further opportunities or challenges emerging for this work?

**Mr PALASZCZUK:** In terms of public education, our QFS has recently developed an online interactive educational module for primary school students on the importance of coastal fish habitats. I had the pleasure of launching this program, would you believe, in my electorate just last year at the Inala State Primary School. This was followed up by another launch in Cairns in April this year by the honourable Dr Lesley Clark at the Holloways Beach Environmental Education Centre. It is a wonderful module. It is a great resource for any school. I would advise honourable members of the committee to let the schools in your own areas know that this exists and it will be just wonderful for the students when they do this research. It integrates science, the study of society and environment, English and technology and contains fact and activity sheets on fish habitats, food chains and so on.

However, when I was overseas I was also astounded by the level of interest and excitement about the release of the forthcoming animated film called *Finding Nemo*. I do not want to give a plug for Walt Disney, but it is a Walt Disney animated film which depicts fish characters from the Great Barrier Reef. It is huge over in the United States. There is huge interest in Japan and Korea, and I am sure that there will be huge interest in Australia when it is released at the end of August. Having seen some of the previews for the film, I believe it will draw enormous attention to the Great Barrier Reef. Tourism authorities and the Great Barrier Reef Marine Park Authority have readied themselves for the release of the film and the attention it will bring to Australia and, more precisely, to Queensland.

In terms of education, *Finding Nemo* will attract renewed interest in all things marine for the children. I do not want to be overcautious; however, I am concerned about one segment of the

film which involves Nemo being flushed down a toilet and returning to the ocean to go look for his dad. It is a bit far-fetched. We now have a pest fish and animal welfare education program which has been urging people not to flush fish down toilets or release them into waterways, because that is the way we get exotic fish entering our waterways. Just look at carp and tilapia, for instance.

As part of that education program we have a number of characters. We have our own fish. Ours is called Fiona Fish. Fiona Fish is the fastest swimmer of all of the Smile Clan animals in our program. Fiona Fish always jumps out of the water to show her smile. I believe Fiona Fish is a far better proposal than Nemo. Nemo is a magnificent looking clownfish from the Great Barrier Reef. The clownfish grows to about five or six centimetres and is used in the fish tanks that people have at home. The message is: do not flush fish down the toilet. Do not believe everything you see on television and look after your pets. Fiona Fish's words reinforce that.

**Ms LIDDY CLARK:** Minister, I refer you to page 1-11 dot point 5 of the Ministerial Portfolio Statement. Minister, you mention research into reducing the off-site impacts of agriculture on the Great Barrier Reef. What is this research?

**Mr PALASZCZUK:** Could I just say at the outset that I believe that 99.9 per cent of our primary producers in Queensland are environmentally conscious and are doing their utmost to do the best they can to look after their properties. I want to put that on the record. I believe in what they do. I trust in what they do. To help them, our government has invested \$3 million this financial year on research to be undertaken to further improve agricultural practices to reduce the off-site impacts on the Great Barrier Reef. Through science and through innovative technologies, changing management practices have been adopted by our producers to improve the water quality in catchments that feed into the reef. These new technologies and improved practices are what our scientists call precision farming and sustainable grazing. Priority areas include a further reduction in the use of chemicals and fertilisers through precision application and the use of natural alternatives and a reduction in run-off from improved water use efficiency and reuse.

We are also targeting sediment caused by soil erosion through techniques like zero tillage in cropping, maintaining a healthy perennial grass cover on grazing lands, particularly near riparian strips, and modifying harvesting of pine plantations near watercourses to prevent soil disturbance. In other initiatives the department is working with community groups and the Department of Natural Resources and Mines to repair past damages through the rehabilitation of waterways. The Burdekin Rangelands Reef Initiative came about as a result of primary producers coming to government seeking assistance to help them manage the land to reduce the run-off on to the Great Barrier Reef. Government is working in partnership with our primary producers both in the upper catchment and in the lower catchment.

**The CHAIR:** Thank you, Minister. The time for questions by government members has expired. The committee will now break for morning tea and resume the hearing at 10.45 a.m.

Sitting suspended from 10.29 a.m. to 10.45 a.m.

**The CHAIR:** The committee will now continue its examination of the portfolio of the Minister for Primary Industries and Rural Communities. I now call on the member for Hinchinbrook.

**Mr ROWELL:** On page 1-41 of the MPS, which is a statement of financial position, there is an estimated increase in 2003-04 for receivables. If you refer to page 1-45, note 34 you will see that it says the increase in 2003-04 estimate largely reflects the government's equity injection to finance QRAA schemes. It appears that this money is not going to be available until the start of 2005-06 at the earliest as it recognises it as non-recurrent finances. Is this the case? Does this mean that you are withholding \$10 million in assistance and recovery funding from drought affected farmers?

**Mr PALASZCZUK:** No, that is definitely not the case.

**Mr ROWELL:** Quite clearly it says that it is non-recurrent funding. If it is not going to occur in 2003-04 it must mean that it is going to be carried over sometime later. Is that not the case?

**Mr PALASZCZUK:** The answer is no, but we will take it on notice and give you a detailed response.

**Mr ROWELL:** That is great. In reply to my question on notice No. 7 you indicated that 569 FTE staff are employed to work on fire ants in 2003-04. If this is their last season working on the fire ants will they still be employed with DPI? What will the FTE staffing position then be for the DPI?

**Mr PALASZCZUK:** It is a very important question that the honourable member has asked. As I mentioned in my opening statement, our fire ant eradication campaign in Brisbane is of the utmost importance not only to the people who live in Brisbane and surrounding areas but also to our primary industries sector and indeed the rest of Australia. We currently have funding up to \$150 million from the Commonwealth and also from all the other states to ensure that we achieve our goal—that is, the complete eradication of fire ants.

The assertion the honourable member has made is correct. We currently have a total of 629.09 staff. There are 592 temporary, 31 permanent and 3.09 casual positions. This compares with 406.02 FTEs at 30 June 2002. The honourable member was involved in the papaya fruit fly eradication campaign. Once that program was wound up the majority of those staff who were either temporary or casual no longer worked within the Department of Primary Industries. I do suspect that some of these people will go. The program is to run for five years. The treatment phase is for three years. Then we have a further two-year surveillance phase. When it comes to the number of staff who will be involved in surveillance, I will ask Keith McCubbin, the person in charge of the fire ant eradication campaign for Australia, to further address the question. I thank Keith for the great job he is doing, together with his staff, in achieving our aim and that is to eradicate fire ants in south-east Queensland.

**Mr McCubbin:** The program runs through to June 2006. The treatment program is due to stop in June 2004. After June 2004 we will only require about half the field staff we currently have. All the field staff have been employed on a temporary basis. To date they have only been employed to June 2004. Before June 2004 we will undertake another selection process to extend 164 of those field staff through to June 2006. We are also committed in the latest enterprise bargaining agreement to try to assist the others. Whilst they may not get a job in government we will assist them in getting jobs through training in job applications and putting their names up in front of employment agencies.

**Mr ROWELL:** On page 2-3 of the MPS you stated that your department had entered into an agreement with SunWater to undertake viability assessment in specific irrigation areas of clients who are suffering hardship. The sugar industry is experiencing hard times. For those in the Burdekin River irrigation area SunWater, a GOC, announced an \$8 megalitre increase in water charges from \$28 a megalitre. What is the relationship between the government undertaking a viability assessment in specific irrigation areas where clients are suffering hardship where the GOC SunWater increases costs for desperate cane farmers?

**Mr PALASZCZUK:** I really do not have the specific details to answer that question because that really is in the province of the Minister for Natural Resources and Mines. I am sorry I cannot answer that question for you.

**Mr ROWELL:** QRAA is involved in it. That is the point I am getting at.

**Mr PALASZCZUK:** I am with you now. It was a contract job that was taken up by the government through QRAA to work in with SunWater. Colin Holden will be able to add further to that.

**Mr Holden:** What we are talking about there is contractual arrangements that we, being QRAA, the Queensland Rural Adjustment Authority, entered into with SunWater to undertake assessments for their clients to determine financial hardship in specific areas throughout the state. As a consequence, we would then provide recommendations to SunWater in respect of that. They would then deal with their particular clients in making arrangements for extending the payment of their arrears.

**Mr ROWELL:** The whole thing is QRAA is now funding or bankrolling the whole issue so far as the \$8 per megalitre increase in charges is concerned.

**Mr PALASZCZUK:** No, that is not the case.

**Mr ROWELL:** How can you explain it more clearly than that?

**Mr PALASZCZUK:** That is a wrong assertion, Marc.

**Mr ROWELL:** If SunWater has put it up then QRAA has to step in and start doing some funding so those people continue to get their water.

**The CHAIR:** Order! The member for Hinchinbrook, you are not here to make a speech; you are here to put a question to the minister. On page 1-31 of the MPS under 'Future Developments' it states that your government will develop and facilitate sugar industry change management initiatives and further develop targeted funding to deliver priorities for sugar research development extension. Can you explain just what initiative you are referring to in this statement?

**Mr PALASZCZUK:** Quite simply, if we have a look at the current situation that we have within the Queensland sugar industry and also the situation in the sugar industry generally, anyone would realise that the way the prices are going currently and the way the Aussie dollar is going currently our cane growers are certainly in a bad situation. We need to ensure that we can convince our cane growers to embrace change. We believe, as a government, we have the right formula to allow our cane growers to embrace that change. That comes in under our current legislation which is before the House and that, unfortunately, is being stalled by our federal counterparts.

I am at a loss to explain how the Commonwealth, after it signed an MOU with the state government in September last year, can now renege on that commitment. There is only one explanation. That explanation is that the wreckers of the National Party federally have stepped in and convinced the federal government to stall this process.

**Mr ROWELL:** You might note that I do not support your legislation too.

**Mr PALASZCZUK:** We can add your name to that list of wreckers in the National Party who do not support change that the state government believes is very important to the industry. You need to look at prices and the rising Aussie dollar to know that the price for sugar next year is going to be well below production costs. If I can explain to the honourable member—

**Mr ROWELL:** I would be delighted, if you would.

**Mr PALASZCZUK:** While I was in Japan there was a great proposal for growing kenaf as a rotation crop. The person I spoke to is looking at 100,000 hectares. Unless we have changes to the legislation we will not be able to effect the value adding that will come from the growing of kenaf. Changes will not come. Because, together with kenaf, we also need to grow bioplastics in the sugar industry as well. That would mean changes to the legislation to allow for that, to allow the mills to allow new processes to work on that initiative. Unless we do bring in that legislation as soon as possible I really fear for the long-term future of the sugar industry because our main competitor is Brazil. We cannot compete against Brazil on the open market just by selling raw sugar. We have to be smarter.

**Mr ROWELL:** It states on page 1-30 of the MPS that your department has developed future scenario options through the Dairy Industry Future Directions Taskforce as a precursor to long-term strategic plans for the industry. What is the long-term strategy? Many dairy farmers have been losing their battle for survival since deregulation with returns of 30c a litre while milk retailers are selling it for something like \$1.40.

**Mr PALASZCZUK:** As the honourable member would know, as a government we fought shoulder to shoulder with yourselves against dairy deregulation in Australia. Unfortunately, the situation, as it existed then, would have precluded our dairy farmers from receiving any assistance under the assistance package if we did not embrace deregulation.

That change was forced on us by the federal government and also by the industry leaders who saw that change had to be effected. If you want to talk about our strategic plan for the dairy industry in the forthcoming years, we have ongoing programs which cover five main areas. We provide dairy industry advice; we provide legal and financial advice and access to concessional loans; we support the industry in taking up opportunities for new industries; we provide training, skill accreditation and development; and we also provide social and community services for our dairy farmers.

In the long term, I believe that the dairy industry is a viable industry. Unfortunately, our dairy farmers are subjected to external pressures, especially from supermarkets, where milk prices dictate what money the processors will pay dairy farmers. As a government, we are mindful of the fact that we have lost about 25 per cent of our dairy farmers out of the industry through deregulation. But we are also mindful that there are many dairy farmers out there who are very active, who are very confident about the long-term future of the industry and who currently are increasing their herds and bringing in new management measures. Consequently, I believe that not only will they continue in a profitable manner but also they will embrace the latest technologies that are available. DPI will be there with them to assist along the way.

**Mr ROWELL:** I refer to page 1-30 of the MPS, which outlines your department's participation in the preparation of the draft reef management plan to address the impacts of agricultural activities on water quality entering the Great Barrier Reef.

**Mr PALASZCZUK:** Excuse me, it is very difficult for me, as you read the question, to go through the dot points.

**Mr ROWELL:** I am trying to get through it. Time is of the essence. Page 1-30 outlines the department's participation in the preparation of the draft reef plan to address the impacts of agricultural activities on water quality entering the Great Barrier Reef. Can you provide this committee with the results of tests conducted on rivers, streams and sewerage outlets entering the Great Barrier Reef's waters?

**Mr PALASZCZUK:** The short answer to that question is that we cannot, but the longer answer to that question is that, if we have a look at the range lands to reef initiative, especially for the Burdekin, which I referred to earlier in an answer, I believe that is the way to go. These sorts of initiatives come at the behest of producers and by the local communities. We had a panel that did a study of land sourced pollutants and their impact, as you said, on water quality in and adjacent to the Great Barrier Reef. This is not conclusive, but that panel found that the major land use practices in the river catchments, which were delivering waters to the reef, have over the past years led to an accelerated erosion and it has quite naturally greatly increased the delivery of nutrients to the reef from pre-1850 levels. Of course, that is quite obvious.

The reasons for this decline are varied but relate to activities within the river catchments. Of course, we know what activities occur there: extensive grazing in the drier catchments and there has been some overgrazing in general; urban development is a big contributor; and agriculture, which includes horticultural production, water-use practices, extensive vegetation clearing and wetland drainage on coastal plains; and the development of acid sulfate soils and of potentially acid sulfate soils.

Then, of course, we have the draft reef plan, under which the government has a commitment to strategies that are designed to ensure that the impact of agricultural activities on the Great Barrier Reef are minimised further to the general results of this study, to which I indicated earlier. One of our strategies suggested in the draft plan is to ensure that agricultural activities that have an adverse impact on reef water quality are accessible. That strategy could result in some form of a regime of assessment, approvals and enforcement for activities that are a routine part of farming. In other words, we are possibly looking at a farm management plan.

**Mr ROWELL:** Basically, you have not given me any hard scientific data to say that there is an issue.

**The CHAIR:** Order! The minister has the right to answer a question the way he sees fit.

**Mr ROWELL:** I thought that he had finished. I am sorry.

**Mr PALASZCZUK:** There is a lot more work to be done and DNRM do all the water-quality stuff; we do not.

**Mr ROWELL:** But still, you are part of the process and I think that it would have been worth while—

**The CHAIR:** Order!

**Mr PALASZCZUK:** No, that is all right.

**Mr ROWELL:** I think that it would be worth while, if you are going to go into a strategy such as this, to have some scientific basis for making the assumptions that have been made through this plan. It is quite evident that there is not any scientific data, because I have asked—

**The CHAIR:** Order! The member is not here to make a speech.

**Mr ROWELL:** No, wait a minute. Minister, with your indulgence, is there any sound scientific data for the assumptions that are being made?

**Mr PALASZCZUK:** I cannot do that for one reason. This is a whole-of-government initiative and we need a whole-of-government response to the issue. Suffice it to say that through our Department of Primary Industries we really intend to work together with our primary producers to ensure that the impacts on them are pretty well explained.

**The CHAIR:** The time for questions by non-government members has expired.

**Mr PALASZCZUK:** If you want to, we can arrange for you to have a briefing with Dr Joe Baker, who is one of the authors of the report.

**Ms LIDDY CLARK:** I refer you to page 1-9, dot point 2, of the Ministerial Portfolio Statements. You touched on this briefly when you spoke about the biosecurity enhancements. Do you wish to further explain how the department has contributed to improved market access for Queensland's food and fibre products?

**Mr PALASZCZUK:** As we all know, market access is critical for the export performance of our primary industries. Could I just say to the committee that, despite the drought, we are looking at a production of well over \$6 billion in our primary industries sector in Queensland. We account for approximately one-third of our state's total goods that are exported and, as a state, we account for approximately one-fifth of the total farm exports.

But as I said earlier, the continuing drought and the rising dollar will present significant challenges in terms of export performance this financial year. Therefore, I believe that our commitment of \$55 million to market export initiatives this year is of paramount importance. It will focus on ensuring that animal and plant health requirements and animal welfare standards are met as well as developing new market opportunities through product research and trade facilities.

On the issue of product research and trade facilitation and welfare standards, for the benefit of the committee, can I say that when you talk to people overseas they not only speak about whether animals and/or plants are raised in a safe and a clean environment; they also ask whether they are ethically produced. By 'ethically produced' we mean whether they are farmed in the right way, whether they are transported under animal welfare codes and whether they are slaughtered in accordance with special codes. We as a government have led the world with our animal care and protection and also our voluntary codes of practice that we have developed, together with our primary industries sector. I am always proud to be able to tell people who ask me whether the animals are ethically produced that we are leading the world. That is another very strong selling point for us. Did you want to say something, Marc?

**Mr ROWELL:** Palm Island might be the exception.

**Mr PALASZCZUK:** Ask me a question about Palm Island, please.

**Mr ROWELL:** If I get time, I will.

**Mr PALASZCZUK:** I will be ready for that one. If we look at our beef exports, \$1.5 billion worth of our beef goes to Japan. Japan has undergone some horrendous times with disease and it has certainly put their industry right back. It has also put our industry back, because once a disease is detected in live animals people resist eating that type of meat. That is what has happened in Japan. But we are fighting back.

**Ms LIDDY CLARK:** I refer you to page 1-2, dot point 1, of the Ministerial Portfolio Statements. Can you describe some examples of successful pest disease management resulting from departmental research?

**Mr PALASZCZUK:** We invest about \$8 million each year into research to control pest and diseases in food and fibre. One of the examples of this research is the development of strategies for improved integrated parasite management for wool and sheepmeat production. This leads to reduced chemical use in parasite management and leads to both improvements in productivity and also a cleaner environment.

Buffalo fly costs the Australian beef industry at least \$30 million each year in lost production and also in treatment costs. The research by our department has developed a short tunnel trap which has demonstrated that fly populations can be reduced by up to 80 per cent. Ongoing studies of the giant wood moth, which is a key pest of hardwood plantations in Queensland, have identified three chemical compounds that have the likelihood of being the enemy of the moth. Quite honestly, it is a very, very damaging pest. However, when it is identified, it will be used to manage the pest through the attract and kill and mating disruption techniques. In other words, it will be used in a way similar to how our assassin bug is being used to control heliothis in our different agricultural fields.

Other examples of our work include rapid and quantitative diagnostic assays for plant viruses. They have been developed for tomato spotted wilt virus, which is an important pathogen for a number of horticultural crops. The assay can detect the virus in plants and also in thrips and allows for quick detection and early application of integrated pest management measures to reduce crop losses and to reduce the use of chemical sprays. So integrated pest management—or IPM—in a very easy explanation is basically using nature to control nature. That is the best way, because the application of chemicals is basically non-existent. The DPI is doing some great work in that field.

We have also developed a vaccine for the prevention of bovine respiratory disease in feedlot cattle. This vaccine was developed to reduce the incidence of the disease in feedlot cattle, and resulted in a reduction in chemical usage in this industry, enhanced growth rates and feed conversion rates. Field research has been completed that will result in the Australian registration

of two environmentally friendly fruit fly bait formulations aimed at all fruit fly affected crops. One formulation is so gentle on the environment that it has achieved organic recognition in the USA.

**Mr POOLE:** Minister, I refer to page 1-9 of the Ministerial Portfolio Statement, which refers to the food and fibre science and innovation output. How does your department manage its intellectual property to maximise benefits for Queensland?

**Mr PALASZCZUK:** That is a very, very important question. Within the department we certainly are in charge of quite a deal of intellectual property. Our management of IP is a very important issue for our department. As a pre-eminent research organisation, we manage our IP to create benefits for our state mainly by providing it for free or at nominal cost to farm and other business enterprises in the food and fibre sector.

This free availability of our IP enables businesses to continually introduce improved technologies. This in turn allows them to increase their productivity or to make other changes that improve their profitability. Of course, the other way to achieve a return for the state is to sell it. As a government, we have been focusing on the issue of IP and we need, particularly with the enormous advances in scientific endeavour across the world, scientific endeavour about which we as a state can proudly say that we are amongst world leaders.

In terms of our department, which is the more specific question the honourable member has asked, work has been undertaken by the Queensland Food and Fibre Science and Innovation Council, which I chair, to assist the department's decision making on IP. The overriding consideration in determining whether IP should be made available for free or at nominal cost or whether it should be sold is which option will create the maximum benefit for Queensland. Rosemary, I know that you are a very passionate person in relation to IP. Would you like to add to that answer?

**Dr Clarkson:** Thank you, Minister. The department receives quite a lot of return from IP from plant breeders' rights and also from commercialising some of the breeding technologies in horticulture. All of those funds, of course, are returned immediately to R&D. They become part of the government's investment back into R&D. So whether we release the IP through training and programs with producers or whether we commercialise the IP, all the resources go straight back into the research program for the farmers. The decision just depends, I guess, on how commercial the IP is.

**Mr POOLE:** Minister, I refer to paragraph 6 on page 1-48 of the Ministerial Portfolio Statement. Has the government achieved the target it set in 1999 under the South-East Queensland Forest Agreement for planting 5,000 hectares of hardwood plantations to facilitate future transition from harvesting of the region's state-owned native forests?

**Mr PALASZCZUK:** On that issue I have very good news for Queensland. The South-East Queensland Forest Agreement was signed in September 1999. The hardwood plantation program was part of the wider South-East Queensland Forest Agreement commitment to transition from harvesting state owned native forests to plantations by the year 2025.

That agreement committed \$18 million to the establishment of 5,000 hectares of hardwood plantation by 30 June 2003, together with \$8 million to an associated hardwood research and development program. By May 2003, a month before the deadline, 5,031 hectares of eucalypt hardwood plantation had been established largely on private land—good news for the environment but, more importantly, good news for our primary producers because it was certainly a great means of them being able to diversify into areas other than they were traditionally involved in.

We have achieved our goal. We have also provided a core plantation resource which will in time deliver more wood to the timber industry than the previous sawlog harvest from the state owned native forests in the region. In delivering our commitment DPI Forestry negotiated 55 joint ventures and 20 land rentals and acquired 1,678 hectares in 13 land parcels. The principal species used were spotted gum—it certainly makes good outdoor furniture—and Gympie messmate, another beautiful timber. These species are important to industry and also to local south-east Queensland.

Five million plants were required, and many of these were ordered from private nurseries. The earliest plantings are now being pruned for quality solid wood production. They are also being assessed for growth performance. The plantation program generated employment opportunities for 60 people in field and nursery operations.

Seeing as this was such a successful program, the government once again is moving forward under its \$30.1 million six-year future directions strategy to establish a further 5,000 hectares of hardwood plantation in south-east Queensland which certainly will further strengthen the growth potential of the region's timber industry. Our future directions strategy aims to build on the previous hardwood plantation resource by expanding our state owned resource in the region by a further 5,000 hectares. This certainly will substantially boost the growth potential of the region's timber industry and, more importantly, will help more of our primary producers in that region to work in tandem with government to grow these 5,000 hectares of trees.

**Mr POOLE:** Minister, I refer to paragraph 3 on page 1-49 of the Ministerial Portfolio Statement. What is the government doing to boost the plantation timber industry in north Queensland?

**Mr PALASZCZUK:** This is further good news for Queensland, especially north Queensland. DPI Forestry, following a competitive offer process, secured a short-term sale to Melbourne based Pentarch Forest Products last financial year of approximately 20,000 cubic metres of final crop exotic pine sawlog and associated residues from state owned plantations in the Cardwell area. I am sure this is something that the member for Hinchinbrook is quite interested in.

Harvesting of this resource commenced in April 2003 and will be carried out over an 18-month period. Pentarch Forest Products will export the majority of the resource as logs through the port of Townsville. However, some logs will be diverted to a regionally based processor in Townsville. This sale will provide a much-needed boost to forestry activities in north Queensland, with approximately 20 jobs created to harvest, load, haul and measure the logs. I understand that north Queensland residents have filled a majority of these positions.

Additionally, re-establishment of the resulting 600 hectares of second rotation plantations at Cardwell will provide continued employment for the 28 local DPI Forestry staff employed at Cardwell and Ingham. In parallel with the short-term sale, DPI Forestry is working to attract investment in a regionally based facility for the long-term processing of logs from the region's 10,000 hectare state owned plantation estate.

Consultations have been held at the community level and also with potential investors. Independent expert advice on processing and marketing options for the resources has also been obtained. It is anticipated that a process to attract an investor for this project will commence during the latter part of 2003. I will ask Ron Beck from DPI Forestry to expand on what I have just said.

**Mr Beck:** Thank you, Minister. As the minister said, Pentarch has commenced harvesting up there and to date has harvested around 22,000 cubic metres of sawlog from Cardwell. These logs are currently being stockpiled at the yard in Townsville. The first vessel is due to dock on 26 July. Loading will commence soon after, and the vessel will take all of that material.

Harvesting contractors now have three mechanical harvesters and three forwarders in operation, while the haulage contractors have engaged a second excavator for loading and have 11 trucks in operation. We are proceeding apace with formalising the long-term sale, which will secure the long-term future of forestry activities and their position within the community over the next several months.

**Mr LAWLOR:** I refer to dot point 3 on page 1-14 of the Ministerial Portfolio Statement. What role does the department's Northwatch program play? How are the indigenous communities being included in its activities?

**Mr PALASZCZUK:** This is another good news story for Queensland. Our Northwatch initiative, which DPI operates primarily in remote areas of Cape York Peninsula and the Torres Strait, is there to ensure early detection of unwanted exotic pests and diseases of both animals and plants and therefore reduce our biosecurity risks.

This financial year we have allocated \$1 million to continue our Northwatch activities. I suggest that honourable members of the committee visit Coen or TI—it would be very educational—just to see what measures are in place there to ensure the spread of disease is curtailed at the top end of Australia rather than coming down and affecting our primary producers.

We have staff who are involved in our Northwatch activities. They regularly undertake pest and disease surveys in the region, during which time they liaise closely with our indigenous communities. We have in place clear protocols that are followed to ensure that community leaders are contacted as part of planning and undertaking these surveys to ensure ongoing cooperation and that the necessary permissions to enter indigenous lands are observed.

Awareness of the impacts of pests and diseases on indigenous communities and their land is a priority for our Northwatch activities. In 2002-03 indigenous communities in the tip of Cape York Peninsula closely assisted DPI staff in an experiment to control an outbreak of the red banded mango caterpillar at Somerset. Indigenous staff were employed on this program to help find and prune mango trees to prevent fruit set. The aim of the experiment was to break the pest life cycle and slow down the rate of establishment and spread. This case is really a great example of the high level of cooperation that has been achieved between the DPI and our Cape York communities.

DPI is also working with members of the Coen community in operating the Coen Information and Inspection Centre. We currently have two indigenous staff employed during the dry season at this very important quarantine checkpoint. As I said earlier, it would be very informative for members of the committee to go up and have a look at the work that is being done up there.

**The CHAIR:** The time for questions from government members has expired.

**Mr ROWELL:** On page 1-4 of the MPS there is reference to your government's development of a proposed new Coral Reef Finfish Management Plan. Will there be any compensation in the Coral Reef Finfish Management Plan for the losses of income that may occur as a result of the possible reduction to entitlements by commercial fishermen?

**Mr PALASZCZUK:** I will speak broadly on the plan. I will not speak to the specifics because cabinet has not decided on the plan. This issue has been around for a long time. We are currently addressing the issue and we are working in tandem with the Queensland Seafood Industry Association, with environmental groups and with other interested groups. We believe that at the end of the day we will come up with the right mix that will protect this all-important fishery based on the Great Barrier Reef.

Some aspects of the plan are going to be quite complex, but the first part of the plan is the removal of latent effort within the fishery. My understanding is that we have just over 1,700 licences within the fishery. The majority of those licences have really not been used. They will be the first to be removed. We will be reducing the number of licences within that fishery to in the range of 350.

There will be no compensation for those fishers who lose their licence through the removal of the latent effort stage. However, I have to make this point: a warning against increasing effort was issued in that fishery in May 1997 and again in September 1998. A first draft of that management plan was released in 1999. A second draft of the plan and associated RIS was released in October 2002.

Commercial fishers within that fishery have been aware for quite some time that there will be changes in the way the fishery is managed. Most would agree that these changes are necessary, although they may disagree on the details of what should be done. But, rest assured, where we can we have worked with the Queensland Seafood Industry Association to try to achieve the best outcomes for the sustainability of that fishery and also for the livelihoods of the commercial fishers who will remain in the fishery. Those who will remain, I believe, will be part of a very viable fishery. The fact that the SARS outbreak has created a huge dint in the export of live fish to places such as Hong Kong has been taken into account by the government.

**Mr ROWELL:** Anyway, there is no compensation. I refer to page 1-27 of the MPS, which is the output statement for fisheries. How many aquaculture farms have been given licences over the past five years? Given that growth in the aquaculture industry has not met the targeted 10 per cent for 2002-03 and you estimated that it will be down about five per cent in 2003-04, what is your department doing about this situation? I wanted to raise the problem that is now occurring as far as the RAP is concerned with the Great Barrier Reef, where it is necessary each year to collect something like 9,000 females for the brood stock. This will be quite important as far as genetic diversity is concerned.

**Mr PALASZCZUK:** You are referring to dot point 5 on 1-27—

A failure to meet the demand for prawn brood stock in 2001, due to drought, resulted in reduced growth in the aquaculture of prawn species and a reduced growth in the aquaculture industry as a whole.

Is that the dot point you are referring to in the footnote?

**Mr ROWELL:** Yes, that is the one, and also the implications for the Great Barrier Reef Marine Park representative area program, because that is quite significant, too.

**Mr PALASZCZUK:** That RAP process is still under way. It is still under public consultation.

**Mr ROWELL:** Until 4 August.

**Mr PALASZCZUK:** Yes. I will not be commenting on that until our government has a position, but I can say that I have been concerned about the issue of aquaculture in Queensland. We have initiated a wonderful \$6 million aquaculture research program in far-north Queensland in the honourable member's electorate, and I believe that program is progressing extremely well.

I have also instituted a ministerial aquaculture committee which comprised our backbench members of the house of parliament to review the feasibility and benefits of developing a new Queensland aquaculture act to overcome many of those problems. The committee investigated alternative licensing and management arrangements within the existing legislative arrangements. I did initiate this review in response to concerns that had been raised, similar to the issues the honourable member has raised just now, particularly in relation to perceived delays in licensing processes.

There has been recognition and agreement within the committee's general conclusions and recommendations, including the recommendation about developing a management plan for marine aquaculture. That is as far as I can go on that issue because, once again, I cannot make a response to what the committee has recommended until I take a submission to cabinet. We are having a close look at the problems associated with aquaculture licences being issued. We are looking at alternative areas such as inland prawn farming. If we have a look at the hugely successful Bauple experiment, together with a producer in that area, it is working extremely well. People like Paul McVeigh are also going to trial a similar process of growing saltwater prawns around Dalby.

**Mr ROWELL:** It is interesting to note that you are not going to get involved in the RAP process.

**Mr PALASZCZUK:** I did not say that at all.

**Mr ROWELL:** I thought you were not going to put a submission in—

**Mr PALASZCZUK:** I did not say that at all. I am up to my ears in it.

**Mr ROWELL:** I thought you did. I retract that. I turn to managing new primary industry developments. On page 1-31 of the MPS there is reference to your department leading a whole-of-government development of the agriculture planning system. Minister, what is your vision for agriculture in Queensland given that you have presided already over the deregulation of the dairy industry, are in the process of deregulating the sugar industry and are now blaming agriculture for polluting the Great Barrier Reef? These are just a few of the difficulties that are placed on agriculture at this present time.

**Mr PALASZCZUK:** If we talk about a vision for agriculture in Queensland, our No. 1 priority is sustainability in agriculture. That is of extreme importance. What I want to do with agriculture in Queensland is have a sector that leads the world—one that not only leads the world in feeding people in Australia but also leads the world in feeding people overseas. We currently have a population of 800 million people in the world who go hungry every day. We can do our utmost to do something to supply the necessary protein to those people.

We want to ensure that we reduce pests and diseases in agriculture in Queensland as best we can and to make sure new exotic pests and diseases are not introduced. We want to ensure that we still remain a safe, clean producer of protein and other agriculture so we can supply not only our local market but also the world. No matter where you go, our reputation as a clean, safe producer is most important.

Now, we can go a step further. We can talk about value adding. Value adding creates jobs, and that is where we break the nexus between the city-country divide. Our primary producers provide the product. Our people in the regional towns, in our smaller towns and in the cities do the value adding. The best example of that is Golden Circle. Golden Circle is now exporting to Japan and to other parts of the world. That is the best example of value adding.

What I want to see before I end my term as Minister for Primary Industries, which I certainly hope will not be soon, is our value-added packs of meat placed on the shelves of the supermarkets in a major exporting country such as Japan. In other words, we would not sell chilled or frozen beef; rather, we would sell product that is packed, labelled and placed on our exporting countries' shelves. When we do that, I believe we will have reached our goal, which is maximum value adding for our produce here in Queensland. We want to maintain our reputation as being a great producer of clean, safe food.

**Mr ROWELL:** Minister, on page 1-20 of the MPS there is reference to the study tour of Spain and France that was completed by 10 Queensland women from diverse rural industries who met

the farming organisations and farming cooperatives and investigated various farm ventures. Were Labor members of parliament paid to go on this tour and what were their qualifications? Were non-government members invited? If not, why not? What was the total cost to your department for the study for the parliamentary members?

**Mr PALASZCZUK:** I understand the cost to the department for, I think, the two parliamentary members who attended the study tour to Spain was zero dollars. As the honourable member would understand, overseas travel for members of parliament is governed by the Clerk of the Parliament, not by the departments. I believe this trip to Spain by our 10 primary producers was partly funded by the Department of Primary Industries. I understand that the airfare component of their trip was funded by the department. I think the accommodation costs came from their own pockets. I think that is the case, but I will need to get somebody else to qualify that.

I do not care how much it costs to send 10 people from our primary industries sector to go to a world congress in Spain. I believe that is extremely important. We had a similar trip a few years ago that was led by Dr Rosemary Clarkson to Washington. The reports that I had from that trip convinced me that we should also fund our women to attend the world conference in Spain. Once again, from the reports that I have received from the individual people involved, I believe the trip was well worth while. To clear any assertions about special funding for members of parliament, the answer to that is zero. Funding came from the normal channels through the Clerk of the Parliament and private moneys.

**Mr ROWELL:** Just to re-establish the question that I asked, I did say that there was not any involvement as far as opposition members were concerned or any request that went to them.

**Mr PALASZCZUK:** I do not know about that.

**Mr ROWELL:** It was your department that was involved.

**Mr PALASZCZUK:** I do not know about that.

**Mr ROWELL:** With regard to internal audits conducted by DPI, in response to my question on notice No. 3 you have stated that your department has undertaken and completed 27 audit reviews during the 2002-03 year while 20 are still in progress. In this response you referred to the completed audit of quarantining of funds and the shared services provider. Given that shared service providers have commenced as of 1 July 2003, can you now advise the committee how this will affect the delivery of services for this department?

**Mr PALASZCZUK:** I will pass that to John Skinner to give you a detailed response.

**Mr Skinner:** The implementation across government of shared services, as is stated, commenced on 1 July this year. The impact on the department, I think it would be fair to say, will be minimal, as has been discussed previously in other hearings. The department in fact implemented, in partnership with the Department of Natural Resources at the time, some six years ago, a shared services arrangement. That shared services arrangement was based on what was called the Corporate Services Agency. Through that process over those years we were able to largely model what should be the basis of a shared services arrangement in terms of provision of operational corporate services. I think it is fair to say that model largely formed the basis for the cross-government shared services arrangement, which commenced on 1 July. The fact that some six years ago we were able to identify staff who were engaged in those operational-type activities and identify the appropriate budgets which should transfer with that activity and the associated systems meant that we had undertaken that exercise back then.

As to the transfer of staff, no additional staff were transferred from the department into the shared services provider. The staff from the Corporate Services Agency transferred into our new service provider, which is called Corporate Link. No additional staff were required to transfer from the department into the shared services provider, because they were already in the Corporate Services Agency, which was hosted by us originally when it was commenced and was hosted by the Department of Natural Resources. With Corporate Link, Natural Resources is the current host.

There are some significant positives from that in the sense that we had already undertaken the major change management processes associated with that. We had identified the resources and we had identified the staff. In summary, the impact of the shared services arrangement is minimal on this department for the reasons I have outlined. We were fortunate that we were able to make the separations which accorded with the Treasury principles which were used for separation across government. Those principles were very much modelled on the Corporate Services Agency model we had established which then rolled into the wider model.

**Mr ROWELL:** Can you explain what prompted the audit of the drought and disaster assistance management system? Was there a concern with the payment of transport subsidies? Have any recommendations been implemented?

**Mr PALASZCZUK:** No, that is not true. It was just a standard audit.

**Mr ROWELL:** I refer to staffing facilities within the DPI. Minister, you have indicated in response to question No. 4 on notice that at times there are 50 staffing vacancies for the DPI. How many of these positions have been filled? Is the DPI currently advertising for all of them or do you intend to leave some positions unfilled due to the shifting priorities within the department? Can you please explain why two vacancies for senior officer level 1 are within your department?

**Mr PALASZCZUK:** Could I state at the outset that the issue of staffing and appointments is not within the province of myself, that is in the province of the department. As minister, I do not believe that I should be involved in that. Therefore, I will ask Dr Hoey to give a response to that question.

**Dr Hoey:** The honourable member would need to be very specific about the particular positions he was referring to because, as you pointed out in the introduction to your question, there are many positions at any one time which are in various stages of being advertised and filled. If you would care to give us the details, I will attempt to get you the answers.

**Mr ROWELL:** Okay.

**The CHAIR:** You will place that on notice?

**Mr ROWELL:** Yes.

**The CHAIR:** The time for questioning by non-government members has expired. I call the member for Southport.

**Mr LAWLOR:** I refer to page 1-3, dot point 6, of the 2003-04 Ministerial Portfolio Statements, and I ask: what research is being undertaken to advance the growth of Queensland's aquaculture industry?

**Mr PALASZCZUK:** I think this is the third question that has been asked about the area of aquaculture. It certainly generates quite a deal of interest because I suspect that honourable members of the committee realise that there is a shortfall of about 15 per cent in the required food through the wild fishing sector and the only way that that 15 per cent shortfall can be overcome is through aquaculture. There are immense opportunities there for persons who want to become involved in aquaculture.

What we have done is that in 2001 we announced a program to fund a three-year \$6 million new initiative into research to support the development of aquaculture industries in Queensland. This initiative is now two years into completion. Research is well under way in a suite of programs to assist the development of Queensland's rapid growing aquaculture industry. The research focused on three major areas which are critical in the development of the Queensland industry. These are increased efficiency of water reuse in western Queensland using integrated agri-aquaculture technologies and developing recirculation and bioremediation technologies of aquaculture discharge for the prawn industry; development of production technology for high-value aquaculture products such as prawns, crabs, molluscs and finfish using selective breeding and molecular biotechnological approaches; and mass culture of alternative larval diets for aquaculture including developing mass culture technology of plankton for reef finfish and crustaceans.

Research results have already been passed on to industry through demonstration sites, workshops and industry conference seminars. Important research findings include integrated aquaculture in agricultural irrigation systems, the treatment and recirculation of prawn farming effluent and the domestication of prawn species. The new initiative research supports other long-term aquaculture research into marine and fresh water finfish and the crustacean culture such as reef fish, red claw crayfish, mud crabs and tropical rock lobster. In a nutshell, we are doing quite a deal.

**Mr LAWLOR:** Minister, I refer to page 1-29 dot point six of the Ministerial Portfolio Statements. I ask, what are the likely benefits to Queensland following amendments to the Drugs Misuse Act to allow for the commercialisation of industrial hemp?

**Mr PALASZCZUK:** Industrial hemp fibre and grain products are experiencing an increase in international demand. They also have the potential to provide opportunities for economic development, jobs, import replacement and environmental benefits to Queensland. The

government has provided a sound legislative framework in which an industrial hemp industry can develop in Queensland. It allows those people who want to invest in the industry to organise their markets and to put in place the necessary infrastructure to enable a viable industry to emerge. As well as allowing for growing and researching industrial hemp crops, this legislation also provides for the manufacture and trade in products made from processed industrial hemp fibres and grains such as animal bedding, geo-textiles, stock food, cosmetics and industrial oil. Products that can be smoked, administered or consumed are excluded.

The DPI has authorised 21 grower licences and two researcher licences in Queensland in areas from Mareeba in the north to Peak Crossing in the south. As minister, I was very fortunate to be able to attend the first harvest of industrial hemp in the South Burnett. I believe it is an emerging industry that has a great deal of potential for our primary producers. We also have a number of other fledgling bast fibre industries in Queensland which include kenaf, flax and bamboo, which are at a somewhat similar stage of development. Eddie Gilbert, do not worry, I will not call you up. I will keep going. I believe that all have the potential to succeed, but the challenge for their success will be to bring together the markets, the infrastructure and so on.

Let us have a look at a new Mercedes car. I suppose all the members of the committee drive Mercedes cars. If you have a look at the internal linings of all the new Mercedes Benz', the linings are made from the fibre from industrial hemp. They are replacing the non-renewable plastics and so on. I believe there is a huge market out there to satisfy the world car market, not only for industrial hemp but also in the area of kenaf.

As minister, I am convinced that industrial hemp is more suitable for the southern part of Queensland—Bundaberg down—and kenaf is more suitable for north Queensland. In particular, I would suspect that the Burdekin area, with its irrigation, would be by far the most suitable area for kenaf. The potential for those two crops as rotation crops for our cane growers is immense, as I mentioned earlier.

**Ms LIDDY CLARK:** Minister, I refer to page 1-16 dot point 10 of the Ministerial Portfolio Statement. Could you detail the work initiated by Rural Market Development to ensure Queensland's organic food industry is well positioned to capitalise on the growing organic market?

**Mr PALASZCZUK:** We will continue to support the development of Queensland's organic industries, just as we are supporting the development of other new and emerging industries such as aquaculture, industrial hemp and functional and nutraceutical food. These industries are important because they offer producers the opportunity to diversify. That is the message we want to sell. We want our producers to diversify so they can hedge their bets when they have bad seasons in other crops or products. We also want them to capitalise on new niche markets, especially those opportunities overseas.

Our Rural Market Development staff facilitated successful trading by organic producers at last year's Fine Food Australia Exhibition. The event was so successful that clients asked the department to coordinate a Queensland certified organic stand at the Natural Products Feature World Exhibition to be held later this year. Participants anticipate further trade and network opportunities will eventuate from this. The DPI has assisted industry clients grow their businesses by facilitating linkages between them and others in their supply chain. For example, supply chain workshops were held to link producers from the Cooloola and inland Burnett regions with processors, manufacturers, wholesalers and buyers within the greater Brisbane region.

We are also working with the Organic Producers Association of Queensland to coordinate their inaugural Queensland Organic Conference to be held in Cairns next week. I would have liked to have been there to officially open the conference but, unfortunately, I have to travel to Canberra to attend a regional forum. I wish them all the best. The conference theme is 'Organically Speaking—Soil and Society'. It is being sponsored by the DPI. That shows you the commitment that we have towards the people who are involved within the organic industry.

As minister I have met with them quite regularly since 1999. I believe they have made enormous strides in their professionalism and the way that they have been able to coordinate their industry in such a short space of time. There is a very bright future for our organic farmers in Queensland. The conference will have presentations by industry professions and it will also present opportunities for our producers, distributors and buyers to be able to network. Of course, when it comes to conferences that is probably the most important part of it. We also have a collaborative project between the Department of State Development and ourselves which resulted in companies developing substantial market entry strategies into the United Kingdom. We expect about \$1 million in trade outcomes from that this year.

**Ms LIDDY CLARK:** Minister, I now refer you to page 1-31 dot point 10 of the Ministerial Portfolio Statement. What is the government doing to enable the sugar industry to embrace change?

**Mr PALASZCZUK:** Could I just say that we have had three assessments of the sugar industry recently. I believe that the sugar industry has been analysed so much that it cannot take any more analysis. Action needs to be taken. We have had independent consultants. We have had the Commonwealth and the Queensland governments do those assessments. The consistent policy message is that the sugar industry in Queensland requires change. The only way we can implement that change is through regulatory reform if we are able to begin to sharply lift its productivity.

Without significant and rapid productivity gains, I believe the industry faces a very bleak future of contraction and decline. Our bill currently in parliament will implement the regulatory reforms necessary to bring about cultural change and remove barriers to innovation. It will remove the CPAs and statutory bargaining systems which have provided inefficient growers with the power to veto change. What that has done is stifle the development of new practices.

The legislation will also abolish compulsory acquisition for the domestic market and a system of exemptions for investing will be allowed for raw sugar intended for the domestic market to be exported in bags. This sugar industry reform package is worth \$150 million. Some \$120 million is to be raised by a levy on all sugar products to be imposed by the Commonwealth at 3c a kilogram and \$30 million from the state government. Our \$30 million is over four years and consists of three parts which are as follows: \$10 million for the Sugar Industry Innovation Fund; \$10 million for a changed management support program; and \$10 million for farm consolidation loans. Currently, the maximum amount of the PIPES loans has been increased to \$500,000.

Unless we implement these changes as soon as possible, I fear for the industry. I certainly hope that those people in the National Party whom I term as wreckers of the sugar industry see some sense and reassess their attitude towards reform, reassess their attitude in the time between now and when state parliament resumes, convince their federal counterparts that this is the only way forward and seek a commitment from the federal government to enter into the reforms that are necessary to our legislation to allow us to have a viable sugar industry in Queensland.

**Ms LIDDY CLARK:** Minister, I refer to page 1-30, dot point 11. New approaches to animal welfare have now had more than a year to develop under the new Animal Care and Protection Act 2001. What enhancements have been developed and will be developed in 2003-04?

**Mr PALASZCZUK:** There have been significant achievements in the area of animal welfare and ethics since the proclamation of our new Animal Care and Protection Act on 1 March 2002. That seems so long ago now, does it not? This law is recognised worldwide as one of the most advanced pieces of animal welfare legislation and Queensland is now recognised as a leader Australiawide in animal welfare standards. We have budgeted \$2.6 million for animal welfare and animal ethics for the 2003-04 period, with a further \$1 million allocated to support the RSPCA capital works development program right across Queensland. We have inspector training under the Animal Care and Protection Act.

The department and the RSPCA have developed an extensive training program for inspectors under the act. All inspectors, both DPI and RSPCA, must complete the training before appointment. The training emphasises the need to deal with the animal welfare issue but at the same time respecting the rights of individuals to natural justice. The training consists of a combination of self-paced learning based on workbooks and computer based modules together with workshops. The feedback that we have received from the training has been very positive. We now have 95 DPI inspectors, 18 RSPCA inspectors and nine ambulance drivers so far appointed as animal welfare inspectors under the act. Training continues in the form of providing inspectors with the skills to deal with difficult people and training DPI veterinary officers as expert witnesses.

We also have our welfare codes. We currently have 18 codes that have been adopted under the act. These address areas such as accommodation, the provision of suitable food and water and any special requirements of the species. A new Animal Care and Protection Amendment Regulation commenced on 1 March this year and adopted the fourth edition of the Australian Model Code of Practice for the Welfare of Animals. The poultry code is a voluntary code but it also makes certain aspects such as housing, food, water and inspection of those animals compulsory. We also have the Queensland Circus Code, which has now been amended to

remove what are seen as anomalies, in the code and compliance with the code is now compulsory.

Also, a draft Queensland Code of Practice for the Welfare of Animals in Film and Television has been developed and is expected to be finalised by the end of this year. Queensland is involved in the ongoing development or revision of a number of national codes, including those for cattle, pigs, deer, emus and feral animals and the land transport of sheep and goats. We have also appointed an Animal Welfare Advisory Committee for the first time ever. We also have a chair in animal welfare. As a government, we have provided half a million dollars for its establishment at the University of Queensland. We also have the Help an Animal Smile program, similar to the Fiona Fish initiative I mentioned previously.

**Mr POOLE:** Minister, I refer to page 1-16, dot point 8, of the Ministerial Portfolio Statements. You have now had more than a year to develop your approaches to animal ethics. Under the new Animal Care and Protection Act 2001, what enhancements have been developed and will be developed in 2003-04?

**Mr PALASZCZUK:** An animal welfare and ethics web site was launched in August 2002. The first stage dealt with the registration of users of animals for scientific purposes and animal ethics committees. This launch was accompanied by an extensive campaign to notify potential users of animals for scientific purposes that they needed to register with the DPI and nominate their AEC, which is the Animal Ethics Committee. Practical guidelines have been developed on how overseas organisations can meet their responsibilities for the use of animals for scientific purposes under the act where some of that work is undertaken right here in Queensland. The need for such guidelines reflects the complexities and international scope of research, particularly at the university level.

Some 74 organisations, including universities, government departments and corporations, have now registered with DPI to use animals for scientific purposes in Queensland. These have also included applications from persons that the department was unaware were involved in using animals for scientific purposes. I understand that a workshop was held with key stakeholders in February on the reporting requirements under the act. This project was first presented as part of the DPI animal welfare display at the Ekka last year. It is almost Ekka time, isn't it? That display was very well staffed by DPI animal welfare officers, was very well attended by the general public and was very successful. They have also produced activity books. I launched the first book on our DPI web site on the first day of the Ekka. Since then, a further five activities books have been developed and placed on our DPI web site. This work will be ongoing in the year 2003-04. As minister, I am very proud of the great work that we are doing in animal welfare and animal ethics.

**The CHAIR:** The time for questions by government members has expired.

**Mr ROWELL:** On page 1-2 of the MPS under '2003-04 Highlights' in relation to biosecurity enhancement you refer to alternative service delivery systems for cattle tick control and plant biosecurity and certification services which will 'redirect staff resources and surveillance, emergency preparedness and community awareness of both animal and plant biosecurity threats'. Minister, how many of the seven vacancies for the stock inspector positions—the number you indicated in reply to my question on notice No. 775 asked of you on 27 May 2003—have been filled? How long have these positions been vacant?

**Mr PALASZCZUK:** I will ask Kevin Dunn to start that off.

**Mr Dunn:** I do not have the specifics of the question or the answer in front of me for the honourable member. However, in addressing the question of stock inspectors there has been a re-engagement—

**Mr PALASZCZUK:** I think the honourable member would like an answer to his questions on notice in relation to those seven stockies.

**Mr Dunn:** There has been a re-engagement of stock inspectors against a number of positions, of which some of those are the seven. I cannot at this point in time give the particular positions and locations. Our total inspection force has risen to 88 and there have been re-engagements of stock inspectors to fill some of the centres that have previously held a vacancy.

**Mr ROWELL:** Can you take that issue on notice?

**Mr PALASZCZUK:** Yes, sure. Could I also say that it was quite a controversial announcement that I made last year about the phasing out of subsidies for cattle tick control and also plant health certification services. But I believe that that was essential. It was an essential biosecurity initiative, simply because if we look at the increased global travel that is being undertaken by persons and products, changing environments and also increased tensions in

relation to bioterrorism, I believe it is imperative that government direct its resources at priority biosecurity threats to our Queensland communities.

We have taken biosecurity as our priority. We have increased our funding. We have provided \$30.1 million for enhancements extending over four years. I just believe that the way that we are going and the way we are working with industry on third-party providers for providing services for cattle tick clearances is the right way to go. The department has worked successfully with the New South Wales government to introduce far more improved cattle movement across the border between New South Wales and Queensland, and our primary producers will certainly reap those benefits, because it will mean a reduction in their charges.

**The CHAIR:** The time for questions by non-government members has expired.

**Mr PALASZCZUK:** That was a quick 20 minutes.

**The CHAIR:** This is the last question, Minister.

**Mr POOLE:** Minister, I refer to page 1-34, dot point 2, of your portfolio statements. You mention a replacement research vessel that will contribute to the food and fibre science and innovation output. Can you outline what this vessel is for?

**Mr PALASZCZUK:** Yes. I would have thought that the honourable member for Clayfield would be asking a question about new vessels within the Boating and Fisheries Patrol area. However, yes, I can confirm that the new \$1.2 million 14-metre fisheries research vessel to be named the *Tom Marshall* is being constructed at South Pacific Marine at Burpengary for the Agency for Food and Fibre Sciences fisheries program. This vessel is a catamaran design. It has improved crew accommodation and deck space and it will replace the research vessel *Warrego*, which was sold in 2002 and, as happens to most vessels, just like people, reached the end of its useful service life. The new vessel will improve seagoing research and capacity in the southern half of Queensland. It will be used for several research projects being conducted, including the spanner crab research project and the reef fish project, which require a vessel with seagoing capability.

In addition to these research projects, the vessel will be available for use by the Queensland Fisheries Service monitoring team and other research agencies which conduct marine research off the southern Queensland coast such as CSIRO, CRCs and universities. I am certainly looking forward to the day when we launch the *Tom Marshall*, just as I looked forward to the day that we launched our new surveillance vessel in the company of the honourable member for Clayfield at Pinkenba—a vessel that I believe is performing way beyond all expectations, and for one obvious reason: the vessel was launched by the honourable member for Clayfield, and I thank her for that.

**The CHAIR:** Thank you, Minister. The time allocated for the consideration of the estimates of expenditure for the portfolio of Primary Industries and Rural Communities has expired. On behalf of the committee, Minister, I thank you and your departmental officers for your attendance. The transcript of the hearing will be available on the Hansard page of the parliament's web site within approximately two hours. The hearing is now suspended for a lunch break. The hearing will resume at 1.30 p.m. with the Minister for Tourism and Racing and Minister for Fair Trading.

**Mr PALASZCZUK:** Could I thank all the departmental officers and staff who were here with me today and who have spent countless hours in preparing our responses to the estimates. I want to thank them for a job well done.

**The CHAIR:** Thank you, Minister.

**Mr ROWELL:** I would also like to acknowledge the efforts of all involved in the whole process, because it is very important as far the community is concerned.

**Mr PALASZCZUK:** Thankyou.

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

**TOURISM, RACING AND FAIR TRADING****IN ATTENDANCE**

Hon. M. Rose, Minister for Tourism and Racing and Minister for Fair Trading

**Department of Tourism, Racing and Fair Trading**

Mr L. Longland, Executive Director, Executive and Corporate Services

Ms L. Dickens, Director, Finance and Administration (Acting)

Mr I. Catlin, Director, Policy Coordination Unit (Acting)

Mr M. Kelly, Executive Director, Racing (Acting)

Mr J. Paterson, Senior Racing Advisor

Mr M. Miller, Commissioner, Fair Trading

Ms L. Andrews, Executive Director, Liquor (Acting)

Mr B. Bauer, Commercial and Consumer Tribunal Registry

**Tourism Queensland**

Mr S. Gregg, Chief Executive Officer

Mr D. Ronai, Director, Corporate Services

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**The CHAIR:** The hearings of Estimates Committee G are now resumed. The next item for consideration is proposed expenditure for the Minister for Tourism, Racing and Minister for Fair Trading. The portfolio areas will be considered in the following order: Fair Trading, Racing, Tourism and Liquor Services. 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 single chime will give a 15-second warning and a double chime will sound at the end of these time limits. An extension of time may be given with the consent of the questioner. A double chime will also sound two minutes after an extension of time has been given.

The sessional orders require that at least half the time available for questions is to be allocated to non-government members. Any time expended when the committee deliberates in private is to be equally apportioned between government and non-government members. I ask departmental officers to identify themselves when they first come forward to answer a question if the minister refers a question to them so that Hansard can record their names.

I ask that all mobile phones and pagers be switched off or switched onto silent mode. I now declare the proposed expenditure for the Department of Tourism, Racing and Fair Trading open for examination. The time allocated is three hours. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, if you wish to make an opening statement the committee asks that you kindly limit it to five minutes.

**Ms ROSE:** Queensland's tourism industry is, yet again, proving its resilience with support from the Beattie government. The industry was recovering from the dual fallout of September 11 and the Ansett collapse when two other world events combined to again shatter industry confidence. We were able to brace ourselves to some degree in readiness for the inevitable Middle East conflict, but SARS hit the industry without warning. People simply stopped travelling for fear of contracting the virus. The result was devastating.

In Queensland, the effect was cushioned to a degree with an immediate focus on domestic tourism. In recent weeks we have resumed international activities. Queensland will be a major beneficiary of a massive international campaign in markets around the globe, and Tourism Queensland is playing a major role in conjunction with our industry. Travel confidence, particularly in our major Asian markets, is returning. The challenge now is for Queensland to cash in on this new-found confidence. We are out there in the marketplace selling Queensland as the best place in the world.

For 2003-04 Tourism Queensland has received state government funding totalling \$42.574 million. Tourism Queensland's base budget remains at the highest level in the corporation's 25-year history—\$39.7 million. It is also the highest funded STO in Australia. Our regional tourist organisations share \$3.4 million in government funding. Additional special purpose funding has been allocated for business events and international marketing. Around \$36 million will be spent selling Queensland in the domestic and international markets, including an estimated \$11 million from industry partners through the cooperative marketing program.

We have a tourism crisis management plan and the Premier and I recently announced a tourism support package to help the industry recover from the latest double hit. We will again prove that commitment to tourism in 2003-04 with an investment of hundreds of millions of dollars in tourism and tourism related infrastructure and direct and indirect industry support.

The 2003-04 year will also see a continued focus on building a fairer and more dynamic marketplace as a result of the programs delivered by the Office of Fair Trading. Key elements of this focus will continue to be: contemporising the policy and legislative framework which underpins marketplace trading between business and consumers, particularly to address the rapid changes occurring in the marketplace; ensuring high levels of business and consumer awareness of their rights and responsibilities; and delivering active and effective compliance and enforcement programs to promote responsible business behaviour.

A number of key indicators show how successful the Office of Fair Trading has been over the past year. Firstly, independent market research confirms the level of community awareness of OFT advice and warnings has increased 10 per cent, from 73.5 per cent to 83.6 per cent, as a result of Fair Trading's communications and education activities for business and consumers. This fantastic result has not been achieved through high-cost advertising and promotion but rather low-cost, high-impact targeted strategies which are delivering an important preventative element of the Office of Fair Trading's overall program.

Not only is OFT delivering a very important and demanding program of legislative reform; it is leading national policy and legislative reform. In particular, we have led national reform through the convening of national futures workshops in 2002 and 2003, and through our leadership of key national regulatory reform initiatives covering unfair contracts, property investment, financial services and cross-border fraud. The next 12 months will see very significant outcomes for Queensland businesses and consumers as a result of this leadership.

One of the biggest challenges for the Liquor Licensing Division this year is helping the Aboriginal and Torres Strait Islander Policy Division regulate the supply of alcohol to indigenous communities. Division officers will continue to provide advice to community justice groups to help in the development of alcohol management plans aimed at helping communities address the scourge of alcohol abuse.

The past year was one of reform in the Queensland racing industry— reform that was both requested and required. We listened to the industry when it said that it wanted independence from government and, after consulting with the industry and receiving the unanimous support of the parliament, introduced legislation properly aligning the responsibility for the management of the industry. The three codes have also undertaken micro-reform in an endeavour to exploit their commercial potential and best utilise their resources. While the government— as members of the committee are well aware— is not a party to these decisions, I acknowledge that these reforms have caused concerns in some areas. But equally, everybody with the overall industry's best interests at heart realised that change was necessary.

Some of the scaremongering and reports of the industry being in crisis are not only wrong but extremely damaging to racing. Recent results suggest otherwise. There was record betting turnover and massive crowds for the Queensland Winter Racing Carnival and positive results for regional areas such as Rockhampton, Townsville and Mackay. Only last Saturday, Esk Jockey Club president, Tony Fitzgerald, reported a record crowd of 6,000 for their first Saturday meeting of the new financial year.

**The CHAIR:** We will commence consideration of the Office of Fair Trading. The first period of questioning is allocated to non-government members. The committee has given leave under the sessional orders for the member for Callide, Mr Jeff Seeney, to participate in the hearing today. I call the member for Callide.

**Mr SEENEY:** In question on notice No. 1 you indicated that the Property Agents and Motor Dealers Claim Fund received an appropriation of \$1.5 million for this year. Can you tell the committee how that amount of money was arrived at?

**Ms ROSE:** It is appropriated every year by Treasury and underwritten by Treasury.

**Mr SEENEY:** I know that. I am concerned about the amount of money. How was \$1.5 million arrived at as an appropriate amount of money?

**Ms ROSE:** It is long-term average of the claims.

**Mr SEENEY:** It is a long-term average. This fund has only been in place since the previous fidelity fund was abolished.

**Ms ROSE:** But it replaced it.

**Mr SEENEY:** Also in that answer you indicated that there is some \$16.6 million worth of outstanding claims. How do you intend to pay even a portion of that \$16.6 million with an appropriation of one and a half million dollars?

**Ms ROSE:** During 2002-03 56 claims to the value of \$272,803 were allowed and five were rejected. During 2001-02 22 claims to the value of \$931,353 were allowed and carried over for payment to this financial year. During 2002-03 a total of 69 claims to the value of \$1,079,631 were paid from the fund.

**Mr SEENEY:** You have already provided us with that answer.

**The CHAIR:** Let the minister answer the question. If you continue to interject I will take each interjection as a question and allow the minister three minutes to answer.

**Ms ROSE:** This compares with 31 claims to the value of \$352,539 paid during 2001-02. As at 30 June 2003, nine claims to the value of \$193,707 are awaiting payment from the claim fund. The significant number of claims awaiting payment carried over from the previous financial year and as at 30 June 2003 is due to the decision, appeal and review mechanism which ensures that the rights of all parties are protected and the decision is binding. There are 274 active claims to the value of \$3,835,729 yet to be determined, of which 253 have been quantified and 21 unquantified. It is likely that the 21 unquantified claims have been lodged to protect the claimant's position under the Property Agents and Motor Dealers Act, which has specific time limits for notification of the claim.

**Mr SEENEY:** In answer to the question you indicated that there were 770 claims outstanding with a total value of \$1.6 million. That is the answer that you gave to the committee in response to question on notice No. 1 from non-government members. Between 2001-02 and 2002-03 there were over 700 outstanding claims totalling \$1.6 million. You have an appropriation to that fund of \$1.5 million this year. How can that possibly be enough to meet even a portion of those claims given that you also indicated in that answer that something like 90 per cent of the claims that have been dealt with have been paid, so the claims were successful? How on earth could \$1.5 million possibly be enough in terms of an appropriation to a fund that is set up to meet those claims?

**Ms ROSE:** Because it is underwritten by Treasury.

**Mr SEENEY:** So you expect that Treasury will make a further allocation?

**Ms ROSE:** It is underwritten by Treasury.

**Mr SEENEY:** Is that an accurate expectation of the number of claims that your department will be expecting the fund to pay?

**Ms ROSE:** You are adding the number from 2001-02 to the number from 2002-03. There are 274 outstanding claims amounting to \$3,835,729. You are adding them together.

**Mr SEENEY:** So the total outstanding is 274?

**Ms ROSE:** Yes, 274 is the total outstanding.

**Mr SEENEY:** You have nearly \$4 million worth of claims to try to pay with a \$1.5 million appropriation?

**Ms ROSE:** Because it is underwritten by Treasury. Some of them are quantified and some are unquantified, so we do not know how many are going to be successful. Not all of those claims are necessarily going to be successful.

**Mr SEENEY:** As I indicated, the figures that you provided indicate that something like 90 per cent of the claims that have been processed have been successful.

**Ms ROSE:** It has only once exceeded \$1.5 million in the last 10 years.

**Mr SEENEY:** That is the previous fund that you are talking about?

**Ms ROSE:** Yes, the Auctioneers and Agents Fidelity Guarantee Fund.

**Mr SEENEY:** That was the one that your government took \$40 million out of and put back into consolidated revenue?

**Ms ROSE:** That fund no longer exists.

**Mr SEENEY:** But that is where you took the \$40m from?

**Ms ROSE:** The fund no longer exists. It has been superseded. The Auctioneers and Agents Fidelity Guarantee Fund no longer exists. There is nothing in these budget papers that refers to that fund. The question is irrelevant.

**Mr SEENEY:** My question is: how you are going to pay these claims with a \$1.5 million budget appropriation when, quite clearly, it would seem from the figures that you presented to the committee that any reasonable expectation would be that the amount of money needed to pay the claims would be more than that? As I understand it, the government took \$40 million from this area to consolidated revenue, which may well have been used to pay those claims had it still been there. Is that \$40 million still available to pay these claims?

**Ms ROSE:** But if it has been underwritten by Treasury now, you have virtually answered your own question. If the \$40 million went back to Treasury and Treasury is now underwriting it, it is money that Treasury has, is it not? I will give you this background. There was an independent review of the fund in 1999-2000—seeing that you keep going back to that. It formed the basis for discussion between Queensland Treasury and the Office of Fair Trading on the future direction of the fund. This was timed to coincide with the introduction of the new legislation, the Property Agents and Motor Dealers Act 2001, so that requisite clauses could be included in that act to facilitate the change of management and funding of claims by the public. Various options were presented and discussed with the final choice being Treasury absorption of the fund balance in return for equivalent funding being provided to OFT to continue the administration of the new act and administered funding for any claims.

**Mr SEENEY:** So will that money be available to pay these claims?

**Ms ROSE:** Yes, because it has been underwritten by Treasury. But the claims have to be proven—

**Mr SEENEY:** The claims that have to be paid—

**Ms ROSE:** All successful claims will be paid either out of the \$1.5 million or by the government, because they have underwritten the fund.

**Mr SEENEY:** In the limited time that we have available, could I pursue another issue. Also in answer to a question on notice relating to the fees that your department is charging and the figures that you have given in terms of the estimated income from those fees, the actual figure for 2001-02 was \$34 million; the actual for 2002-03 was \$42 million, an increase of a bit over \$8 million. Yet you have budgeted this year for a revenue of only \$37 million. How did you arrive at that figure given that there has been a huge increase in those fees both as at July last year and a further increase in some 264 of those fees since July last year?

**Ms ROSE:** In the financial year 2002-03, regulations under various acts administered by the office were amended to increase fees. Initial application fees for new licences were doubled under a number of acts—the Security Providers Act, the Second-hand Dealers and Collectors Act, the Pawnbrokers Act, the Travel Agents Act, the Property Agents and Motor Dealers Act—

**Mr SEENEY:** How did you arrive at the budgeted figure?

**The CHAIR:** Could the member for Callide allow the minister to answer his original question, please.

**Ms ROSE:** The increase in application fees has generated a total of approximately \$910,000 during the financial year 2002-03. A range of fees was also increased under the Motor Vehicle Securities Act 1986. The increased fees commenced on 1 January 2003. The Office of Fair Trading prepared a regulatory impact statement, which was available for public comment from 6 September 2003 until 4 October 2002. The results of the consultation were incorporated into a public benefit test report, which was endorsed by cabinet on 11 November 2002. The regulation was approved by—

**Mr SEENEY:** How did you arrive at the figure?

**Ms ROSE:**—Governor in Council as at 21 November 2002. The business names triennial renewals, introduced in 2002-03, led to that increase and there has been a 25 per cent take-up of the three-year renewal option.

**Mr SEENEY:** How did you arrive at the figure?

**The CHAIR:** The time for questioning by non-government members in the area of Fair Trading has now expired. I now call on the member for Gaven.

**Mr POOLE:** Minister, I refer to page 1-8 of your Ministerial Portfolio Statements, which refers to protecting Queenslanders from unsafe and dangerous products, which is a key activity undertaken by the Office of Fair Trading. What kind of dangerous products were removed from the marketplace and why was this action required?

**Ms ROSE:** I thank the honourable member for the question, which gives me an opportunity to highlight this important aspect of the work of the Office of Fair Trading. Product safety is a priority. Fair Trading officers are committed to consumer safety through ensuring that goods and services supplied in Queensland are safe.

There were a number of key product safety initiatives during 2002-03 relating to product bans, new mandatory safety standards and the re-established consumer safety committee. The two products that were banned were both toys—a yoyo ball and a range of small darts intended to be used with projectile toys. The elasticised cord attached to the yoyo ball is a serious strangulation hazard. Two serious incidents of near strangulation were reported in Brisbane in April and May 2003. The consumer safety committee recommended that I ban the product as soon as possible to avoid any further risk of tragedy. The ban took effect from 15 May. I instituted a ban on small darts in February after a boy died in New South Wales after choking on a small dart fired from a toy gun. Darts that can be fired from toy guns and similar products that are less than 58 millimetres in length are now banned because they are a significant choking hazard to young children.

In November 2002, new mandatory safety standards were introduced in Queensland for bunk beds and baby walkers. Both of these products have been implicated in many serious childhood injuries over many years. The evidence supporting the reduction in injuries by making the product safer has been overwhelming. The industry was very supportive of the introduction of mandatory safety standards and marketplace monitoring has revealed a very high level of compliance. Over time, childhood injuries will be reduced by having safer baby walkers and bunk beds, which will have a long-term flow-on effect by reducing the costs of injuries associated with these products and contribute to the government's key priority of creating a safer and more supportive community. The two product bans and the introduction of the new standards for baby walkers and bunk beds have helped maintain a safe marketplace. Businesses should be commended for showing a very responsible attitude towards these new initiatives.

The Consumer Product and Safety Committee is a statutory body established in accordance with the Fair Trading Act 1989. The committee's overarching responsibility is to act as an advisory body to the Minister for Fair Trading and Commissioner for Fair Trading on the safety of consumer products and services supplied in Queensland as well as consumer safety generally. It is an important body, because the safety of consumer products is a shared responsibility between government, industry and consumers.

The committee was involved in both the product bans during the year and is an important link in the government's product safety strategy. The committee is made up of Matt Miller, the Commissioner for Fair Trading—he is the chairperson—Associate Professor McClure; John Ashes; Elizabeth Miles; Darryl Barber; Denis Hardy; and Paul Vardon.

**Mr LAWLOR:** The Ministerial Portfolio Statements at page 1-14 note 3 draws attention to the significant increase in fine revenue from consumer credit. Can the minister inform the committee what use this revenue is put to and in particular whether it is applied so as to benefit consumer borrowers generally?

**Ms ROSE:** I thank the honourable member for the question. The acquisition and use of credit products are common issues for consumers in today's cashless society. Virtually every adult in Queensland has some form of credit. Consequently, consumers are becoming more susceptible to conditions that have the potential to create significant financial distress. Thus managing credit problems is of increasing importance to the government. The consumer credit fund is constituted by fines imposed for breaches of the Consumer Credit Code and court costs awarded to the Office of Fair Trading. Under the Consumer Credit (Queensland) Act 1994 I am able to approve the payment of an amount from the fund for credit related activities and services.

During 2002-03, the Office of Fair Trading implemented a very successful communications strategy, incorporating a new good credit guide, funded a statewide 1300 number credit counselling and advice line, and undertook a proactive consumer credit compliance program. For 2003-04, I have approved the funding of Queensland's first consumer law centre from the consumer credit fund. The role of the centre will include conducting research into credit and financial services and issues affecting Queensland consumers, developing policy proposals on consumer credit issues, coordinating consumer group input into government and industry policy development in these areas, and advocating on behalf of consumers. The centre will be a strategic partnership with Griffith University. This partnership will not only assist with providing infrastructure like accommodation and support services but it would also facilitate the university's existing research resources and allow the greater sharing of state facilities and improved outcomes for consumers. The budget for the centre will be \$135,000 per annum for three years. The establishment of Queensland's first consumer law centre demonstrates the government's strong commitment to consumer protection and will ensure better policy input from a consumer perspective.

In addition to the centre, a further \$240,000 will be allocated from the consumer credit fund to address consumer credit issues during 2003-04. This funding will provide for the continuation of the consumer credit help line—\$100,000 a year; the implementation of proactive consumer credit compliance programs; \$50,000 funding for a legal officer; and the further development of the uniform credit code, \$95,000. This \$375,000 is to be spent in 2003-04 and will ensure that consumers are provided with financial counselling services and legal advice about consumer credit and that the level of knowledge about consumer credit is improved.

**Ms LIDDY CLARK:** Minister, I refer you to page 1-11 of the Ministerial Portfolio Statements which promises a whole new suite of campaigns for the coming year from the Office of Fair Trading. Can you give the committee some idea of what you have in mind for 2003-04 and some of the benefits that may flow from these campaigns?

**Ms ROSE:** I thank the honourable member for the question. The Office of Fair Trading continues to increase awareness of business and consumer rights and responsibilities to improve confidence in the Queensland marketplace. Market research shows that the number of Queenslanders who have read or heard advice or warnings from the Office of Fair Trading increased over 10 per cent from 73.5 per cent in November 2001 to 83.6 per cent in November 2002. In 2003-04, the Office of Fair Trading will implement a new statewide communication campaign to enhance consumer and business awareness and behaviour regarding smart shopping, credit, avoiding scams, real estate and motor dealing transactions, schoolies, product safety, trade measurements and other general Fair Trading matters. The new smart shopping campaign planned for the busy Christmas period will target consumers with information on general Fair Trading issues such as refunds, warranties, misleading advertising, credit, online shopping and direct marketing. This campaign aims to improve consumers' awareness of their rights and obligations so that they have the information that they need to negotiate a fair deal with Queensland businesses.

Phase 2 of the Scam Smart campaign will encourage consumers to continue to increase their ability to identify and avoid scams. The key elements of this campaign will include the revision of the *Hard Sell* publication and a statewide advertising campaign. The Office of Fair Trading will work with Queensland businesses with phase 2 of the trader behaviour campaign, which is designed to raise awareness of fair trading obligations among Queensland businesses. As part of the campaign, the Office of Fair Trading will work with Queensland police and small business organisations such as chambers of commerce and local area consultative committees to deliver information sessions on Fair Trading and fraud issues affecting businesses.

As part of the focus on achieving responsible businesses and responsible consumers in Queensland, OFT will again target motor dealers and real estate agents with information and advice under their obligations under the Property Agents and Motor Dealers Act. The Office of Fair Trading will continue to increase information resources available to vulnerable consumers, including indigenous people, people from a non-English speaking background and young Queenslanders. Only last week I launched a new indigenous consumer brochure that is particularly targeted with information for indigenous people.

The OFT will also continue to actively engage with key industry and consumer stakeholders to ensure the consumer rights of young people attending the schoolies festival are protected. This will include communication activities to raise young people's and accommodation providers' awareness of their responsibilities during the schoolies festival.

**The CHAIR:** The time allocated to the area of Fair Trading has expired. The committee will now move on to the area of Racing. The committee has given leave under sessional orders for the member for Toowoomba South, Mr Mike Horan, to participate in the hearing today.

**Mr HORAN:** Good afternoon, Minister. Minister, consistently in parliament you have refused to answer questions on notice and without notice on racing. Again in this estimates hearing, four questions on notice asked by the non-government side you have refused to answer—questions from me and the member for Gladstone. Do you intend to answer questions at this estimates hearing? In looking at the budget for your department and the taxpayers' funds there, do you feel that you are meeting your responsibilities as Racing Minister when you consistently refuse to answer questions? I add that other ministers answer questions when it comes to corporations or other entities under their portfolio.

**Ms ROSE:** The estimates hearings are set up to look at the budget appropriations for the department. That is what the estimates hearings are all about. As the Minister for Tourism, Racing, Fair Trading and Liquor Licensing, I am very happy to answer questions, as I have already done with the OFT, regarding the budget appropriation for my department. Your colleague the member for Callide asked questions concerning the appropriations for the Office of Fair Trading.

I am not prepared to allow the estimates process to be hijacked by you as the shadow minister for racing, grandstanding for cheap political gain. You are the same person, along with all of your colleagues, who unanimously supported the Racing Act—unanimously. As members of the committee know, the control bodies for the three codes of racing do not receive a budget appropriation. You ask questions in the House. I give you the answer to those questions in the House. These are estimates hearings.

All three codes of the racing industry—the Greyhound Racing Authority, the Queensland Harness Racing Board and Queensland Racing—are funded from their own commercial activities. They are not funded by government. The independence of the racing codes was unanimously supported by you in the parliament when it passed the Racing Act 2002 in December last year. If members have questions regarding decisions of those control bodies that fall outside the responsibilities of my department then they should direct those questions to the appropriate body.

It has been plainly obvious during numerous parliamentary questions and debate over the past 12 months where the responsibility for racing's decision making sits. I am more than happy to—I will for the next couple of hours—answer questions relating to the actions of my department if they are part of the estimates process or the effects of the new Racing Act. There are plenty of questions you can ask me about racing, unless you start asking me questions about day-to-day operational decisions which have absolutely nothing to do with government and have absolutely nothing to do with this estimates process. If you ask me questions relating to the Racing Act or to the estimates process, I will answer them.

**Mrs LIZ CUNNINGHAM:** The questions on notice I asked in relation to racing were an attempt to pinpoint the changes in race meeting patterns and funding in Queensland before and after the devolution of powers to Queensland Racing. Contrary to your answer, information on which to base a comparison does not appear to be available on Queensland Racing's web site. Up until recently, racing was an interest of government. If over time it can be demonstrated that country racing is deleteriously affected by Queensland Racing decisions, what initiative and funding is available to remedy that situation in the budget, other than the small amount of funding already allocated as a salve to country racing?

**Ms ROSE:** The answer we gave to your question on notice is accurate. The decisions on allocation of race dates and on prize money are decisions which are made by Queensland Racing. We have made it independent of government over a long period of time. When the opposition was in government it did not fund racing. It did not fund prize money. The allocation of race dates and prize money has always been the responsibility of the control body. Up until last year it was the Queensland Principal Club. The government does not fund TAB or non-TAB racing. It does not happen anywhere in the country. No government in the country funds TAB or non-TAB racing.

In response to the commercial imperatives it faces, the new independent, skills based board of Queensland Racing last year commenced reviews into non-TAB country racing and the TAB commercial racing wagering program. I think you said that the information is not available on the web site.

**Mrs LIZ CUNNINGHAM:** Not to make the comparison pre and post devolution.

**Ms ROSE:** Queensland Racing can apparently give it to you if you want it. In March 2003 the board of Queensland Racing announced a restructured 2003-04 non-TAB racing program involving fewer meetings but with greater prize money designed to produce more competitive racing. On 10 March 2003 the Premier announced the establishment of the Queensland Community Racing Scheme as an extension of the highly successful Queensland Events Regional Development Program. The designation 'community race meetings' has come to mean race meetings conducted as the centrepiece of a local social occasion rather than to support the wider racing industry. These race meetings are not part of the professional racing industry and have been allocated by Queensland Racing on a year-to-year basis.

**Mr HORAN:** Minister, I refer you to page 1-4 of the MPS. The table is headed 'Output Linkages with Government Priorities'. Under the output name 'Racing Industry Services' the outcome is stated to be 'a strong diversified economy' and the government priority is stated to be 'more jobs for Queensland—skills and innovation—the Smart State'. I put it to you that this table is misleading in talking about more jobs, skills and innovation. I seek the permission of the committee to table the Centre for Australian Financial Institutions report into the economic and social impacts on local economies of changes to thoroughbred racing in southern Queensland. That report quite clearly shows job losses of just on 638. It shows an economic loss of \$33 million.

Here we have a direct linkage between what your department is supposed to do, listed here in the MPS, and a disastrous result in terms of jobs and the economy for southern Queensland as formulated by Australia's No. 1 university. What are you prepared to do to reverse this damaging impact on jobs and the economy by decisions of Queensland Racing, which is affecting not only the TAB country clubs but also the non-TAB country clubs, which have lost 163 meetings?

**Ms ROSE:** I thank the member for the question. Was this study really about the effect that a reduction in race dates has upon the downs and south-west region or was it just an attempt to try to drum up some narrow, biased economic basis to enable a few race clubs that want to be TAB clubs to be allocated some TAB races?

Queensland Racing has stated that it allocated TAB race meetings on the basis of which venues can generate increased revenue for the whole Queensland racing industry. Sadly, the six clubs involved in demanding restitution of their TAB meetings are in fact calling for the wider Queensland racing to subsidise them.

Several media statements by the report's author, Dr Delpachitra were brought to my attention at about the time that the director of the Centre for Australian Financial Institutions of the University of Southern Queensland advised me that her centre had been commissioned by racing clubs in southern Queensland to undertake an independent report.

The doctor appeared to have already formed opinions about the effects that the reallocation of race dates would have on racing in the downs and south-west racing region but not on other areas, which casts doubt over his impartiality and the independence of the proposed report. In one statement the doctor said that about 200 race meetings had been scrapped from race clubs across the Darling Downs and south-west Queensland alone. This in fact is the figure for the whole of Queensland. It is curious that Toowoomba, which is recognised as a major club and home of the majority of trainers in the downs and south-west region and has been allocated two additional TAB meetings this season, was not even included.

The doctor, I am afraid, was being used as a pawn in a party political stunt. He had already started to tell us the conclusions he was going to reach in his report, even though he had not collated the evidence. That is putting the cart before the horse. From his mistaken statements and from the form of the survey questions, it was clear that the report's author was either unaware of or choosing to ignore the fact that race clubs registered under the Australian Rules of Racing are part of the system.

I advise the centre's director, Dr Beal, that to look at clubs or areas in isolation and ignore this fundamental aspect of the industry would render any results of doubtful relevance and reliability. As a matter of fact, when Treasury had a look at it it found that the number of job losses are presented as full-time equivalents or FTEs on page 25, yet on the previous page the report indicates that a proportion of these jobs is undertaken on a voluntary or part-time basis.

**Mr HORAN:** I move on to the reduced number of TAB meetings and to the responsibilities under your act for monitoring the operations of control bodies from a probity, integrity and public accountability perspective. There has been a reduction of 23 Tuesday TAB meetings from the

Queensland racing calendar. Is this going to leave the other states with the advantage of being able to program secondary TAB meetings on these particular dates?

**Ms ROSE:** Queensland Racing has been in commercial negotiations with Sky. They made decisions on those Tuesdays. It was a commercial decision by Queensland Racing.

**Mr HORAN:** My next question relates to harness racing and the lack of a decision at this stage by the Queensland Harness Racing Board about the future of the downs harness racing club in Toowoomba, which is in the heartland of standardbred breeding—a club which has the most cost-effective operation of any harness racing club in Queensland and a club which had almost double the off-course turnover of the Gold Coast, which received a doubling of its dates.

Minister, is it not absolute folly for the board to attempt to close down a club which is the most effective in economic terms in running its meeting, which has nearly double the turnover of the Gold Coast club? This club has been left in limbo with only two dates left in August and still no decision. Why is the board contracting and restricting harness racing to a very small corner of Queensland?

**Ms ROSE:** The Queensland Harness Racing Board has a difficult responsibility to manage the harness racing code in Queensland in accordance with commercial and regulatory requirements. It is not as simple as making decisions for one club or for one venue, one district or one group. There are compromises to be made to ensure the best overall outcome. Under the commercial arrangements between the racing industry and UNiTAB, UNiTAB pays the racing industry a product and program fee. The size of the fee received by the racing industry is directly proportional to the wagering revenue generated by the industry's racing program.

The harness board is developing a 2003-04 wagering program that aims to achieve significant wagering growth for the benefit of the wider industry. Stakeholders, including associations and clubs, have been invited to provide submissions and comments—and I can only assume that Toowoomba has done that—on the program and they will be considered by the board before a final decision is made in early August 2003. I have encouraged race clubs, associations and other interested parties to liaise and communicate closely with the harness board to ensure harmonisation of the board's strategy with their own and the optimal commercial return for the whole harness racing code. All boards are accountable for their decisions. This is what government policy is about. If I did what you wanted, it would effectively be government underwriting the industry.

**Mr HORAN:** Minister, can you tell this committee the current progress towards an acceptable administration body or not-for-profit company to supervise the state's racing industry?

**Ms ROSE:** Queensland Racing will report back to me with some recommendations by October 2003. In 2001 I conducted a review of the governance structure of the thoroughbred code. One of the outcomes of that review was the requirement for Queensland Racing to investigate establishing a company limited by guarantee to be the control body for thoroughbred racing in Queensland and develop recommendations about establishing a company. The objective is to establish the right governance structure for the thoroughbred racing industry to ensure that it can meet the challenges that it is currently facing and to be flexible enough to allow it to respond to future challenges. Queensland Racing is required, as I said, to report back to me with its recommendations by October this year.

**Mr HORAN:** The current Racing Act allows for control body approval. It also removes the prohibition on proprietary racing. As Minister for Racing, do you have concerns that the removal of the prohibition on proprietary racing could allow for wealthy individuals—and we remember back in Australia's history John Wren, who ran private racing—or major organisations that might be involved with the media or own casinos, TABs or even Woolworths and Coles to be involved in racing? Do you have any concerns about that, particularly the fact that they would take the profits that would normally go to the racing industry?

**Ms ROSE:** Proprietary racing is for-profit racing. Proprietary racing, to which you alluded, was outlawed in Australia in the 1920s in response to the proliferation of illegal betting activities on unregulated racing. Prior to the commencement of the Racing Act on 1 July 2003, all race clubs in Queensland were required to operate as not-for-profit organisations. Profits could not be distributed to the members of the club.

The 2000 national competition policy review examined the need to have a legislative restriction upon the manner in which a race club may conduct its business. The 2000 NCP review concluded that, while control bodies need to have control over the manner in which clubs conduct their racing operations to ensure the continued viability of racing in Queensland, it was not

necessary to require every race club in Queensland to operate on a not-for-profit basis. All race clubs in Queensland currently rely almost entirely upon distributions from their control body for prize money.

The Racing Act makes it possible for a control body to register a race club that conducts race meetings for the purpose of making a return to shareholders. Each control body is required to have a policy and set criteria for the licensing of for-profit clubs as well as a policy for licensing not-for-profit clubs. To ensure the integrity of races conducted by for-profit race clubs, all races conducted by a proprietary race club must be regulated by the control body for that particular code of racing. A proprietary race club must provide annual accounts which specify particular information set out in the act to their control body. In other words, there are checks and balances that ensure there is no need to fear that proprietary race clubs will take over racing in Queensland.

The act does not introduce proprietary racing. It is not even supportive of proprietary racing but simply removes legislative impediments. Legislation barring proprietary interests from conducting racing is an absolute nonsense in this day and age. Private interests are able to deliver most services in Australia today, including health care, child care and education. So it is nonsensical to suggest that they should not be able to deliver a race meeting. Proprietary clubs will be required to comply with the same rules and regulations as non-profit clubs.

**Mr HORAN:** Minister, with regard to the act and the responsibility for monitoring operations of control bodies, including probity, integrity and so forth, are you able to tell this committee what is the position of the CMC inquiry into possible conflicts of interest? Has that inquiry commenced? Has it concluded? Did any people involved with the particular board stand aside during the course of the inquiry?

**Ms ROSE:** On 16 April 2003 I received a letter regarding possible conflicts of interest of members of the Queensland Thoroughbred Racing Board. I referred this letter to the chief executive of my department, who I am advised referred it to the Crime and Misconduct Commission. On 6 June 2003 I was asked a question in the House by you, and that question was—

Is the minister aware of any investigation being conducted into a conflict of interest involving any members of the Queensland Thoroughbred Racing Board?

I answered you, and my reply was—

I received a letter from Queensland Racing a few weeks ago containing some allegations about the possibility of a conflict of interest. I referred that matter and that letter back to the chief executive officer of the department. My understanding is that that matter has then been forwarded on to the CMC for investigation. It has in fact been referred by the chief executive officer of my department to the CMC.

I have followed strict and proper process in this matter, and until the outcome of a proper CMC investigation is known the matter should not be discussed further.

**Mr HORAN:** There was recently a successful fortnight of sprint racing in Gympie. Is your department prepared to assist those proponents of sprint racing who are based in Gympie with any support or assistance to further their hopes and ambitions for the sport?

**Ms ROSE:** I have met with the sprint racing people on a few occasions over the past few years. Under the act there are no restrictions on their making applications to conduct sprint racing. I have always encouraged them to make an application. I am very pleased to hear that they had a successful meeting. We are quite happy to continue to work with them to give them encouragement to apply. I am quite happy to continue to work with them.

**Mr HORAN:** Minister, with regard to greyhound racing and your oversight of the board and the operations, are you able to tell this committee whether the Albion Park club was able to make a profit last year?

**Ms ROSE:** I have the information on the trustees. As far as their profitability last year is concerned, that would be reported back to the control body, and I do not have that information before me.

**Mr HORAN:** With respect to Product Co., the company which sells the racing product to UNiTAB, what rate of return or tax did it pay to the government last financial year? What rate of tax is it paying to the government this financial year after 1 July?

**Ms ROSE:** The estimate for 2002-03 of the income received by the government from racing or the conduct of wagering on racing in Queensland is \$28.9 million. Product Co. pays no tax; UNiTAB does.

**Mr HORAN:** With regard to the 163 race meetings that were lost by country clubs as a result of the decision by Queensland Racing, and having regard again to this table of output linkages for a strong, diversified economy, many of these country towns have been absolutely devastated by the loss of their meeting. Clubs such as Mitchell that had one meeting a year on Caulfield Cup day is probably typical—it has lost its only meeting. Do you see any possible way whilst your government remains in power of these clubs ever getting back their race meetings? Some 163 of them have been lost.

**Ms ROSE:** In short, the answer is I hope so. When I was at the Kilcoy races about six weeks ago, the president of Burrandowan came up to me and said, 'Thank you. It looks as though we are going to get the date back that we wanted.' I think most people, certainly those who have shown a bit of interest in racing, would know there was a great deal of publicity about the Burrandowan Picnic Race Club. I met with the committee on more than one occasion, and we encouraged it to go through the process of applying to the community racing scheme for funding to run its event and also to apply to Queensland Racing for an allocated race day.

The committee expressed concern to me that it wanted the race day of Mother's Day Sunday, which was the day it had always raced on. The club felt it would not have as successful a day if it did not have Mother's Day as its race day. When the president came up to me at the Kilcoy races he said, 'Thank you, thank you, thank you. It looks as though we are going to get our Mother's Day allocation.' There was nothing official. This was just what he had been told by Queensland Racing. I have received formal notification from Queensland Racing on its race dates and programs. On Saturday, 8 May 2004 Burrandowan Picnic Race Club will race on the race date it wanted.

In terms of all of those other clubs and Mitchell, I would encourage them to apply to Queensland Racing. If they have a particular date that they like to race on, we have seen that Queensland Racing has come up with the date that Burrandowan wanted so it is certainly worth while putting in an application. I would also encourage those clubs that lost their only race date to apply to the country racing scheme.

**Mr HORAN:** I just note that Burrandowan only got the date; it does not get the \$24,000 that other race clubs get, and this little bush community will have to raise all that money itself. My question is about the TAB country circuit. Since the closures of those TAB meetings—and they have been given a reduced allocation of non-TAB meetings—there has been a proposal that on a reduced basis Dalby, Gatton and Kilcoy could operate 15 TAB race meetings. This is so that they would still have some TAB race meetings in those areas to offset the losses that will accrue to trainers and others in the racing industry. Are you prepared to take that matter forward as Minister for Racing to Queensland Racing?

**Ms ROSE:** First of all, you alluded to Burrandowan not being allocated the prize money. You are quite right, but Burrandowan do have \$90,000 in the bank. I have every confidence that they will be able to run a very successful meeting with very good prize money again this year.

As far as the non-TAB clubs go, you may have missed my opening remarks where I said that last Saturday Esk ran their first non-TAB meeting. The club said that they had 6,000 people at their first non-TAB meeting, their first Saturday meeting, and they were absolutely over the moon. Kilcoy have yet to have their first race date. That is coming up in a couple of weeks. I would hope that they get the same sort of numbers that were at Esk, because I know through experience that a lot of people who attend Esk races should attend the Kilcoy races. I am very hopeful that Kilcoy—because I have an obvious soft spot for Kilcoy—will have a successful meeting, as did Esk. As to Dalby, I am not sure whether or not Dalby has had its first non-TAB meeting, but I certainly do wish them the very best with that.

I note your comments. You did allude to the fact about the 15 meetings; that is where the TAB status comes in. If a club is unable to race 15 times a year then they are unable to be allocated a TAB race day. The fact that three clubs together can run 15 meetings I think would be quite contrary to the way that they determine eligibility for TAB allocated race days.

**Mr HORAN:** They proposed it as one circuit.

**Ms ROSE:** As you would be aware, Mike, a lot of those decisions are requirements by Sky Channel and what Sky Channel requires clubs to be able to provide.

**Mr HORAN:** That is why they did the three together.

**The CHAIR:** The time for questioning by non-government members on the Racing portfolio has expired. I call the member for Gaven.

**Mr POOLE:** Minister, on page 1-22 of the MPS under 'Recent Achievements' it notes that the Racing Act 2002 was passed by parliament. Can you explain how the new act differs from the old act and the benefits for the Queensland racing industry?

**Ms ROSE:** I thank the honourable member for the question on this most significant reform. The new Racing Act, which was passed unanimously in the parliament and which commenced on 1 July 2003, provides a modern legislative framework for the Queensland racing industry. The Racing and Betting Act 1980 was based on the 1954 Racing and Betting Act. It was an outdated piece of legislation that was not only complex and difficult to interpret but not relevant to the current racing environment.

The Racing Act 2002 provides a framework which ensures that an approved control body will have all policies, rules of racing and processes in place that are necessary for the regulation and good management of its code. Control bodies must develop policies in relation to the licensing of animals, clubs, participants in venues, education and training, animal welfare issues and allocation of race dates. All policies must be publicly available.

The requirement to have written policies will increase accountability by ensuring that a control body's decision-making processes are open and transparent. The act also ensures that control bodies address issues relating to the welfare of licensed animals, including drug control and disease management. The act aims to increase public confidence in the Queensland racing industry by ensuring the integrity of all persons involved in racing and that the welfare of licensed animals is safeguarded.

**Mr POOLE:** On page 1-24 of the MPS under 'Future Development' I note the department will be implementing the new Racing Act 2002. What assistance will the department provide the three control bodies to ready them for the changes to their operations?

**Ms ROSE:** I thank the honourable member for the question. Since the Racing Act 2002 was passed unanimously by parliament in September 2002, my department has provided assistance to the three racing control bodies to assist them to make the transition to regulation under the new legislation. Examples of where my department has provided assistance include a review of education and training services. The department provided the funding to review and report on the requirements of the Racing Act 2002 in relation to vocational education and training and its implication for the three racing control bodies, including the gap between the policy and practice requirements of the act in the existing policies and practices of the control bodies. This information will be used by the control bodies in the development of policies and practises relating to vocational education and training.

The department has also assisted with a review of the pre-race testing program. The purpose of this review was to analyse the existing pre-race drug testing program and determine the ongoing relevance and effectiveness of the service provided to industry. This information has been supplied to the control bodies to consider in relation to determining their integrity requirements.

There has also been support for the policy skills development project. This took the form of funding for the engagement of a consultant to undertake a policy skills training and development project for the three control bodies. The purpose of this project is to assist control bodies to develop skills in the area of policy development, evaluation and monitoring which will enable them to comply with their obligation under the Racing Act 2002 to develop policies.

**Mr LAWLOR:** On page 1-24 of the Ministerial Portfolio Statement under 'Future Developments' I note an Office of Racing Regulation will be established. Minister, what is the difference in the role of the new Office of Racing Regulation and the previous Racing Division?

**Ms ROSE:** I thank the honourable member for the question. With the commencement of the Racing Act 2002 there is a greater emphasis on the role of government in relation to matters impacting on the probity and integrity of racing and the need to protect the public interest by establishing an approval system for racing control bodies. The Office of Racing Regulation has been established to meet the new requirements of the Racing Act 2002. This office replaces the previous Racing Directorate whose primary role was to promote the growth and development of the racing industry. The Office of Racing Regulation is responsible for processing control body approval applications, processing accredited facility applications, developing programs to audit control bodies, and monitoring and enforcing compliance with the act.

Officers in the Office of Racing Regulation will also act as authorised officers responsible for investigating and enforcing compliance with the act. Authorised officers are responsible for

monitoring and auditing control bodies and accredited facilities to assess whether they are complying with conditions of their approval or accreditation and the requirements of the act.

The Office of Racing Regulation will comprise eight professional and administrative full-time staff, an increase of one full-time equivalent position over the previous Racing Directorate. This position is a newly created principal integrity officer who will be responsible for monitoring and auditing control bodies in regard to the welfare of animals. This is an entirely new function to be undertaken by my department and is a requirement of the act. The establishment of the Office of Racing Regulation in my department represents a new era of government racing policy—one which focuses on the maintenance of public confidence in the integrity and probity of racing in Queensland.

As I have a bit of time I just wanted to go back to the assistance to control bodies, the previous question. As additional information, my department carried out ongoing consultation during the introduction and implementation of the Racing Act 2002 in order to ensure that the racing control bodies were aware of the impact on their operations under the new legislation. I am very confident that my department has provided the level of assistance required by the control bodies to best assist them to meet their changed obligations under the new Racing Act.

**Mr LAWLOR:** On page 1-24 of the Ministerial Portfolio Statements under 'Future Developments' I note that the Office of Racing Regulation will be responsible for processing applications for control bodies. I know you have touched on this briefly, but how will this affect the three current control bodies and what is the process for approval of any new control bodies?

**Ms ROSE:** The act provides that only a corporation registered under the Corporations Act may apply for a control body approval. The existing control bodies—Queensland Racing, the Queensland Harness Racing Board and the Queensland Racing Authority—may continue as statutory authorities until 1 July 2006. During this time these control bodies will be required to take the necessary steps to meet the criteria to be approved as a control body, including the requirement to establish a company under the Corporations Act. The existing control bodies may apply for an approval after 1 July 2004.

Only those persons who are an 'eligible individual' as defined in the act are permitted to be involved in the management of control bodies. Such persons must not have a criminal history, be bankrupt or be a licensee of a control body. An application for a control body approval must include plans for developing, operating and managing the code. It must also include proposals for policies relating to the licensing of animals, clubs, participants and venues, and education and training in animal welfare issues. An applicant for a control body approval will be required to advertise so that any other potential applicants are aware that applications are being considered. In the event that there is more than one applicant, all applicants must attend a mediation conference. All persons involved in the management of a control body will be required to undergo criminal history and probity checking to ensure that only persons of the highest probity and integrity are able to be appointed as directors or executive officers. A thorough investigation of all applications will be undertaken by the Office of Racing Regulation and a report provided to me. Only those applicants that demonstrate that they can fulfil all of the requirements of the act will be approved as a control body. If a control body is approved and it fails to comply with the requirements of the act or conditions placed on its approval, action may be taken requiring the control body to show cause why its licence should not be suspended or cancelled or other disciplinary action taken.

**Ms LIDDY CLARK:** Minister, I also refer to you to page 1-24 of the Ministerial Portfolio Statements under 'Future Developments'. The department is going to analyse and respond to recommendations resulting from the governance reviews of the thoroughbred, harness and greyhound codes. What are these reviews aimed at achieving and what is the timetable for their conduct?

**Ms ROSE:** I thank the honourable member for the question. In 2001 I conducted a review of the governance structure of the thoroughbred code. One of the outcomes of that review is the requirement for Queensland Racing to investigate establishing a company limited by guarantee to be the control body for thoroughbred racing in Queensland and to develop recommendations about establishing a company. The objective is to establish the right governance structure for the thoroughbred racing industry to ensure that it can meet the challenges that it is currently facing and to be flexible enough to allow it to respond to future challenges. Queensland Racing is required to report to me with its recommendations by October 2003.

The greyhound and harness racing code reviews were also conducted in October 2001. These reviews arrived at a similar conclusion to that of the thoroughbred code review, namely that control bodies for greyhound and harness racing should be based upon a company structure. The review also identified the potential to reduce costs through the possible merger of regulatory commercial corporate support functions and more efficient and effective administration and use of assets. The establishment of a company structure will require considerable time to investigate and require detailed consultation with industry stakeholders due to unresolved and complex policy, legal and commercial issues.

Therefore the greyhound and harness boards have until September 2003 to report to me with recommendations on possible governance structures. The boards have been, and are, continuing to consult with clubs and other stakeholders in relation to all options. The greyhound and harness racing codes comprise 17 registered racing clubs and approximately 3,000 licensed industry participants. Both codes are governed by boards with members who are not committee members of race clubs. These boards have not been subject to the same conflicts of interest that were identified in the review of the thoroughbred code.

**Ms LIDDY CLARK:** Minister, I refer you again to page 1-24 of the MPS under 'Future Developments' regarding the implementation of the new Racing Act. Minister, you touched on this earlier but you may wish to speak to it again, and I refer to the media coverage given fears regarding proprietary racing and the fact that it is no longer prohibited by racing legislation. What is proprietary racing and are there any reasonable grounds to fear it?

**Ms ROSE:** I thank the member for the question. As she quite rightly pointed out, I did cover this before. I guess there has been a great deal of scaremongering and misinformation which has been spread about it. Hopefully I am going to also have the opportunity in a couple of weeks to be able to respond to some of the outrageous, unfounded and untrue claims that have been made about proprietary racing and also the impact or effects of that since the implementation of the new Racing Act on 1 July. Hopefully some of my comments this afternoon have gone some way to putting the facts on the table.

**Mr POOLE:** Minister, on page 1-23 of your portfolio statement under 'Recent Achievements' it notes the transfer of ownership of the Albion Park Raceway to the Greyhound Racing Authority and the Queensland Harness Racing Board. What benefits will this have for these two racing codes?

**Ms ROSE:** I thank the honourable member for the question. The greyhound and harness racing codes currently share a number of venues and facilities. Issues of ownership, management and occupancy of racing venues have a bearing on the viability of clubs registered by the control bodies. The viability and economic sustainability of these two codes of racing is greatly assisted by aligning the ownership and management of key venues. The trust and the boards have undertaken extensive analysis and reviews in recent times. They have had to defer consideration of options at some venues until the Queensland government as owner had completed its consideration of issues in relation to the cost and benefits to the taxpayer of government ownership of some of these venues, especially where non-racing stakeholders such as show societies were involved.

In late June 2002 the government approved the transfer of the Albion Park Raceway asset to the greyhound and harness boards as tenants in common in equal shares and at no cost to the Greyhound Racing Authority and the Queensland Harness Racing Board. Albion Park is valued at approximately \$23 million and is a major venue and a most significant asset used by both codes. This transfer, which was effected on 1 July 2003 to link in with the end of the financial year, has entirely fulfilled the government's commitment to transferring previously Racing Development Corporation owned assets back to the racing industry. Importantly, it also provides both the greyhound and harness codes with ownership and control of their most significant product producing asset for the first time in their histories.

**Mr POOLE:** Minister, on page 1-23 of the MPS under 'Recent Achievements' I note the department participated in Exercise Minotaur. Can the minister outline what Exercise Minotaur involved and how it will provide benefits to future planning for the Queensland racing industry?

**Ms ROSE:** I thank the member for the question. Exercise Minotaur was a simulated foot-and-mouth disease outbreak that took place in September 2002 with the purpose of testing peak level emergency roles and linkages across and within the Commonwealth government and within state and territory governments. Foot-and-mouth disease only affects cloven hoofed animals and not horses. It causes a huge loss of production in affected animals and spreads very quickly in

affected species. The Australian racing industry could be affected by the imposition of quarantine zones and other restrictions on the movement of all farm animals to prevent the spread of the disease. The outbreak of foot-and-mouth disease in the United Kingdom in 2001 caused enormous economic loss to British horseracing, which resulted from the restrictions placed on the movement of horses.

Following the foot-and-mouth disease outbreak in the United Kingdom, the Council of Australian Governments requested the Productivity Commission to assess and report on the economic and social impact of an outbreak of foot-and-mouth disease in Australia. Exercise Minotaur—the simulated, hypothetical foot-and-mouth disease outbreak— occurred in cattle in the Beaudesert area of Queensland. The Queensland Department of Primary Industries immediately established a quarantine zone around the suspected affected premises, which included the Beaudesert racetrack. As you are aware, Beaudesert is a major centre for thoroughbred horse studs, spelling properties, and trotting and equestrian establishments. My departmental officers took the opportunity created by Exercise Minotaur to test the linkages, responsiveness and management of the Queensland racing industry to the simulated disease outbreak and a number of benefits have resulted.

**Mr LAWLOR:** Minister, on page 1-23 of the Ministerial Portfolio Statement under 'Recent Achievements' it notes the continuing implementation of the Beattie government's deed of grant in trust policy and the transfer of the Gatton and Townsville racecourses. Minister, which race clubs have been the beneficiary of the government's policy? How does this policy help the Queensland racing industry?

**Ms ROSE:** I thank the honourable member for the question. In June 2000 cabinet endorsed a policy to transfer ownership of key racecourses of economic significance to the Queensland racing industry. This policy enables race clubs to acquire freehold title over their racecourses and provides them with more freedom to operate in a commercial manner and to utilise the value of their assets to business advantage in stimulating future growth.

At that time only two major race clubs held freehold title to their racecourse—namely, the Brisbane Turf Club and the Gold Coast Turf Club. Further, Eagle Farm racecourse that had been held in trust was vested in the Queensland Turf Club Ltd subject to certain restrictions on proclamation of the Eagle Farm Racecourse Act 1998. The Sunshine Coast Turf Club leases Corbould Park at Caloundra, which was bequeathed to Caloundra City Council for racing purposes. Six other main racecourses were held under DOGIT arrangements—Bundamba; Callaghan Park, Rockhampton; Clifford Park, Toowoomba; Gatton; Cluden Park, Townsville; Bunya Park, Dalby; and Ooralea Park, Mackay.

As a logical step to help position key Queensland race clubs in meeting the challenges of the post-privatised TABQ environment, the government endorsed a policy to assist them in becoming more commercially focused. The policy is that freehold title shall vest in the incorporated race club freehold and free of charge, subject to voluntary surrender of deed of grant in trust held by trustees, and on condition that the land is released from all encumbrances and interests and that the incorporated race club enters into a statutory covenant registrable under the Land Title Act 1994 requiring that the land must only be used as a racecourse and for sport and recreation purposes. Industry ownership and control of these racecourses also removes the bureaucratic processes and costs of administering venues through the Land Act 1994.

The following racecourses have been transferred under this policy: Clifford Park, which was transferred in December 2000 to the Toowoomba Turf Club; Bunya Park, transferred in June 2001 to Dalby and Northern Downs Jockey Club; Ooralea Park in May 2002 to the Mackay Turf Club; and Bundamba in June 2003 to the Ipswich Turf Club. The department has also received expressions of interest and is currently working with Gatton racecourse and Cluden Park racecourse in Townsville. Importantly, under the Racing Act 2002 a race club must obtain my approval to dispose of any interest in real property that is used as a racing venue.

**Mr LAWLOR:** Minister, on page 1-24 of the MPS under 'Future Developments' I note the department will identify and analyse further opportunities to streamline and align management of racecourse assets. Given the recent media speculation, what is the situation with regard to the Gladstone racecourse?

**Ms ROSE:** I thank the honourable member for the question. I am sorry that the member for Gladstone has left the hearing, but I will make sure that she actually gets a copy of this because it is important for her to know. The Gladstone Turf Club, which currently occupies Ferguson Park racecourse, is held by the club under a deed of grant in trust. I am advised that the current

configuration of the racecourse restricts undertaking functional improvements at the site. Queensland Racing has outlined a proposal to me to relocate the Gladstone racecourse to an area known as 'Ashpond Seven'. The proposed new site is crown land vested in the Gladstone City Council for future use as a park and recreation reserve. The council has an ash management agreement with the Gladstone Power Station owners to permit the completion of the landfill reclamation process, which I understand will not allow the site to become available for any use before the end of this year.

I am advised that in December 2002 a memorandum of understanding was signed by Queensland Racing, the club and the council in which the club agreed to Queensland Racing assuming complete management control and ownership of the project and the asset. Assistance and support was also pledged by the Gladstone City Council in relation to the relocation to the new site. The Queensland Racing proposal, which I received on 2 May 2003, needs to be clarified as it is unclear as to whether the new racecourse site will in fact be owned by Queensland Racing or the Gladstone Turf Club or will remain as a reserve set aside under the Land Act for community purposes with the Gladstone City Council as trustees.

I wrote to the chair of Queensland Racing on 28 May 2003 seeking advice and comments on the issue of ownership of the new site, including the outcome of consultations on this issue with the Gladstone City Council, which is the key community stakeholder in relation to the project, but as yet I have not received a reply. When this issue is clarified, I will be able to ask my department to provide me with advice in relation to formulating a final proposal to Treasury to seek approval for the use of proceeds from the commercial sale of the current Ferguson Park, if that eventuates.

Queensland Racing's current proposal requests that surplus funds of approximately \$1.4 million representing the difference between expected proceeds from the sale of the current site valued at \$4.1 million and the cost of developing the new racecourse estimated at \$2.7 million be retained by Queensland Racing for reinvestment in the provincial and country areas in Queensland. The department will seek clarification from the Gladstone City Council on whether the council concurs with this aspect of the proposal.

**Ms LIDDY CLARK:** I refer the minister to page 1-24 of the Ministerial Portfolio Statement under 'Future Developments' and I note that the department will be providing support to the new Racing Animal Welfare and Integrity Board. What will this board's role be under the new Racing Act 2002?

**Ms ROSE:** I thank the honourable member for raising this important issue. Society demands that animals are treated humanely, and the responsible care and use of animals in the racing industry is paramount. I am proud that the Racing Act 2002, which commenced on 1 July, requires an approved racing control body to have a policy on animal welfare for its code of racing. The act also makes it an offence for a person to inflict or cause injury to a licensed animal or affect in a detrimental way the behaviour, performance or physical condition of a licensed animal.

The requirement to have a policy means that an approved racing code must provide standards for the care and use of licensed animals. The offence provisions in the act strengthen the authority of an approved racing code's rules concerning the welfare of the animals. The act also establishes a Racing Animal Welfare and Integrity Board to provide independent advice on animal welfare and creates integrity officers with statutory powers to monitor compliance with an approved racing code's policies on animal welfare.

I am pleased to advise that the act emphasises and complements the Queensland Animal Care and Protection Act 2001. An initiative of my department was the development of a novel injury and incident report form that the Queensland racing codes have utilised to record the occurrence of injuries to licensed animals at a race meeting. The Australian racing industry needs to develop a statistical database for recording injuries and incidents to help to assist with managing animal welfare in the racing industry. I will be encouraging the approved racing council bodies to develop a code of practice in conjunction with the representatives of training organisations for the care and welfare of racing animals.

I will also be encouraging the approved racing control bodies to ensure that animal welfare is part of the curriculum used to train racing officials and racing participants. The implementation of sound animal welfare policies will protect the animals used for racing and reassure the Queensland public that racing animals are treated humanely. I have set the framework in the Racing Act 2002 for the racing codes to protect the welfare of racing animals by requiring approved racing control bodies to have policies on animal welfare, disease management as well

as drug control. I have also set the framework to ensure that suitable policies on animal welfare, disease management and drug control are created and implemented by establishing the Racing Animal Welfare and Integrity Board and through the appointment of integrity officers in the Racing Act 2002.

**Ms LIDDY CLARK:** I now refer you to page 1-23 of the MPS. Under 'Recent achievements' I note the department facilitated the streamlining of supervision and the more efficient and effective use of the Parklands Gold Coast venue. What does the transfer of this asset from the Land Act 1994 to the Racing Venues Development Act 1982 mean for the greyhound and harness racing codes?

**Ms ROSE:** I thank the honourable member for the question. I note the member for Southport, who is the local member, is on the committee. He will be very interested in the response to this. Parklands Gold Coast consists of over 64 hectares of land which is the home of the Gold Coast Harness Racing Club, the Gold Coast Greyhound Racing Club, the Gold Coast Annual Show and the Big Day Out. It really is a fantastic venue. I have actually attended all of those things in one capacity or another, including the Big Day Out, which I have been to once. That was a unique experience.

**Ms LIDDY CLARK:** A big day out.

**Ms ROSE:** It was a very big day out. I am actually going to be opening the annual Gold Coast Show. Perhaps the member for Southport can help me. That is the first week in August, I think.

**Mr LAWLOR:** September.

**Ms ROSE:** It is a coming up in a few weeks time. The greyhound and harness racing venues are of world-class standard and are therefore extremely important venues to the Queensland harness and greyhound racing codes. Until 30 July this year Parklands Gold Coast was administered as a trust established under the Land Act, which is within the portfolio of the Minister for Natural Resources and Minister for Mines. From 4 July Parklands Gold Coast has been reconstituted as a trust under the Racing Venues Development Act, which falls within my portfolio as Minister for Racing. This move is designed to streamline government supervision of this important venue. Mr Colin Meagher, AM, and Mr Phillip Hill, who have been trustees of Parklands Gold Coast for many years, will continue as trustees of Parklands Gold Coast.

As Parklands is primarily a harness and greyhound racing venue, the reconstitution of Parklands as a trust appointed under the Racing Venues Development Act 1982 will result in a more efficient monitoring of issues concerning the use of Parklands for multiple purposes including racing. The transfer of Parklands to a trust administered under the racing portfolio will provide certainty for the racing industry, which has recently increased the frequency of racing at the venue, and other venue users such as the Gold Coast Show Society. Beenleigh meetings have been transferred to Parklands, and that was effective from 1 July as well.

The trust will continue to be responsible for day-to-day administration of Parklands Gold Coast. All employees at Parklands Gold Coast will continue to be employed and all current uses of the venue will continue as usual. Over the next six months my department will be conducting a review of the remuneration paid to the trustees, who have so obligingly continued to be paid the same rate of remuneration for about 20 years. Any consideration of appointing new trustees will be undertaken, of course, in consultation with the Premier and the trustees.

**The CHAIR:** That concludes the committee's examination of expenditure in respect of Racing. The committee will now break for afternoon tea and resume its hearing at 3.15 p.m. and will examine the areas of Tourism and Liquor.

Sitting suspended from 3.04 p.m. to 3.17 p.m.

**The CHAIR:** The committee will now continue its examination into the portfolio of the Minister for Tourism and Racing and Minister for Fair Trading. The committee will now consider the area of Tourism and Liquor. I welcome the member for Caloundra.

**Mrs SHELDON:** Minister, I refer you to non-government question on notice No. 8, wherein I asked you to detail the actual amounts spent on marketing in overseas target destinations and domestic regions for each financial year since and including 1997-98. I noticed that there are no details at all for 1997-98 in the funding levels as asked in the question on notice. For the benefit of the committee would you now detail what those exact amounts were?

**Ms ROSE:** While David is having a look for some figures I might just outline what we are doing in international marketing. Tourism is Queensland's second largest export earner and this

government is committed to making it an even stronger industry sector. Queensland's international marketing efforts received a boost in 2002-03 with a renewed focus on international marketing as part of the government's commitment to Australian Airlines. Support for Australian Airlines over the three-year period to 2004-05 totals \$16 million, including the industry's investment. However, the majority of the investment occurred during the year to provide the airline with the best possible introduction to the market. This support was translated into comprehensive tactical marketing campaigns in the airline's key market, including Japan, Hong Kong, mainland China, Singapore and Taiwan. Other international marketing investment was targeted towards key markets throughout the year. You asked specifically about the 1997-98 financial year. The international marketing expenditure, including cooperative support from industry but excluding Australian Airlines cooperative support, was \$12,625,802.

**Mrs SHELDON:** What was it without the industry support?

**Ms Rose:** I will keep on talking about our international marketing activities while we try to locate that exact figure for you. In the United Kingdom stage 2 of the \$1.3 million 'See Australia and Queensland' campaign was undertaken to promote the value for money Queensland offers. Investment in this campaign was up by \$450,000 on the previous year's campaign. This made it the largest Queensland campaign in the United Kingdom to date.

For the European markets we coordinated 'Queensland on Stage' with 19 top European wholesalers as well as four travel trade journalists visiting Queensland on the most comprehensive familiarisation program undertaken in the European market. The destination positioning blueprints continued to be rolled out for key markets. The blueprints are being developed for Queensland's key inbound markets and provide valuable insights into consumer motivations in regard to Queensland's destinations and products. During the year the blueprint for German speaking Europe and the United Kingdom was released. Development of blueprints for the Asian markets will be ongoing over the next couple of years.

Tourism Queensland worked with the other states to facilitate Oz Talk travel trade training events in the United Kingdom, the United States, Europe and New Zealand. Oz Talk helped to further educate key sellers of Queensland product in these markets. In partnership with the Australian Tourism Commission and the other states, Tourism Queensland convened the inaugural American Town Hall seminar, bringing 12 leading international travel experts to Australia to meet local industry representatives. In a major step forward for the Korean market, Tourism Queensland launched a tourism trade web site published entirely in Korean to raise awareness of Queensland's destination and experiences. There are only a few web sites in Korean language with Queensland travel information. The site features 50 pages of Queensland information.

Extensive work was undertaken to capitalise on the Rotary International Convention in Brisbane from 1 to 4 June. The direct spend from the Rotary convention is estimated at around \$60 million. Tourism Queensland continues to facilitate media promotional publicity and to work cooperatively with industry on pre and post event touring associated with the Rugby World Cup. In regard to the information that you require on the industry spend we can give you an approximate amount of \$9.5 million. That is \$3 million from industry and \$9.5 million from Tourism Queensland.

**Mrs SHELDON:** So the total for this coming budget year is \$9.8 million, but in that year, 1997-98, it was \$12.6 million. So there is a decrease of nearly \$3 million including the industry. But the figures you have given me include the industry for the 2003-04 budget.

**Ms ROSE:** That \$9,883,918 does not include the Australian Airlines cooperative support. In relation to that figure from 1997-98, Australian Airlines did not exist then.

**Mrs SHELDON:** So they are comparative figures. The way you have calculated the figures, 1997-98 is comparable to what you are saying here for 2003-04.

**Ms ROSE:** There were specials, though, in 1997-98.

**Mrs SHELDON:** Such as?

**Mr Ronai:** There were special initiatives in 1997-98 that were different each year in terms of the last four or five years. They would be comparable numbers in terms of \$12 million versus \$12 million if we added back Australian Airlines into this budget year. The \$3 million that is not in our books would bring the \$9 million that the minister just mentioned to \$12 million, which would be comparable to the 1997-98 figure of \$12 million.

**Mrs SHELDON:** With all due respect, I would like to see that in figures, because I do not necessarily agree with you. I know there was special incentives funding. In fact, we put a

\$5 million special amount of money in the budget that year. Actually, that came after the budget. So that was not included in those figures of \$12 million that you have given me for 1997-98?

**Mr Ronai:** There were special initiatives in that year.

**Mrs SHELDON:** They were in that year, but that \$5 million was not in the budget?

**Ms ROSE:** David, you have three minutes now in which we can answer that.

**Mrs SHELDON:** Excuse me, Mr Chairman, is that an extra three minutes on this question?

**The CHAIR:** Yes.

**Mrs SHELDON:** I do hope I get another question in additional time, because this was actually an answer to a question on notice I asked some time ago and then I asked it again in a question on notice for non-government members' questions on this budget. In neither of those was the 1997-98 figure given.

**The CHAIR:** Do you want to provide this information in an answer on notice?

**Ms ROSE:** To get the right split of the amount of money with that sort of detail we are happy to provide that on notice.

**Mrs SHELDON:** I did ask for it before, otherwise I would not be asking for that sort of detail now. Mr Chairman, can I go on with my second question then?

**The CHAIR:** Yes.

**Mrs SHELDON:** Can you explain why Tourism Sunshine Coast received only \$306,476 in convention and incentive funding, according to non-government question on notice No. 6. You outlined in a response to my question on notice No. 676 asked earlier this year that the budgeted figure for Tourism Sunshine Coast convention and incentive funding was \$337,124. What services were cut with this decrease in funding?

**Ms ROSE:** I will ask Stephen Gregg to answer that, because a new formula has been applied to the allocation of funding for all our convention bureaus.

**Mr Gregg:** The higher convention funding amount that you mentioned is based on a formula based on the collection of statistics on the size of the convention market in each of the state's six convention bureau regions. That information is collected by the bureau, sent to the Queensland Office of Statistical Research, and that helps us determine how the funds are allocated. There is a formula which has a few elements in it. Fifty per cent of the formula applies to the amount of interstate and international marketing done. There is the size of the industry, the relevant dependence on the industry by the sector and the number of accommodation houses in each region. So it has tried to get a fair balance in terms of the way the money has been allocated. The change in the figure—you have alluded to the lower figure that is reported in the answer—is because there was an audit on Sunshine Coast figures. In actual fact, they were revised down. So the formula changed and the money was reallocated across the other convention bureaus. It is just keeping pace with the formula.

**Mrs SHELDON:** Could I ask you what the audit was based on that the funding was reduced?

**The CHAIR:** Direct the question to the minister.

**Ms ROSE:** I had more information that I could have given as well. I do not know if Stephen had finished answering his part of the question, but I am sorry there was a subsequent question before we finished answering the question.

**Mrs SHELDON:** No, it was not subsequent; it was directly related.

**Ms ROSE:** A supplementary question.

**The CHAIR:** A supplementary question.

**Mr Gregg:** It was—

**Mrs SHELDON:** With all due respect, I was trying to clarify what you were saying to me.

**Mr Gregg:** There was a review of the data that was selected. One of the things is that the way this data is collected is that we are dependent on the accommodation houses providing the data to the convention bureau. There was a recheck of all of those figures and it was recalibrated back. It was done very transparently and was done fairly for the rest of the convention bureaux as well.

**Ms ROSE:** To make it probably a little bit clearer, there is funding for all the six convention bureaux. They receive base level funding of \$120,000 to provide resources to employ marketing

managers and for administrative assistants. The remaining funding is distributed based on a formula, as Stephen said, which is the share of total Queensland meeting expenditure, the share of Queensland's delegate days to international and national meetings, their share of room stock, the weighting for relative dependency on the meetings market, and the share of venues with capacity greater than 1,000.

So when they are looking at the formula, they are relying on the information that is given back to them by the sector providers who look after that convention market. The funding is reviewed annually based on the Queensland stats figures, which are derived from the bureaux and they are analysed by Queensland Treasury. This ensures that we reward those bureaux that grow the business events sector for their regions. So in other words, the more business they generate, the more money they will then receive in their funding allocation. Forecast predictions—

**Mrs SHELDON:** I just do not —

**The CHAIR:** The member for Caloundra—

**Ms ROSE:** The contribution that the business events sector makes to Queensland's economy will grow from \$1.6 billion to \$1.9 billion over the next four years. As you would be aware, the state government owns two convention centres: one in Brisbane and the other in Cairns, with the third under way on the Gold Coast scheduled to open in mid-2003-04, which is really exciting news for us members on the Gold Coast. The centre on the Gold Coast represents an investment of \$118 million in tourism on the Gold Coast. I am confident that all six of our convention bureaux have the right resources and focus for the next four years to meet these commitments.

**Mrs SHELDON:** Referring to that same question, then, I still do not understand. Are you saying that the formula when I asked that question on notice earlier in the year was different from the formula that was used for the budget? I do not understand why there is a difference there.

**Ms ROSE:** The formula did not change. The formula is a new formula. It is in its second year. So it is the first full year. What happened was that the information that came back was different. It is the same formula that was used.

**Mrs SHELDON:** I do not see what the original figure was based on. I am not trying to be difficult; I just do not understand this.

**Ms ROSE:** Because that was the information that was given to us.

**Mrs SHELDON:** So the information that came from Tourism Sunshine Coast earlier in the year is different from the information that came pre-budget?

**Mr Ronai:** It was based on the original estimates of visitation and other factors by Tourism Sunshine Coast in terms of the centre. Subsequently, though, these figures needed to be audited, as the minister said, through the operators and that was when there was found to be a variance. So that element of the variance impacted on the grant. As the minister said, this was transparent and so forth, but we had to subsequently make a change from the budget to the actual that occurred in the last three or four months and also, consequently, to the budget for next year.

**Ms ROSE:** Can I just ask David: did that apply to all the centres or was that only Tourism Sunshine Coast?

**Mr Ronai:** All of the centres were audited, but Tourism Sunshine Coast was the only one that had a variance.

**Ms ROSE:** They were all audited, they all went through the same process; it was just that the figures for the Sunshine Coast varied in the estimates that Tourism Sunshine Coast provided and the subsequent results that we got from a full audit. It was not because there was any mismanagement on Tourism Sunshine Coast's part; it was just that the information and the way it was provided was mismanaged.

But I just need to again say how important the convention incentives sector is for Queensland. It is worth something like \$1.66 billion a year. It is a huge money-spinner and we have experienced throughout the state really strong growth in delegate days. We had an average growth of some 13 per cent per annum over the four years to June 2002. It is estimated that this growth led to an increase of nearly 6,000 jobs in the state. So there has been some really significant spin-offs for the tourism industry with pre- and post-convention touring a popular option for many conference delegates. Tourism Queensland's Sunlover Holidays targets this market

through a dedicated groups and conference unit, which focuses on pre- and post-touring and assisting with the travel needs of conference organisers.

**Mrs SHELDON:** Thank you. I refer to page 2-5 of the MPS, the number of online bookings generated by Sunlover Holidays, the fifth quantity output. Why did online bookings plummet from 5,900 in the 2001-02 year to only 3,700 this past year? Why does the MPS include such a misleading note suggesting that this is a hesitancy to move towards online booking when people are already using online booking facilities? I note that there were an extra 800,000 people who actually visited the site in 2002-03. So the question is: why did people move away from that online booking service?

**Ms ROSE:** Sunlover Holidays and the Queensland travel centres comprise Tourism Queensland's commercial division. Sunlover Holidays is the largest wholesaler of Queensland based tourist product in Australia and New Zealand. It provides valuable distribution opportunities for more than 740 tourist operators, about 54 per cent of whom are not represented in any other Australian wholesale program. Sunlover is completely self-funding and receives no subsidies from government. Any surpluses are channelled into Tourism Queensland's distribution and destination marketing campaigns, which benefit all Queensland tourism operators.

In addition to Sunlover, there are nine retail Queensland travel centres selling Queensland product throughout Australia. The Queensland travel centres are an integral part of the commercial division, stocking in excess of 4,000 Queensland products, accounting for about 17 per cent of all Sunlover sales. A measure of the commercial division's performance, which appears in my Ministerial Portfolio Statement, is consolidated sales of Sunlover Holidays in Queensland travel centres.

In July last year, Tourism Queensland revised upwards its target for consolidated sales from \$187 million to \$201 million. Sales for the year are expected to come in at \$197 million, \$4 million below target due to a softening in demand as a result of the war in Iraq and SARS and the impact on consumer travelling intentions. Not only did these events impact on international arrivals but there was also a softening in Australians choosing to holiday domestically. Obviously, these events could not have been forecast when we were preparing our budget estimates in May 2002.

During the year, around 3,700 online bookings were made. This was substantially down on the target set in 2001 of 7,500 largely due to consumer hesitancy to make online bookings and the impact of SARS and the war in Iraq. The initial growth rate experienced with online bookings was not maintained, which meant that the target was unachievable. A more conservative target of 5,825 has been set for this year. Of course, we are looking forward to Sunlover continuing as the leading wholesaler of Queensland's top tourism products. Online information use is high. The bookings go to the phones. Despite not reaching the top line sales target, the bottom line performance will come in ahead of budget. Sunlover remains an integral part of Tourism Queensland's marketing and destination development activities. We have set a target of \$230 million for sales this year. The boost in sales is largely related to more aggressive marketing, particularly for the travel centres using a wide range of distribution techniques.

**Mrs LIZ CUNNINGHAM:** On page 2-4 of your portfolio statement you give some indication of the work that Tourism Queensland has done in the industry crisis management plan. In relation to the collapse of airlines in central Queensland, what funds are allocated and what work has Tourism and Racing done in concert with Queensland Transport to re-establish a second carrier to ports in central Queensland—and the rest of Queensland, actually—to encourage competition, affordable air fares and greater access to regional Queensland for tourism purposes?

**Ms ROSE:** Most of the negotiations with airlines—like the negotiations with Australian Airlines—were driven out of State Development. We do have a role through Tourism Queensland. You are talking about actually having more airlines flying into central Queensland. Tourism Queensland regularly meets with the airlines. We have an aviation plan and we have a number of government stakeholders on that.

I have a little bit of information for you on the service to Gladstone, which I will talk about in a minute. But when you are actually looking at encouraging new airlines—and as you rightly identified, the Transport Department, State Development and Premier's, I suppose, all work together—we have a role to play through Tourism Queensland in that we can provide information and data on the number of people who are actually flying in and visiting a region, which might help with providing a route development proposal, which we often do. We put a lot of work in Tourism Queensland into route development proposals, which we will then present to an airline,

whether or not it is an international airline, and assist them with making those commercial decisions as to whether or not they are interested in flying into a particular region.

Virgin have been absolutely fantastic in the number of regional routes that they now have. When we look at where they have come from in a very short period, they are very committed to flying into regional Queensland. Sunstate Airlines, as you know—you probably fly Sunstate—

**Mrs LIZ CUNNINGHAM:** They do not fly to Gladstone.

**Ms ROSE:** So you are saying that Sunstate Airlines do not?

**Mrs LIZ CUNNINGHAM:** They stopped earlier this year.

**Ms ROSE:** Did they? That is not the information that I have, so I am very sorry to hear that. But we work through Tourism Queensland with Qantas and with Virgin Blue on regional opportunity studies, which is what I was saying before about route development proposals.

At the end of the day, an airline will make a commercial decision as to whether or not it is profitable to service a particular area. As you know, the Transport Department does provide some subsidy arrangements for flying into some parts of regional Queensland. I can just give you an assurance that we recognise the need to have regular air services into regional Queensland and we will continue to support that.

**Mrs SHELDON:** My last question to you was not based on projected figures but was based on the estimated actual figures for 2002-03 compared to the estimated actual for 2001-02. For 2001-02 it was 5,900; for 2002-03 it was 3,700. My question is: what is the difference? When online bookings in every other sector are moving onwards, I do not understand that discrepancy.

**Ms ROSE:** I will ask or Stephen Gregg to provide that detail.

**Mr Gregg:** The use of the online service is growing at a rapid rate. The Tourism Queensland web site is one of the most visited Australian tourism web sites. We are up to over 300,000 users a month moving on to it. When you are talking about Sunlover, you are talking in the main about domestic travellers getting information on holidays. They are not actually booking their holiday on the web. They are using the web to get a lot of information.

Our earlier projection, as the minister said, was optimistic. We also ran into the situation of the loss in travel confidence earlier in the year in terms of how consumers were booking, which followed right out of the Ansett situation. We are certainly concentrating on building the bookings but, as our figures show, our phone business actually grew. We more than met the budgets that we expected for Sunlover, but it did not come as bookings on the web. A lot of information was taken off the web, but it is just not converting to bookings.

There is an enormous amount of web usage on, if you like, commodity style travel—point-to-point airfares and things like that—but when it comes down to actual holiday bookings with two and three components people are using the web to get that information but they tend to still want to get the confidence of speaking to someone who knows the destination. That is why we have not seen a huge explosion in that side of our business as yet.

**Ms ROSE:** What you are saying is that people will go on line, tap into a destination and get information about it and then actually go to a travel centre or a travel agent to actually make the booking. When my son travelled overseas a couple of years ago he actually got on the Net and found out about all the destinations, the costs of the air travel and how he could travel. He also went to an agent to ask about the same destinations. The cost he got from the travel agent was actually in excess of what he could have got had he booked it himself. That is probably because he has a greater understanding of online, being a young person, and is far more confident. Somebody like me would probably be like the bulk of people who go online. They get their information online but still would not know how to actually make all of the bookings. As Stephen said, the number of phone inquiries is certainly boosted and the number of online contacts does not necessarily mean that that translates into bookings.

**Mrs SHELDON:** It decreased to 2,000 in that period.

**Ms ROSE:** As we said before, there were around 3,700 online bookings. Even though that it was down on the target set in 2001 of 7,500, that was because people were hesitant to make online bookings. The fact that there was this hesitancy to make online bookings does not mean that they were not making bookings by phone, because they like to have that direct contact.

**The CHAIR:** Thank you, Minister. The time for questioning by non-government members has expired.

**Mr LAWLOR:** Minister, I refer again to page 2-5 of the Ministerial Portfolio Statements. These statistics have been fairly extensively referred to, but there still appears to be some confusion as to the true funding situation concerning Tourism Queensland. Could you please explain the true circumstances so that we all may better understand this important matter?

**Ms ROSE:** Tourism Queensland's base budget for 2003-04 stands at \$39.7 million. That is the highest in its 25-year history. It is also the highest funded STO in Australia. We are also funding the state's 14 regional tourist organisations to the tune of \$3.4 million. On top of that, we have special purpose funding to support segments of the industry. Special purpose funding is exactly that. It is funding for a special purpose and for a specific period of time. It is not recurrent funding. This year, special purpose funding has been allocated for business events and international marketing.

We are in the second year of a four-year program which will deliver \$7.5 million in support to the state's six convention bureaus—on the Gold Coast, in Brisbane, on the Sunshine Coast, in the Whitsundays, in Townsville and in Cairns. There is the second year of support for Australian Airlines—a \$1 million contribution to a \$16 million three-year campaign to support Australian Airlines, which is the biggest thing for international tourism in this state for decades. There is also the budget for Queensland Events and our support of the icon Lexmark Indy on the Gold Coast—a total commitment of more than \$20 million. This funding is not administered by my portfolio, but it most certainly does benefit tourism.

Support for an industry is much more than direct funding. It is in this area that the Beattie government absolutely excels. We have developed the Growing Tourism strategy and aviation strategy to boost international flights into and domestic services within Queensland, a cruise shipping plan and, importantly, an ecotourism plan. We have Australia's first tourism crisis management plan. We have a comprehensive tourism support package rolled out in the wake of the Iraq war and the SARS outbreak.

Over the past two financial years the Beattie government has pumped almost \$1.3 billion into the industry in direct and indirect support. Whole-of-government direct spending on support for the tourism industry during 2002-03 was estimated at \$177 million, with more than \$534 million spent on indirect support. These figures include construction of the best Rugby League stadium in the world. I have had the pleasure of being there twice now. This year, direct funding will be in the order of \$150 million, with another \$428 million in indirect support.

When it comes to the tourist dollar, Queensland does it better. If I may, I will quote Tony Karp, managing director of the Principal Hotel Group, a US based investment company which owns Hayman Resort and the Sheraton Brisbane Hotel and Towers as well as the Hotel Intercontinental and Transport House in Sydney and Melbourne's Airport Hilton. He says—

If government understanding and support of an industry is a prerequisite to investing in hotels and tourism, I would invest in Queensland first, then Queensland, and possibly Queensland again.

**Mr LAWLOR:** I refer to page 2-2 of the Ministerial Portfolio Statements. Minister, you have already mentioned that \$7.5 million by way of funding goes to the various convention bureaus in the state. What does this funding achieve and why is this so important for tourism in Queensland?

**Ms ROSE:** I thank the honourable member for the question. The convention and incentive sector, as I said earlier, is a big money spinner for Queensland—worth about \$1.6 billion a year. We have had incredible growth in our delegate days. As I said earlier, we have had a 13 per cent growth per annum over four years to June 2002, which equated to an increase of about 5,956 jobs. There have been significant spin-offs for the tourism industry, with pre and post convention touring a popular option for many conference delegates. As I said earlier, we have this special groups and conference unit.

Only a few weeks ago we had 16 tourism travel writers from Japan on the Gold Coast. I met them at Sea World Nara. We had the opportunity to go on a helicopter ride from Sea World Nara so that we could show them scenery of the Gold Coast. We actually flew over the new Gold Coast Convention Centre. It is very difficult; you cannot really see how much work has already happened on the convention centre when you are driving past, but when you get to see it from the air the progress is really quite significant. It is going to be absolutely huge for the Gold Coast.

We are very mindful, of course, that we carefully manage that convention and incentive business to Queensland—that all of our convention bureaus get their share. I think there has been a bit of angst from a couple of the other convention centres because they see that the Gold

Coast is going to be a very popular destination with its new convention centre. The reality is that the Gold Coast is the No. 1 destination in the state for convention and incentive business. We know that we have enough delegates and enough convention and incentive business to go right around the state.

It really is quite exciting. I will run through the funding allocations that we actually have made available to the bureaus. This year there has been a total of \$1.875 million allocated. There is \$564,987 for the Gold Coast. As I said, the Gold Coast is the No. 1 destination for convention and incentive business. We are going to continue to see terrific growth.

**Mr POOLE:** Minister, I refer to page 2-2 of the Ministerial Portfolio Statements. Japanese visitors are an important part of the state's tourism industry. What initiatives are being undertaken to ensure future growth in this important market segment?

**Ms ROSE:** I thank the honourable member for the question. During the year we took a significant step forward in boosting the Gold Coast's appeal to the Japanese market and creating new market segments. We did this through a strategy called Australia Gold 2010, Japanese tourism to the Gold Coast and southern Queensland. It was launched by the Premier on 14 November. Australia Gold is a comprehensive strategy to harness the combined market power of the many groups involved in selling the Gold Coast to the Japanese and focus it into a clear and compelling message to the market.

Market research shows that the Japanese market has matured and there are some important new segments that need to be targeted. As well as the traditional market segments such as honeymooners and couples, there are new lucrative market segments such as the over 50s and groups including conferences and incentives, students and backpackers.

Work undertaken so far in this strategy includes visits to Japan in January and May to meet with wholesalers and land operators. One outcome was the identification of new collateral material including a CD of Gold Coast images suitable for the Japanese market. We actually gave that group of 16 travel writers a copy of the CD when I met with them on the Gold Coast. There have been meetings with wholesalers and land operators, discussions with Qantas and Australian Airlines over services from Japan to Brisbane and the Gold Coast and the production of a regular Australia Gold 2010 newsletter which is distributed to the industry.

Led by Tourism Queensland and the Gold Coast Tourism Bureau, the strategy has the backing of the Gold Coast tourism industry, Brisbane Marketing and Tourism Sunshine Coast, as well as in-principle support from the ATC, the airlines and the Japanese travel trade industry. Brisbane and the Sunshine Coast are also part of this strategy which, for the first time, formalises the involvement of the three destinations.

Japan remains Queensland's dominant source market, representing 25 per cent of the total international visitors to Queensland in the year ended March 2003. In recent years Japanese visitation to the Gold Coast has been largely driven by airline route development practices and marketing factors. In terms of airline route development practices, since the early 1990s airlines have developed different strategies to hub into Brisbane and/or Cairns. Growth of the Japanese market has tended to occur depending on where the airlines choose to hub. Since the Ansett collapse, the loss of Osaka-Brisbane services has impacted on south-east Queensland business; however, Tourism Queensland has worked tirelessly in developing detailed business cases for key Japanese airlines to boost airline capacity to south-east Queensland.

In November 2001 I personally visited Tokyo and Osaka to present route capacity studies to Japan Airlines to replace the lost Ansett capacity. Then in September last year Stephen Gregg and Unni Menon from Tourism Queensland visited Japan to meet with key airline executives and present more detailed business cases.

**Mr POOLE:** Page 2-1 of the Ministerial Portfolio Statements states that Tourism Queensland works closely with a network of 14 regional tourist organisations to address tourism marketing and development opportunities. How does the federal government's tourism green paper recognise the strength of this structure, seen as the most effective in Australia?

**Ms ROSE:** I thank the honourable member for the question. The Queensland government, like the Commonwealth, recognises the importance of strategic planning for tourism. From the Queensland government's perspective, the release of the green paper is timely. Queensland is acknowledged as the leader in tourism support and marketing in Australia. Our regional tourism organisation structure is the envy of every other state and territory. However, we have been ignored in the Hockey green paper. Not once does it reference the Queensland government's response to the 10-year plan discussion paper in 2002.

The green paper directly proposes 14 strategic directions and 27 strategic options for tourism. A number of the proposals are of significant concern to Queensland. One of our major concerns is regional planning. In this area the Commonwealth has been found wanting. Commonwealth engagement at a regional level must occur in line with individual state approaches. One approach driven nationally will not effectively engage tourism partners at state and regional levels. Where there are networks in place, the Commonwealth government must work with them rather than create new networks and potentially division.

It is vital that the role of the Commonwealth government's area consultative committees remains unchanged and that they be required to engage directly with Queensland's RTO network. They must work together to ensure the best possible dividend on investment in the end. Queensland fully supports the development of tourism in the regions. However, we have to ensure funding is appropriately targeted. I would hate to think tourism funding is used federally for pork-barrelling. The foundation on which Queensland's tourism industry is built is on a network of 14 RTOs. That structure has been in place relatively unchanged for 25 years, and it is the most effective and is recognised as the most effective in Australia. It therefore represents an ideal model for use in other states and a mechanism through which the Commonwealth government can more fully engage.

Finally, the green paper represents an opportunity for the federal government to provide consistency in the delivery of its services to the tourism sector and to tailor business assistance programs to meet the needs of the tourism industry. I welcome and indeed encourage Mr Hockey to engage directly with Tourism Queensland and the RTOs in the development of the white paper so that the end outcome provides the best model for the future growth of Australia's tourism industry. I want the best for our tourism industry but we have to get it right.

Just briefly, if I may refer back to a question from the member for Gladstone. I have just been handed some information which hopefully will be good news. QantasLink has subsumed Sunstate as the Brisbane-Gladstone carrier. Some 38 flights or 1,760 seats will be going in.

**Mr Gregg:** That is the current services. QantasLink is now the brand that has taken over Sunstate; that is all. There was confusion as to whether Sunstate was flying. It is QantasLink that is now flying in lieu of Sunstate.

**Ms LIDDY CLARK:** Minister, I refer you to page 2-3 of the Ministerial Portfolio Statements. Ecotourism is a fast developing niche market. What initiatives has Tourism Queensland undertaken to develop sustainable tourism in natural areas?

**Ms ROSE:** I thank the honourable member for the question, as I know she has a very great interest in ecotourism opportunities. At last year's international ecotourism conference held in Cairns, I was pleased to launch the Queensland ecotourism plan 2003-08. The new plan builds on Queensland's success in ecotourism planning, development, management and marketing, and on the achievements of the inaugural Queensland ecotourism plan. Key achievements under the inaugural ecotourism plan include realising seven self-help guides, including to assist industry with aspects of best practice such as sustainable product development, interpretation, utilising the Internet, and environmental impact monitoring; in partnership with the Queensland Parks and Wildlife Service and the tourism industry undertaking a review into the tourism management system for Queensland's national parks with a tourism and protected areas initiative, which is being finalised as part of the next plan; an understanding of ecotourism in Queensland through consumer and industry research; and high take-up of the Nature and Ecotourism Accreditation program, reflecting Queensland's role as a national leader in ecotourism best practice.

This plan helped to position Queensland as Australia's premier ecotourism destination. Actions in the Queensland Ecotourism Plan 2003-08 focus on issues that are currently challenging the industry, particularly in the areas of native title and indigenous involvement in ecotourism, tourism management in protected areas, accreditation, product development and marketing, community involvement and sustainable marketing.

The plan was developed following a statewide community industry and agency consultation program during April 2002. Opportunity for further input was provided in August when the discussion paper titled 'Towards a Queensland Ecotourism Plan 2003-08: A blueprint for sustainable tourism in Queensland's natural areas' was released for consultation.

In another first for Queensland, Tourism Queensland has created a dedicated, sustainable tourism department merging the former environmental tourism unit and destination development department to focus on issues relating to sustainable tourism. This is the first such unit in a state tourist organisation. The department consists of 10 experts who are readily able to provide first-

hand advice to operators. Other initiatives last year in the area of ecotourism include the launch of a Queensland ecotourism product CD which was distributed to 3,000 travel trade and media contacts worldwide as an initiative of the International Year of Ecotourism 2002. We have also developed a consumer brochure featuring 60 of Queensland's 78 operators certified under the Nature and Ecotourism Accreditation Program or NEAP.

**Ms LIDDY CLARK:** Minister, still on page 2-3 of the MPS, what is Tourism Queensland doing to secure new international air services for Queensland, and how successful have these activities been?

**Ms ROSE:** I thank the honourable member for the question. The further expansion of Queensland's international aviation network is essential to growing this state's tourism industry. Despite the challenges we have faced this year, Tourism Queensland in consultation with other key agencies and industry partners has worked proactively to increase international air access to Queensland. Tourism Queensland has contributed significantly to Queensland's commercial and tourism aviation plan 2002-04. This plan acts as a blueprint for developing domestic and international air services to this state, providing broad strategic direction for future airline route development opportunities in Queensland. Due to the combined impact of SARS and the Iraq conflict, Queensland lost an estimated 52,000 seats and 146 international services over an 11-week period from 17 April to 30 June.

I acknowledge that airlines, including Qantas, Cathay Pacific, Australian Airlines, Malaysia Airlines and Singapore Airlines have had to make difficult commercial decisions in response to a dramatic global softening in demand for international travel. However, as international travel confidence continues to return, we are working to ensure that Queensland is well positioned to not only retain but also build on its international market. I am pleased to advise that a number of suspended international services have now been reinstated with travel demand beginning to rapidly increase.

I would like to take this opportunity to outline to the committee just a few of the major successes achieved in line with the aviation plan. In late October Emirates Airlines will commence daily services to Brisbane. This decision follows 20 months of assistance from Tourism Queensland, which provided data and statistical information supporting the introduction of these flights. These 14 new weekly services will offer 5,320 new seats per week into Brisbane inbound and outbound, adding valuable new access directly from the Middle East to Queensland as well as improving access from the UK and Europe.

Following the preparation of a detailed business case by Tourism Queensland, Australian Airlines commenced services from Cairns to key ports in Japan, Singapore, Taipei and Hong Kong in October 2002. The introduction of these services was further supported by an assistance package by the Queensland government, including a three-year \$16 million cooperative marketing campaign. These new services are set to inject approximately \$500 million a year into the economy of Cairns alone due to the estimated 350,000 passengers expected to arrive each year.

In cooperation with Brisbane airport and the Cairns Port Authority, Tourism Queensland developed and presented business cases to Virgin Blue, encouraging the airline to operate services from New Zealand to Brisbane and Cairns. Virgin Blue is currently assessing the submission.

**Mr LAWLOR:** Minister, I refer to page 2-3, dot point 2, of the Ministerial Portfolio Statements. Drive tourism is becoming very popular with Queenslanders who wish to explore more of their home state, and I ask: is this an important sector of the market? What programs have been developed and promoted to encourage drive tourism?

**Ms ROSE:** I thank the honourable member for the question. Over 70 per cent of all domestic visitor trips taken in Queensland are by the drive market, with the domestic drive market contributing an estimated \$4.4 billion to Queensland's economy. Queensland's drive market is growing at a rate of 14.5 per cent annually compared with the national average of 5.5 per cent. The drive market has proven itself able to withstand challenges which have a significant impact on tourism.

For example, following September 11 and the Ansett collapse, the drive market boosted accommodation takings across Australia by six per cent. That came out of a Midwood investment report. It is worth noting that a five per cent increase in visitation along the four routes which are part of the Drive Tourism program could generate an additional \$4.6 million in spending and 176 new jobs. To create a more user friendly experience for these visitors, Tourism Queensland, Arts

Queensland, Queensland Heritage Trails Network and the Department of Main Roads have invested in a \$3 million drive tourism campaign.

The program creates a friendly road network linking the Queensland Heritage Trails Network projects across Queensland through four tourism themed routes, signage for the accredited visitor information centres along the routes, signage for the Queensland Heritage Trails Network projects and collateral for the drive market. The four theme routes are Savannah Way (Cairns to Broome via Katherine); Overlander's Way (Townsville to Tennant Creek); Warrego Highway (Brisbane to Charleville); and an upgrade of the Matilda Highway (Karumba to Barrington on the border). Only those sections of the routes within Queensland have received signage. The signage was finalised early this year and was supported by a major marketing push in the southern markets in time for winter. Tourism Queensland will continue to develop tourism themed routes throughout Queensland through ongoing involvement in the drive tourism market.

Partners in the Drive Tourism program include the Queensland Department of Main Roads, Queensland Heritage Trails Network, the Northern Territory and Western Australian governments, regional tourist organisations, local government and visitor information centres. The Drive Tourism program, stage 2, is currently in planning stages and will focus on the following theme routes: the Country Way, Wallangarra to Rockhampton and the Great Inland Way, Hebel to Cairns via Roma, Emerald and Charters Towers. I do not know if any members of the committee have been to Hebel. I have been to Hebel. It is very small, but it is a wonderful little place. Other themed routes include the Capricorn Highway, Rockhampton to Barcaldine, and the Pacific Coast Way, Gold Coast to Cairns. Again, route signage, infrastructure and market awareness are priorities of the projects.

**Mr LAWLOR:** Thank you, Minister. I refer to page 2-4 of the Ministerial Portfolio Statements, dot point 1, under 'Future Developments'. I know that you have already referred to this, but you may have something more to add. How will Tourism Queensland's online tourism marketing strategy assist Queensland maintain its status as a world leader when it comes to tourism initiatives? What are some of Queensland's recent successes in this area?

**Ms ROSE:** I thank the honourable member for the question. There is quite a bit that I can add because Queensland is a world leader when it comes to online tourism initiatives. We have led and the others have followed, not only with this but with all arms of my portfolio. In fact, Tourism Queensland recognised the potential of the Internet over seven years ago, with the creation of the Destination Queensland web site and the Sunlover agents Internet booking system. Since then, these sites have gone from strength to strength and many others have been added.

Today users logging on to Tourism Queensland's home page have five choices for further information. Firstly, they can access the Queensland holidays site featuring some 3,000 pages for accommodation and travel information; secondly, there is Tourism Queensland's corporate site containing key publications and information on marketing, policy and destination development activities; thirdly, Sunlover Holidays has a dedicated site for travel agents; fourthly, the Queensland travel centres have a site for the public; and, fifthly, there is the gateway site to Queensland's international marketing web sites. These web sites attract over four million visitors a year.

Tourism Queensland then took the lead role to gather tourism data in a common online format to ensure that regional areas have access to this information. This has been achieved through Australian Tourism Data Warehouse and Regional Tourism Net. Pioneered by Tourism Queensland, the data warehouse provide a vital one-step process to profile tourism products through Australia's leading tourism industry web sites. It minimises the costs and workload to operators associated with the maintenance of data for Internet applications while making it easier for consumers around the globe to search for information about destinations online.

The Australian Tourism Data Warehouse provides one set of information, one collection process, one place to update and one greatly reduced charge. Queensland has over 826 operators in the Australian Tourism Data Warehouse and over 1,700 listings. Through this Regional Tourism Net, Queensland's regional tourist organisations, the RTOs, now have e-commerce enabled Internet access.

The Australian Tourism Data Warehouse and Regional Tourism Net form an integral part of Tourism Queensland's online strategy. This strategy is now being taken a step further to meet growing industry and customer needs relating to the online environment. In essence, the new

strategy is focused on a range of innovative concepts which will better enable consumers to tailor the information they access from the Internet to meet their individual needs.

**Mr POOLE:** Minister, I refer to page 2-4 of the MPS. The tourism industry has been affected by the conflict in Iraq and the consequences of the SARS epidemic. What has your department done as part of its contingency planning to address any future industry shocks?

**Ms ROSE:** I thank the honourable member for the question. In last year's estimates I spoke of the impact on the industry of September 11 and the Ansett collapse. This year the industry was impacted by the dual worldwide crises of the war in Iraq and SARS. Once again tourism showed its resilience and ability to swiftly adapt strategies to turn crises into opportunities. Tourism Queensland's immediate response group, through Tourism Queensland's international offices and the regional tourist organisations, actively monitored the impact of both issues on the industry.

The Queensland cabinet endorsed a tourism crisis management plan for Queensland to assist in reducing or responding more rapidly to the industry crises. The plan was developed following September 11 and the Ansett collapse and its release could not have been more timely. Under this plan the Premier and I this month announced a tourism support package which included marketing assistance, help for tourism businesses and workers, employment and training incentives, and initiatives and special small business workshops. The support plan includes: a \$5 million Tourism Queensland international marketing spend before Christmas; the government funding a position within the industry's peak body, the Queensland Tourism Industry Council, to coordinate access to employment training and other packages available to operators severely impacted by world events; incentives of up to \$2,000 for employers and group training companies which employ displaced tourism and hospitality industry apprentices and trainees; and the Department of Employment and Training is to negotiate with training organisations to bring forward off-the-job training for tourism and hospitality apprentices whose workplaces are significantly affected by the downturn.

**The CHAIR:** The time for questioning by government members has expired. The member for Caloundra has one more question on tourism and then we will proceed with the examination on Liquor Licensing. I call the member for Caloundra.

**Mrs SHELDON:** I refer to MPS 2-5 and the value of cooperative investment by the tourism industry in marketing campaigns. In 2001-02 the actual value of this investment was \$11.5 million; in 2002-03 it was \$10.5 million; and this coming year you are only aiming for \$9 million. In 2001-02 you had 435 partners in this program. In 2002-03 one in four abandoned the program, leaving only 350 cooperative advertising partners, and this year you are expecting a further drop to 330. Why is the tourism industry abandoning this program?

**Ms ROSE:** The Queensland government's cooperative marketing program assists industry with domestic and international marketing. It also allows industry to gain leverage from Tourism Queensland's considerable media buying power. Every dollar spent by Tourism Queensland on cooperative marketing is matched by \$3 from the industry. Therefore, from a \$1 million investment by this government, \$4 million is spent marketing Queensland. This represents an excellent return on investment for the government and/or Queenslanders. In 2002-03 Tourism Queensland generated \$13.7 million in cooperative marketing with around 350 cooperative partners. That is over \$4 million up on our target of \$9 million. This is a vote of confidence for the cooperative marketing program and Tourism Queensland's marketing expertise.

Together with the cooperative support provided by Queensland's tourism industry, Tourism Queensland spent approximately \$38.8 million in tourism marketing in 2002-03, and we plan to spend \$36 million on marketing in 2003-04. This includes the government's direct contribution of \$25 million and the industry's cooperative support amounting to \$11 million. If the Australian Airlines cooperative was included, the estimate would be an additional \$3 million for cooperative campaigning, which will take it to \$12 million.

**Mrs SHELDON:** Yes, but these were the number of partners, not the actual value of the money.

**Ms ROSE:** I will ask Stephen to respond to that.

**Mr Gregg:** It is a figure that will fluctuate from year to year. What we have is fewer partners actually paying more. It is not a substantial decrease. It changes from year to year. Last year there were a lot of partners brought in because of the recovery campaigns that we did following September 11. There were a lot of small operators up and down the state who joined in to additional campaigns at that time. There has been a change in the mix of partners, but the total

co-op spend is up substantially. As the minister indicated, the way we always did co-op our specials went into our budget. Australian Airlines was a situation where that money does not sit with us; it sits with the airline, and we work with them to bring in the co-op partners. This is not the apples and apples comparison you would normally get.

**Ms ROSE:** Mr Chair, I am not sure if this is in order, but for the benefit of the member for Caloundra, David now has the information she was asking for before. Apparently it is quite complex, but I am sure, as a former Treasurer, she will probably understand it more easily than most of us. Joan, if that is okay, David can give you that information that you were looking for before.

**Mrs SHELDON:** Can we have that after? We only have a few minutes left.

**Ms ROSE:** Yes.

**Mrs SHELDON:** Thank you.

**The CHAIR:** Do you want it incorporated in *Hansard*?

**Mrs SHELDON:** I would like the information, if you do not mind extending the time.

**Ms ROSE:** We can provide it in writing if that is what you want.

**Mrs SHELDON:** Providing it in writing is okay.

**The CHAIR:** The member for Gladstone.

**Mrs LIZ CUNNINGHAM:** Minister, my question is on the Liquor Act.

**Ms ROSE:** Do you mind if I get my Liquor advisers?

**Mrs LIZ CUNNINGHAM:** No, that is fine. While they are changing over, we used to have two flights, Sunstate and Qantas, flying into Gladstone. Sunstate chose to stop flying into Gladstone, so we only have Qantas. They have increased their seats, but it does not match up to previously. I will talk to you later.

**The CHAIR:** The member for Gladstone, you might want to talk to Stephen Gregg after the estimates.

**Mrs LIZ CUNNINGHAM:** Minister, in answer to the questions on notice you provided a very clear breakdown of offences by regions under the Liquor Act. Of concern to me is the statistic that of the 12,782 fines 8,133 were code 5 or consume liquor in a non-designated public place. Almost 64 per cent of fines may be attributed to generally law-abiding individuals who seem unaware of the designated public place by-laws devolved to local government. This has generated for government \$609,975. Could you advise what expenditure has been earmarked—if there has been any—for reinforcing to the community the government's public drinking restrictions?

**Ms ROSE:** I will ask Laurie to answer this question, because he is actually saying that it is up to local councils.

**Mrs LIZ CUNNINGHAM:** Local councils handle the by-laws, but it is under state legislation.

**Mr Longland:** That is correct. It is under the state legislation, but the declaration of areas is the responsibility of the local authorities. The local authorities, under that legislation, have certain requirements that they need to signpost areas where alcohol is able to be consumed. In that respect, the delegation of areas and the advice of those areas really comes under the local government area.

**Mrs LIZ CUNNINGHAM:** But it appears from the statistics that people generally do not even realise that there are restrictions and that it could be the responsibility of the state to say to the community, 'Look, there are designated drinking areas. Check your local authority for where they are.'

**Ms ROSE:** You mean as part of some sort of public awareness campaign so that people are aware of their responsibilities under the Liquor Act?

**Mrs LIZ CUNNINGHAM:** That is right.

**Ms ROSE:** I am being advised that those people who have been fined would not be people who would be having a nice quiet drink. It would be those people who are behaving in a disorderly manner or creating a nuisance. If people are not drawing attention to themselves and are behaving in an orderly manner, they are unlikely to attract a fine. Those figures come from events as well—events like schoolies.

**Mrs LIZ CUNNINGHAM:** Yes. The Gold Coast is very high.

**Ms ROSE:** A 'Big Day Out' probably.

**Mrs SHELDON:** MPS 1-16 dot point 6 refers to support for the DATSIP alcohol management program. Could you detail how many cars, boats and airplanes have been seized as a result of the sly-grogging legislation and how many enforcement officers are located in indigenous communities with management plans? In what locations are they and how many infringement notices have they issued?

**Ms ROSE:** I will outline what the alcohol management plans are whilst we try to get the specific information you are looking for, because you are looking for quite detailed information. You want to know the number of officers, the number of vehicles—

**Mrs SHELDON:** I want to know the number of officers and where they are located and how many cars, boats and airplanes have been confiscated, because in the program you announced you said they would be, and how many infringement notices have been issued in these communities with alcohol management plans.

**Ms ROSE:** There are 16 Liquor Licensing officers in regional areas and nine in Brisbane. That is a total of 25.

**Mrs SHELDON:** Are these just for indigenous communities?

**Ms ROSE:** Do not worry, I am getting to that. This includes four Liquor Licensing officers, three of whom are located in the Cairns regional office and one in Brisbane. Liquor Licensing officers are staffed as follows—and this is where you can pick it up, because they come from the divisions which are around north Queensland. Cairns has five Liquor Licensing officers—

**Mrs SHELDON:** But, Minister, are they located in the communities, because I understood you to say they would not be?

**Ms ROSE:** They service the communities from Cairns and Townsville. That is what I am saying. My understanding is that those officers service those north Queensland areas from there and from Mount Isa. They are not all indigenous officers. Are you talking about just indigenous officers?

**Mrs SHELDON:** Not just indigenous officers but officers who are servicing those indigenous communities.

**Ms ROSE:** As well as the Liquor Licensing officers—and they actually come from those Liquor Licensing offices that are in north Queensland such as Cairns, Townsville, Rockhampton and Hervey Bay—regardless of where they are located, whether they are located on the Gold Coast, in Brisbane or Cairns, in addition to Liquor Licensing officers the police are also inspectors under the liquor licensing act and are in the communities as well. So it is not just the Liquor Licensing officers; it is also the police who support them.

**Mrs SHELDON:** Part of that question—and the minister might like a bit more time—was how many cars, boats and aeroplanes have been seized?

**Ms ROSE:** As far as we are aware, there have been no seizures of cars, boats and aeroplanes.

**Mrs SHELDON:** And how many infringement notices?

**Ms ROSE:** You are talking specifically about under the alcohol management plans?

**Mrs SHELDON:** That is right; sly-grogging.

**Ms ROSE:** We do not know the answer to that. I have some examples of some actions. In January and February five people in Aurukun were charged with possession of liquor in a restricted area. Fines totalling \$1,400 were imposed. In November 2002 one person in Doomadgee was apprehended during a joint operation by police and licensing officers for bringing illegal liquor into the community. The offender was dealt with under Doomadgee local law and fined \$500. The liquor was confiscated. In June 2002 on Mornington Island a person from that community faced court on a sly-grogging charge under the Liquor Act. In 1992 someone was convicted and fined \$300. The same person reoffended three days after being convicted. The Liquor Licensing Division in conjunction with the Police Service successfully appealed the original penalty and a fine of \$500 was imposed.

In addition, licensing officers in conjunction with police interviewed three people in relation to the suspected unlicensed sale of liquor during compliance visits to the licensed premises on Mornington Island. These operations also extended to the Torres Strait. The Liquor Licensing Division has appointed an officer to work with Torres Strait Islander communities to improve

coordination between the division and police in this region. There have also been additional prosecutions for sly-grogging.

**Mrs SHELDON:** Minister, on page 1-19 of the MPS under quantity measure 7 relating to promotional material I note that only 775 orders for promotional and educational material were received from licensees in 2002-03, short of your target of 800. I also notice that this figure has almost halved from the number of orders received in 2000-01. Given concerns about drink spiking, drink-driving and underage drinking, what does this say about your linkages to the industry? Why are they so down?

**Ms ROSE:** The division produces an extensive range of educational material to assist licensees and their staff as well as the community generally in understanding the various responsibilities, obligations and procedures under the Liquor Act. I suppose if you are talking about the number of people who have actually put in applications and requested information, it really depends on how many new licensees there are over the past 12 months. We have a liquor licensing bulletin that is published quarterly by the division and is distributed to some 6,000 Queensland licensees, industry specialists and consultants. The bulletin is central to the division's communication strategy. It keeps all licensees and their staff up to date with important issues occurring within the industry and also provides advice on new policies and act amendments.

The success of the bulletin has seen it copied by a number of other liquor licensing jurisdictions. To complement the licensees bulletin, articles on responsible service and management of alcohol issues are published in various liquor industry journals. These include the Queensland Hotels Association's *QHA Review*, Clubs Queensland *Club Insight*, the Queensland Hotel Motel Accommodation Association's *Resort News* and the RSL and clubs *Courier*. The figures that you are referring to only represent the orders because much of the educational material we provide is give-aways and we automatically send it out.

The division also publishes material in support of a range of industry awareness campaigns that have been conducted. These campaigns have included, as you mentioned before, drink spiking prevention, the implementation of restricted areas in indigenous communities, sly-grogging prevention, major public event management and the annual Schoolies festival. Publications in educational material released in relation to these awareness campaigns have included unattended drink cards, posters and coasters for drink spiking prevention, signage posters, fliers, print advertising and notes in pay slips for restriction areas in the indigenous communities, fliers, articles in official Schoolies and Fair Trading publications for Schoolies festivals and awareness posters for sly-grogging prevention. It is also important to note that in addition to the orders and in addition to the information that we send out a lot is also downloaded from our web site.

**The CHAIR:** Thank you, Minister. The time for questions by non-government members has expired.

**Ms LIDDY CLARK:** Minister, I refer you to page 1-15 of the MPS. How does the Liquor Licensing Division promote socially responsible and safe liquor industry practices?

**Ms ROSE:** The Liquor Licensing Division promotes socially responsible and safe liquor industry practices through its campaigns including 'No more. It's the law' and 'No more. It's our law'. These campaigns promoting responsible drinking are supported by management signs, posters and coasters to reinforce the message. The campaign messages also help the public understand that liquor service will be refused if they are unduly intoxicated. It is not the bartender's fault; it is the law. Within indigenous communities 'No more. It's our law' has been a popular theme promoted through the national indigenous radio service since 1999 during its broadcast of Australian Football League matches. The focus is on reduced consumption and the undesirable consequences of excessive drinking and binge drinking for families and communities.

The radio campaigns have been extended with additional but complementary messages including sly-grogging awareness and prevention and information about community liquor restrictions. The 'No more. It's the law' slogan has been adopted by other liquor licensing jurisdictions including New South Wales, the Australian Capital Territory and Victoria which has meant consistent and recognisable messages for the public about drinking practices. National exposure through the indigenous radio service has further entrenched this original Queensland campaign message.

A new campaign which commenced in 2003 tackled the serious issue of drink spiking. With Queensland Health as lead agency, late-night entertainment venues were targeted during the campaign to provide information to licensees, staff and patrons about the dangers. These

messages were provided in posters, brochures, coasters and unattended drink cards. The unattended drink cards are slipped over a person's glass to alert them that they have left it unattended and it could potentially have been spiked. I have here with me the very visible awareness tool that we use and I will show you how it works. It is placed over the glass to prevent drink spiking.

The division also promotes responsible and safe industry practices through its publications. The *Liquor Licensing Bulletin* provides updates to licensees on changes to the legislation and helpful tips to ensure compliance with the laws, including compliance with responsible hospitality practices, detailed in the liquor regulations. The division's events management guide provides practical information on the safe conduct of public events where liquor is involved.

**Ms LIDDY CLARK:** Still on page 1-15, Minister, could you please detail some of the ways in which the Liquor Licensing Division works with stakeholders?

**Ms ROSE:** I thank the honourable member for the question. In support of the government's priority of safer and more supportive communities, I am pleased to inform members that the Liquor Licensing Division in 2002-03 has maintained its commitment to working closely with stakeholders. In particular, the division has focused on developing community based approaches to issues relating to liquor consumption across Queensland.

The division worked closely with the Queensland Fire and Rescue Service to ensure that the highest level of fire safety standards are maintained in licensed premises in Queensland. In June 2003 the division signed an MOU with the Queensland Fire and Rescue Service. The MOU clarifies the roles and responsibilities of the two agencies in relation to the investigation and prosecution of fire safety offences on licensed premises. Therefore, when fire issues are identified by Liquor Licensing officers during routine compliance visits, the division has a reporting procedure which allows information about fire issues in licensed premises to be forwarded on to the Queensland Fire and Rescue Service for action.

The division has continued to work closely with the Queensland Police Service. This year operational protocols between Liquor Licensing and police were implemented. The protocols not only relate to compliance activities and the conduct of joint operators but also link to the provision of guides to improve the reporting of incidents between agencies and the quality of police comments on applications for liquor licences, particularly where there is a police recommendation for refusal of the application.

In developing a new training course for the introduction of mandatory training for Queensland licensees and nominees, the division has been liaising closely with an industry based working group as well as government stakeholders such as police and fire service officers.

In May 2003 the Liquor Licensing Division released a discussion paper to the general community to address a range of policy and administrative issues which may form amendments to the Liquor Act 1992 and Liquor Regulation 2002. The discussion paper has been widely advertised to ensure that the views of both liquor and hospitality industry representatives and the general community are canvassed on a range of topical issues.

Liquor Licensing officers have also continued to liaise with the various licensees in Fortitude Valley and music industry groups such as Q Music in relation to noise issues and continue to consult with the Environmental Protection Agency and the Brisbane City Council about the council's Valley music harmony plan. Finally, the division focused on further developing the community capacity building skills of its staff.

This morning I launched this little booklet called *No more risky business*. It is a guide which will assist licensees to audit their own premises to reduce the risk from problems such as poor patron behaviour and overcrowding. General patron safety issues are part of a review that we have been having, as are responsible serving practices.

**Mr POOLE:** Minister, page 1-16 states that the Liquor Licensing Division will be developing a mandatory training program for implementation in 2004. Why is this course required and who will benefit from it?

**Ms ROSE:** I thank the honourable member for the question. The Liquor Act requires prospective licensees and nominees to demonstrate their knowledge of the legislation and an understanding of their obligations under the law. To ensure that the highest standards are maintained when selling liquor within the community, a mandatory training course is being developed to educate applicants for licences and test their level of understanding.

Successful completion of the proposed two-day mandatory training course will satisfy this legislative requirement. The training course curriculum currently being developed by Liquor Licensing will include the liquor laws in Queensland, best practices in the management of licensed premises, risk management including identification, and the implementation of remedial action and harm minimisation in the provision of liquor services.

It is anticipated that each year approximately 1,500 participants will take part in the training, which will be delivered across the state according to needs. This will provide licensees located in regional Queensland with an opportunity to access training. The scheme is in line with a proposal made to the division by major liquor industry associations. Those associations were the Queensland Hotels Association, Clubs Queensland, and Restaurant and Catering Queensland. The proposal highlighted industry concerns with uninformed and irresponsible operators whose business practices negatively impact upon other licensees and the community. It was suggested that mandatory training was necessary for the responsible development of the industry.

This proposal was welcomed by the division as one of its longstanding goals to improve compliance with the Liquor Act and the general knowledge of industry operators. Industry support of 93 per cent for the introduction of a mandatory training course has been gauged through a consultation paper canvassing comments on the proposals. Completion of the course will not only enhance the knowledge of new licensees and nominees; it will also provide the opportunity for networking with other local operators to discuss local area problems and consider strategies that may be put in place to address problems. New licensees will be alerted to issues and given practical measures that they and their colleagues can implement. The course will also provide the opportunity to review measures taken in other communities and examine successes and failures and the issues affecting both. The introduction of the new course will institute standards for the professional conduct of licensed premises to minimise harm.

**Mr LAWLOR:** I note on page 1-3 of the Ministerial Portfolio Statements that Liquor Licensing officers are located in Brisbane and in nine regional offices. Can you please inform the committee about the range of services these nine regional offices offer?

**Ms ROSE:** I thank the honourable member for the question. Liquor Licensing and Fair Trading officers now provide one central service provider in regional Queensland. Both Fair Trading and Liquor Licensing customer services are now provided from the one location in each region by multiskilled staff who provide responses to inquiries on all facets of the department.

Over the past year the department has continued to establish collaborative business relationships with relevant key industry bodies, consumer associations, community groups and government agencies. These various stakeholders serviced by the department in regional settings can feel confident in dealing with the expertise provided in these offices from Southport to Cairns without the need to access staff in Brisbane.

During the last financial year these officers have delivered a range of services direct to regional Queenslanders, including issuing over 8,000 liquor licensing permits, finalising over 930 complaints made under the Liquor Act, answering more than 148,000 telephone calls from consumers making inquiries on the various pieces of legislation administered by the department, visiting 170 premises while carrying out surveys into the safety of numerous products and finalising over 6,400 complaints made under legislation administered by the Office of Fair Trading. In dealing with these complaints, the staff obtained redress to the value of nearly \$1.2 million for regional consumers. These statistics are in addition to the myriad inspections, audits and educational programs undertaken by trade measurement staff. I again express my thanks to the dedicated staff of the department's regional network.

**The CHAIR:** The time allocated for the consideration of the estimates in the area of Tourism, Racing and Fair Trading has expired. I would like to thank you, Minister, your advisers and your departmental officers for your attendance here today. The estimates process no doubt increases the workload on you and your staff and your departmental staff. We appreciate your patience here today.

I would also like to say thanks to Joan Sheldon. This is Joan's final estimates hearing. Joan has probably been involved as a committee member—and on the receiving end as a minister of the Crown, as you have been today, Minister—since 1990. Joan, no doubt you will be glued to the Internet next year listening with bated breath to what happens in next year's estimates process.

I would also like to thank the Hansard staff, the parliamentary attendants who have helped make today run as smoothly as possible and the research director, Mr Stephen Finimore, and

his able assistants, Luke Passfield and Andrea Musch. I would like to thank you for the help you have given today.

That concludes the committee's consideration of the matters referred to it by the parliament on 30 April 2003. The *Hansard* transcript will be available on the parliamentary web site within two hours from now. I now declare the public hearings closed.

**Ms ROSE:** Mr Chair, with your indulgence could I also thank you and all members for the way you have handled the estimates process. I thank not only Joan and Liz but also Mike and Jeff, who were in earlier, and of course Peter, Robert and Liddy and my own departmental staff. I am incredibly proud of my department. I have excellent divisions. We do not just have one area. We have racing. It has been a pretty tough year for everyone in the Racing Division and they have done an absolutely fantastic job. There is also Liquor Licensing. It always comes to the fore and does a fantastic job. The Office of Fair Trading is really fantastic, and there is tourism, of course, which is such a huge industry for our state.

There are three special people to my left whom I particularly do want to thank and they are Ivan and Liz and Laurie, who have done a fantastic job of getting the briefs together. They have done that together with my own personal staff: Mike Kelly, who was with me up to a couple of weeks ago, Michael Todd, Julia Wilkins, David Smith, Michael Duff, Harold Thornton and Carol, Gemma and Roger and all the other staff—there are none, actually, I covered them all. As you say, a lot of work goes into preparation for estimates. Everyone in my office and everyone in the department makes sure that I have all the briefs that I need. So thank you very much.

**The CHAIR:** Thank you, Minister.

The committee adjourned at 4.52 p.m.