

THURSDAY, 22 JULY 2004

ESTIMATES COMMITTEE F—STATE DEVELOPMENT AND INNOVATION

Estimates Committee F Members

Ms J.H. Jarratt (Chair)

Mr M.W. Choi

Hon. K.W. Hayward

Mr H.W.T. Hobbs

Ms C. Molloy

Mr I.P. Rickuss

Mrs J.A. Stuckey

In Attendance

Hon. T. McGrady, Minister for State Development and Innovation

Department of State Development and Innovation

Mr P. Fennelly, Director-General

Mr D. Cook, Deputy Director-General, Infrastructure and Project Delivery

Mr B. McCarthy, Deputy Director-General, Industry Development and Investment

Mr J. Glaister, Innovation and Smart State Policy

Ms R. Prasad, Cabinet Legislation and Liaison Officer

The committee commenced at 8.30 a.m.

The CHAIR: Good morning. I declare this hearing of Estimates Committee F now open. On behalf of the committee, I welcome the minister, departmental officers and members of the public to the hearing. I want to introduce the members of the committee. I am Jan Jarratt. I am the member for Whitsunday and chair of the committee. Mr Howard Hobbs, the member for Warrego, is deputy chair. Other committee members are Mr Michael Choi, the member for Capalaba; Mr Ken Hayward, the member for Kallangur; Ms Cate Molloy, the member for Noosa; Mr Ian Rickuss, the member for Lockyer; and Mrs Jann Stuckey, the member for Currumbin.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2004 for the areas set out in the sessional orders dated 20 May 2004. The committee will examine the organisational units in the following order: the Department of State Development and Innovation, the Environmental Protection Agency, and the Department of Tourism, Fair Trading and Wine Industry Development. The committee will suspend proceedings for the following breaks: morning tea from 10.00 a.m. to 10.15 a.m.; a break from 11.45 a.m. to 11.50 a.m.; lunch from 12.50 p.m. to 1.50 p.m.; afternoon tea from 3.50 p.m. to 4.00 p.m.; and a break from 5.30 p.m. to 5.45 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 standing orders the public may be admitted to or excluded from the hearing at the discretion of the committee. The committee has resolved that television footage without sound will be allowed for the opening statements by the chair and the minister. I ask that any mobile phones or 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 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 each of these 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 proportioned between government and non-government members. The committee has given leave for non-committee members to ask the minister questions. In this regard, Dr Bruce Flegg, the member for Moggill, and the Hon. Kevin Lingard, the member for Beaudesert, will be participating in

the hearing today. 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 name.

I now declare the proposed expenditure for the Department of State Development and Innovation 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, you may make an opening statement, but the committee asks that you kindly limit it to five minutes.

Mr McGRADY: Thank you, Madam Chair. I have good news for you and your committee. In Queensland we created more jobs than any other state in Australia. Four out of every 10 new full-time jobs in Australia were created in Queensland. They are not my figures; they are the figures according to the Australian Bureau of Statistics. That is what I want to talk about today—jobs. Make no mistake: we aggressively push for investment in Queensland because it means jobs, and offering incentives is one way of attracting jobs. If anybody expects me to apologise for that, I have news for them, because I am not. We all know that the golden triangle that exists between Sydney, Melbourne and Canberra is alive and well, so we cannot just sit on our hands and hope that new jobs appear. We have to fight for every one of them.

Queensland's aviation hub and the 5,000 jobs that go with it did not just magically appear. We worked hard to get Virgin, Boeing, Qantas maintenance, Australian Airlines and the Singapore Airlines training project into our state. It is disappointing that the opposition and some others want to place some kind of cloud over the arrangements that helped us achieve these and other great results. The reality is that the incentive arrangements that we have in place are scrutinised by a committee consisting of two deputy directors-general and an executive director before coming to the minister for approval and then in many cases they go to the CBRC. Does New South Wales give commercial-in-confidence deals? Yes. Does Queensland? Yes. Does Victoria? Yes. And what did the Borbidge government do? It gave commercial-in-confidence incentives. And what did the Leader of the Opposition say then when he was in the cabinet? Nothing. He sat in the cabinet and he supported these deals. He was right then, and it is right now.

There is widespread agreement with our argument that to reveal these incentives would end up costing taxpayers more. Virgin Blue chief executive Brett Godfrey said that he would love to know because it would have allowed him to extract maximum value from the Queensland taxpayer and *Courier-Mail* journalist Paul Syret said that to demand full disclosure as Lawrence Springborg does is dangerously naive. He also said that the next person through the door is going to argue for what their competitor got plus an extra 10 per cent. Let us just look at some of the major projects in Queensland today. At this very moment around \$15 billion worth of projects are either on the way, under way or have recently been completed. There are projects such as Comalco's \$1.4 billion refinery, the Qantas 767 heavy maintenance facility, the Capral Aluminium extrusion plant in Ipswich, the Yabulu nickel refinery expansion, the Brisbane cruise ship facility, the Kogan Creek power station, the Burnett River dam and the Gold Coast Convention Centre. Our local industry policy means that much of the work that flows from these major projects goes to our home-grown local businesses, and we are backing local businesses in many other ways.

Apart from the Queensland Investment Incentives Scheme, we have supported 390 small to medium Queensland companies with grants totalling close to \$20 million last financial year—grants to adopt new technology, develop new projects and access new export markets. Our efforts to develop capabilities in Queensland's strategic smart sectors are also delivering dividends. My department is assisting firms to innovate in both traditional sectors such as sugar, mining and manufacturing to emerging sectors such as creative industries and biotechnology. Quiet achievers within the Queensland business community with the support of the government are steadily transforming the Queensland economy. For example, exports have grown by 28 per cent over the last six years and now account for almost a quarter of Queensland's economy. High and medium high-tech manufactured exports grew by more than 50 per cent to \$1.2 billion between 1997-98 and 2001-02. Madam Chair, I understand that time is not on my side, so I will close my opening remarks at this stage.

The CHAIR: Thank you, Minister. The first period of questioning is allocated to non-government members.

Mr HOBBS: Thank you, Madam Chair. Minister, I refer to newspaper reports that you implemented a no alcohol during work hours policy in the Department of State Development and Innovation. Are there any circumstances where you allowed departmental staff to consume alcohol? Have any breaches of your zero tolerance policy been detected? How were these breaches investigated? Any sly grogging going on over there at DSD?

Mr McGRADY: When I became the minister I took the view that, because of the nature of work in the Department of State Development, during working hours it should be alcohol free. It is a practice I carry out and, as far as I am aware, departmental officers carry out that request as well.

Mr HOBBS: Thank you, Minister. Corporate giants such as Qantas, Macquarie Bank, Suncorp and APN News and Media, which made a combined \$1.07 billion first half year profit last year, received assistance from the Department of State Development under Minister Barton's investment incentive grants program. Minister, will you be encouraging the same or similar companies to apply for these grants under your administration?

Mr McGRADY: I will not be encouraging any organisation to apply for grants. But what I will say is that, if we as a government believe that by offering incentives to organisations to expand they will come to Queensland from other states or indeed other countries, we will use every means at our disposal to encourage them. The reason why we would encourage these organisations is that it brings jobs and prosperity to the state. In my opening remarks I mentioned the aviation hub in our state and the thousands of jobs that have come with it. In my opening remarks I also said that it is not a matter of sitting down and waiting for people to knock on the door. What we have to do as a government is be aggressive and go out there and fight for every single job. If that means offering incentives, so be it. There is nothing new in that. Other states, other countries, do that. In fact, the former National Party government in Queensland did that with Bowen and many other organisations.

I will not be changing that policy one iota, because to see jobs come up in this state and to see people who are given jobs in these industries who may have come off the unemployment scrap heap or indeed people who have come from other states to set up families in Queensland is what government is all about in my mind. So I will not be knocking on people's doors offering them incentives, but certainly if people come to us and we believe that there is a chance to offer incentives—departmental officers in the first place offer incentives—we will certainly offer those incentives and we will go out there and fight for every single job that we can.

Mr HOBBS: Thank you, Minister. I think the issue is this: that the amount of money that is being put into this program now is much larger than it was in the past. It is probably in the vicinity of \$60 million-odd whereas in the past it was nowhere near that. So I think that we are talking about something completely different. Minister, how do you benchmark the output of recipients of grants and subsidies from the Queensland Investment Incentives Scheme and also QIDS? How does your department collect this data? How do you determine the ongoing accuracy of that information? How does your department monitor and evaluate the accuracy of its information, and how many staff are involved in the monitoring process?

Mr McGRADY: I thank Mr Hobbs for the question. The criteria which we use in offering grants is simply this: can we entice, can we encourage, companies to set up business in our state, companies which will be providing jobs for our people or indeed be bringing people from other states to work here in Queensland? The Queensland Investment Incentives Scheme is the principal assistance program which our government has in place to influence the location of major projects to Queensland. It is used only in instances where in the absence of financial incentives these firms would not in our opinion relocate to Queensland.

To be eligible for consideration, a project must be at an advanced stage of planning and must be promoted by a proponent with a successful track record and the capability, including technical, managerial and financial, to carry out a project of the type which is being proposed. It must be commercially viable in the absence of incentives, it must be contestable, it must provide a significant net economic benefit to Queensland, including an increase in sustainable jobs, and it must not cause significant detriment or be in a sub situation for existing businesses in our state. For projects which the government assesses as having met the five eligibility criteria, it may consider assistance where the proponent has demonstrated an impediment which threatens the project from proceeding in our state, where the government considers the project to be of sufficient strategic merit and where the government considers that providing assistance to the project is not likely to compromise Australia's international obligations. This is a discretionary scheme, as you know, by the government, at the government's discretion.

All applicants eligible under the scheme are subject to rigorous review and due diligence. A commercial evaluation report and an economic assessment report are prepared for review and consideration by a departmental committee and may result in a recommendation of financial assistance for a project. All funds are underwritten by performance undertakings and, in the case of such grants, secured by bank guarantees or equivalent securities from the grantee for the full term of the agreement. The committee consists of the two deputy directors-general and one executive director. They make recommendations to the minister and, in many cases, that recommendation then goes to the Cabinet Budget Review Committee.

Mr HOBBS: Last Tuesday the Premier stated twice that the annual report of the Department of State Development and Innovation lists the total value of incentives, the companies that benefit and what is required of each company. I am having trouble finding those details in the annual report. Can you show us where the information is that the Premier referred to?

Mr McGRADY: I thank the member for the question. The annual report states the names of the companies that are successful in applying for grants and it gives the details. For example—

Mr HOBBS: It does not show the lot, though, does it?

Mr McGRADY: No. It spells out the name of the company, what the company does and what the benefits will be to Queensland. The Premier stated that next year's annual report will provide the full or total amount. As far as I am aware, no other state government provides the detail that we provide.

Mr HOBBS: Minister, we are not talking about other states. Therefore, quite clearly, the Premier was wrong in his statement. He said that the total value of the incentives and all the companies that benefit are listed in the report. That is not the case.

Mr McGRADY: The Premier said that the names of the companies which are successful will appear in the annual report.

Mr HOBBS: Well, they do not.

Mr McGRADY: I think most of the companies—

Mr HOBBS: Do they?

Mr McGRADY:—appear in the annual report that I have. I think people misunderstand this. It is very, very difficult to provide a list of companies which are securing financial assistance in a financial year. An arrangement could have been made four years ago that if a company attains certain milestones, we will give it assistance. That assistance may not be forthcoming until two, three or four years down the track. When we offer assistance—these documents are some of the media releases that we have put out in recent times—it is true that we do not provide details of the major funding for the reasons that I have outlined in my opening address and for the reasons which the Premier and the Treasurer gave to this committee. This matter has been much debated over the past number of weeks. I have no intention of changing a practice which your government adopted when you were in office. I do not want to fall out over this—

Mr HOBBS: I am sure we will not, minister.

Mr McGRADY:—but I did not hear any squeals about this from you when you were a member of the cabinet or, indeed, from Mr Springborg. I understand—and I am a fairly new minister in this portfolio—that in confidence arrangements did occur during your years in cabinet. You were right then and we are right today.

Mr HOBBS: Thank you, minister.

Mr McGRADY: Before I conclude, when I have the time, I go through *Hansard*.

Mr HOBBS: I am sure you do. We all do, minister.

Mr McGRADY: The boys at Mount Isa mines read *Hansard*, too, and sometimes they raise matters with me. The other day I came across this quote from Bruce Davidson, one of my predecessors, who was a Liberal or National Party minister. When asked a question he said—

We do not go around disclosing arrangements that are commercial in confidence simply because we face continued pressure from southern States, particularly New South Wales and Victoria, that are competing with us for all those types of opportunities that present themselves to Queensland.

That is what one of your colleagues said. He was right then and we are right today. I rest my case.

Mr HOBBS: It is a matter of opinion, minister.

Mr McGRADY: No. Madam Chair—

Mr HOBBS: I refer you to the evaluation of the project proposals and commercial advice in respect of financial assistance requested under the Queensland Investment Incentives Scheme. With reference to the \$550,000 received by Tropico Fruits Pty Ltd, a fully owned subsidiary of Berri that established a herbal sources plant at Palmwoods on the Sunshine Coast, can you detail whether the company met the performance milestones as a condition of the grant? They were to employ a minimum of 70 additional full-time equivalent employees and have \$4.7 million capital investment by 1 July 2002.

Mr McGRADY: I thank the member for the question. Following the provision of assistance in 1999 to support the roll out of the herbal source business, employment has fluctuated between 24 and 100 employees. It has now stabilised at 85. The company's launch in the United Kingdom market was delayed until 2003, but sales are now up to \$3.8 million in the United States. A successful roll out into the United States market has also been completed. The Tropico factory is now the largest producer of tropical fruit juice—that is, mango, pawpaw, banana and pineapple—in Queensland supplying Berri, Cadbury, Schweppes and SPC. According to the company, international demand is greater than the company's present ability to supply. Accordingly, a \$2 million capital expenditure program is set for this year. This will accelerate processing times and it will certainly increase productivity. The company is now a significant employer in the Sunshine Coast region, a value adder to local produce, and a rising star in the processed food export business. It was interesting to read an editorial in the Sunshine Coast Daily which stated

The reality is that Smart State governments have been offering incentives for businesses to set up in their patch of the world for years. Former Victorian Premier, Jeff Kennett, was a master at it. Mr Springborg has particularly targeted his attack on the issue of

money paid to Berri Ltd and its Sunshine Coast subsidiary, Tropicco. Perhaps he should take a tour of Tropicco before he shoots his mouth off. It is an award-winning export company which has created real long-term jobs for the region through innovation. Whilst Premier Peter Beattie must strive to ensure proper accountability, his record suggests that he is on the right track with incentives to firms to do business in Queensland.

Mr HOBBS: Minister, I refer you to the answer to question on notice No. 5 about the land assets disposed of by your department. Can you advise the committee whether Berri Ltd or any subsidiary has been sold or granted any land by the department?

Mr McGRADY: This is before my time.

Mr HOBBS: Yes.

Mr McGRADY: Madam Chair, I will get this information and come back to it later in the session, if that is okay?

Mr HOBBS: Yes, fine, minister. Thanks. I refer you to the incentives paid by your department to Berri Ltd and its subsidiaries. Were any grants or subsidies provided to those companies during the government caretaker period of the 2001 state election? This is before your time, too.

Mr McGRADY: My understanding is that applications certainly were made. The matter is now moot because the agreement was actually signed by the minister on 19 February 2001, two days after the election on 17 February 2001. The question you asked was if anything was signed during the caretaker period. That is what you implied?

Mr HOBBS: Yes.

Mr McGRADY: I am informed that the actual agreement was signed two days after the state election.

Mr HOBBS: The Public Accounts Committee has made a recommendation that there should be a disclosure of the incentives provided by your department. Will you release those details, including the performance milestones, the outcomes of the incentive packages, and each organisation's progress in achieving them in each period covered by the arrangement—that is, the outcomes and the milestones?

Mr McGRADY: Over the last two years, the Queensland government has been actively cooperating with the Auditor-General and the Public Accounts Committee to deliver the most transparent reporting system in this country with regard to investment incentives. Queensland is the only state which routinely publishes all the names of QIDS recipients, as well as the job creation and the capital expenditure milestones that they are committed to and the global amount of all incentives to industry. Some other states provide some of this information but no state exceeds Queensland in the provision of such information. All other states share Queensland's policy of not divulging the value of individual grants to companies.

In terms of risk management, Queensland has the most prudential and robust arrangements of all Australian states. It is the only state to insist on a mandatory bank guarantee to be in place to cover cash advances in all cases.

The CHAIR: The time for non-government questions in this session has expired. Minister, I shall be asking the first question from the government side of the committee.

Minister, I refer you to page 5 of the MPS and the government's strategy, A Way Forward for the Sugar Industry. Can you elaborate on initiatives to increase the public's confidence in ethanol blended fuel?

Mr McGRADY: I thank you for that question. As you and other committee members would know, our government is committed to promoting the ethanol industry and allaying any public concerns over its use in normal, unmodified cars. We are organising a roadshow, including a delegation from the Brazilian government, to demonstrate that it is safe to use in cars and to dispel the myths surrounding ethanol. The Brazilian delegation, consisting of ethanol industry leaders, researchers and practitioners, will travel from Brisbane to Cairns and stop over in regional centres. They will be travelling on Ethyl, the ethanol express—the clean, green machine. I just happen to have a picture in my pocket. This picture shows the bus that will be travelling the length and breadth of Queensland. Obviously it will start off in Brisbane and it will go up the coast, stopping at centres such as Mackay, which will be of great interest to you, Madam Chair, Townsville, Bundaberg and Cairns. That will be the roadshow we are organising with the Brazilian government.

The delegation will seek to inform the sugar industry and the general public of the possibilities provided by production of ethanol and the safe use of ethanol blend in vehicles. The Brazilian government is eager to assist the Queensland sugar industry with advice concerning the development of an ethanol industry. Brazil's ethanol production technology is state of the art. Brazil wishes to share its technology with the Queensland sugar industry to produce ethanol at a world competitive price.

Brazil has increased ethanol production by 51 per cent since 1980 to 15 billion litres per annum. Brazilian flexible fuel vehicles were introduced in the market in March 2003. Flexible fuel vehicles can run on gasoline, on 100 per cent ethanol or on any blend of ethanol and gasoline. Until April 2004, over

80,000 vehicles were marketed in Brazil, operating mostly on 100 per cent ethanol. Market projections indicate sales of about a quarter of a million flex-fuel vehicles in Brazil by 2004.

Unfortunately, the Howard government is compounding its sell-out of the sugar industry in the free trade agreement with the United States by not mandating the compulsory use of ethanol in Australia. I repeat our Premier's call for the federal government to act by mandating a compulsory level of 10 per cent ethanol in fuel.

The CHAIR: Thank you, Minister. Minister, I refer to page 52 of the MPS, where you have mentioned some of the activities of the Property Services Group. How does this group assist business and industry to access the large sites they need to develop industries that will provide jobs and inject money into the Queensland economy?

Mr McGRADY: I thank you for that question. The Property Services Group performs a very important role for industry in Queensland, holding land to ensure that business and industry have access to suitable sites. Services include industrial land acquisition; development, involving subdivisions and building construction; sales; lease management; and industrial estate maintenance. Through this group the government performs an important role, intervening in the market to ensure that there is adequate land to cater for industrial and business development and to ensure that centres of growth around Queensland have adequate amounts of land for the development of employment and business opportunities. Private land developers, driven largely by market forces, can often be reluctant to provide large sites for major industry as they achieve better returns from smaller land developments. The Property Services Group specialises in developing larger sites for industry and, as such, fills the gaps sometimes left by private developers.

The government's industry location scheme ensures that business and industry are able to obtain appropriately designed and serviced land at competitive market prices to ensure that our social and economic objectives are met. The achievements of the Property Services Group during the last financial year include 117 industrial sites valued at over \$61 million—they were sold throughout Queensland, creating an estimated 1,000 jobs and generating an estimated \$125 million in capital investment; management of the design and construction of major roadworks for the Aldoga industrial precinct within the Gladstone development area; acquisition of 15 hectares of land from the extension of the Yandina industrial estate; management of the development approvals for the construction of the Reid business and industry park; and work to ensure continued availability of serviced industrial land throughout the state.

This financial year the planned activities of the Property Services Group include: the forecast sale of 40 industrial sites valued at over \$30 million throughout the state, creating an estimated 500 jobs and creating an estimated \$50 million in capital investment; roadworks, service reticulation and wetlands for the 28-lot Lytton industrial estate development; and management of the construction of roadworks and service reticulation for the 33-lot subdivision on the Gold Coast.

Mr HAYWARD: Minister, I refer to page 5 of the MPS, in particular the statement that the department will focus on two outputs, one of which is infrastructure and project facilitation. Minister, can you outline what steps your department will be taking to see that the Aurukun bauxite resources will be developed?

Mr McGRADY: I thank you for that question. This government wants to ensure that leases to develop our mineral resources deliver jobs and economic growth for our state. That is why the Queensland government legislated to cancel the Aurukun leases. In 1975 a lease was granted by the Bjelke-Petersen government. Conditions of the lease and corresponding legislation required the construction of a refinery to commence by 31 December 1983. This has not occurred. I want to send the message out loud and clear that when a government gives a company a mining lease we expect that resource to be exploited. We want to see jobs and we want to see royalties coming to the state. We will not tolerate the real-estating of these leases. We do not want to see that resource locked away, particularly at the present time, because there is a huge demand right around the world for bauxite.

We are now in a position where we have to decide as a government what we do with these leases. One option is for us to simply call expressions of interest. By doing that, you give massive priority to those companies which have the intellectual knowledge of the resources in that particular lease. Or you can go down the path which the government has decided to go down, and that is to secure as much information as possible about the resource itself and then create this level playing field where everybody can come along and make a bid based on the knowledge they will all have. That is the track we are going down.

I have had meetings with the Deputy Premier of China, who has indicated a major interest in these particular leases. I have had meetings with the Chinese ambassador to Australia, who has reiterated the remarks made by the Chinese Deputy Premier. I have also had meetings with Australian companies who, likewise, have expressed an interest.

The message I am getting across to the committee is that there is a major interest out there in these leases. As I mentioned a moment ago, there is a massive demand on the world markets. We have

the resources. They have been locked away for 25 years with nothing being done. The difficult decision we had to make was whether we would call those leases in, which we did. One of the conditions we will be placing on the successful bidder is that they have to provide, develop and build a refinery somewhere in Queensland.

I have heard some criticism from opposition members. Quite honestly, I have to say that I do not believe they really understand what the mining industry is about. They criticise us for going down the path we are going down; namely, securing more information. I remind them that when I was minister for mines and energy we did a similar thing in the Bowen Basin. We gathered all the data, we sold it to the companies and we recovered our money. As a result of that there are approximately 10 new coalmines operating, creating jobs for our people and revenue for our government to allow us to build roads, schools and hospitals. If the opposition would like me to give them a brief, I would be more than happy to do so.

Mr HAYWARD: Minister, I refer to page 49 of the MPS, where it mentions the government's development of industrial estates in Queensland. Can you please advise of the work that has been done to develop and promote the Synergy Park estate? Has your department managed to secure any tenants for this development?

Mr McGRADY: I thank you for the question. As you would be aware, the government has put a lot of work into the development of the Synergy industrial estate at Carole Park with the ultimate aim of attracting high-quality tenants to the site. I am glad you raised this question, because I was reading the *Australian* at breakfast this morning and I saw a fairly substantial coloured advertisement in today's edition for Synergy Park. That demonstrates that we are actively promoting this park.

Synergy Park will fulfil a number of goals in promoting best practice industrial planning by supporting the concept of ecologically sustainable development, promoting manufacturing industry and, of course, what this government is about, creating employment. The park can satisfy a range of development options with the 32 sites ranging in size from approximately 4,500 square metres to five hectares.

The government has been actively engaged in the marketing of this site for some time and has attracted interest from a number of prospective investors. Many of these tenants were deemed inappropriate by the department given the nature of the estate and the goals it is trying to achieve. So far the campaign has included ongoing advertising in the *Courier-Mail*, the *Queensland Times*, the *Australian* and the *Sydney Morning Herald* and on a web site dedicated solely to Synergy Park.

Of the 30 lots being marketed within the subdivision, five contracts of sale have now been executed involving seven lots, and a further two contracts involving two lots are under negotiation. I expect that these businesses who take up sites on the estate will be well suited to the estate. Contracts of sale cannot be completed until freehold titles have been issued for the sites. Titles are expected to be finalised by the end of this month. It is not possible for the state government to put a timetable on when individual tenants will commence construction on the park as it is necessary for development approval to be obtained from the Ipswich City Council; however, the department is confident that we will be seeing tenants on the park very soon.

The department has invested just over \$17 million in the development of the park. Expenditure for the last financial year has been just over the \$1 million mark due to a carryover expenditure from the previous financial year. The development is a significant asset, and it is expected that the government's investment will achieve a positive return through the sale of the land on the park to industry. Construction of bulk earthworks, roadworks, bridgeworks and service reticulation was completed last year. The Ipswich City Council will be asked to accept the work of maintenance in August this year.

Mr CHOI: Minister, I refer to page 12 of the MPS, which outlines some of the grants schemes managed by the government. Can you advise what specific benefit the provision of these grants has been to the Queensland economy?

Mr McGRADY: I think that is a very important question and I congratulate you on asking it. As you would be aware, there are a number of programs administered by the Department of State Development and Innovation that assist in business growth. I might take the opportunity to outline just some of the funding schemes available and the benefits achieved.

The Queensland Industry Development Scheme, better known as QIDS, was established by our government in November 1998. It was designed to enable the government to work with smart firms and industry sectors to accelerate their growth by supporting projects that enhance business performance. Last financial year there were 184 QIDS grants approved to Queensland firms to the value of approximately \$5.5 million. Collectively the firms receiving these grants are expected to achieve export sales of \$444 million and increases to capital investment of just over \$2 million over the next three years. It is also expected that just under 3,000 new jobs will be created as a result of business growth. The Queensland Industry Development Scheme has proved to be a very successful scheme and the contribution of the scheme to the Queensland economy is certainly significant.

The Regional Business Development Scheme has continued to contribute to Queensland's economic development through assistance to promote business opportunities and employment growth. Assistance provided by the Regional Business Development Scheme last financial year is estimated to have assisted in the creation of some 420 new jobs, \$124 million worth of new investments and \$34.6 million worth of exports. The scheme provides grants to individual firms, regional development organisations, industry and community organisations, local government authorities and tertiary education institutions which can demonstrate that their project has the potential to contribute to regional employment and industry growth outcomes.

It is also important to mention that through the Queensland Investment Incentives Scheme, which is the principal assistance program, the government has in place a scheme to influence the location of major projects in our state. We managed to secure 10 crucial projects last financial year and these projects will create almost 1,200 jobs and generate approximately \$78 million in capital expenditure. In addition, last financial year 42 firms received funding through the Queensland Investment Incentives Scheme. The total funding provided amounted to \$21.5 million. The total number of jobs that will be created by these 42 firms as a result of these incentives will be 5,775.

Mr CHOI: Minister, I am pleased that you referred to the Queensland Investment Incentives Scheme. I refer you to page 26 of the MPS, which outlines some of those benefits. Can you give us a report on some of the tangible benefits of offering such incentives to companies coming to Queensland?

Mr McGRADY: The Queensland Investment Incentives Scheme is the principal assistance program which the government has in place to influence the location of major projects to our state, as I have just mentioned. Without it, we would not have secured 10 crucial projects last financial year. These projects will create almost, as I have just said, 1,150 jobs and generate approximately \$78 million in capital expenditure.

Last financial year 42 firms received funding through the Queensland Investment Incentives Scheme. The total funding provided amounted to \$21.5 million and the total number of jobs that will be created by these firms will be over 5,775. As I have said, it is an important scheme. It is a scheme which has allowed us to create these 10 major projects right around the state, and it is a scheme which I fully and totally support.

The CHAIR: The time for government questions has expired.

Mr HOBBS: Minister, I refer again to Tropico. You did not mention whether they reached the target of \$4.7 million capital investment. I refer to the 85 jobs that you quoted, which is still nine short of the target. Are those 85 jobs full time or part time? How are these milestones evaluated for Tropico as well as other companies who benefit? Do you allow, for instance, an increase in construction staff to be used to meet the targets for employment, which I would think is only part time?

Mr McGRADY: My understanding is that the grant to Berri is now finished, and they met the agreement and all the milestones were met. I would like to refer you to the comments which I made before from the *Sunshine Coast Daily*. I think those comments in the editorial were more than relevant.

Mr HOBBS: I would prefer to have your comments, Minister.

Mr McGRADY: The point I have made is that the application was made by Berri and a grant was given to them. The grant is finished. I mentioned earlier the different milestones in the agreement that was entered into between Berri and the government. I am advised that all those milestones have been met.

Mr HOBBS: The \$4.7 million has been met.

Mr McGRADY: I am advised that all the milestones have been met.

Mr HOBBS: Fine. Minister, in relation to the department's management of the environmental impact statement for the SunAqua aquaculture development in Moreton Bay, I ask: is the environmental impact statement still before the Coordinator-General despite being released in July last year? Given that federal Labor politicians Wayne Swan, Kevin Rudd and Con Sciacca are publicly opposed to the fish farm, are we to understand the decision to proceed will not occur until after the federal election?

Mr McGRADY: The matter is, as you rightly stated, before the Coordinator-General. Honestly, there is no hold-up. I do not know when the federal election is going to be. You do not know when the federal election is going to be. Just to educate the committee, the Department of State Development and Innovation is coordinating the environmental impact statement, as you said. The matter is with the Coordinator-General. My understanding is that the Coordinator-General has informed the proponent of the project and that there is a certain time frame in which that proponent can come back to the Coordinator-General, and at the appropriate time the Coordinator-General will advise the government. The Coordinator-General is on my left-hand side and I will ask him to confirm that information is correct.

Mr Fennelly: What the minister has indicated is correct.

Mr HOBBS: Minister, I refer to the statewide forest process being facilitated by your department, in particular the western hardwood assessment. Would you provide a copy of the mediator's report to

the estimates committee? Can you advise if cypress pine within the region will be included in the present review?

Mr McGRADY: No, I will not provide a copy of the mediator's report at this stage, but I will take the committee through the issue you have raised. It is an important issue.

Mr HOBBS: It is.

Mr McGRADY: It is; I accept that. When I became the minister, one of the tasks I had was to try to bring this issue to a conclusion. I have spent a tremendous amount of time on this issue, and basically we have two major players. You have the conservation movement on one side and you have the industry on the other. What I have learnt is that the two representatives—namely, Dr Keto and Mr McInnes—have formed an excellent working relationship. They do not agree. They represent different constituencies. But, as I understand it, there is a tremendous personal regard by both people. So I took the view that these two people should talk and try to come to some compromise.

I gave the resources of the Department of State Development and Innovation to them, but I have to say I have told some people that I hoped to have a decision by the end of the last financial year. Whilst they came a little closer, it is true to say that they are miles apart. So I have met with both sides, and I took the view that what we should do is get a mediator in to make some recommendations. The mediator met with the conservation movement, he met with the forest industry, he met with Agforce—I understand it was a very lengthy meeting—he met with the Australian Workers Union and anybody else who he felt was going to assist in bringing a solution.

Obviously there are other ministers and portfolios involved in this issue such as DPI, Environment and the new ministry of Communities. Whilst we can talk about the industry and the conservation movement, any decision must also take into account the men and women and the towns which could be affected or would be affected by any decision. So the mediator has come to me with some proposals. I have discussed these proposals with my cabinet colleagues, and we have asked the mediator to do some more work on some areas. At the end of the day we will take the matter to cabinet.

So your request to me to release the report to the committee I think is a little premature because what I need to do is take the matter to cabinet, as per one of the recommendations in the report, and then no doubt there will be a public discussion. But can I just stress to you—

The CHAIR: Minister, would you like to request an extension of time?

Mr HOBBS: No, we will move on. He has covered that pretty well. You are doing a good job, thanks, Minister. Has your department conducted an economic impact statement on any of the proposals or options associated with the planning issues in the western hardwood assessment, and can you give a commitment that there will be no job losses and no timber mills will be closed?

Mr McGRADY: There have been a number of reports. The industry itself has done a report, the conservation movement has done a report and the mediator, as I understand it, has copies of the report. Any information that we could give the mediator I am advised we did. The mediator has expressed to me his appreciation for the role of the public servants within the department and the assistance, but I cannot give anybody any assurances at this stage and you know that.

What I would say, though, is that I have worked hard in trying to get a resolution to this issue. It is not easy. It is very, very difficult. I cannot give any assurances to anybody because I will take on board the final recommendations from the mediator and cabinet will make a decision.

Mr HOBBS: Minister, would you agree to have the science underpinning the western hardwood assessment independently reviewed? It is often the case that you get the political science instead of the real science on a lot of issues. I know that a socioeconomic study has to be taken into consideration as well but often the real science is missed in this, and I think one good way would be to have an independent assessment by some independent scientist or group. Would you be prepared to have a look at that?

Mr McGRADY: I think the path which we have taken is the correct one. I have said on two occasions that it is an extremely difficult decision because you have people who are miles apart. You have a conservation movement which has certain views, and I respect those views; you have the industry which has views, and I respect those views; and you have other organisations such as Agforce, which is speaking on behalf of its constituents, namely graziers; and above all else you have the Australian Workers Union, which obviously has the concerns of the men and women who work in the industry. I think there have been a number of reports. When I get the final recommendations from the mediator, my colleagues and myself will be taking this to cabinet. But, personally, I believe that the reports that we have in place are the best we can do.

The other point I would add is that the environmental report has already been subjected to peer review. As you know, in public life you can have so many reports and people will still place their own personal views on it. I just want to assure the committee that we are working extremely hard on this, and we are keeping both the industry and the conservation movement and now Agforce and the Australian Workers Union in the tent.

Mr HOBBS: Thank you. Minister, your department is assisting the sugar industry undertake value-adding projects. What action, if any, are you taking to assist local businesses in Queensland commence the production of ethanol? You mentioned the ethanol bus, which is fine, but what genuine assistance is there to help some industries, particularly the sugar industry, get into ethanol production? Also, do you support the mandating of 10 per cent of ethanol in Queensland fuels?

Mr McGRADY: I do, and the Premier has made that perfectly clear. In answer to a previous question I called on the federal government to mandate 10 per cent. I suppose the next question is: why does the Queensland government not take an independent stand?

Mr HOBBS: You have been reading my mail, Minister.

Mr McGRADY: No. Actually somebody gave it to me. That is the obvious question. The reality is that it would not work. You would have the importation of petrol across the border. The real answer here is that a federal government has to mandate this.

I have already outlined to you the roadshow, for want of a better word. We are involving the local councils and members of parliament. We are trying to get an industry. We are trying to have a bit of a razzamatazz at each stop that we go to because we want to get the whole community involved. We are organising a major conference early next year to discuss what further actions we can do to assist the ethanol industry. We recently released a 34-point plan for the industry. I am negotiating with a person to become the champion of the industry and, hopefully, we can do that fairly soon. There are a whole series of things that we are doing. I have had meetings with the Brazilian ambassador. He is working closely with us. I have had meetings with other people who are in the business of selling ethanol in other states. It is an issue that is dear to the Premier's heart, it is an issue that is dear to the government's heart and it is one way, we believe, of assisting the sugar industry.

You would be aware that the government gave a grant to some cane farmers in Peter Wellington's electorate where the mills have closed down. We gave them a grant which enabled them to go through this process of making cow candy. This is a product which is fed to cows at this stage in Korea. It had gone through a pilot scheme and I was in Korea when the first load of it came through. So we have many ways of trying to assist. My appeal again today to the federal government is to mandate 10 per cent. We believe that would go a long way to ensuring a successful and viable ethanol industry not just in Queensland but right around Australia.

Mr HOBBS: Minister, the RACQ as well as Patrick Bridie, a sugar industry expert, are of the opinion that legislation in Queensland is already there to mandate ethanol in fuel in Queensland and all that is required is really an order in council. Why can it not be done now? You mentioned about coming over the border and so forth, but that does not really matter so long as we are selling the ethanol here in Queensland. So what if it goes over the border?

Mr McGRADY: I am advised that Queensland, as a sovereign state, is unable to mandate ethanol use in fuel. The state's ability to unilaterally mandate specific fuel blends is constrained by the commerce provisions of the Australian Constitution and the mutual recognition legislation.

In 2002 the Environmental Protection Agency received Crown Law advice exploring if the Liquid Fuel Supply Act 1984 could be used to mandate ethanol in fuel. A cabinet submission in 2002 put forward by the Queensland ethanol industry interdepartment committee highlighted that any stance Queensland took regarding a mandate could face legal challenge under section 92 of the Australian Constitution or the Mutual Recognition (Queensland) Act.

But surely the answer to this issue is for you and your colleagues—and I am not being political—to convince Mr Howard and Mr Anderson and other leaders of the federal government to mandate 10 per cent. As part of this roadshow that we are organising we hope to have a Volkswagen which has done 100,000 miles in Brazil. As we go round to these various towns we are hoping that the RACQ mechanics can come and check the engine. In this case the vehicle, as I understand it, has been using 100 per cent ethanol. It is certainly a strong mixture of ethanol. I think, from your comments and comments from people who live in the sugar industry, you are obviously on the same wave length as the Queensland state government. What we need to do—

Mr HOBBS: That is a longbow, Minister, but anyway.

Mr McGRADY: You are, and what you need to do is to use whatever influences you can within your organisation to try to convince your Prime Minister and your Deputy Prime Minister to follow Queensland's Smart State lead in mandating at least 10 per cent of ethanol.

Mr HOBBS: My lips do not fail me. Minister, I refer to your earlier answer to my question regarding the grant to Tropico and your advice that the grant has now been completed. Will you now specifically confirm that the capital injection of \$4.7 million, as required by the terms of the grant, was made and, if so, when?

Mr McGRADY: I am advised that in relation to the company the \$4.7 million was renegotiated with the department because the machinery was purchased second hand instead of new. The other

milestones were met. At times numbers were below the milestones. That has resulted in lower payments.

The point I make is that quite often when milestones are put in place in the agreement, if they are not met then the assistance that we give is not what was originally given and sometimes the milestones are higher than what was originally agreed to. So there is the bit of fluctuation.

I have some additional information on Berri for you which I will come to when I finish this question. The information I have just been given now is that the equipment was second hand and the \$4.7 million capital expenditure was renegotiated with the department because of that reason.

The CHAIR: Order! The time for non-government members questions has expired.

Mr McGRADY: Can I give the information which was asked of me about the land sale to Berri?

The CHAIR: Would you like to incorporate that into the answer to the next question?

Mr McGRADY: Yes.

The CHAIR: I call the member for Noosa.

Ms MOLLOY: Thank you, Madam Chair. Page 24 of the MPS goes into some detail about the Burnett Water infrastructure development. Can the minister update us on the progress of the construction of the Burnett River dam and what benefits he expects the project will create for the region?

Mr McGRADY: I certainly can. Before I answer that question can I just congratulate Ms Molloy on the work she did in securing some assistance for the canegrowers in her area with regard to cow candy. When I went out there to meet the growers you were there and obviously you had done a great deal of work because I was told that by the growers. If this industry takes off I think you, along with Peter Wellington, should be congratulated for the leadership you have shown.

The Burnett Water infrastructure project is a government commitment to improve the reliability of water supply for irrigation and other purposes, and to also support regional development in the Burnett region. Construction of the river dam commenced in November 2003, and work on the dam and associated infrastructure is proceeding on time and within budget. Construction of the river dam is on target for completion in time for the next wet season. Significant work is in progress, including river diversion, channel excavation, piling work for the major bridge crossing, foundation preparations, and the manufacture and stockpiling of aggregate for concrete production. Placement of concrete on the first section of the secondary embankment and on the outlet work section of the diversion channel has also commenced.

Ms Molloy, I was on the site a couple of weeks ago and to see so much work taking place is certainly gratifying because there has been some opposition to the construction of the dam. It was also gratifying to see the local people at last start to realise that after all of these years and all the promises this dam is now coming to fruition.

It is estimated that the economic impact of the dam and the associated weir projects in the long term will be the creation of over 7,000 jobs, mostly in the Wide Bay-Burnett region and increased economic activity of around \$1 billion per annum. The Council of Australian Governments rules oblige the state government to undertake an unprecedented range of economic analysis to prove the economic viability of the Burnett River dam. The National Competition Council reviewed all the relevant economic reports, and confirmed in late 2003 that the Burnett River dam and associated weirs have been shown to be economically viable in accordance with the requirements of the Council of Australian Governments.

As I said in my opening remarks, we have good news for the committee today. We have better news for the people of the Wide Bay area because, as we said, there will be 7,000 new jobs when the dam is completed.

The CHAIR: Minister, do you wish to ask for an extension of time to incorporate the earlier information with the questioner's permission?

Mr McGRADY: Is that the Berri answer?

The CHAIR: Yes.

Mr McGRADY: Berri Ltd chose not to purchase the land and it was therefore sold to the development company, Trade Street Pty Ltd, who also constructed the building. Berri entered into a long-term lease agreement with the purchaser. The sale of the company was at the prevailing market value at the date of contract.

Ms MOLLOY: I would like to refer you to page 25 of the MPS, which states that the Department of State Development and Innovation will continue to coordinate and facilitate the implementation of the government's PPP policy. Can you outline what this is doing to progress PPP in Queensland and what sorts of projects are in the pipeline?

Mr McGRADY: I thank the member for the question. The Department of State Development and Innovation does have responsibility for coordinating and implementing the public-private partnerships

policy and value for money framework within our state. The department is working closely with other Queensland government agencies in applying the policies value-for-money framework to advance a number of strategic infrastructure projects. Currently there are 19 projects in the pipeline with a combined capital value in excess of \$3 billion. These include the \$1 billion plus Gateway Bridge duplication and associated roadworks, a new drivers licence based on smart card technology, the Townsville and Toowoomba water recycling projects, the cruise ship terminal in Townsville and the redevelopment of the old Boggo Road jail.

There are two public-private partnership projects currently in the marketplace. At the close of the expression of interest for the South Bank education and training precinct strong responses were received from consortia constituting the bulk of Queensland and Australia's design, construction, facilities management and finance industries. Six consortia have expressed interest in the Townsville industrial recycling project. The department is also liaising with other stakeholders, including union groups and industry, to keep them informed of community perspectives regarding the implementation of the public-private partnership policy.

I have made it clear that we will listen to the concerns of unions and industry and nobody—nobody at all—will be left out of this. In fact, I will be hosting an industry workshop next week which I have also invited unions representatives to attend. The purpose of the workshop is to generate comments and create an informative forum about the PPP process.

I also represent the Queensland government on the newly formed National Public Private Partnerships Ministerial Forum. The forum is designed to deliver better coordination, information sharing and support amongst Australian governments to enable the best possible outcomes.

Industry wants a consistent national market for public-private partnerships and it is important that all governments work together. I recently convened and hosted a meeting here in Brisbane of all the ministers of states and territories who had responsibility for PPPs. We also brought into this meeting four major business people who we felt had a contribution to make. What we are trying to do is to have a general policy amongst all the states and territories whereby if a company wants to do business in Queensland or New South Wales generally the ground rules are the same. That is what we are working towards.

Mr CHOI: Page 5 of the MPS indicates that the government has committed \$2 million over three years to assist small and medium size business to enter into the aviation and aerospace sector. Given the success the government has had so far in this industry, can the minister outline what other initiatives have been planned by this government?

Mr McGRADY: I thank the member for the question. You are right, Queensland is fast becoming an aviation and aerospace hub for the Asia Pacific. The Queensland government is committed to ensuring that this momentum is continued. Queensland offers a number of advantages to aviation and aerospace companies, including low costs and an ability to attract high-quality staff needed for this industry. Last financial year we attracted Frequentis' Australasian headquarters, as well as the extended operations of Virgin Blue, adding to the major aviation companies we have previously attracted, including Australian Airlines, Qantas' 767 maintenance facility and Boeing. That is over 5,000 jobs that never existed before.

The Queensland government will continue to proactively target aviation and aerospace companies, utilising the services of its trade and investment offices in the United States and Europe, Invest Australia, private sector allies, existing investors and, of course, local councils. In similar respects the government is committed to creating an environment conducive to the development of the aviation industry through providing strong leadership in aviation planning and strategic support development. Our government will be providing grants through the Queensland Industrial Development Scheme that will support Queensland's aviation small and medium enterprises with \$1.8 million programmed over three years. This will assist local firms to upgrade business systems, adopt new technology, develop new products and improve export marketing. \$400,000 is programmed for this financial year. A further \$200,000 has been allocated for a major study to identify skills requirements for the aviation industry to help ensure that future training needs are met.

It is worth noting at this point that Aviation Australia has increased the recruitment and training of maintenance engineers to support the continued growth of Queensland's aviation industry. We will also work to improve linkages between smaller aviation firms and airlines and aerospace firms through the development of Queensland based supply chains. The government has undertaken a study which identified considerable demand and opportunities for growth of the aerospace industry in the Ipswich region. In particular, a number of aerospace firms currently situated on the Amberley RAAF base will most likely be required to relocate off the air base to make space available for the Commonwealth Department of Defence's Amberley air base upgrade program. The establishment of an aerospace industrial park would provide sites for both new and relocating air space businesses, many of which will be undertaking contracts for the Commonwealth over the next three to five years and, indeed, beyond.

The government has been working closely with the Commonwealth, the Ipswich City Council and the private sector to investigate the potential for establishing the Amberley aerospace park to meet this

identified demand. The government has identified suitable sites adjacent to the air base and some major national and multinational businesses, such as Boeing Australia, have indicated their support for the project and would consider locating to the proposed aerospace park.

Mr CHOI: My next question to you is in regard to the cruise ship industry in which I have a keen interest because that is something I want to do when I retire. The MPS makes reference to the Brisbane cruise terminal and the Townsville cruise and military vessel facility on page 26. Can you outline what progress has been made on these projects?

Mr McGRADY: I thank you for that question. Obviously the government recognises the importance of the cruise shipping industry to Queensland's tourism. The government entered an agreement with Multiplex for a \$236 million integrated development at Hamilton consisting of a cruise ship terminal, a residential complex, up to 350 units and a retail/commercial precinct. Multiplex will develop the \$30 million Brisbane cruise ship terminal at minimum cost to the government and will own and operate the terminal for a minimum of 15 years at no cost to the state government.

It is estimated that the project will generate an additional \$71 million in gross state product and 784 jobs in the construction phase and an additional \$53 million in gross state product and 468 in full-time equivalent jobs per year in the operational phase.

Brisbane has recently experienced significant growth in cruise ship visitations with calls increasing from 12 in 2003 to a scheduled 28 this year and we expect some 47 next calendar year. This growth is attributable to the recently completed Summer Down Under cruise program conducted by Star Cruises and P&O's plans to commence base porting operation from Brisbane for the first time in the summer of this current financial year.

Construction of the Brisbane cruise terminal is scheduled to commence in August this year—that is next month—following satisfaction of all conditions precedent to the development agreement by Multiplex. It is anticipated that the Brisbane cruise ship terminal will be completed by late next year in time for the 2006 cruising season.

Townsville receives the fourth greatest number of international cruise ship visits of any Queensland destination. Visitation by military vessels, both on active service and R&R visits, is of more economic significance to Townsville than cruise ships which is why a cruise terminal for Townsville is a priority. A 2001 study by AEC Economics shows that naval personnel spend on average \$376 per day whilst on R&R in Townsville. Some United States vessels carry in excess of 1,500 crew and stay from between three to nine days. Visits by military vessels provide a significant boost to the Townsville regional economy. However, because the Townsville Port Authority operates through a series of agreements with commercial users to provide berths on a preferential basis, the Townsville Port Authority has only a limited ability to offer berth guarantees to other cruise ships or, indeed, navy vessels.

Ms MOLLOY: Minister, page 11 of the MPS refers to the government's manufacturing strategy, namely Making Queensland's Future. Can you outline what benefit this strategy has been to the manufacturing industry?

Mr McGRADY: I am more than pleased to talk about manufacturing as manufacturing makes a vital contribution to this state's prosperity. It employs over 190,000 Queenslanders and accounts for 10 per cent of the economy. The government began implementation of its manufacturing strategy just over a year ago to increase that contribution of the 10 per cent and foster a world-class industry able to rise above the challenge from overseas competitors.

Making Queensland's Future is a comprehensive blueprint for manufacturing. It addresses all the key factors affecting performance identified by industry itself. The strategy embodies a partnership approach to development and delivery with stakeholders' participation spearheaded by the manufacturing leaders group, which I have recently made some new appointments to. We have launched 13 industry development programs and numerous other initiatives since July of last year. We have launched them to enhance the image and profile of manufacturing to ensure the availability of a leading edge work force, develop exports, improve supply chains and increase collaboration, lift levels of manufacturing investment, increase innovation and technology take-up, support regional manufacturers and embrace sustainable production and green product opportunities.

More than 500 Queensland manufacturers have so far been assisted on this strategy's program. These include export development and technology initiatives and the new Manufacturing Industry Pipelines put in place to help companies commercialise products, raise capital and, of course, to expand. The Manufacturing Industry Pipeline has assisted manufacturing firms to raise more than \$2.5 million in equity investment for commercial development when previously a lack of financial resources in the state had restrained the growth of the manufacturing industry.

In addition, Mentoring for Growth is the Manufacturing Industry Pipeline's cornerstone service in which industry teams of conveners and mentors make available their time and skills to provide mentoring assistance for issues such as succession planning, intellectual property protection, export

market development, supply chain contracts, niche marketing and new product development. Over 220 mentors, 30 industry leaders and almost 70 firms have registered for the Mentoring for Growth program.

In the last year the government has attracted capital investment of more than \$39.9 million in new manufacturing projects, creating over 210 new jobs. These projects include major investments in biotechnology, marine industry, et cetera.

Ms MOLLOY: I would like to refer to page 12 of the MPS where it mentions the government's new creative industries policy. I understand this policy aims to promote the area of advertising and graphic design, architecture and visual arts, film, television and entertainment software, writing, publishing and media and the performing arts. Do you have any specific plans for other high profile areas of the creative industries such as the fashion and clothing industry?

Mr McGRADY: I certainly do. There is a view around that the Smart State is all about biotechnology and IT and the like. We sponsor the Retail Fashion Awards to the tune of \$220,000. We will continue to do that because it promotes Queensland fashion. I have taken the opportunity to try to work out what more we can do to promote Queensland fashion. The fashion industry is not just making and selling dresses, it is also about photography, it is also about jewellery—it covers a whole multitude of areas. It is worth in excess of a billion dollars a year. I do not remember this because it was back in the 1960s, but my father used to tell me about a place in London called Carnaby Street where young people would design, manufacture and sell their products. That place became a must-go-to place whenever anybody from overseas visited London. That took over the fashion world. My question is: why can we not do the same in Queensland? Why can we not have an area which will assist our young people and promote Queensland fashion?

Last week I had a meeting with Daniel Lightfoot, Richard de Chazal, people from QUT who run the creative industries department and others to work out how best we can assist Queensland become the fashion capital of Australia. I will show members what creativity does. This necklace I am holding is worth seven and half thousand dollars. It was designed and made by one of your young people. To me that is what the fashion industry is all about.

As a government we will be seeing what we can do to assist the Queensland fashion industry to make its mark on world markets. We can talk about marine services, the aviation hub and other industries, but an industry that provides so many jobs, particularly for our young people and our creative people, should be supported by the government. It is my intention to do just that.

The CHAIR: The committee will now break for morning tea.

Mr McGRADY: Madam Chair, you and the other two ladies on the committee have closed the meeting down so you can try this necklace on.

Sitting suspended from 10.01 a.m. to 10.16 a.m.

The CHAIR: The committee will now continue its examination of the portfolio of the Minister for State Development and Innovation.

Mr HOBBS: I refer to your answer to my earlier question regarding the grant to Tropico and your advice that the grant was renegotiated and the grant reduced as it purchased second-hand machinery. What was the grant reduced by? What was the cost of the second-hand equipment? Do you know whether that equipment came from Berri?

Mr McGRADY: I thank you for the question. I do not recall anybody at this table saying that the grant was reduced. The answer I gave was that in relation to Tropico the figure of \$4.7 million was renegotiated with the department because the machinery was purchased second hand instead of new. I did not say that the grant had been reduced.

Mr HOBBS: Not the grant; what I am talking about is the \$4.7 million target being reduced, as you said.

Mr McGRADY: What I said—and I have the note here—was that in relation to Tropico the \$4.7 million figure was renegotiated with the department because the machinery was purchased second hand instead of new. The other milestones were met. At times the numbers were below the milestones, but that just resulted in lower payments and payouts by the government. I thought I explained that. When milestones are not met the agreement is varied. That also happens if more people are employed, which sometimes happens.

Mr HOBBS: In a question in relation to western hardwood I asked whether cypress pine forests would be included in the western hardwood review. Are they?

Mr McGRADY: No.

Mr HOBBS: You had a question from government members about Paradise dam and you explained some of the issues. With respect to additional water that will be created by the infrastructure, who will operate this infrastructure once it is completed? How do you envisage the water will be priced and allocated?

Mr McGRADY: Burnett Water Pty Ltd is the state owned company established in accordance with the Water Infrastructure Development (Burnett Basin) Act 2001. I, as the appropriate minister, am the shareholder on behalf of the Queensland government while the executive director of Smart State policy and planning is the shareholder representative.

Burnett Water Pty Ltd, initially established in June 2001 for a period of six to nine months with the objective of attaining state and Commonwealth environmental approvals for the five water projects, was subsequently directed by the government to continue with the projects and undertake preconstruction activities. Last year the role of Burnett Water Pty Ltd was extended beyond a single budget year for the first time as it took on the responsibility of managing the design and construction of the Burnett River dam and the Eidsvold weir.

The government recently announced its decision to transfer ownership of the Burnett River dam and associated weirs to SunWater on completion of construction. Given the nature of the Burnett irrigation area water supply system, a single government owned entity was assessed as the most efficient, cost effective and customer friendly management option.

Mr HOBBS: Salt intrusion in the Burnett River is a major ongoing environmental problem and the only solution is to provide alternative surface water with the subsequent reduction in underground usage. Provision for this surface supply was to be provided by Paradise dam. Can you advise what allocation, if any, has been provided for this purpose?

Mr McGRADY: I have been advised by my officers that salt intrusion is an issue for Natural Resources. As I understand it, there is a proposal which is currently being developed by Natural Resources. With all due respect, I would suggest that that question be addressed to the Minister for Natural Resources.

Mr HOBBS: Through your department state sponsorship was provided to business and skilled migrants to support either initial arrival or permanent residency in Queensland. How many migrants have been sponsored? Have they settled in metropolitan or regional areas?

Mr McGRADY: I thank the member for the question. The Queensland government has identified the need to maximise the uptake by Queensland businesses of opportunities arising from various markets, major projects and events and has allocated this role to, as you said, the business migration branch of client services. This branch is certainly proactive in identifying potential opportunities and new businesses.

The process includes utilising the department's business capability database and business matching and tracking system. In addition to identifying general opportunities during the last financial year, the branch had responsibility for accessing business opportunities related to major intakes. In 2002, the Premier and Minister for Trade recognised the potential for Queensland to benefit from increases in the proportion of skilled migrants settling here and initiated the development of a state policy for skilled migration.

Last year the government issued the Queensland government's position statement on skilled migration. It identified opportunities in the federal government's skilled migration program to strategically advance the Smart State agenda, provide links between government initiatives such as export solutions to strengthen Queensland's regions, generate employment, promote diversification and enhance priority industry sectors.

To implement this policy the government has established the Business Migration Branch. Its role is to increase the state's share of migrants with skills needed in Queensland and to support migrants who wish to settle here as business operators or investors. This will be achieved through targeted and focused international and domestic marketing and supporting migrants through the application process and then encouraging them to settle here in Queensland.

The government's policy and its implementation is a very strategic response to the March 2003 changes in the federal Department of Immigration, Multicultural and Indigenous Affairs' rules governing the business skills category. These changes gave the state a specific sponsorship role to support the entry of business migrants into Australia in a proactive way.

The government's approach ensures that Queensland benefits fully from these changes. Queensland does not provide business migrants with any form of financial, accommodation or other incentives as offered by some other states. However, a significant level of after care is made available from existing services. A team approach ensured a matching of services to the needs of the migrants and the potential contribution each can make to the economic growth of Queensland.

Mr HOBBS: Minister, you did not really state where they go after they get here. Do they go to regional areas?

Mr McGRADY: I was coming to that, but time beat me. Could I have an extension of time?

Mr HOBBS: Yes.

Mr McGRADY: Three hundred applications for sponsorship of business migrants were received last financial year. This equates to approximately \$250 million in new investment in the state and some 378 jobs, both new and retained. In this current financial year the attraction and successful settlement of similar numbers of business migrants will continue. In addition, the government will take an increasingly active role in migration programs intended to address skill shortages, particularly those in regional areas.

This will include coordinating, supporting and sponsoring the skilled independent regional visa introduced by the federal government on 1 July this year. This visa will enable Queensland to attract up to 500 highly skilled migrants annually to regional areas which are in need of their skills.

Mr HOBBS: I note that your department will be working with Queensland Treasury to finalise arrangements between the state and the Australian Magnesium Corporation. Can you advise the committee what the government realistically expects to get from its \$150 million investment in AMC?

Mr McGRADY: AMC agreed in March 2004 to transfer certain cash and assets surplus to its business plan to the state and Commonwealth governments in partial satisfaction of the debts owing to the two governments which will both write off the remaining owed and release their securities against AMC. Formal documentation was signed on 5 July this year.

The exact amount to be recovered from AMC and, therefore, the exact amount of the loss will not be known until all the assets are transferred and sold—a process which could take up to 12 months. All proceeds will be shared between the Commonwealth and state governments in proportion to their debts.

The next agreement places the future of AMC in the hands of its directors, management and shareholders as set out in the AMC advice to the Australian Stock Exchange on 25 March this year. In that statement the Australian Magnesium Corporation noted that the arrangement was a very positive resolution to a very complicated and difficult situation and commended the Commonwealth and state governments and their officers for enabling the board of AMC to pursue Australian Magnesium Corporation's business plan to recover value for its shareholders.

Mr HOBBS: I come back again to the Tropico issue. You said that the original figure of \$4.7 million for capital investment was renegotiated. What did the figure become in the end? The reported \$500,000 that they received, was that what they got in the end or was that the starting price?

Mr McGRADY: I am advised that this met the government benchmarks, but we will come back with some final figures for you.

Mr HOBBS: That would be good. There was an agreement with National ITC Australia to establish an e-security research centre focusing on the development of software to safeguard Queensland. Cyber crime, in particular computer viruses, are costing business millions of dollars. The sassar virus caused Westpac to resort to pencil and paper. Will the centre be able to develop software that will safeguard Queensland businesses from computer viruses such as sassar?

Mr McGRADY: I thank the member for the question. In the last financial year's budget, \$13.7 million was committed by the government over four years to the establishment of an ICT centre of excellence to be known as the Institute for ICT Innovation. The focus of this funding was on e-health and e-security. The e-security component of the institute is a \$15 million collaborative venture with the Commonwealth government funded by NICTA and two Queensland universities—the University of Queensland and Griffith University—to form a node of NICTA in Queensland. NICTA is Australia's new ICT centre of excellence and has significant nodes in Sydney and Canberra and it recently announced a \$53 million node in Melbourne. The Queensland government has committed up to \$5 million over four years to the centre's activities, with NICTA and the universities matching this commitment.

The research program of the centre is based around the theme of safeguarding Australia which includes information communications technology to protect government, industry and the community from terrorism, crime, invasive diseases and of course pests. It is also there to provide enabling technologies to increase the effectiveness of Australia's defence and law enforcement agencies and secure Australia's critical infrastructure by making it more reliable. The centre will be co-located with the E-health Research Centre at 300 Adelaide Street in Brisbane. It would be expected to relocate to the proposed Boggo Road knowledge precinct when this has been commissioned.

Mr HOBBS: Thanks, Minister. So where will this centre be located?

Mr McGRADY: I have just said that it is currently at 300 Adelaide Street. When we develop the Boggo Road site, it will be transferred there.

Mr HOBBS: Minister, can you advise the committee as to what the greatest achievements from the network of technology incubators in Queensland have been and what areas you would like to see improved with these incubators and what projects have been given support?

Mr McGRADY: I thank the member for the question. The government has committed a further \$600,000 in addition to the technology incubation strategy which we funded to the tune of \$2.17 million towards the establishment of a technology incubator in Cairns. A valuation of the Cairns project's feasibility and the distribution of operational funding will be undertaken on the same basis as other

strategy projects. Another related aspect of the strategy will be the provision of a further half a million dollars over the next four years towards the ongoing operation of the Innovation Centre on the Sunshine Coast at Sippy Downs. As with the proposed Cairns facility, the provision of this additional funding is also in addition to that of the strategy. The strategy was developed to build on the experience gained from two successive pilot technology incubators in Toowong and, as I said, Sippy Downs and was in response to a number of requests from regional centres for such facilities.

Originally established in 2000 as a pilot project, the i.lab technology incubator at Toowong is wholly owned by the Queensland government. Since it opened, i.lab has had significant successes including assisting in some form some 350 companies, acceptance of 34 companies into i.lab, the creation of 184 technology jobs and the raising of \$8.3 million in capital by member companies. The culture of i.lab fosters the linking of cutting-edge research and technology to venture capital financing, export and other business networks to assist in the commercialisation of innovative products and services. As a technology incubator, i.lab helps shorten a product's commercialisation cycle by broadening the client firm's skills in areas such as market research, finance, assessing venture capital and export marketing. The success of i.lab and the other jointly funded pilot technology incubator, the Innovation Centre at the Sunshine Coast, promoted the development of a statewide technology incubation strategy that will establish a network of technology incubators in major regional centres right across the state. i.lab will have an enhanced role acting as an incubator in its own right.

Mr HOBBS: Minister, when you give us a response to that information on Tropicco, it would be good if you could also let me know as to whether the equipment was second-hand from Tropicco and whether it was provided by Berri or National Foods. Minister, what financial support has your department provided to phase 1 of the Comalco alumina refinery in Gladstone? Has your department been approached to support stages 2 and 3 of this refinery?

Mr McGRADY: I thank the member for the question. There has been \$150 million in assistance arrangements. Progress claims of \$118.2 million have been paid to date to Comalco, which has been 78 per cent of the government's total infrastructure contribution. The \$150 million infrastructure package comprises \$130 million of port infrastructure—that is, wharf, pier, dredging, loading and unloading facilities, conveyor and associated equipment in the port area—\$10 million for a rail loop and \$10 million for a local government contribution towards roadworks and other items.

The CHAIR: The time for non-government questions has expired. Minister, I thank you for the information you shared with us earlier about the ethanol road show. As you can imagine, the development of an ethanol industry holds a great deal of potential in sugar seats like mine. I wonder if you could outline what other steps the government has taken to encourage the development of the ethanol industry.

Mr McGRADY: I thank the member for the question. The government, as I said before, is committed to ensuring a viable future for the sugar industry. To ensure the industry can grow into the future, it is necessary for the industry to diversify into a range of products. It is simply not enough to just make sugar. Ethanol, whilst not the silver bullet for the industry, is critical to any diversification strategies. That is why the government has announced its ethanol blueprint to support and encourage the development of this industry. The Queensland ethanol industry blueprint, as I mentioned before, provides 34 actions that the state government will undertake to support the development of the ethanol industry within our state. The blueprint includes prescribing the use of E10 fuel in government vehicles, a site-specific rebate for service stations wishing to retail E10, providing advice in motor vehicle registration notices of vehicle suitability to use E10 and notes that Queensland will be the first state government to make E10 available through the government fleet fuel contract.

Promotion of consumer confidence is the primary goal of this 34-point plan. The use of government vehicles will demonstrate to consumers that E10 is safe and suitable to use in vehicles using unleaded fuel. A permanent web site will also be established to provide consumers with the latest information on E10 and other ethanol products. The state government will also host an ethanol road show, as I mentioned before. The ethanol conference will enable international experts to provide information on their experiences and technology to advance the ethanol industry. The experience gained in Brazil, Europe and the United States will provide invaluable insights to both supply and demand issues. This conference will build upon the efforts of the ethanol road show to build consumer confidence in ethanol fuel to help to dispel the myths in the wider community about ethanol.

Queensland, as I mentioned before, is unable to mandate ethanol use in fuel. The state's ability to unilaterally mandate specific fuel blends is constrained by the commerce provisions of the Australian Constitution and the mutual recognition legislation. Ethanol blended fuels are mandated or encouraged in countries such as the United States at 10 per cent, Brazil blends up to 100 per cent, India since 2003, Thailand through tax reductions, investments and subsidies, and in China in some regions. It is anticipated that Japan may consider a mandate of ethanol fuels in the near future.

The CHAIR: Minister, I again refer to page 5 of the MPS and the government's strategy, *A Way Forward for the Sugar Industry*. Can you elaborate on steps that are being taken to encourage diversification in the sugar industry?

Mr McGRADY: Again, I can and I know that this is of importance to you, particularly with the area that you represent. I along with my cabinet and indeed caucus colleagues, canefarmers and workers in the sugar industry are bitterly disappointed that the federal government reneged on promises that the sugar industry would be included in the proposed free trade agreement with the United States. The broken promise by the Prime Minister, according to the Centre for International Economics, cost the industry \$75.9 million in the first year and by 2015 it will have cost the industry \$2.2 billion. This contrasts with our government delivering on its election promises to achieve the necessary regulatory reform to ensure the sugar industry survives. These changes will allow greater flexibility in the industry and those growers wanting to embark upon more innovative practices will not be held back by being forced to harvest and market their crops in the same way that they have been for the past 70 to 80 years. This means that the industry will be able to embark on the innovative change necessary for its survival.

Contrasting with the federal coalition, the implementation of our election commitments has enabled the development of the necessary assistance packages. I see media excerpts that indicate that members of the National Party have been playing cynical political games comparing the amount of assistance given by the federal government and the state government. But I am sure that those affected by the broken promises of the federal coalition in the negotiations in the free trade agreement will expect the Commonwealth to pay the lion's share of this assistance. The Sugar Industry Amendment Bill 2004 relating to the major reforms for Queensland's sugar industry was passed by the parliament on Wednesday, 28 April this year. This passage enabled the state's sugar industry reform package to be made available. As promised during the election, the state government immediately released funding under the state's sugar industry reform package after the passage of that bill. The \$33 million state sugar industry reform package consists of a \$10 million sugar industry innovation fund, a \$13 million change management program and \$10 million in farm consolidation loans which will be made available. Since January last year, the Queensland government's six sugar resource officers are in the regions working with the industry to facilitate change and drive innovation and value-added projects. Some 21 grants have been provided to the industry valued at \$868,000.

The CHAIR: Thank you, Minister.

Mr HAYWARD: Minister, I refer to page 1 of the MPS which refers to employment growth. Can you indicate any projects that will contribute towards this growth, particularly in regional Queensland?

Mr McGRADY: I thank the member for the question. As a Labor government, we understand the importance of providing employment opportunities right across the state and, importantly, across the many industries operating in Queensland, whether it be in emerging industries such as biotechnology or in the more traditional manufacturing and resource based industries. These employment opportunities, however, do not occur overnight. Great effort is needed to coordinate the various government departments and the differing tiers of government. As Minister for State Development and Innovation, one of my key areas of responsibility is ensuring this coordination occurs and the projects will deliver jobs that come to fruition. An example of one of these projects I want to talk about is Yabulu.

The Queensland government is delighted by BHP Billiton's announcement that gives the green light for development of the \$1.8 billion Ravensthorpe-Yabulu integrated nickel project. The \$450 million extension of QNI's Yabulu nickel plant near Townsville will result in a more efficient, world-class operation that will be value-adding to Australia's raw minerals and deliver long-term economic benefits to Townsville and the state, including over 100 new jobs, whilst ensuring the continued employment of over 800 full-time employees, contractors and associated service providers. Construction of the Yabulu extension project, scheduled to commence in early 2005, will employ up to 400 construction workers over a period of two and a half years. This will also provide a welcome boost to Townsville and, of course, the surrounding regions.

The government, through our department, is finalising a \$10 million package with Queensland Nickel Industries to help with staff training and to support the provision of infrastructure for the project. QNI's commitment to using coal seam methane gas is also a welcome boost to this new industry and will contribute to the adoption of more greenhouse friendly sources of energy for use in major industrial projects. This announcement by BHP Billiton vindicates the government's strategy of supporting the development of innovative projects that contribute to advancement of the Smart State vision through value-adding and the development of a highly skilled work force, particularly in Queensland's regional communities.

Mr HAYWARD: Minister, I refer to page 6 of the MPS where you highlight the Queensland government's commitment to innovation, research and technology through the Smart State strategy. Are you satisfied that the federal government has done all it can to help Queensland fulfil its potential under this strategy, particularly in light of the new commercial focus of the Commonwealth CRC policy and reduced funding under the Backing Australia's Ability II?

Mr McGRADY: I thank the member for that important question. The continuation of funding for science and research in Australia under the Backing Australia's Ability policy II falls short of what is needed to put Australia on an equal footing with our competitor countries. Initial scrutiny of the

\$5.3 billion package revealed that the Commonwealth will actually cut its overall commitment to science and innovation from \$1,076.6 million in the 2005-06 year to \$1,003.7 million in 2006-07, a drop of almost 7 per cent in one year. The package does little to address the lag in R&D spending in Australia against other competing countries and is unlikely to increase R&D expenditure as a percentage of gross domestic product at a time when other nations have increased or are looking at increasing their expenditure.

It is promising to see funding for independent medical research institutes. I hope this support will be used to build on the world-class research being undertaken at the Queensland Institute of Medical Research and at the Mater and Wesley medical research institutes. I hope it will at least match the Queensland government's investment through the Smart State Health and Medical Research Fund. I was encouraged to note the \$305 million commitment to CSIRO's flagship program. That funding should be used to help offset the significant underspend by the Commonwealth in Queensland which is the lowest of any state on a per capita basis. This underspend is at odds with the Queensland government's \$2 billion Smart State strategy.

In relation to the Commonwealth's announcement of the 2004 CRC centres selection round, the Commonwealth government indicated that bids having strong commercial focus will be favoured over those which have primary public good or, indeed, environmental outcomes. Whilst we support the need for commercially focused research, the longer term research being conducted on our rainforests, reefs and oceans is critical not only for Australia's economy—in particular, the tourism and fishing industries—but also for the environmental and quality of life benefits derived from the better understanding and management of those ecosystems.

The Queensland government has lobbied the Commonwealth to investigate alternative funding opportunities. Media reports state that the Hon. Warren Entsch, a member of parliament and parliamentary secretary to the Minister for Industry, Tourism and Resources, is currently considering a rescue package to support an integrated rainforest to reef research program in place of the current CRC centres.

The CHAIR: I call on the member for Noosa.

Ms MOLLOY: Minister, I refer to page 15 of the MPS where you refer to the government's assistance to six biotechnology companies through the Biostart Investment Fund. Minister, are there any overarching strategies in place to help drive the development of this industry?

Mr McGRADY: I thank the member for the question. I am pleased to be able to advise this committee that the government has a number of programs in place to assist in the development of the biotech industry. The Queensland Biotechnology Strategy, Queensland Bioindustries of 1999 to 2004, reviews the progress of the Queensland biotechnology industry and outlines new initiatives for taking the industry forward.

The current budget provides \$9.8 million over four years for the following new initiatives under the strategy: a clinical trials network to trial new drugs, vaccines or therapies before they are manufactured; the Centre for New Foods, to allow technological advances to improve the health and nutrition characteristics of food products; and a biodiscovery network to encourage collaboration between different researchers. These new initiatives complement the government's other major investments in the biotechnology sector, including \$93 million to the Queensland bioscience precinct at the University of Queensland, \$150 million towards the Smart State research facilities fund, a \$100 million biocapital fund, which is a Queensland-based venture capital fund managed by the Queensland Investment Corporation, \$4.7 million for the Smart State Health and Medical Research Fund, and \$3 million for the Biostart program.

The Queensland bioindustries strategy is based on recommendations from the Queensland Biotechnology Advisory Council. Using international benchmarks, it has indicated that by 2010 the sector could reach \$1 billion in annual revenues and provide 2,500 jobs in Queensland. This would be an absolutely fantastic result. The council has reviewed the key sectors within the state where biotechnologies can be used and has identified key opportunities in clinical trials, new foods and biodiscovery. This year's budget has responded to the recommendations and provided funding to seize those opportunities for our state. These initiatives will assist in the development of the biotechnology industries in Queensland and help the Smart State to get a head start.

Ms MOLLOY: Thank you, Minister. Page 2 of the MPS refers to Queensland's competitive advantage in the marine industry. Can you please outline what sort of initiatives are being undertaken to maintain Queensland's reputation?

Mr McGRADY: Again, I thank you for that very sensible question. The government recognises the vital importance of the boat building and associated marine industries to the state's economy. Our state is an excellent location for investment in the marine industry due to our proven reputation and skills base, as demonstrated by the quality of marine work produced, our lower business cost environment, our advanced manufacturing and marine related infrastructure, and the closer sailing distances to Asian ports than other Australian locations.

We are always looking to drive the continued growth of the marine industry. In the last financial year, we attracted investment of around \$30 million and the creation and retention of 185 jobs in the industry. In particular, I will highlight one project that, if secured in Queensland, would be of significant economic value to the state. A team led by Raytheon Australia, with partner Forgacs, is tendering to consolidate two 20,000-plus tonne amphibious vessels at Cairncross dry dock. This is a two and a half billion dollar project. If the federal government awards the defence force contract to Brisbane, it would create 500 direct jobs in Queensland over eight years.

There is also the opportunity to redevelop the ship building industry in our state. We have already established ourselves as Australia's major producer and exporter of pleasure craft. However, it is now time to show what we can do with large naval ship building. I am organising a committee, a group of people, who can go out and tell the decision-makers that Queensland is, in fact, able and capable of handling such a contract. If we are successful in this bid, we will be able to show the world that Queensland has the expert work force and world-class facilities to build sophisticated vessels such as these.

As you would understand, the government is very keen to attract this project to our state. The Premier has written to the Prime Minister, highlighting the many advantages of the Cairncross site and outlining the state government's support for working with Raytheon and Forgacs to bring this project to Queensland. I have written to the federal ministers for defence, industry and employment, supporting the bid and outlining Queensland's commitment to attracting the project to the state. I recently met with federal ministers Macfarlane and Brough to restate the Queensland government's support of the project. Both I and officers of the Department of State Development have had numerous meetings with representatives of Raytheon and Forgacs to discuss the project. In late April, the government hosted a visit to Brisbane and I also had meetings in San Diego with the senior management of Raytheon.

The CHAIR: The time for government questions has all but expired. I call the honourable member for Currumbin.

Mrs STUCKEY: Minister, I understand that we have discussed the SunAqua fish farm proposal already this morning. I would like a little more information, please, if you could, about when the government will finalise a decision on this project, and what your level of concern is about the detrimental effects that the project would have on Moreton Bay?

Mr McGRADY: I think I explained that the matter is currently with the coordinator-general. I do not think it would be wise for me, as the minister responsible, to indicate my personal views. The matter has to go through due process. That is occurring, and the coordinator-general will make that decision. I have heard and noted some comments by other well-known people about their views on the project. However, I do not think it would be appropriate for me at this point to express my views. That is a matter for the coordinator-general, and at the appropriate time he will make the necessary announcements.

Mrs STUCKEY: Minister, you referred to Virgin Airlines in your opening address. I refer you to page 26 of your MPS concerning due diligence in relation to requests under the Queensland Investment Incentives Scheme which was created to relocate businesses from interstate and overseas and I ask why Virgin Blue continues to be given ongoing financial assistance—rumoured to be around \$10 million—under this scheme although the company is now firmly established, profitable, listed on the stock market and run by one of the world's wealthiest men?

Mr McGRADY: I thank you for that question. I tried to explain that there are many reasons why governments offer incentives. I think it is fair to say that if we had not offered incentives, we would not have Virgin's headquarters in our state and all the jobs that go with it. I venture to say that if we had not built up this relationship with Virgin airlines and offered them incentives to bring their high maintenance program to our state—employing many skilled people—and skilled people, by their very nature, tend to attract higher salaries and, therefore, have more disposable income to spend in our community. I think that the decision that we have taken to encourage Virgin into Queensland was the correct one.

In my remarks this morning I think I stressed that the reason we offer these incentives is to encourage them to come to Queensland when there is the possibility of them setting up shop in some other state or indeed some other country. I think our decision to encourage Virgin here, for both its headquarters and its maintenance facility, has served the state well and has provided and will continue to provide additional jobs for Queensland and Queenslanders. I reiterate: they are highly skilled jobs. They bring with them people with these skills. It is part of ensuring that we continue to have this aviation hub in our state.

I also suggest that if we had not attracted Virgin here maybe we would not have attracted Boeing and maybe we would not have attracted Australian Airlines. I am sure you would be the first to agree that as a result of what we have done your region, namely the Gold Coast, has certainly benefited from this. I think we have to understand what the role of government is. The government can sit back on its hands and just let the market forces take over or it can—and we are—encourage businesses to come here. I think Virgin is a perfect example of what government intervention can do in providing highly skilled jobs, or jobs of any nature, to our state.

Mrs STUCKEY: Thank you, Minister. I fully support the encouragement of these incentives, but I guess I would like to ask how long this sort of financial assistance is going to be continued for Virgin, which is successful, when we may be able to encourage other businesses as an example that has been set by it.

Mr McGRADY: Part of the recent arrangement is that Virgin committed to retain its head office in Queensland until at least 2010 and to maintain its Queensland based work force of 2,340 people. If you took 2,340 wage packets out of the equation, not only would you lose the 2,340 jobs but also that would have a snowballing effect on the whole economy—2,340 wage packets that would not be spent in grocery stores or on fashion, hairdressing or necklaces. It also provides assistance to families.

Coming back to the gist of your question, you have said that you support what the government is doing. I think we will continue to offer assistance to people if, as a result of the assistance we give, we can entice these people to come to Queensland to bring the jobs and the economic growth which this state requires. As a result of what we have been doing over a number of years, the economic growth in our state far exceeds that of other states and territories and certainly that of the Commonwealth government itself. I think, from memory, our growth rate is one per cent higher than the national rate.

Part of my job is to travel around Australia and indeed around the world to promote Queensland. I have to tell the committee that it is the easiest job in the world because, no matter what criteria you use, we are far more advanced than any state or territory—far more advanced than New South Wales and far more advanced than Victoria. As I travel around and address lunches in capital cities, people come flocking for additional information. That is all part of the economic environment that we as a government have created.

Mrs STUCKEY: Thank you, Minister. I refer to page 23 of the MPS. Under Output Performance you talk about public private partnerships. Given that the Beattie government has been spectacularly unsuccessful in getting even one PPP off the ground, unlike other Labor states in Australia, will you consider removing the \$30 million cap to allow for greater private sector involvement in smaller projects to encourage smaller companies?

Mr McGRADY: I have to say, I think you are being a little bit naughty when you start to suggest that nothing has happened. That is basically the theme of the question. The unit within the department has been there for about 20 months. A great deal of work is entailed in getting the system up and running. As I said before, there are 19 probable projects which are candidates for PPPs. In relation to the first one, we have had expressions of interest from two major consortiums. I think it is fair to say that in relation to the first one you are very careful and maybe you do want more information than may be necessary, but it is important to get the first one correct. The reason I am hosting this meeting next week is to allow the industry and the unions to come in, talk to the government and tell us where they think we can improve. On top of that, we also had that meeting with the other ministers.

Industry is interested in participating in PPPs. It is part of improving the infrastructure of the state. We as a state do not have unlimited funds, so if we can do this work in cooperation with the private sector it is a win-win situation. Just between you and me—do not tell anybody this—when I first came into this job the very first question I asked was similar to the one you have just asked me. The unit had been established for 14 months at that stage. I asked, 'Why haven't we got a PPP up and running?' I thought PPPs, from my old portfolio, were 'police, prisons and prostitutes'. I realised they were not, so I asked the same question.

I have to say that I have been convinced that what we are doing now is the way to go. I think in this financial year we will see a lot more PPPs started and certainly come to fruition. It is not just here in Queensland; it is happening all around Australia and certainly all around the world. I have great confidence in our ability to succeed.

Mrs STUCKEY: I refer now to non-government question No. 8 regarding publications information. I understand that I am asking for a fair bit of detail here which is fairly small detail and I understand if you wish to take this question on notice. Would you like me to read the question?

Mr McGRADY: If you would not mind.

Mrs STUCKEY: I am asking you to enlighten us on what we received for our money and why the cost was so high on the following publications. The *Corporate Style Guide* cost \$16,500 for one item. The second one I wanted to ask about is *Biotechnology in Queensland, Australia*, costing \$37,719 for 1,500 items. The other is *Creativity is big business: A framework for the future*, costing \$55,319 for 1,000 items.

Mr McGRADY: Can I take that on notice? There is one volume there, as you say, which cost \$16,000. There are a number of those. I will take the question on notice and I will give you the full detail.

Mrs STUCKEY: Thank you very much.

Mr RICKUSS: My question refers to page 8 of the MPS. Minister, the south-east Queensland water strategy project report advises that your department is investigating the viability of piping water from the Wivenhoe Dam for use in the Lockyer Valley. Can you advise when that report will be released?

Mr McGRADY: Thank you for your question. In August 2003 the government announced the outcomes of the joint state and local government task force investigation into the viability of pumping effluent from Brisbane, Ipswich and Logan city councils to the Lockyer Valley and in particular the Darling Downs. The findings clearly showed that none of the options were economically, financially or environmentally sustainable and, if implemented, would require a significant public sector subsidy.

As far as financial viability is concerned, the unwillingness of the rural sector to contribute a reasonable amount towards costs meant that every option would require a significant public sector subsidy to a small number of irrigators. There has been no indication of support from the federal or indeed local governments towards meeting this funding gap. Anticipated project revenues would not cover operational costs. Revenues recovered approximately 22 per cent to 28 per cent of Agricultural and Resource Management Council of Australia and New Zealand lower bound costs. Under agreements reached at the Council of Australian Governments between all states and territories, new water infrastructure projects need revenues at or above the lower bound cost before they can be considered as being eligible for a government community service obligation payment.

In net present value terms, capital costs of the most cost-effective option to the Darling Downs were estimated at \$760 million, operational costs were estimated at \$240 million and revenue was estimated to be \$245 million, assuming irrigators are willing to pay \$150 per megalitre.

Mr RICKUSS: I am asking about Wivenhoe water, not about renewed water.

Mr McGRADY: Sorry. So you are talking about the Lockyer one?

Mr RICKUSS: Yes.

Mr McGRADY: Sorry. The consultant's draft report has been received and is being reviewed. It is proposed to make submissions to cabinet in August or September this year on potential solutions to these water supply reliability issues.

Mrs STUCKEY: Page 16 of the MPS mentions the women's business coaching program. Would you be able to tell us which areas specifically across regional Queensland will benefit from this and please outline how many women we are hoping to reach with this program?

Mr McGRADY: You want me to double the expenditure? Is that what you are saying?

Mrs STUCKEY: That would be quite nice.

Mr McGRADY: I attended a meeting a few weeks ago at which we gave some money—from memory we gave \$10,000—to the Brisbane North Chamber of Commerce to encourage women to take a more active role in leadership. Actually, my parliamentary secretary, Linda Lavarch, was behind that little coup. I think it is important that we do that.

During the last election campaign we promised to expand the women in business coaching program based on the success of the pilot scheme. It is proposed that the program expansion will be achieved through allocating \$300,000 over the period of 2004-05 to 2006-07 for statewide implementation via a series of up to 18 one-off grants. This is expected to result in an average of six programs per annum over the funding period to ensure that each State Development and Innovation Centre location is given an opportunity to benefit from the program at some stage during the next three years.

The Queensland government's women in business coaching program is a concept unique to Queensland. Its purpose is to develop the management skills of Queensland businesswomen via flexible group learning. It is important, in my opinion and in the opinion of the government, that we do encourage women in particular to take a leadership role. We see this more and more. I just remind the committee that it was the Goss Labor government that instituted the women's register. I can tell you—Ken Hayward can, too—that during the early days of the Goss government, when we were new ministers, if we took anything at all to cabinet that had a proposed board and there was no woman or a couple of women, we would be thrown out of the cabinet. That still applies today, by the way. Over the years I think we are starting to realise the importance of women in leadership roles. I did state at the presentation ceremony that I hope it is not too far off that we do not have to make an issue of this—that women are there in their own right, being accepted as part and parcel of the leadership of this state and this country. I think programs such as this go some way to encouraging women to take up these important roles.

Mr HOBBS: Minister, earlier today you spoke a lot about the federal government's view on ethanol. You must be reading different papers to what I have been reading, but the Prime Minister and the Deputy Prime Minister are very supportive of ethanol and the reason why ethanol has stalled in the federal scene is the opposition by the federal Labor leader, Mark Latham, and other smaller groups. My question to you is: will you in fact lobby your federal counterparts to ensure that they support ethanol? If the conservative side of politics is supporting ethanol, then I am sure it is only a flow-on step for them to mandate ethanol across Australia.

Mr McGRADY: I will do a deal with you: you ring up John Howard and John Anderson and I will ring up Mark Latham.

Mr HOBBS: It's done.

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

Mr CHOI: Minister, page 16 of the MPS refers to red tape reduction. You and I had that discussion regarding major issues facing SME over many industry sectors with red tape. Can you outline what initiatives the government is undertaking to lessen the burden of red tape?

Mr McGRADY: I thank you for the question. The government is firmly committed to cutting red tape by simplifying the environment and reducing the burden it places on business, both large and small. The government continues to make significant inroads in reducing the complications for business associated with regulatory compliance through its Red Tape Reduction Task Force, which was re-established in 1999 by the government.

The Red Tape Reduction Task Force has been at the forefront of the government's efforts to reduce red tape through initiatives such as SmartLicence, the business referral service, Queensland regulations 'Have your Say', the annual red tape reduction stocktake and the publishing of a range of publications to guide state and local government agencies in developing better, more flexible regulatory systems.

The annual red tape reduction stocktake has reported some \$49 million of savings to business in the 1999-2000, 2001-02 and 2002-03 financial years, which I am sure you will agree is a significant achievement. It would be unreasonable to suggest that regulation of business activity is unnecessary. It is not; it is important. In many instances it is in the best interests of consumers, employees and businesses themselves. Nevertheless, there is a common view amongst business people that regulatory compliance issues remain unnecessarily complicated, hence the Queensland government's continued strong emphasis on regulatory reform.

The cornerstone of Queensland's policy agenda for this reform is a series of industry specific reviews of regulation affecting particular industry sectors beginning with manufacturing, tourism, retail and food production and processing. The manufacturing review will be jointly overseen by the Red Tape Reduction Task Force and the Manufacturing Leaders Group, and it is important that the momentum of regulatory reform is sustained.

Consequently, I have formed a review team to examine the Red Tape Reduction Task Force to ensure that its structure and operations are optimised to drive the Queensland government's new sectoral approach and harness the momentum of existing task force projects. The review team is chaired by Andrew Craig of the Australian Industry Group and includes three members of parliament, Peta-Kaye Croft, Gary Fenlon and Andrew Fraser; two additional business representatives, Lynne Pask from Pask Group, and David White from CPA Australia; and a representative from the Queensland Public Sector Union. I expect that this blend of membership and representation will generate innovative new ideas and suggestions.

Mr CHOI: Minister, I think few people will disagree that small business is the backbone of our state, and I notice that the chair of the Queensland Small Business Advisory Council, Linda Lavarch MP, is here today. I congratulate her for doing a wonderful job. Minister, can you advise us of some of the initiatives that the government is undertaking to assist small businesses?

Mr McGRADY: As you have rightly said, small business accounts for over 96 per cent of Queensland businesses. The government actively supports the development of a business environment that is helping our small business sector to thrive. The government launched the agenda for small business, the smart small business, in October last year. The agenda clearly articulates the characteristics of a smart business and outlines more than 60 Queensland government products and services tailored to assist small businesses in their journey to become part of the government's Smart State agenda.

The launch of the agenda was complemented by the announcement of a number of new small business initiatives which I will briefly outline for you. The smart small business web site is the most comprehensive web site for small business in the country. \$300,000 will be allocated over the next three years to enhance the smart business web site. This site already hosts a number of Queensland government services, including SmartLicence online, smart skills online and the government business information service.

The Small Business Accelerator program is an intensive case management service developed to assist high potential small business firms deal with and capitalise on the challenges of rapid growth. The Small Business Accelerator program commenced in January this year and state development and innovation centres around the state are already actively working to recruit and case manage appropriate firms. To date, five firms have received grant approval. Further funding of \$2.4 million will be allocated to the Small Business Accelerator program over the next three years.

We also released two home based business skills assistance manuals, of which more than 6,000 copies have been distributed to date. Home based business represents approximately 63 per cent of small business in our state. The government recognises the importance of home based business and is

committed to facilitating the development of this sector. The government also hosts a range of management skills seminars and workshops for small business. Last financial year we provided more than 1,200 seminars and workshops which attracted more than 32,000 participants.

Research was undertaken in late 2003-04 indicating an overall satisfaction rate for the workshops and the seminars of over 80 per cent. In addition, more than 50 per cent of attendees at the workshops have subsequently implemented strategies to grow their business, and there is a clear indication that workshop attendees have experienced a greater level of growth over the last six months compared to non-workshop attendees. Complementary to the government's range of face-to-face workshops and seminars is smart skills online launched in 2002. Smart skills online is the first government web site in Australia to offer interactive online learning in management skills for small business people.

The CHAIR: Minister, I refer you to page 31 of the MPS where you have referred to the Smart State Research Facilities Fund. Can you provide some general information on the purpose of this fund and how it fits in with the government's overall Smart State strategy?

Mr McGRADY: I thank you for the question. The Smart State Research Facilities Fund is the Queensland government's major investment program of \$150 million over five years to 2006-07 for supporting the development of new infrastructure for our state. Since its inception in 2001, the program has allocated \$125 million over three annual funding rounds to 18 projects with a total value of \$367 million and has resulted in the successful leverage of over \$242 million from other sources.

The Smart State Research Facilities Fund supports collaborative proposals for world-class research and development infrastructure in areas of existing or emerging comparative advantage and which support the government's research and development priorities. Recipients are chosen through a competitive selection process comprising five stages, including peer review by an advisory panel. Given its nature as a revolving fund, each funding agreement requires the project to provide a financial return over the term of the agreement, which is usually 30 years.

The Smart State Research Facilities Fund is value adding to the Queensland economy and is creating jobs for Queenslanders. Round 3 recipients alone have advised that 128 full-time jobs will be created during the construction of their projects, with 382 research and administrative jobs arising over the first 10 years of operations. Over 60 per cent of committed program funding supports projects in medical research from trials for cancer drugs and therapies to the discovery of new pharmaceuticals from Queensland's uniquely rich biodiversity.

The Smart State Research Facilities Fund is making major investments in regional capacity building including in Toowoomba the Centre of Excellence in Engineered Fibre Composites, which received \$7.42 million funding. This \$9 million cutting-edge centre conducts research into the application of extremely light and strong new construction materials with major export industry potential. In Cairns the Australian Tropical Forest Institute was allocated \$7.8 million to construct a \$33.3 million centre for tropical forest biodiversity and ecology research including possible future pharmaceuticals. At Gatton the University of Queensland will receive \$9.5 million to create a world-class \$23.2 million centre for advanced animal science.

The CHAIR: Thank you, Minister. I refer to page 18 of the MPS where you have mentioned the Smart State Health and Medical Research Fund. Can you please advise the role you expect this new fund to play and the ways in which it might benefit Queensland?

Mr McGRADY: The government has committed new funding of \$4.7 million over five years to establish the Smart State Health and Medical Research Fund. The fund will provide operational support for Queensland's independent medical research institutes and a clinical research fellowship scheme to support clinical scientists in Queensland hospitals. The fund will position Queensland as a leading centre for health and medical research by enhancing both the quality and scope of research being undertaken, build a critical mass of clinical research expertise in Queensland's hospitals, assist Queensland's independent medical research institutes and hospitals to attract and retain outstanding researchers, and build strategic alliances with other national and international researchers to enhance Queensland's status in health and medical research.

With health spending projected to rise from nine per cent to 17 per cent of GDP over the next 40 years, investment in health and medical research and development is critical to reduce the projected cost and impact of chronic age related illness. Access Economics has stated that, in addition to the social and health benefits to the community, investing in health research and development can result in an eightfold economic return on investment.

This fund will assist in attracting national and international investment to Queensland through funding the growth of the biotechnology and biomedical research sector and ultimately improve patient health outcomes. The fund will leverage the health and medical research funding under the Commonwealth government's Backing Australia's Ability innovation policy. Queensland's independent medical research institutes and hospitals will be able to apply for funding, including those in regional areas such as Townsville and the Gold Coast.

The fund has two streams: an operational support program of \$2 million over four years to support the costs of research in Queensland's independent health and medical research institutes, such as the Mater and Wesley research institutes, and Queensland's clinical research fellowships, at a total cost of \$2.7 million over five years, which will fund up to three fellowships per year in Queensland's hospitals. The government will contribute one-third of the cash costs towards the fellowships of up to \$100,000 per year for three years. Funding will be awarded through a merit selection process. Consultation undertaken to date indicates a high level of support from the health and medical research community for this initiative.

The Smart State Health and Medical Research Fund was announced by the Premier on 6 June this year at BIO2004 in San Francisco. Guidelines for the fund are currently being developed with input from relevant industry stakeholders and it is anticipated the fund will invite applications at the end of the calendar year.

Mr HAYWARD: Minister, I refer to page 26 of the MPS where it refers to major projects in the aluminium industry that the Department of State Development is facilitating. Could you explain the benefits that occur from these projects?

Mr McGRADY: I certainly can. The government is confident of Queensland maintaining its position as one of the most internationally competitive locations for alumina refining and aluminium smelting in the world. The decision by Comalco to construct its refinery in Queensland and Aldoga's decision to build the smelter in Queensland demonstrates that we have the policies to attract major projects to regional Queensland. These projects are important as they provide jobs and growth for our state. Despite this, we continue to see the opposition make attacks on companies wanting to bring jobs to Queensland. I call on both Mr Springborg and Mr Quinn to get behind job creation and stop playing the role of wreckers.

The construction of Comalco's \$1.5 billion alumina refinery stage 1 is well advanced. It is proceeding smoothly, and progressive commissioning of the plant has commenced ahead of planned production late this year. The first alumina will be shipped in early 2005.

The construction phase of the project has employed more than 2,000 people. The operational phase from late 2004 is expected to employ more than 400 people, of which 230 operators are already on site. Stage 1 of the refinery will produce 1.4 million tonnes per annum of alumina. The total project includes planning for three stages which should produce up to 4.2 million tonnes per annum of alumina. The Comalco alumina refinery will also have large flow-on benefits for Queensland including, at Weipa where the bauxite is mined, an associated \$230 million expansion and upgrade which is under way. The Weipa mine expansion involves a construction work force of 250 people and will produce around 130 additional jobs in operations. Comalco has made extensive use of local contractors and suppliers in the construction of stage 1, and thereby has already delivered substantial benefits to the region. Through its local industry participation plan, Comalco has secured greater than 80 per cent of local content in the project's construction phase. The project will continue to provide substantial economic benefits in the operational phase of the project, through both direct and indirect employment and supply opportunities.

For the smelter project, Aldoga has now decided to initially construct one pot line, producing 210,000 tonnes of aluminium per year. This first pot line will employ 1,400 people during the construction phase and 450 people when it is in operation. It has been reported in the media that Aldoga is seeking to finalise its equity arrangements by September this year.

Mr HAYWARD: Minister, I refer to page 17 of the MPS where it states that the terms and conditions of the government's investment in the Brain Institute will be agreed this financial year. Can you please provide some information on what the institute will achieve for researchers in Queensland?

Mr McGRADY: I certainly can. Science is entering an era of accelerated discovery driven by the application of new molecular, genetic and imaging technologies which will provide a deeper understanding of the regulation and function of the human brain and, of course, the nervous system.

The Queensland government support for the Brain Institute will mean that institute researchers will be uniquely positioned to conduct the most cutting-edge brain research in the world, drawing on the resources of the Institute for Molecular Bioscience, that will rival the world's leading international bioscientific precincts. The institute's new building will be the final cornerstone of the Queensland Bioscience Precinct at the University of Queensland, complementing the research of the Institute of Molecular Biosciences and the Australia Institute for Bioengineering and Nanotechnology. Significant advances in this field will have a major impact on our understanding of complex areas such as behaviour, ageing and mental illness. They will provide a real opportunity to develop new solutions to brain related disorders, including Alzheimer's disease, which account for 45 per cent of the burden of disease in Australia.

Research on mental health also has the capacity to provide us with information on how to improve our quality of life and maximise general wellbeing in the community. It is a vital part of the community health task. The Premier announced the Queensland government's commitment to the institute on 22 January this year and construction is scheduled to commence early next year.

The CHAIR: The time for government questions has all by expired. The member for Warrego.

Mr HOBBS: Thank you. Minister, the Queensland Industry Development Scheme has assisted more than 185 firms over a three-year period. Have any of those firms since failed?

Mr McGRADY: At 30 June this year the total number of QIS agreements in place was 75. Of these there were 20 agreements for which there were requests for variations during the last financial year. Sorry, did you ask about QIDS or QIS?

Mr HOBBS: Either one.

Mr McGRADY: In the past year the department has provided grants and subsidies under this scheme to 220 firms and organisations through the Queensland Industry Development Scheme and the Regional Business Development Scheme. Information to identify firms that are going out of business is not maintained on any departmental database, but contract management of individual agreements provides quality checks and balances to safeguard the government's investment.

All agreements are written with milestones identified which clearly state what must be achieved before any payments can be made. In addition, the terms and conditions outlined in the agreement provide for termination of the agreement should the firm become insolvent, enter into liquidation or suffer any distress which would, in the reasonable opinion of the department, have a materially adverse effect upon the ability of the firm to undertake the project. Within the department, the unit which takes responsibility for contract management employs a process where invoices must be accompanied by details identifying the achievements of any milestones prior to payments being made. I reiterate my earlier statement that payments are only made after milestones have been reached.

Through this risk management process, if grant recipients are not able to meet milestones due to financial difficulties in the firm due to the failure of a specific project and they are identified, immediate steps are taken to terminate the agreement. While firms are under contract we keep an eye on them, but once the project is completed the government has no capacity to influence company decisions or projected outcomes. Essentially it is a role of market forces and private enterprise to pursue successful business outcomes.

Mr HOBBS: Minister, has your department done any assessment on the export opportunities likely to arise from the free trade agreement with Singapore, Thailand and the United States of America? What will your department be doing to assist businesses identify opportunities from these FTAs?

Mr McGRADY: Are you talking about the free trade agreement?

Mr HOBBS: Yes, between America, Thailand and Singapore.

Mr McGRADY: We have discussed the free trade agreement and our government's support for it. The decision by the Prime Minister and his National Party colleagues to exclude sugar from the free trade agreement with the United States—

Mr HOBBS: No, what is your department doing, Minister?

Mr McGRADY: —is a bitter disappointment. The Prime Minister and, to some extent, Mark Vaile continuously assured the people of Innisfail, Cairns, Bundaberg, Tully and Mackay that they would look after their interests—

Mr HOBBS: Minister, you have the wrong one.

The CHAIR: You have asked the question. The minister will answer the way he sees fit.

Mr HOBBS: I am after the three different groups—Singapore, Thailand and America.

Mr McGRADY: Can I suggest to you, Mr Hobbs, that you would be far better off addressing the question to the Premier, who is the Minister for Trade.

Mr HOBBS: But you are the Minister for State Development.

Mr McGRADY: I am not the Minister for Trade. Already the free trade agreement has been through the House of Representatives and, I understand, the Senate in America. It has not been ratified by the Australian government, but obviously we have offered our support to the agreement because we believe that overall there are benefits to our state.

Mr HOBBS: There are.

Mr McGRADY: We will take advantage of all of these opportunities which will come our way. As I have mentioned, there are two areas in particular which we believe will benefit us—one is central Queensland and the other is the beef industry. I think it is an appropriate time to question the antics of some of your colleagues in the opposition, particularly in regard to central Queensland. I had the opportunity of taking some people from the Gladstone Alliance to China. The only reason we did that was to allow them to explore trade opportunities. What did the opposition do? At every opportunity in the parliament—

Mr HOBBS: What does that have to do with the FTA?

Mr McGRADY: It has a lot to do with the FTA.

Mr HOBBS: The question I asked you was about the free trade agreements between those three countries, what the benefits are, and what you are doing to help business.

The CHAIR: Member for Warrego, I call for order.

Mr McGRADY: The point I was making is that as a government we pursue every single opportunity. In fact, as we are speaking our Premier, the Premier of Queensland, is in Thailand trying to promote trade. He has been to China trying to promote trade.

Mr HOBBS: It is Queensland businesses.

Mr McGRADY: That is right.

The CHAIR: Order! The time for non-government questions has expired. Minister, I refer to page 32 of the MPS where you have mentioned the Queensland Hypersonic Testing Facility as part of the Smart State Research Facilities Fund. Minister, can you please advise what this is and what kind of work is planned for this centre?

Mr McGRADY: Thank you for the question, Madam Chair. The Queensland government has an election commitment to establish top-class research centres in key regional cities through the Smart State Research Facilities Fund. As part of this commitment the government will provide \$2.2 million towards a \$15.8 million facility based at the University of Queensland, St Lucia campus, with a node at the University of Southern Queensland in Toowoomba. Funding will underpin the purchase of an advanced computer modelling facility and an extension of facilities including the installation of a high quality, high speed wind tunnel in Toowoomba. It will upgrade the existing equipment at St Lucia. There will also be the establishment of flight test infrastructure, including rocket and heat shield facilities, at the Pullenvale site.

The aim of this University of Queensland led project is to become the pre-eminent global facility for the research, development and commercialisation of innovative hypersonic—over 25 times faster than the speed of sound—technologies.

The centre's researchers have already established a strong track record and are highly respected in the global space industry, having achieved several breakthroughs including the invention of the free piston driver for impulse facilities that simulate high-speed flight in the laboratory for the first time, development of the first engine that has more thrust than drag, the first successful flight test of a scram jet engine and development of the first superorbital aerodynamic test facilities.

This new funding will enable the University of Queensland to partner on an equal footing with international research agencies such as NASA and enable Queensland to play a major role in international space exploration programs and the global space industry. Following the announcement of round 3 recipients by the Premier at BIO 2004 in San Francisco in early June, Smart State Research Facilities Fund loan agreements will be negotiated with recipients as soon as possible.

Mr HAYWARD: Minister, I prefer to page six of the MPS where it mentions the Queensland government commitment to the development of a biodiscovery network. Minister, can you please provide some information on the sorts of networking opportunities the government has made available for those working in this industry?

Mr McGRADY: I thank the member for the question. The government's Biolink forums, held quarterly, provide an informed environment for Queensland bioindustry speakers to outline their research, share lessons learned and pitch their business case to potential partners and investors.

More than 100 delegates attend each event, including biotech companies' representatives, scientists, patent attorneys, lawyers, marketing specialists and, indeed, accountants. Delegates have rated the Biolink events as highly beneficial to their work. 65 per cent have developed business relationships and 35 per cent have developed a business opportunity or formed a partnership through a relationship established at these events. Seventy-seven per cent have recommended Biolink events to other colleagues within the industry and 92 per cent rate the events and e-newspaper as important tools in strengthening the industry.

At the last Biolink event held in April at Griffith University I provided an update on the activities of the Queensland Biotechnology Advisory Council and the progress of the Biodiscovery Bill. The quarterly e-newsletter has also provided an important information tool for domestic, interstate and international markets by providing a calendar of events, the latest news about Queensland biotech and research information about state government initiatives and funding.

I believe these sorts of networking of events are an excellent way for Queensland's biotech businesses to get to know one another's products and abilities and work together to promote the industry in our state.

The CHAIR: The time allocated for the consideration of the estimates of expenditure in the portfolio of State Development and Innovation 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.

Mr McGRADY: Can I take a moment to thank you for the professional way in which you have conducted these hearings, also all of the members of the committee for the way in which they have asked the questions and obviously researched the questions before the hearing started. I would also like to thank the parliamentary staff for the way in which they prepared the venue for this important occasion and my department officials who, as you would appreciate, have worked long and hard to secure the information to enable me to answer the questions. But above all else I would like to thank my personal staff who have worked long and hard to assist in this progress.

I think the introduction of the estimates has certainly brought a special kind of democracy to our state. It makes the minister of the day accountable to the public through this process and I believe ensures that the minister gets to know their portfolio from go to whoa.

I want to thank everybody who has been associated with my segment of these hearings, but in particular, Madam Chair, you and your committee for the very professional way in which you have conducted yourselves today.

The CHAIR: The hearing is now suspended for a short break. The hearing will resume at 11.50 a.m. with the Minister for the Environment.

Sitting suspended from 11.47 a.m. to 11.55 a.m.

ESTIMATES COMMITTEE F—ENVIRONMENT**In Attendance**

Hon. R.J. Mickel, Minister for Environment

Environmental Protection Agency

Mr J. Purtill, Director-General

Mr A. Feely, Executive Director, Parks

Mr N. O'Sullivan, Director, Financial Services Unit (Acting)

The CHAIR: The next item for consideration is the proposed expenditure for the portfolio of the Minister for the Environment. 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 each 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 and answers 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 name. I also ask that all mobile phones and pagers be switched off or to silent mode.

I now declare the proposed expenditure for the Environment Protection Agency to be open for examination. The time allotted is three hours. The question before the committee is—

That the proposed expenditure be agreed to.

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

Mr MICKEL: It is an honour to appear before my first estimates hearing as a minister, a role I am enjoying immensely. The Environmental Protection Agency is focusing on striking a balance between the protection and management of our natural assets and the challenges presented by a rapidly growing economy and population. This financial year the agency has an operating budget of \$372 million and a \$25.1 million budget for capital works and land acquisitions. The budget provides for an extra \$2 million for fire management and pest and weed control in line with our election commitment to spend an extra \$6 million on this area over the next three years. The extra funds will be spent on high priority projects across Queensland, including upgrading and constructing fire lines, major hazard reduction burns and tackling pests such as feral pigs and invasive weeds. It is an investment in our natural assets which attract domestic and international tourists and provide jobs for more than 6,000 people, many of them in our regions.

In line with our Good Neighbour policy, we will continue to work with adjoining property owners and councils to deal with problems which do not stop at fence lines. We will further improve the management of our parks and forests through the Rapid Assessment program. The program replaces the tired old yardstick of measuring performance by working out how many dollars we spend on each hectare of the protected state with a business-like approach to park management. The system adapts published International Union for Conservation of Nature standards for measuring parks management performance. Queensland is the first jurisdiction in Australia to adopt such an approach to performance assessment. Once again the Smart State is leading the way.

The program enables us to obtain a real-time snapshot of the way individual parks are performing in terms of pest control, fire management, capital works and the maintenance of visitor facilities. It will allow for more effective forward planning and for management practices to be adjusted when and where necessary. For the first time our rangers will have a practical tool for managing their day-to-day activities and I hope other states will follow our lead once they realise how effective it is.

The Queensland government remains committed to the protection of the Great Barrier Reef and will continue to work with the Commonwealth to achieve that. A significant challenge I have embraced since being sworn in as the Environment Minister is identifying the best way to respond to the Commonwealth government's new Great Barrier Reef zones which came into effect on 1 July this year. These zoning rules apply up to low water. The state government has jurisdictional responsibility above low water.

Now that the federal government rules have changed we have two sets of rules for reef users leading to ambiguity and confusion about who can do what where. It is a recipe for chaos. In order to

avoid that and deliver certainty to all reef users, I am today releasing Queensland's proposed response to the Commonwealth zones. State cabinet has endorsed a proposal to confirm the zoning where state and Commonwealth waters meet. I seek leave to table a regulatory impact statement, a brochure and a media release outlining our proposed response which will now be put out for public consultation.

The Great Barrier Reef is a magnificent coastline valued by many people for different reasons. It is highly significant for the conservation of biodiversity, maintenance of healthy marine ecosystems and because of this it is vital for research and our growing biotechnology industries. The reef's exquisite natural beauty makes it a tourist magnet attracting over 1.6 million commercially guided visitors each year and generating \$1.5 billion in expenditure in the regions adjacent to it. It is a haven for recreational users. It is an area where commercial fishers operate.

In analysing options for a Queensland government response to the new Commonwealth zoning, I directed my department to focus on achieving a balance between the competing interests of industries operating in the Great Barrier Reef region. I am releasing our response today so that those commercial fishers who are considering putting in a tender for the Commonwealth structural adjustment package are aware of the full impact of the new Commonwealth zoning. Tenders for the Commonwealth structural package will close on 6 September. The Queensland government proposal is to confirm the new Commonwealth zoning from low water up to the high water mark but only to the seaward edge of the mangrove forest. This rule would apply for the full length of the Great Barrier Reef coastline.

It does not mirror the Commonwealth zoning to the full extent which was available to the Queensland government. This is because our proposal does not include estuaries, rivers, creeks, channels and mangrove forests. These will remain as they are currently. Zones in areas such as Rodds Bay, Corio Bay, Trinity Inlet, The Narrows, Hinchinbrook Channel; estuaries such as the Mourilyan and Daintree Rivers; and mangrove forests such as parts of Shoalwater Bay and Broadsound will not be affected by this proposal.

The benefits of this proposed Queensland response to the new Commonwealth zoning are that it ensures the conservation benefits of the new Commonwealth zoning are secured in the intertidal areas, it locks in the substantial gains for recreational fishers and the tourist industry achieved through the new Commonwealth zoning and it provides certainty for commercial fishers. Those crab fishers operating in the mangrove forests, creeks, estuaries and rivers can continue to do so. Those commercial fishers currently partially operating in the intertidal areas can either restructure their operations or, if they are affected by the Commonwealth zoning below low water, they are fully informed when preparing a tender for the Commonwealth structural adjustment package.

The CHAIR: Minister, your time has expired. I might suggest you might want to incorporate some of that into one of your later answers.

Mr MICKEL: I would seek to incorporate the rest so that there is no confusion.

Leave granted.

Our proposal enables the joint Commonwealth/State management and permitting system to continue to be effective, with consequent benefits to tourism operators, researchers, business proponents, and the protection of the reef for future generations.

It does not go as far as some stakeholders wanted us to go but seeks to capture the benefits of Commonwealth Zoning while minimising the impact on coastal communities.

I encourage all Queenslanders to provide us with their feedback on our proposed response. Submissions close on 27 August 2004.

Finally, Madam Chair, I would like to congratulate the EPA's staff on their commitment to environmental protection.

Since becoming Minister, I have been impressed by the depth of expertise within the Agency although I feel that some of our people, who are leaders in their field, are not getting the recognition they deserve.

That is something I intend to rectify over the next three years.

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

Mr RICKUSS: Minister, thank you for giving us this opportunity to question you today. I refer to the Output Statement on page 9 of the MPS under the heading of Quality where the management assessment for national parks is outlined. I table for the benefit of the committee photographs of full bags of cement dumped on the tracks at Crows Nest National Park as makeshift stepping stones. As a result, paper and plastic packaging and toxic cement are now littering the walking trail. Have you examined if these Queensland Parks and Wildlife Service maintenance methods would constitute littering offences in breach of the Nature Conservation Act?

Mr MICKEL: Could I have the question again?

Mr RICKUSS: Well, there are full bags of cement—

Mr MICKEL: Can you just repeat about the maintenance section again?

Mr RICKUSS: Minister, have you examined if these Queensland Parks and Wildlife Service maintenance methods would constitute littering offences in breach of the Nature Conservation Act?

Mr MICKEL: Firstly, I find it outrageous that the professional staff in my department are being subjected in this way. I find that my staff are highly professional. To say that they would accept such a method as being the ordinary way of doing things absolutely belies and runs down their professionalism. I think it is a disgrace. The only thing green about the National Party is its logo. It has neglected national parks for years and come up with this slimy attack today on the professionalism of my staff.

Let us go through this issue of the maintenance of national parks. We are committed to the provision of safe and well maintained facilities in parks and forests. The government in 2004-05 has committed an additional \$1.5 million towards infrastructure maintenance. To deliver on this commitment the agency has developed a targeted maintenance program for visitor facilities. This program includes the provision of specific funding for public infrastructure such as picnic areas, walking tracks and roads. Prioritisation of funding for visitor facility maintenance is supported by the agency's strategic asset management system. This web enabled system provides a standard, statewide databank to drive the planning of maintenance tasks of facilities in parks and forests.

Maintenance tasks are identified, recorded and prioritised using risk as a critical criterion. Based on this assessment, two and a half million dollars has been targeted for higher risk tasks in parks and forests. This maintenance program includes an allocation of \$200,000 for engineering assessments of structures where there would be a serious consequence should the structure fail. Dedicated asset maintenance coordinators drive the planning of facility maintenance in each region with a centralised asset management group providing a strategic overview of maintenance requirements.

That is the professionalism that I am talking about. That is the professionalism we are committed to. On occasions things go wrong. That is what life is about. For the opposition shadow minister to downgrade and abuse the professionalism of my staff is a disgrace. When you get around and meet the staff you will understand that they are committed.

Mr RICKUSS: I am not abusing your staff.

Mr MICKEL: Of course you are, with that slimy question and the slimy inference in it. Of course you are abusing my staff.

Mr RICKUSS: I am just showing you what is a real situation.

Mr MICKEL: You asked the question; you are getting my answer. You are getting my defence on behalf of my staff. When you get around and meet the rangers in all of these national parks you will see that they do an excellent job. Often they are vilified for the diligent way they go about their professional service. I am very pleased with this budget for national parks. It is actually better than at any stage under the National Party, any stage under the Borbidge government. If you see what the federal—

Mr RICKUSS: I seek leave to table this photograph.

Leave granted.

Mr RICKUSS: I refer again to the Output Statement on page 9 of the MPS and the management assessment of the Queensland parks estate. I refer to the recent fall suffered by a teenage girl at Crows Nest falls. I table for the committee's benefit a photograph of a rope swing taken in the vicinity of falls some days after the terrible accident. Why was the area inspected by park rangers immediately following the accident to improve such obvious dangers? Are such devices illegal in national parks? I seek leave to table that photograph.

Leave granted.

Mr MICKEL: I will check the detail of that.

The CHAIR: Are you going to take the question on notice?

Mr MICKEL: I will check the detail of it and provide a full response in relation to that issue. Let me say this about visitor safety. Visitor safety is our key priority. On occasions what we find with people who enter national parks is that they abandon any sense—and I am not saying that in this girl's case. But we have instances of people who put up their towels on the sign that says 'Do not jump here' and proceed to jump into dangerous rock pools. What we ask of people entering national parks is that they take some responsibility for their actions. After all, visitor safety is one of our key priorities.

One such activity focuses on enhancing visitor safety in national parks through a number of strategic initiatives being implemented by the department. Priority has been given to the identification of visitor hazards in national parks across Queensland and we are taking action to reduce the risk. The EPA's visitor safety initiatives are focused on public awareness programs, enhanced maintenance of parks and improving the safety of on-park facilities. For example, a number of years ago we had a problem on Fraser Island. We have implemented there a dingo awareness program that includes safety warning signs, dingo-proof fencing around popular camping areas and increased ranger patrols.

Visitor safety in national parks has improved as a result of implementing the findings of a statewide audit. The agency is accelerating a program to improve and replace facilities as part of the EPA's capital works program. Risks associated with visitor access to natural areas are also reviewed. This is leading to a number of changes to management policies, including amending the agency's

hazardous trees policy and the development of standard operating procedures for high-risk facilities such as public moorings.

From time to time, parks are closed due to safety concerns. For example, Fraser and Moreton islands and the Cooloola section of the Great Sandy National Park were closed in March because of near cyclonic conditions. Planned public closures are announced in the Ranger Diary column which appears every Friday in the *Courier-Mail*. Closures are also announced on the agency's web site.

These are ways in which this department is enabling visitors to receive more information about environmental conditions and potential hazards in national parks. This information enables visitors to make informed choices about their capacity to access natural areas and take, as I said, a degree of responsibility for their own actions. If the opposition is alleging that people who enter national parks should not have any personal responsibility, then they are taking the role and control of government much too far.

Mr RICKUSS: I refer again to the Output Statement on page 9 of the MPS and the management assessment of the QPWS estate. How many injuries occurred in national parks within the past year? What evaluations have been undertaken of the safety signage and risk management strategies in national parks?

Mr MICKEL: We will take that on notice.

Mr RICKUSS: I refer again to the Output Statement on page 9 of the MPS and the management assessment of the QPWS. I table for the benefit of the committee photographs of litter that I found strewn through the Tamborine National Park near Cedar Creek. How many infringement notices have been issued in the past year in relation to dumping or littering in national parks?

Mr MICKEL: We will take that on notice.

Mr RICKUSS: I refer again to the Output Statement on page 9 of the MPS and the management of the QPWS estate. I note from your web site that there are currently in excess of 20 national parks closed or partially closed due to poor maintenance, some of them for months on end. I note from the MPS that you intend increasing the area of our national park estate this financial year. How do you intend managing this additional area when you cannot maintain the area that you currently have?

Mr MICKEL: Again, what we have is a denigration of the professionalism of the officers.

Mr RICKUSS: They are closed.

Mr MICKEL: You asked the question; you are going to get the answer. If you want to sit there and bag the professionalism of my staff because parks are closed—

Mr HOBBS: That is rubbish.

Mr MICKEL: You say it is rubbish.

Mr HOBBS: It is rubbish. Answer the question.

Mr MICKEL: Parks are closed for safety reasons. Madam Chair, how many questions are you going to allow them to fire at me? They have asked one question. What we have is the cheer squad from Warrego trying to fire it up. The reason parks are closed is for public safety.

Let us deal with one park that may have to be closed because of the federal government. Let us deal with Lamington National Park. The other day the federal government decided that it would declare that a walkway that we are building in a national park in a World Heritage area is going to be subjected to the federal government deciding whether we can do any maintenance on it. I do not hear the opposition going on about that one. It may well be that that park has to close purely and simply because of the interference of the federal government.

If we had a mudslide it could be that that national park has to be closed because it is a World Heritage area. It is a disgrace. I have seen them issue a statement in relation to that situation in recent days. That action can be avoided purely and simply by one act—the Prime Minister getting on the phone to the new Environment Minister and saying 'Back off.' This is an outrageous intrusion into Queensland, into a major national park on the Gold Coast. We hear nothing from the opposition about that—not a thing.

Let me say this about our national parks. They are in many instances in World Heritage areas. Far from what you are hearing today, they are first-class World Heritage areas with high visitation rates from international tourists. They are a key point in our strategy of attracting those millions of tourists that I spoke about to our national parks.

What the opposition is seeking to do is not query the department. It is not seeking to do anything other than run down our asset and run down the professionalism of the extra rangers that we have put in the national parks to protect the national parks and protect their conservation values. Visitor safety is a key priority but so is personal responsibility.

Mr RICKUSS: How do you intend to manage the extra additional area that is going to become national parks? That is what I am trying to ask, Minister.

Mr MICKEL: If you were trying to do that I would give you a civil answer. You are trying to run down the professionalism of the staff.

Mr HOBBS: You are a disgrace.

The CHAIR: That is a personal reflection on the minister. You will withdraw that comment.

Mr MICKEL: I am happy to take that as an extra question. The point is this. He says, 'How are you going to manage the extra areas?' Obviously, with the extra money. That is how we are going to do it. That is how we have always done it. An additional \$8.5 million will be spent over three years on the maintenance of roads and infrastructure in Queensland's parks and forests. The budget allocation will maintain vital visitor infrastructure and protect the environment.

Queensland's national parks are one of the state's most valuable assets. They not only protect important ecosystems but generate \$1.3 billion annually for the economy through tourist opportunities and support more than 6,000 jobs. We have established systems to improve the management of built assets and parks and forests in Queensland, including recreational facilities such as camping and day use areas.

But this is the difference. The difference between our side of politics and the conservative side of politics is that they see it as a cost and we see it as an opportunity. All you hear them bewailing is the money side of it. We are committed to the money side. Extra funds go to the SEQFA when areas are made national parks. That is what we are doing. With our new rapid assessment program we are making sure that the money goes to areas that need it. The money will be spent on high needs parks and high needs areas. That is what we are committed to in this funding process.

Key visitor facilities that will be targeted in 2004-05 include improved maintenance of walking tracks, increased servicing of camping and day use areas and enhanced management of roads in parks and forests. We do all of this out of the Queensland budget. In the high visitation areas like the Wet Tropics and the world icon areas like Fraser Island we are doing it in the face of massive cutbacks from the federal government. It would be better to ask the federal government about their commitment. What you see on Fraser Island is a cutback. We have seen cutbacks to the Wet Tropics over the last couple of years of a million dollars.

If the opposition wants to say 'spend more', well we could only they dudded us on tree clearing. They dudded us on the SEQFA and they tried to dud us again on the Great Barrier Reef. Yes, there could have been millions. All they had to do was go to their counterparts in Canberra and fight for what is ours.

The CHAIR: The minister's time has expired.

Mr RICKUSS: Mr Springborg has actually asked the federal government to review the Great Walks plan on 10 June.

Mr MICKEL: Can I regard that as a question?

Mr HOBBS: No, you cannot.

The CHAIR: The chair will rule, member for Warrego. You are not the chair of this committee. That was not a question. We will now have the question.

Mr RICKUSS: I refer to the construction of the Great Walks of Queensland on page 8 of the MPS. I refer to the recent decision of the federal government to declare the Gold Coast hinterland Great Walk a controlled activity and note your public opposition to its involvement. Is it correct that your opposition is based on the concerns that the federal government's environmental impact study may reveal that this project is detrimental to some of the high biodiversity areas and your department has failed to abide by its obligations?

Mr MICKEL: I am pleased that the shadow spokesman has fessed up to his party's role in this outrageous decision by the federal government. Let me put this in context. This is a 70-kilometre track. The bit that the opposition reckons it is concerned about is 1.9 kilometres of 70 kilometres. It has been around since 2001 as an election commitment. The area in question that the opposition is so concerned about is an area half the size of this room. One of the bones of contention for the Leader of the Opposition is this: he asks, 'Why are you putting a toilet block in the area?' Currently, campers go there and there is no toilet block. We had the shadow spokesman waving around the few little bits and pieces he had before. What he did not wave around was the mess that is created in that park from not having a toilet block. Here the opposition is now saying, 'We went down to the federal government to get you to stop it.' This is about the opposition trying to stop the building of a toilet block, and it is on about mess in national parks! Where do you reckon they go to the toilet?

This is what the absurdity is about in terms of the federal government's role, and I will tell you why it is hypocritical and anti the Gold Coast. The federal government just announced a boardwalk on Fraser Island. There was no consultation with us. There is no funding from us, but there was no consultation either. Yet on the Gold Coast when we have had this issue out there since 2001, without consulting us and without any plan at all, it just ran along with a submission. You have heard all this stuff before from

the opposition about us being accountable and showing it what we have. It has never shown that submission to anybody. So what it has done is run down there to this new bloke, Senator Campbell, to get him to put a stop to 1.9 kilometres of new track on a 70- kilometre walk.

What that has done is denied the Gold Coast another tourist opportunity. In other areas, the contracts for these things go to local contractors. In your own area, Madam Chair, \$100,000 of Great Walks money has gone directly to contractors. We just announced one on Fraser Island. We already have a commercial tourist operator interested in that Great Walk, and these jokers here think that they have done a wonderful thing in putting a stop to that. It is outrageous and it is an intrusion into Queensland affairs in a park that was 100 per cent funded by the Queensland taxpayer. It was an overzealous move that means that we have to run down and ask the federal government about even minor changes to the national park in the interests of public safety. So you have heard today about public safety and mess. Listen to the hypocrisy of those opposite now.

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

Mr MICKEL: I was having fun with all of that. Fair dinkum!

Ms MOLLOY: Good afternoon, Minister. I am sure that you have been aware of the publicity lately regarding the return of the HMAS *Brisbane* to Queensland. Can you advise the committee what role the EPA has had in the project and what benefits will be derived from its sinking?

Mr MICKEL: I thank the member from the Sunshine Coast for a great question. Yes, my department has been given responsibility for this. Coming from the Sunshine Coast, you would know that there are going to be great advantages. Once the vessel has been prepared for sinking I understand that it will be sunk about 2.9 kilometres off a beach at Mudjimba. The federal government wanted us to sink it in a shipping lane, and that is why it has been held up. We refused that because we figured that it would be dangerous for shipping. So it will not be sunk in a shipping lane. But over the next nine to 12 months that vessel is going to be prepared at Cairncross Dock to ensure that it is safe and becomes an international dive site. There are things like contaminants on the boat currently. There is cabling and possibly some asbestos. All of that has to be removed so that we can make it a great dive site.

We have people from the Sunshine Coast who are working with us to make sure that as a dive site it becomes one of the international ones. Tourism Sunshine Coast said that it believes that something like 20,000 divers would come to Queensland as a direct result of that initiative. That will, according to it, generate about 200 jobs, particularly in small businesses that would rely on that. Of course, the Sunshine Coast gains the additional benefit of having another tourist attraction up there. I think that, therefore, it is going to be put to great economic use for Queensland. We received funding of \$3 million from the federal government on the condition that we treat it as a dive site. There are people I know who wanted to make it a museum. Those were not the conditions that the federal government imposed upon us. This is a brand-new scene for my department, but I must say that sinking a vessel like this is not a new thing for Australian governments. I understand that the HMAS *Hobart* and HMAS *Swan* were also sunk in similar fashion.

One of the great tricks with a dive site like this and one of the things that entertains me is that we have to make sure that the site does not become an environmental hazard, and that is why we are taking the oils off it and those sorts of things. But there is a great trick when you sink it. People think that it gets blown up. In actual fact, it gets scuttled and that scuttling process means that the water goes in at a rate that the vessel can sustain but at the same time goes down and ends up, importantly, in an upright position. So there is a lot of work to be done. My department is excited by the process. Judging by the number of people in Brisbane who turned out the other day, they are excited by it as well. It was a great pleasure to see people like Kerry Kerr, a former sailor on the HMAS *Brisbane*, on board the other day. The HMAS *Brisbane* had a wonderful record as a war vessel. It did two stints in Vietnam and one in the first Gulf War. I commend those sailors for turning up. That ship is going to be put to a great economic use on the Sunshine Coast.

Ms MOLLOY: Thank you, Minister. On page 6 of the MPS it states that a recent achievement is that the community is now able to nominate species for listing under the NC Act through a web based nomination program. Can the minister inform the committee of how many species have been nominated by the community since web site based nomination began and how this program has been received by wildlife groups?

Mr MICKEL: Yes. The protection of Queensland's biodiversity is a responsibility that this government takes seriously. The responsibility is also one shared by all of us in having a role to play in protecting our wildlife. Wildlife that is considered to be under threat may require greater protection through listing it as a threatened species under the Nature Conservation Act 1992. Following the recent amendments to the wildlife categories, species may be listed in one of six categories: extinct in the wild, endangered, vulnerable, rare, near threatened or least concern. To nominate a species for listing or to change its status, the nomination must be made on an official nomination form. There are guidelines to be followed when completing the nomination form. This form and the guidelines are now available on the EPA's web site for easy access by the community and other stakeholder groups.

For example, the nomination of the koala as a vulnerable species in the south-east Queensland bioregion is a good example of community involvement in this process. EPA scientists had identified concerns about the status of koalas, particularly in south-east Queensland, as a result of ongoing research and extensive surveys. In relation to community groups, and particularly those dedicated wildlife carers, today I want to pay tribute to the wildlife carers who function throughout the state in all of our electorates. They go on a volunteer basis and look after animals. I know in my own electorate of Logan there are many people who do that. I thank them for it and I know that all of us thank those people for the volunteer effort they provide.

Nevertheless, koalas are attacked by dogs or struck by cars, and that is why we have had to have a look at the status of those animals. As a result, information about koalas was sought mid-last year from scientists and members of community groups for consideration by a scientific advisory committee. That has resulted in five nominations being received from eight noted koala scientists. The scientific advisory committee recently met to consider a range of species for listing. Whilst scientists who work on species are the most frequent nominators, members of community organisations such as Birds Queensland play a strong role in providing data and evidence to support such nominations. Information about how to nominate species is easily available from the Threatened Species and Ecosystems Unit in the EPA and available on the web. The web based material also provides a better understanding for the community about listing processes and threatened species generally. I want to encourage people who believe that a species requires a change to its status under the Nature Conservation Act 1992 to use the process that is publicly available to them.

Ms MOLLOY: Thank you. Page 7 of the MPS mentions that a total of 525,744 hectares were planned burns in 2003-04. Can you inform the committee on how cooperation between the Queensland Parks and Wildlife Service, the Queensland Fire Service and the Rural Fire Service is working to ensure that burn-offs are well controlled?

Mr MICKEL: Yes. Again, what I will outline to the committee is a strong case for how we are managing the national park estate. Again, it puts doubt on the information supplied to this committee by the opposition. We are managing this estate, and I will outline why. In areas under our control, the QPWS places the highest priority on the protection of human life. Community safety comes first. Community assets, adjacent private property, rural production and natural ecosystems are all part of that. We believe that planned burning is an important management tool used by Australian fire authorities and land managers for environmental purposes to reduce the likelihood of wildfires and to mitigate the impact of wildfires on human safety and social and environmental values.

In implementing our planned burns, my department targets weather conditions that are optimal to the objective of the burn and that minimise impact on the burn on surrounding communities. The final decision on conducting a burn is made on the morning of the proposed burn to ensure that forecast conditions are favourable. In carrying out its fire management responsibilities, my department liaises closely with rural and urban divisions of the Queensland Fire and Rescue Service at both state and local levels. This ensures a consistent and coordinated approach to fire management across QPWS parks and forests. Let me give you an example. There is active representation on the Interdepartmental Committee for Bushfires chaired by the assistant commissioner of the Rural Fire Service. This committee provides a forum for the coordination of policy and procedures relating to rural fire management in order to achieve a comprehensive whole-of-government approach to the management of bushfire hazard reduction and suppression activities.

Participation in joint activities, particularly in urban interface areas involving both the rural and urban fire divisions, are necessary to enhance cooperative fire management arrangements. These will assist with the establishment and maintenance of a framework for ongoing interagency preparedness and response capacities at the local level. Participation in cooperative planned burns with rural fire brigades were operationally convenient to maximise awareness of each agency's interests, resources and capacities to assist in fire management or to respond in any interagency incident, increasing participation on interagency incident management teams for both major planned burns and wildfire response. Both agencies support and adopt the principles of incident management as provided for by the Australian interservice incident management system, notification of intentions to burn to fire wardens and adjoining neighbours as part of a good neighbour policy, and the Fire and Rescue Service Act 1990. Allow me to say this in closing—

The CHAIR: As your time has expired, would you like an extension of time on that question?

Mr MICKEL: Yes, I will be very quick and say just this: I mentioned before wildfires. Rockhampton was the victim of that some 10 years ago. Recently in Mount Archer my department engaged in one of the burn-offs for community protection, and it was criticised for that. What happened was that on the morning of the burn everything was okay, but by midafternoon the wind changed and then the weather conditions changed causing a diversion to the city. There were people who suffered from asthma, and I felt sorry for that. But it points to our overriding concern to put community safety first. That is what we did in Mount Archer, and it is an example of what we are going to do throughout the state.

Mr HAYWARD: Minister, on page 1 of the MPS in the 'Departmental Overview' section reference is made to \$2 million for the control of weeds, feral animals as well as fire. Can you advise the committee what steps the Queensland Parks and Wildlife Service has taken to improve pest and weed management?

Mr MICKEL: Yes, thank you again for the question. Can I have a preamble to this; I just want to show the committee something. If you believed some of the stories around the place, you would think that 100 per cent of the wild animals and pests and bushfires come off national parks. The areas in green on this map I am holding up represent the national parks. As you can see on close examination, that is four per cent of the Queensland land mass.

In other words, it is an old wives' tale that 4 per cent is responsible for 100 per cent. I am very pleased that you have asked this searching question and I will give you a really adequate response to it. This year we are allocating an extra \$2 million to fire, weed and pest control, in line with our election commitment to spend an extra \$6 million over the next three years. This year, we have allocated \$2 million to those areas. Pest plants and animals can have significant negative impacts on the natural and cultural values of protected areas, state forests and other areas managed by the QPWS. Pests also have a direct economic impact on the rural sector.

My department, like all other land-holders, including lessees of state held land, has a responsibility to control declared plant and animal pests on its land under the Land Protection (Pest and Stock Route Management) Act 2002. My department has an obligation under the Nature Conservation Act 1992 and the Forestry Act 1959 to manage protected areas and state forests in accordance with management principles aimed at conserving the inherent value of those areas. As a result, the control of pest plants and animals on the QPWS estate is not only a legislative requirement but also an integral component of management.

A statewide pest management plan which meets my department's obligation under the requirement for pest management on state land is being implemented to provide strategic direction for pest management activities in the parks and forests that it manages. Regional and local on-the-ground programs are being developed to be consistent with this plan. Control efforts are prioritised and focused on preventing the introduction or the spread of any declared plant or animal pest on the QPWS estate. We are cooperating with neighbouring land-holders and land protection officers of the Department of Natural Resources, Mines and Energy to achieve the maximum benefit from pest animal management programs in accordance with the QPWS good neighbour policy. We are protecting the integrity of natural communities on the estate and we are protecting populations of rare or threatened species. The reporting and recording of all pest management activities is done by staff at all park and forest management centres using park info and agency-wide GIS and database systems.

Mr HAYWARD: Minister, page 11 of the MPS states that appropriate and safe recreational presentation and tourism opportunities are provided on the managed estate. Can you tell the committee what type of tourism opportunities the Great Walks will provide to visitors to our national parks and how those opportunities will be promoted intrastate, interstate and, importantly, to international visitors?

Mr MICKEL: Thank you. I want to outline the positive benefits of the Great Walks. I have already expressed my disgust and outrage at the federal government's selective treatment of the Gold Coast. They did not do the same thing to Fraser Island. The committee has now heard evidence from the shadow minister that the Leader of the Opposition was involved in torpedoing the Great Walk on the Gold Coast.

The Great Walks is a \$10 million Smart State initiative. The six walks are located at Fraser Island, the Whitsundays, Mackay Highlands, Wet Tropics, Sunshine Coast and—ever the optimist—I believe that we will build one on the Gold Coast because I do not believe that the federal government will be so stupid as to hold it up.

Recently, the Premier and I had the pleasure of opening the Fraser Island Great Walk. I look forward to opening the Whitsundays Great Walk on 27 August, along with the chair of this committee. The world-class walks aim to provide sustainable eco-tourism opportunities and more jobs, particularly in regional areas. They give domestic and international visitors a unique perspective of Queensland and its natural assets. The project commenced in July 2001 and is on track for completion in December of next year.

The Great Walks provide both short, day walk opportunities and longer, more adventurous walks to cater for a range of interests. The short and long walk concept was based on market research conducted in the early stages of the Great Walks project.

The Great Walks of Queensland provide a range of opportunities for the tourism industry, including short guided walks, overnight camping trips, guided trips, equipment hire, cultural heritage information, guided tours and adventure based activities. These are the things that the Leader of the Opposition seeks to deny the Gold Coast. The walks have been planned so as to link with accommodation in local areas—for example, bed and breakfasts. Those operators can take advantage of the opportunities provided by the Great Walks.

My department has entered into an agreement with an indigenous tour operator to conduct commercial tours on the Fraser Island Great Walk. That will provide visitors with a unique insight into Fraser Island's indigenous and cultural heritage. My department is assessing expressions of interest lodged by commercial operators who are interested in running tours on the Whitsundays Great Walk, which is in the chairman's electorate. My department, Tourism Queensland and regional tourism organisations are working cooperatively to promote Great Walks at a domestic and international level.

One of the great things I saw when we opened the Fraser Island Great Walk—which was also derided by the opposition—was the number of international tourist writers who were there to promote it. Let me say about the Fraser Island Great Walk and the Great Walk in Madam Chair's electorate that they are on time, on budget and world class.

The CHAIR: The time for government questions has all but expired. I call on the member for Moggill.

Dr FLEGG: Minister, in relation to discharges of untreated or only partly treated sewerage by local authorities, how many unauthorised discharges took place in Queensland in the last financial year?

Mr MICKEL: One sewerage discharge that I am keen does not happen is in the Mackay area. The Queensland government is working with the Mackay City Council to fund a program in this regard. Bakers Creek, I think, will soon be decommissioned and the Mackay City Council has asked us to fund a program to run another pipeline. Currently, it empties out into the Pacific Ocean and, therefore, poses a bit of inconvenience to the reef at a time when we have a reef water quality plan in place. This proposal involves a pipeline running inland—which the topography lends itself to—picking up water from an abattoir and a sugar mill, and taking it to the farmers—who want it.

This plan would also take pressure off the aquifer. At the moment, the aquifer is overutilised and in danger of developing a salinity problem. We have asked the federal government for help with this because they said that they wanted a water strategy and because they were promoting themselves as the great protectors of the Barrier Reef. I have had no support for this program from the federal member up that way, De-Anne Kelly, in spite of the fact that it will help canefarmers. The other day I received a letter from the former federal Minister for the Environment, David Kemp, knocking this back. We are trying to do something about water effluent discharge, the Mackay City Council ratepayers would love it, but the federal government—the third arm—does not want to hear about it. Obviously it knocks you around when you hear that the farmers and the ratepayers want help, that an abattoir and a sugar mill are ready to sign up—great outcomes for everybody—and the federal government won't help.

Breaches of effluent discharge limits that are not considered significant are typically addressed through penalty infringement notices and other enforcement tools such as environmental protection orders, environmental evaluations and environmental management programs. Under the EP Act, in 2003 the EPA has issued 39 environmental protection orders, 59 environmental management programs, 18 environmental evaluations and one emergency direction. In 2003-04, we also issued 55 penalty infringement notices for breach of licence conditions. A large proportion have been issued for breaches of effluent limits.

It also gives me a chance to talk about my great water recycling strategy. Water recycling is a state government initiative, managed by my department. It encourages water recycling by governments, industry and the community. It identifies effective ways to manage municipal, industrial and agricultural water and urban stormwater—they are resources rather than waste; that is how we see it.

Dr FLEGG: Minister, I note that you are unable or unwilling to give me a number in answer to the last question. I continue on—

Mr MICKEL: A point of order, Madam Chair. The honourable member should clean the wax out of his ears. I provided him with a statement of everything that we had done in the way of penalties. I gave the committee a full answer.

Dr FLEGG: With respect, the question was in relation to local authorities. How many of the unauthorised discharges of sewerage into our waterways were reported by councils to your agency, and how many unreported discharges were actually discovered by your agency?

Mr MICKEL: Can you say the last bit again?

Dr FLEGG: I will give you the whole lot again, if you like.

Mr MICKEL: Yes, okay, that's fine.

Dr FLEGG: It is only three lines. How many of the unauthorised discharges of sewerage into our waterways were reported by councils to your agency, and how many unreported discharges were actually discovered by your agency?

Mr MICKEL: Well, if they are not reported, we cannot find out about them. I would have thought that that is—

Dr FLEGG: Do you not do any surveillance at all?

Mr MICKEL: I am sure we, do but if they are not reported it is a bit hard to provide the committee today with an accurate assessment of unreported activity.

Dr FLEGG: You don't know how many you have found?

Mr MICKEL: Let me just find out exactly what we are doing. The advice available to me is that the local government, being a separately elected identity, has a legal obligation to report those.

Dr FLEGG: So, none? There were none discovered that were not reported?

Mr MICKEL: Don't put words into my mouth. You are not in your doctor's surgery now. What I said was the local government has a legal obligation to report them to us. They have a legal obligation to report to us. I will leave it at that.

The CHAIR: The time for non-government questions has expired. I call on the member for Capalaba.

Mr CHOI: Minister, I refer you to page 12 of your MPS which indicates that your department is developing an ecoBiz Queensland program. Can you advise the committee whether this program is targeting SME or big business?

Mr MICKEL: EcoBiz?

Mr CHOI: EcoBiz, yes, page 12.

Mr MICKEL: We announced the ecoBiz program a couple of weeks back. It is a program to assist businesses to get involved in environmentally friendly activities. We launched it at Volvo. We did that because Volvo is an excellent firm, providing employment for people in my electorate, but also because they have a first-rate system when it comes to the environment, with the collection of oils and the way they use water. That is why we launched it there. EcoBiz is a great scheme and one that we hope firms will take up. It is a new industry eco-efficiency program that offers an integrated approach to managing water, energy and resources across a broad range of industries.

Over the next three years, \$6 million will be spent assisting Queensland companies to adopt eco-efficient practices that will help improve the bottom line and increase the social and environmental capabilities of the participating organisations. Participating businesses will have access to a rebate program aimed at assisting investment and implementing of eco-efficiency practices. As you would have seen, the opposition opposes these things. They do not like us giving incentives to business. But my department and I are proud that we are offering incentives to make businesses take up measures that are eco-friendly or environmentally friendly. Through this program, we aim to further develop knowledge and experience about improved eco-efficiency practices and the environmental, economic and social benefits that these practices bring to the Queensland economy.

I want to pay tribute to some of the inaugural participants in this program—in addition to Volvo, firms such as Coles Myer, EGR Plastics, PAC Foundry, Toowoomba Metal Technologies and Buderim Ginger. One reason I was attracted to this program was that a firm came into my office saying that they are efficient and everything—they are an export firm and they could not do much about the dollar but one of the things they found when looking at their overseas competitors was that in Australia they were using twice as much water as their international competitor. I hope that this firm comes and sees us through this program because one of the ways that we think we can help them is to get their water efficiency down, at least to the level of their international competitors. That way they will not be at a cost disadvantage. One of the particular things Australians forget about water is that we are the second driest continent on the planet, Antarctica being the driest. The great challenge for us, through industry, is to ensure that environmentally they are right up there to the mark. That is the aim of this program.

The CHAIR: Thank you, Minister. The committee will now break for lunch and resume its hearing at 1.50 p.m.

Sitting suspended from 12.50 p.m. to 1.50 p.m.

The CHAIR: The committee will now continue its examination of the portfolio of the Minister for Environment. I call the member for Lockyer.

Mr RICKUSS: I refer to the construction of the Great Walks of Queensland, referred to on page 12 of the MPS. What additional staff and resources have been allocated to facilitate the construction of the Great Walks throughout the duration of the project?

Mr MICKEL: I am pleased that you are interested in the Great Walks, given the sabotage you have gone on with on the Gold Coast where you got the federal government to intervene. I was informed over lunch that—this is the level of pettiness the federal government has got into over the Great Walks—last week we had to have a helicopter in there and the federal government was on the phone asking, 'What are you doing there?' What we are doing there is the heroic thing of trying to maintain the national park, trying to maintain a world heritage area. We are trying to do that in the face of federal government cutbacks.

The point is that I am very proud of the Great Walks. What I am not proud of is the approach of Her Majesty's opposition to it. It is a great opportunity for tourist operators. As I said to you, at the opening of the Fraser Island Great Walk we had international tourism writers present. I note that the other day *Queensland Country Life*—those of you who know me well know that I never go to bed without reading that—published a letter to the editor from the Deputy Leader of the Opposition bagging the Premier for being at the Great Walks opening. It is in a world heritage area and international tourism writers were present. Why would you bag that unless you had some sort of mad agenda about the fact that we are building these Great Walks?

The point about rangers is that we have 140 new rangers statewide—figures that were unheard of in the days of the National Party, when it did not have much of an interest in the environment. With the 140 new rangers, we are honouring an election commitment.

Let us deal with the Great Walks a little further. The Fraser Island one was delivered on time and on budget. I can see that the member for Noosa is very excited about the other one. She would be, because there is one going up on the Sunshine Coast. When we go up and open that I know she will be there, as will the government members. I will even invite opposition members, because I think they should see it. They should see what they have been bagging to this committee, because it does underpin another tourism opportunity not just on the Sunshine Coast but also in Mackay—the Great Walk in the Mackay area is around Eungella—and for your electorate. We had the pleasure of seeing that one day while they were building. I hope we can get the international tourism writers again. I just hope that they do not see that Her Majesty's opposition has been bagging that and they can overcome that.

What we are hoping with the Great Walks is that it will become a system of iconic walking tracks that will provide opportunities to promote Queensland's parks and forests. My hope is that one of these will one day rival the Milford Track—that people, just as they go to New Zealand for the Milford Track experience, will come to Queensland for one of these experiences. That is why I am tremendously excited about the opportunity that this provides.

Mr RICKUSS: Minister, I refer you to the output performance on page 6 of the MPS, which refers to the protection of natural and cultural heritage and the role of the department in heritage protection. I refer to the decision by the State Development Minister, Tony McGrady, to use his call-in powers to approve the Riverlink project the day after the Queensland Heritage Council and the EPA heritage listed the Heiner Road Bridge in a fashion reminiscent of what happened last year with the Moreton Bay fish farm. Is the EPA's advice often ignored by other government departments? How often has its advice been overridden in this manner?

Mr MICKEL: What an innovative question!

Mr HOBBS: It is good to see that you have had your happy pills, Minister.

Mr MICKEL: I will take that as another question.

Mr HOBBS: No, you will not.

Mr MICKEL: I do not mind taking it as another question. The Heiner Road Bridge has been the subject of some ongoing media discussion. I guess that is how the opposition got hold of it, because it has been no secret at all. I was concerned about the call-in provision. I was concerned, too, that the heritage nature of this special bridge could be lost.

I will say this to this committee, knowing that you can keep it a secret: I asked last week for the proponents, the National Trust, a member of the Heritage Council, representatives from State Development and people from my own department, to come in and see me to see if there was a way we might preserve the heritage values of the Heiner Road Bridge in a way that was not envisaged by the proposal to bury it. I just had a personal view that a heritage protected area such as this was not best preserved by burying it under the proposal. So rather than let that go, I thought I would try one more time to see if we could get a resolution to it. So we sat around the table working up a number of options. At this stage I cannot, without the proponents' permission, announce what the results of that were, but I think what we went away with is a good proposal. I hope that in time, when we can all announce that jointly, we will have done something that will preserve the heritage value of the great city of Ipswich, which does have enormous heritage value to us.

I could not help thinking, because it has a bit of a view, about the contrast between us and the National Party on the issue of heritage. One only has to walk across the road to see the National Party symbol of heritage—where the Bellevue Hotel is not anymore. Do members remember the way they sent in the Deen brothers at midnight to knock it down? That was its commitment to heritage. It sees heritage as something that gets in the way. I see it as something of value. That is why I was prepared to go that little bit further for the Heiner Road Bridge concept. That is why I was pleased to be in Ipswich and to meet with other people in Ipswich to try to preserve the great heritage values in Ipswich. I hope that in time we can announce a decision there.

The opposition also said that my department was overridden on SunAqua. As usual, it is wrong. We were not overridden. We will ultimately make the decision on SunAqua. As usual, the premise of the question was wrong and inaccurate.

Mr RICKUSS: I refer to page 11 of the MPS and the departmental output of promoting sustainable use of our natural capital and the department's role in sustainability practices, support and promotion. I refer to the Caboolture Shire Council's decision to zone a section of uncleared land adjoining the Narangba industrial estate as open space. It has been reported that this zoning decision has been the subject of government disputes since the draft shire plan was lodged in 2003, with the EPA supporting a rezoning and the Department of State Development and DNR opposing the rezoning. Has this issue now been resolved? On how many occasions have the departments been in conflict over the zoning of land?

Mr MICKEL: My understanding of the decision at Narangba is that State Development agreed to the request of the local authority on that occasion. It was the local authority that expressed some concern, I think, about housing going near the Narangba estate. That is my recollection of it. There were also issues to do with vegetation.

What worried me about the Narangba decision by council was—I see this a bit and I see it in my own area—that local governments allow housing estates to go too close to industrial estates. The net effect is that my department in the past has been dragged into disputes about the noise from factories when people inevitably come to live right beside factories. The point is that there is always a tension between the new housing estate and the industrial estate that was there first. My understanding is that that was one of the issues to do with the Narangba industrial estate.

We have been working closely with the urban development industry association and the Housing Industry Association on other sustainability issues. Sustainability is a great thing. I am very appreciative of the work being done by the urban development industry association because, in partnership with it and the Housing Industry Association, my department has been successful in increasing the awareness of Queensland builders to sustainable practices through things such as the HIA GreenSmart professionals program. There are now 290 GreenSmart accredited professionals in Queensland alone, with plans to extend this program into regional areas.

Let me tell you about one of the great partnerships it produced near my electorate called Springfield Lakes. I am pleased to say that my department, channel 10, the Wesley Mission and Civic Steel Homes will have that as a documentary soon. I recommend it to the committee, because they will see examples of sustainability.

There is another project in my electorate. I cannot give the bloke a plug, because he reckons if I do he will not have the materials to meet the increase in demand. It was a caravan park. He has gone about building new mobile homes with the latest sustainability techniques. He has been able to do that in a way that is socially progressive. What it means is that pensioners, who will invariably take these up, will benefit from the solar energy that is there and from the new sustainability infrastructure that is being placed in these homes at an affordable price.

Mr RICKUSS: Minister, I refer to page 6 of the MPS, which refers to the departmental output of protecting our natural and cultural heritage and the department's role in heritage recognition and protection. Can you provide a list of all those consulted with when conducting a review of the function of the Queensland Heritage Council and provide the committee with a commitment today to release this review for public consultation?

Mr MICKEL: Let me talk about the review. As a new minister I had a number of concerns raised with me about processes to do with the Heritage Council. I could have ignored those. I chose not to. As a new minister I wanted to familiarise myself totally with the workings of it. I had it raised by members of the Heritage Council and certainly by businesses. I might say, on occasions some members of parliament have raised concerns with me.

What did I do? I organised a review of that. Who have I briefed so far? When I got a copy of the report I thought it only courteous to notify and have briefed the chairman of the Heritage Council. Regrettably, some of that made its way, erroneously I might say, into the media. Rather than have an erroneous point put out there, I asked for the whole of the Heritage Council to be briefed. The point is that it is a working document. It is a document that has not been considered by cabinet. I cannot take it any further until I have a whole-of-government response.

When he was a minister the member for Warrego would have had working documents, I am sure, and he would have taken those to cabinet, being a good minister—at least until they found out that he was not a good minister. The point is that when he was a good minister he would have done that. I would not have asked for those documents. Why would we be any different here? These are documents that are going to have to go to cabinet and cabinet will make a decision upon it. When cabinet has made a decision, then of course I will consult with the affected groups. I might say that what I have asked of my department is that it have a look at our own internal processes in relation to this to make sure that we

are delivering a program on time, because developers put in applications and if they are unnecessarily held up because of a vexatious claim then that does cost them money.

On the other hand, I have been asked to intervene in processes where there are issues of genuine heritage, and of course I want to make sure that the decisions I make in that are done in a timely way. That is why I want to make sure that our department's processes are in line. What I am about doing is reducing red tape and reducing the time frames, and that way we will improve cultural heritage outcomes in Queensland. I do not want another Bellevue Hotel on my patch.

Mr RICKUSS: I refer again to the output protection of our natural cultural heritage on page 6 of the MPS. Can you confirm that the recent review of the Heritage Council would result in many tasks being shouldered by the local government? What considerations have been given to providing additional training and resources to local councils to assist them undertake these tasks?

Mr MICKEL: I will tell you about the government process. I went out and asked for a review. The review made some recommendations. I asked for the Heritage Council to be briefed on it. Because of some erroneous things in the paper, I briefed the Heritage Council on it. But it has to go to cabinet for a whole-of-government decision on it, and that is the process I have embarked upon—that is, cabinet will give me the direction on that. I will have a view upon it, but to give cabinet the best possible chance to make an informed decision on it they needed a body of information. That is where we are at.

Mr RICKUSS: I refer again to the output protection of our natural and cultural heritage on page 6 of the MPS. What is the amount of funding allocated towards community heritage grants, the National Trust and the Heritage Council this financial year compared to last financial year?

Mr MICKEL: Let me say straight up about heritage funding: heritage funding is not just embraced in my department. You would be aware that heritage funding comes across several departments. I can remember in my time in admin services there were requests to paint buildings in heritage colours. So there would be a heritage component there. There is also a heritage component, I would have assumed, in Public Works. Given the fact that that department has carriage of the former HMAS *Diamantina*, it would have carriage of Public Works buildings throughout the state, I dare say, so there would be a heritage component to that. So, whatever those amounts are in that department, that would be one thing.

I am also informed that Queensland Rail, for example, provides heritage values and heritage money that ultimately resides in heritage buildings with respect to that. In terms of salaries for the issues that reside within my department, let me give them to you. In the 2003-04 budget it will be a grand total of \$2,327,050. That is in salaries. In operations it will be \$499,161. That is what was budgeted for. What was actually done in salaries in that year was \$2,417,428 and the operational amount I am advised was approximately \$468,000. Then we have some tied funding. I will take you through that, too. There was tied funding at Newstead House which was \$85,000. There was tied funding for the Heritage Council of \$334,880. Tied funding for the National Trust was \$50,000. There was a grant carryover of \$361,932. There was capital of \$23,120. So that made the grand operating total for the 2003-04 budget \$1,354,094. As I said, that is in my department alone, but to say that that is the entire cultural heritage of the government is wrong because there are other issues contained in other departments.

The CHAIR: The time for non-government questions is all but expired.

Mr HAYWARD: Minister, with respect to a question that was asked earlier today, what is the true situation with respect to the Crows Nest incident?

Mr MICKEL: Thank you for asking this question. It allows me to clarify what I took umbrage at from the word go with respect to my department, because the clear implication in the Crows Nest incident was that my department had not been diligent in dealing with a rope. Let me tell you about the rope. The rope is constantly put up—can I use the word 'illegally'; would that be right?

Mr Feely: Yes.

Mr MICKEL: Illegally by members of the general public. It is taken down constantly by my staff—constantly—and put up again by other members of the general public. I prefaced my question this morning—because I thought my staff are too professional to allow something like this to happen—by saying that what you have to do is have personal responsibility. We exercise our responsibility but we appeal to members of the general public, 'Don't put up the rope when we have taken it down,' and that is precisely what happened.

The second thing was that we were a bit tardy in getting there. This incident occurred in the afternoon. On the advice that I have, my staff were on duty somewhere between 7.30 and 8 o'clock that night—a bit after the bedtime of the member for Lockyer. So they were on site and ready to help out. That is why I take umbrage when the professionalism of my staff is questioned.

Let me also deal with this incident. As I understand it, I am advised that the person slipped when climbing around a waterhole and suffered fractures. There are steep cliffs around the waterhole where the person slipped. It was a rocky slope, not a cliff. There is a clear warning sign where the track goes near the waterhole. However, I am advised that the person was way off the track. She had climbed

around the rocks and on to a steep slope. There are no formal tracks and no unofficial tracks from where the person fell. Why was she in that spot? I cannot say. A warning sign is posted where people walk down to the waterhole. We have a stretcher at the park that can be floated across the waterhole. We cannot keep a boat or rescue equipment at the gorge. There is nowhere to keep it secure, and this park is particularly prone to vandalism and theft.

Now, all of those things were left out in that little cute presentation we had this morning. We have no proof either that the photographs were taken in that national park. We have no proof of when those photos were taken.

Mr HOBBS: You are making a clown of yourself.

Mr MICKEL: We have no proof that the member for Lockyer did not put that rubbish there himself and take those photos himself. They do not like the answer because it is them who made the accusations. It is my staff I am going to defend. Why don't they ever stand up for personal responsibility in this place?

The CHAIR: Order! The minister's time has expired.

Mr MICKEL: Why don't they understand that national park laws should be abided by? It is our appeal that, as a result of this dreadful incident, this accident that has occurred, people will be—

The CHAIR: Order! Minister, your time has expired.

Mr MICKEL: I am sorry; I got excited.

The CHAIR: Can I say to members of the committee: when I call for order, I would expect some respect in return, please.

Mr CHOI: Minister, page 15 of the MPS refers to ensuring a clean environment and mentions setting, monitoring and enforcing standards that reflect the community's expectation. Could the minister please advise on what actions the EPA is undertaking in relation to monitoring and enforcing standards from industry in general, in particular those near to residential developments, and specifically in relation to ongoing community concerns about the Shell Oil project in Gladstone?

Mr MICKEL: I want to assure the honourable member for Capalaba that this department has found a better way. I want to leave the committee with this view today; that we agree at least with the National Party on this. This is the mouse pad where it says, 'Come, comrades, we've found a better way.' That is how it is in my department. We have found a better way.

Mr HOBBS: Real smart—

Mr MICKEL: I thought it was very smart, too.

Mr HOBBS: Why are you trying to degrade the estimates committee?

The CHAIR: Order! The member for Warrego will come to order.

Mr MICKEL: I am amazed that you have interrupted and downgraded these lovely mouse pads that are on sale for \$8 around the place.

Mr HOBBS: Why are you degrading the estimates committee process? You are making a clown of yourself.

The CHAIR: Order! The member for Warrego! I will need to warn you.

Mr MICKEL: He is rude. He cannot help himself.

The CHAIR: Minister, would you please address the question that has been asked.

Mr MICKEL: Yes. I was just shocked by his rudeness, Madam Chair.

Mr HOBBS: I was shocked by what you said, too.

Mr MICKEL: Why is he continuing to downgrade these lovely little mouse pads that have been designed by the National Party? The EPA has a proactive strategic compliance program and has undertaken 3,285 compliance inspections in the financial year 2003-04. We conduct our inspections on a reactive basis in response to complaints as well as undertaking proactive compliance inspections in accordance with the strategic compliance program. We had concerns today about compliance. Let me assure you that is exactly what we are doing.

The program targets areas of high risks, it achieves the best possible outcomes for the environment and the community including those who reside in close proximity to industry. The EPA's inspection program comprises, firstly, area inspection programs, industry sector inspection programs and a licensed activity inspection program. The compliance activities undertaken by my department under the 1994 Environmental Protection Act encompass a broad range of possible measures, from mechanisms that promote awareness and recognise good performance, formal warnings, statutory notices such as environmental protection orders, environmental evaluations, environmental management programs, penalty infringement notices, restraining orders, stop orders, cancellations,

suspensions or amendments of licence to prosecution which may be considered alone or in combination with other measures.

The EPA has issued 39 environmental protection orders, 59 environmental management programs, 18 environmental evaluations and one emergency direction in 2003-04. The EPA has issued 92 penalty infringement notices in 2003-04. The number of prosecutions commenced under the 1994 act in 2003-04 is five. Seven prosecutions under the Environmental Protection Act have been finalised, resulting in total fines of \$565,000. Three restraining orders were obtained. As I say, we have found a better way.

The CHAIR: Minister, could you please advise the committee what part the EPA has played in the Sustainable Catchment Partnership program mentioned on page 15 of the MPS? Would you be so kind as to provide an example of how these actions have benefited sugarcane farmers on the ground?

Mr MICKEL: I thank you for your concern about the sugar industry because I know you ably represent it in this parliament. It is an industry that is undergoing considerable change at the moment and, as part of that sugar industry reform package, my department, along with other government agencies, is involved in implementing a change management program. The goal of the program is to secure a long-term viable future for the industry by improving efficiency, optimising environmentally sustainable productivity and adopting innovative management and production systems.

For the sugar industry to be sustainable, the industry needs to not deplete the vital natural capital upon which it depends and which sustains regional communities in other industries. The Sustainable Catchment Partnership program is one part of the EPA's contribution to the change management program. It focuses on cane farming catchments that are particularly significant nature conservation areas, and provides funds and expertise to help land-holders provide improved ecosystem services on their land.

During 2002-03 the Sustainable Catchment Partnership program provided \$275,000 towards projects conducted in the Mackay, Douglas and Burdekin areas. Let me talk about those. They included pilot projects focusing on community based vegetation of riparian areas, improved management of stormwater run-off and prevention of stream bank erosion, and an environmental auction whereby land-holders could bid for EPA funding. The important point is this: we are tackling it on a number of fronts. We are providing funding towards those grants, helping a number of those catchments. That is why we are working with the sugar industry, we believe, to focus on these issues and to provide better environmental outcomes. I will leave it at that.

The CHAIR: Thank you, Minister. The future development section on page 16 of the MPS mentions online access to the State of the Environment report. Could the Minister inform the committee on how this will improve the community's understanding of environmental issues, particularly water use efficiency?

Mr MICKEL: Yes. The online State of the Environment reporting system, State of the Environment Direct, delivered this through a web site. The site publishes environmental data. An analysis related to the core Australian and New Zealand environment and Conservation Council State of the Environment indicators and other Queensland specific indicators. It will provide the facility for any person to search information based on environmental themes, indicators or regions. State of the Environment Direct will provide a link to electronic versions of the 1999 and 2003 State of the Environment reports for Queensland. It will provide links to regional data and regional State of the Environment reports and web sites. Communities will be able to access one site for all related environmental information. Ready access to environmental reporting information and the contextual information explaining its significance will promote community understanding of pressures on the environment and how they are being addressed. Water use efficiency is one of the many matters of community and industry interest and concern. It is one that concerns me, and I use it in many forums to highlight again the need for water efficiency.

But the State of the Environment Direct will offer a widely accessible opportunity for reporting the result of initiatives to increase the efficiency of water use in both rural and urban settings. The updates available will supplement information published in the 2003 Queensland State of the Environment report. I commend that to all committee members. It is an outstanding report. I want to congratulate all the staff from my department who were involved in that. I think it is a report that states where we are and offers solutions on some of the problems that are around us with respect to the environment. The benefits of State of the Environment Direct include improved community access to current data and analysis as they become available during, rather than only at the end of, each statutory four-yearly Queensland State of the Environment reporting cycle. It gives us a constant update, whereas the other report is a statutory requirement. That is what makes it, I think, a good initiative and one that we can build upon.

Let me also say that the other benefits include the provision of a central source for current environmental data to meet differing information needs from thematic issues to individual regional issues of interest to communities, as well as information being available for online viewing or printing. The State of the Environment report, as I said, is of great benefit to current and future generations of

Queenslanders in improving their understanding and future management of environmental issues in Queensland. Online access, part of the Smart State of course, only enhances our understanding.

The CHAIR: The member for Noosa.

Ms MOLLOY: Thank you, Madam Chair. Can the minister inform the committee on what the EPA does presently to protect the environmental standards of south-east Queensland's waterways as mentioned on page 16 of the MPS?

Mr MICKEL: Yes. One of my first duties was to go to the south-east Queensland waterways awards, which was an eye opener to me on how hard community groups work to make our waterways much better for us environmentally.

The government, through my department, is developing environmental values and water quality objectives for Moreton Bay and south-east Queensland. It was good to see the mayor of Noosa at the most recent meeting, Bob Abbott. He is a great supporter and, I think, a very good mayor for Noosa. I know you would be very proud of the efforts and contribution he makes. I also want to acknowledge the work done by Professor Paul Williams, who I thought was outstanding at the last meeting with his presentation. I also want to thank the secretariat, who diligently work with mayors in south-east Queensland and other community groups to provide us with the most up-to-date information it can. I would welcome the opportunity for you, as committee members, to meet with the committee. They are a dedicated group of people.

Let me talk about the environment values. Things like aquatic ecosystems, raw drinking water supply, agricultural uses, recreational uses and industrial use of waterways must be protected from the effects of pollution and contamination. One of the things that we focused on at the last meeting, and always must focus on, is water quality objectives, things like long-term goals for water quality management which show how the environmental values are being protected. These objectives are commonly specified in terms of water quality indicators, such as pH levels, dissolved oxygen or salinity.

This brief also highlights one of the great pieces of news arising out of the meeting a couple of weeks ago which showed that the nitrogen levels in Moreton Bay are going down, so our water quality is improving. The nitrogen levels, I said, should not exceed a particular value in order to reduce algal growth and increase water clarity in Moreton Bay. The good news from the last meeting was that those nitrogen levels are coming down. I think that would be welcomed by people everywhere because it shows that our environmental values and our water quality objectives are being addressed. We have to constantly work at it.

The whole idea of our objectives is to inform people and provide guidance for other planning processes that could impact on waterways. One of the lively discussions we had at the meeting was the report card system that I think in Noosa you would be well aware of. People do not like their kids coming home with a bad report card. Well, communities do not like their river coming home with a bad report card either. It is a guide to greater work and greater effort. As I said, I think there is some good news there for Moreton Bay at the moment. I thank the mayors for their contribution, and I thank all the people who are involved in it.

Ms MOLLOY: Thank you, Minister. Minister, page 11 of the MPS refers to the promotion of sustainability practices. Could you inform the committee how this has improved the take up of sustainable practices in the building industry in this Year of the Built Environment?

Mr MICKEL: I want to take up on an answer I think I gave to the opposition, and I want to ask of the opposition if they would contact my office. We will make sure that they go to Springfield Lakes and see the housing estate there. I say to the shadow minister: if you come with me when we go down to Andrew Road, we can go and see a site there; then I think you would be very interested in the built environment. I was excited by it. I think you can say of the environment, 'Oh, it is going to cost a lot of money for a sustainable development.' What this project in my electorate showed is that it does not; they can actually provide affordable housing. One of the pensioners in one of the units is overjoyed because the electricity department sent him a rebate. He has those photovoltaic cells on his roof and he received a bit of money so he was pretty thrilled about that.

In the Year of the Built Environment I have to say that I have been absolutely thrilled and delighted with the way the industry groups, through their peak bodies, have responded to this. Dr John Cole is not here today, but we had an outstanding meeting with the UDIA recently where they came to us recently with proposals that I think are very, very good. I went to the UDIA awards night. What comes through there loud and clear is their commitment. Brian Stewart ably leads them. Their commitment to environmentalism and their commitment to presenting awards for industry show the advantages of using the latest techniques. That is the piece of preamble I give you to the Year of the Built Environment.

Let me also say that my department is focusing on a number of projects. Specifically, we have a new project called Design It and Build It. It has been developed in conjunction with the state and local governments and the building industry. The project's primary purpose is to design and construct across the state a number of sustainable houses for public display. This collaborative partnership will demonstrate the principles of sustainable housing design and inform the industry and consumers as to

how to achieve more sustainable housing design while providing practical examples that directly relate to the industry and the community.

One of the projects that got an award on that night was the one at Bribie Island whose name escapes me at the moment. But that is one that, as a committee member, you might like to see when you come with us when we go up there. There is another one in the Pimpama/Coomera or Pimpama/Oxenford area. It is another example, when it comes on board, of a community development that has the Year of the Built Environment factors already configured into it. I am told by the developers around Forest Lake, just outside my electorate, that their newest estate will incorporate some of those designs as well, so that is good news.

The CHAIR: The time for government questions has expired. I call the member for Lockyer.

Mr RICKUSS: On page six of the MPS, reference is made to the Great Sandy Marine Park. Minister, can you explain why, about two years after your department and officials and a working party began to work on a management plan for this marine park, the plan still has not been publicly released? Can you explain why the working party of local representatives has been wound up before seeing the plan it helped to develop?

Mr MICKEL: I became aware of the Great Sandy Marine Park issue after I became minister. The local member there, a very diligent member, Andrew McNamara, came to see me. As a result of that I met with the commercial fishing industry and I have had representations from other interested groups. What I decided to do with that is to make sure that our local member, the elected member, has a role to play in that. The reason it has not been made public at this stage is, quite frankly, I want to get it right. As a new minister I did not want to be dictated to by a time frame that I had nothing to do with.

If we are going to talk about sustainability, I want to get my head around what that means because environmental issues are important, recreational interests are important, commercial fishing interests are important, and in that Great Sandy area so are the tourism operators. We have Fraser Island nearby and we have the great whale watching industry nearby. Simply, if it is taking time, it is taking time because I want to get it right, and I want to get it right on my own terms, talking with the local community, and that is what I will continue to do.

I regard that region as very, very important. I will tell you a story about that area. When Fraser Island was logged, do you know how many people used to go there? I am told about 30,000. Now that it has become a World Heritage area, this year it will top 400,000 visitors, so we have to have careful management to protect those environmental values. That goes with the Great Sandy as well.

The review is in process. I am not truncating it in any way, shape or form. However, I want to have a timetable that I am across and one that is concerned about sustainability. That sustainability will be for commercial fishers, for recreation, for recreational fishers and for tourism. There are also significant dugong habitats up there. I want to thank the commercial fisher people for what they have done. They have been working with us and they have identified special areas that should be saved. They have been working patiently with us, and my department has been up there. One poor lass I sent on the boat got a bit seasick, but she will get over that.

Mr RICKUSS: Supplementary to that, Minister, can you explain why the member for Hervey Bay has now taken over from the working group role as a facilitator between interested groups and yourself? Are you suggesting that fishermen and tourist operators in the seats of Burnett and Gympie have to go to see the member for Hervey Bay to discuss this plan because he is the Labor member in the region rather than going to see their local members?

Mr MICKEL: What an extraordinary question. The notion that people should go and see their elected members of parliament! I mean, if the elected members for Gympie and Burnett want to come and see me about these issues, they will find that my door is open to them in the same way as it is for the member for Hervey Bay. What they should do is learn from the member for Hervey Bay. The electorate of the member for Hervey Bay had a few concerns about things so, as a diligent local member, he did what a local member should do—he came to see me. Of course I met with the groups that he wanted me to meet with. What is wrong with that?

What an extraordinary question, that members of parliament should not know what is going on in their electorate! I mean, I put it to you: if the member for Burnett has a particular issue and he wants to come and see me, I am happy to see him. I see all sorts of people.

The member for Gympie can come and see me. If they have a particular issue then, of course, they can come and see me. There is nothing wrong with that. The point is that the elected members of parliament are accountable. I did not want and do not want elected members of parliament not knowing what is going on in terms of a process that is separate from them.

Has the member for Burnett ever come to see us or phoned us about this? I am advised no. What about the member for Gympie? No, she has not been on the phone. I cannot do much about that. It has nothing to do with the politics of the situation; it has everything to do with active representation.

The member for Hervey Bay should be commended for his active representation. I put to the member for Lockyer that when he and the member for Moggill had a problem they were straight in the door. Ross is a gentle and genial soul—a bit like me—and he is happy to talk with you. You will not find him to be vicious at all. If you have a job, come and see him. Vaughan Johnson managed to do that. Other people are happy to do it. We are always happy to hear what is going on in our area. If there is a problem, we will act upon it.

Mr RICKUSS: Would you prefer the members for Burnett and Gympie to see you rather than the member for Hervey Bay?

Mr MICKEL: Absolutely. I know that you think a lot of Andrew. He is a great guy and should be a minister. He is not yet. I hope one day he will be. While he has the exalted role as the member for Hervey Bay, he can see me. If the other members think enough of Andrew to go and see him, they can do that. I think he would be thrilled. On the other hand, if they want to come and see me, I will accept them as well.

Dr FLEGG: I refer to page 20 of the MPS and in particular the Gold Coast hinterland Great Walk. This was a 2001 election commitment by your government. Why did it take your department over three years to comply with the Environment Protection and Biodiversity Conservation Act to seek the approval of the federal minister for the construction of the Great Walk?

Mr MICKEL: Fair dinkum, some mothers do have them. The point is that this is a bit of catch-up politics to take away the embarrassment of the new federal Environment Minister. This has been around for three years. We have a 70-kilometre track.

Dr FLEGG: It was referred to the federal minister in May this year.

Mr MICKEL: And it has made a decision now. We are talking about 1.9 kilometres of a 70-kilometre walk. What it is embarrassed about is that we have now got to go to it for basic maintenance. If there was a mud slide in Lamington National Park I am advised that we could not go in and fix it; we would have to go to the federal government.

I gave you the details of the incident with the helicopter. You saw the bags of photographs earlier. We do not know who took them. What we want to do in one of the camp sites is a radical thing—provide a toilet block for the campers. We cannot do that under this federal decision.

What the member for Moggill cannot get around—because I know that it does not sit easily with him because he suffers from Michael Johnson and they want to put a road through his electorate—is this: if he says he wants consultation, and we have provided that to the community on this, why does he not ask that of the federal government. Without consulting us it announced a walking track on Fraser Island. It announced it a couple of weeks ago. There was no consultation with us. It is worth \$300,000. He is trying to cover the smirk on his face because he knows he has been caught out.

Dr FLEGG: We are talking about the Gold Coast, not Fraser Island.

Mr MICKEL: And I am talking about both. Why do you demand it on the Gold Coast and not give it on Fraser Island? Why should the Gold Coast be regarded as second class? They are both in world heritage areas. They both provide world-class facilities. On the one hand the federal government announces the funding without any consultation. On the other, with plenty of consultation—he admitted in his question it has been out there for three years—suddenly the federal government steps in and puts this order on us that we cannot do any work on it.

I pose to the committee this question: why is there one rule for the Gold Coast and another one for Fraser Island? What the opposition has to do is go back to the federal government. The Prime Minister is in town tonight so they should get on to him and tell him to get on the phone to the Environment Minister and change this ridiculous order.

I know he has done it to protect Lawrence Springborg because the member for Lockyer said as much. But it can be changed. If that means a humiliating backdown for the opposition, then so be it.

Dr FLEGG: Is it not the case that your department failed to conduct an environmental impact study and could not even identify the final locations of the work to build this track? Is it not incompetence that has resulted in this project being jeopardised and not the federal minister who is only trying to protect the world heritage area that contains endangered species such as the Antarctic beech?

Mr MICKEL: I must say that that is a major change in Commonwealth practice. Similar walks have been referred to and are regularly not called in. Why? Because Lawrence Springborg got on the phone to the federal government and said he wanted to make a big deal out of the Gold Coast. It is doing exactly the same on Fraser Island and it is not called in.

We are doing the impact assessment. It has been up for discussion for two state elections. On the eve of starting, do they worry about the 70 kilometres of walk? No, they worry about 1.9 kilometres of the walk. The only species that is threatened on this is the Liberal and National parties. You are the ones who are the endangered species, those at threat. I know they are baying and screaming, as they would. How could you ever stand there and try to defend this ridiculous decision.

Mr HOBBS: You are just a class clown; that is all you are.

Mr MICKEL: That is more than you are, my friend. It took rare ability to be sacked from the Borbidge government and you managed it on your own.

Mr HOBBS: You are just—

The CHAIR: Minister, stop for a minute. The member for Warrego's interjections are not helping the proceedings here today. I have given you a few opportunities. In the next instance, I shall warn you.

Mr HOBBS: Thank you, Madam Chair. I was not the one saying all that.

The CHAIR: I warn the member for Warrego. You have been asked not to interject and now I am warning you. Any further interjections will lead to some quite serious consequences.

Mr MICKEL: Thank you for your protection. I appreciate it. The federal government has two sets of rules here. There is one rule for the Gold Coast where it insists that a whole process be gone through. We have supplied the information. It goes ahead and announced on Fraser Island another walk with no consultation with us and suddenly that is okay.

The people of the Gold Coast have every reason to be upset about this. The National Party, with all the shenanigans they have gone on with this afternoon, are the guilty ones. Their personal abuse of me is an attempt to silence me for the fact that Lawrence Springborg has gone down to the federal government and asked it to stop a tourist opportunity for the Gold Coast. It is opportunity that would have underpinned another tourist section of the Gold Coast. It is a Great Walk of 70 kilometres.

What radical thing did we want to do in the 1.9 kilometres of the walk that we are talking about? We wanted to put a toilet block in the camping ground. Is it just me who is pushing it? I recently held discussions with the Mayor of the Gold Coast, Ron Clarke. What did the Gold Coast City Council, the elected members at the local level, demand of us? They said they fully supported the project. Why would they not because of the opportunities it provides for the Gold Coast. There is some opposition to it. Of course there is. But there is no need for the opposition to personally abuse me for their incompetence in wanting to close this walk down and threatening us for going through a process to try to maintain our national parks.

Dr FLEGG: I have with me the concept paper from your department for Great Walks of Queensland. It states, 'The Great Walk will be located in the Gold Coast Hinterland and will be approximately 38 kilometres long.' Today you have told us that it is 70 kilometres long. Then it goes on to list the four sections of the walk as Numinbah to Springbrook, 18 kilometres; Albert River, 13 kilometres; Coomera, 17 kilometres and Ships Stern, 12 kilometres, which all adds up to 60 kilometres. So we have 70 kilometres—60 kilometres if you add them up—and 38 kilometres. It is going to be great if the visitors come from overseas prepared for a 38-kilometre walk. You do not even know how long your walk is. How long is it?

Mr MICKEL: I have been saying to you all day, you poor thing, that it is 70 kilometres. It is longer than what is published there because we are doing a better job with the same amount of money. What they cannot get their heads around is that this connects to existing walking tracks as well. When you connect it up to existing walking tracks you will get a longer walk with the same money. That provides the low environmental impact that they are seeking.

Dr FLEGG: No wonder the federal government could not work out where your track was.

Mr MICKEL: The track that the federal government is concerned about, my friend, is 1.9 kilometres of a 70-kilometre track. That is what you are holding up and that is where you are embarrassed. It has nothing to do with some difference now. Would you think that a Liberal Party would be praising us for doing more with the same amount of money? We are actually using the existing tracks to provide a better walk. Is that not a better outcome?

Why do you have such conceptual difficulty with that? Why can you not understand that if you have an existing track it might be a good idea to use it? There is no environmental impact with that at all. Get it straight: the bit that is under question here is 1.9 kilometres of new track and one camping ground where currently there are no toilet facilities.

I would have thought even a doctor like you, Dr Flegg, would have had alarm bells ringing when there is a camp site with no toilet block. I would have thought that you would have been saying 'I think you have a point there. Maybe the feds are wrong.' You know in your own federal member's case how often they can be wrong.

We have decided to link the project with a couple of parks. The Gold Coast City Council is happy to assist in that process. This has the support of everybody, but the Queensland opposition. What is the argument about? Not 70 kilometres of walk. It is about 1.9 kilometres of a 70-kilometre track. Why? Why does it insist on one standard for the Gold Coast and another standard for Fraser Island where it announced the funding without any consultation with us at all? It has put this stop-work order on us with no plans, no money, no consultation.

Dr FLEGG: Could you advise whether your director-general has instructed divisions within your agency to leave positions unfilled as a cost-cutting measure? If so, what is the expected saving from this activity?

Mr MICKEL: He has not done that at all, I am advised. Let me deal with this business. When we inherited this department from you jokers, the point was this: there were a lot of people who were temporary. This was the phenomenon I noticed when we got into government in 1990. They had sitting around in offices people who had been temporaries.

In 1990 I came across a guy in Maryborough who had been temporary since the 1950s. He had no holiday pay and was not eligible for superannuation. He had nothing in that time. We have temporaries in the department. Of course we do. From time to time there are projects that have a limited time span and people are brought in to do those projects. As a result there are temporaries.

There are occasions when people act in positions waiting to be filled. Unless my director-general wants to add anything to my answer, let me go through this. When the coalition was in office, there were 419 temporary staff on the payroll in the Environment Department out of a total of 1,536 staff. About a quarter of the work force under the National and Liberal parties did not have a permanent job, no job security.

The 2004-05 estimate of 2,129 is made up of—and this is the difference; this is the difference with Labor and the other side—1,922 who are permanent full-time equivalents. So 90 per cent of our work force has a full-time job. Let me give you the breakdowns on our work force. The 2003-04 estimates of full-time equivalents provided in the 2003-04 MPS was 2,260. The estimated actual for 2003-04 is 2,129 full-time equivalents. It is a decrease, I know, of 131 full-time equivalents from the 2003-04 estimate. That decrease is made up of 43 casuals, 68 temporaries, 10 trainees and 10 permanent full-time equivalents. The level of casual and temporary employment is frequently linked, as I said earlier, to specific projects and varies over time depending on circumstances. For example, temporary employment is particularly dependent on grant funding from other sources.

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

Mr HAYWARD: Minister, could you advise the committee how many mines have had a compliance audit since February 2001? Could you advise what were the outcomes of those audits to ensure rehabilitation of sites as mentioned on page 16 of the MPS where it refers to developing proposals for the progressive sign-off of mine rehabilitation?

Mr MICKEL: Yes. Thank you for this important question. The EPA has a proactive strategic compliance program and has undertaken 3,285 compliance inspections in the financial year 2003-04 incorporating 373 mine sites. For 2002-03 the EPA's annual report states that the total number of inspections was 2,756 inspections. The EPA advises that 523 of these inspections were inspections of mine sites. For 2001-02 the total number of inspections was 1,958. For 2000-01 the annual report states that the total number of inspections was 1,584. These figures include inspections of mine sites which were not separately reported.

There are a range of possible actions that may be taken in relation to environmental practices which become apparent either as a result of proactive inspections or complaints. The actions include formal warnings, statutory notices such as environmental protection orders, environmental evaluations, environmental management programs, restraining orders, penalty infringement notices and cancellation, suspension or amendment of licence through to prosecution. If compliance action is required, the EPA selects the tool that will achieve the most appropriate environmental outcome. In 2003-04 the number of compliance tools issued on mine sites was 27. These included environmental protection orders, environmental management programs, environmental evaluations, abatement notices and an emergency direction. At present, only two large mine sites are going through closure and hence full rehabilitation. They are at Mount Leyshon and Kidston. There have been several compliance inspections and the EPA is of the opinion that it will be several years before stability of the rehabilitation is proven and surrender can be approved.

A full compliance audit has recently been conducted at Kidston. Kidston is presently in the monitoring stage of its rehabilitation program while Mount Leyshon is still undergoing final rehabilitation processes. The EPA is working in partnership with the management of the respective companies to establish appropriate closure procedures to ensure desirable environmental outcomes are achieved for the community. The *State of the Environment* report 2003 recognises that the mining sector contributes 10 per cent to gross state earnings from less than 0.1 per cent of the state's area. Prior to 1999, the total area disturbed by mining was about 87,400 hectares of which 29,800 hectares has been rehabilitated, leaving approximately 57,600 hectares not rehabilitated. From 1999 to 2002 a further 13,200 hectares has been disturbed while 6,753 hectares of rehabilitation was completed.

Mr HAYWARD: Minister, on page 15 of the MPS you refer to environmental nuisance mitigation. Can you advise the committee how the public has utilised the 24-hour pollution hotline over the last 12 months and report how many of these matters are handled in a timely manner?

Mr MICKEL: Yes. In May 2000 the EPA launched its 24-hour statewide pollution hotline for the public reporting of environmental complaints and incidents. The hotline number is 1300 130 372. The hotline means that the public has one convenient number for contacting the EPA regarding pollution matters such as oil spills, sewerage overflows and fish kills. The public can also contact the hotline to lodge complaints about nuisance issues such as noise, odour and dust. In 2003-04, 4,652 complaints were lodged by the pollution hotline. The pollution hotline is a critical component of ensuring that the EPA can provide advice to others on the management of the environmental impact of and initiate investigations in relation to pollution incidents where material environmental harm or a serious environmental harm is caused or threatened. If there is an after-hours incident where serious environmental harm has occurred or may occur, senior officers of the EPA are called out to provide advice to other agencies and initiate investigations as needed.

An example of the hotline in action was a tanker spill that occurred on Saturday, 22 November 2003. On this day police and Ipswich City Council officers telephoned the hotline to report that a Wastetek Pty Ltd tanker had spilled approximately 200 litres of liquid chicken processing effluent along the Logan and Ipswich motorways causing multiple traffic accidents. The EPA gave advice to the Ipswich City Council which cleaned the waste up, resulting in minimal harm occurring to the environment. The result of the ensuing investigation was that the EPA successfully prosecuted Wastetek Pty Ltd for breaching its licence. The company was fined \$50,000 and ordered to pay a total of more than \$13,000 in compensation to agencies involved in the clean-up, to the police and to drivers who suffered loss as a result of traffic accidents associated with the spill.

The hotline provides the public and other agencies with a single point of contact for the EPA in relation to complaints and pollution incidents. To make the reporting process even more efficient, the EPA has established a single number for reporting all incidents, including spills. It is the same number—1300 130 372. It will soon be the gateway for the public reporting of environmental complaints, pollution incidents, marine strandings and wildlife matters. I might say that general wildlife inquiries account for a large proportion of phone calls, and those callers will be automatically directed to the appropriate area. This will enable EPA officers to give priority to other areas of environmental or conservation concern. Once again, this is part of the EPA's commitment to work with the community to protect the environment.

Mr CHOI: Minister, can you advise the committee what steps the EPA has taken to increase the reuse of water in line with the promotion of the sustainable use of our natural capital as outlined on page 2 of the MPS?

Mr MICKEL: Thanks for the question. I am pleased to report that my department has made significant achievements in promoting water recycling through the implementation of the Queensland water recycling strategy over the past 12 months. Both technical and legal advice has been provided to support proponents of water recycling projects in Queensland by producing Queensland guidelines for the safe reuse of recycled water. These guidelines have been available for public consultation since April 2004 and are significant as they provide a framework for safe water recycling in Queensland. Additionally, a model legal agreement for the supply and use of recycled water together with a manual for using the agreement was also released as a tool to complement the guidelines.

During May and June 2004, the department in partnership with the Australian Water Association conducted 10 public forums across the state to promote awareness of water recycling and seek community and stakeholder feedback on water recycling guidelines and model recycled water treatment. Ipswich Water, Delfin Lend Lease and the EPA are now working in partnership to commence a residential dual reticulation water recycling demonstration project at Springfield. Later this year the project will be supplying very high-quality recycled water to domestic users and for irrigation of a school sports field and road verges.

I want to give the committee this example, which I think is well worth it and underpins why we are excited about all of this. Last year in the drought the city of Gladstone nearly ran out of water. There was a proposal to take a pipeline from the Fitzroy Basin to Gladstone. That was seen to be the answer, and it may well have been that Gladstone would have run out of water anyway with that. Instead of that, they went to the largest water user—QAL—and one of the power companies and asked them to take all of Gladstone's effluent water. As a result of that initiative, the city of Gladstone did not run out of water. This year its freshwater use is down as a direct result of that. But it is also a saving to the taxpayers because I have no doubt that if that water crisis had passed we would now have a pipeline from the Fitzroy to Gladstone that was no longer needed. That is a practical example of water reuse. In Brisbane at Luggage Point we have a BP refinery now signed up using water effluent. It takes 10 million litres a day. So it can happen. It is happening. I encourage people and industry particularly to investigate ways that they may get on board with this, because it is a way of taking the pressure off our quality drinking water.

Mr CHOI: Minister, page 15 of the MPS refers to the WasteWise Queensland program. Can the minister inform the committee of any progress in the up-take of this program?

Mr MICKEL: Yes. Since the WasteWise Queensland program was launched in November 2002, 30 organisations have joined the program. Companies represent a range of different sectors—from

water processing to public sporting venues, retail outlets and hotels. Companies that have made excellent progress in waste minimisation and recycling—and I congratulate these companies—are Northside Carpets, Bunnings hardware at Cannon Hill and Canossa aged care facility at Oxley. A WasteWise extension partnership program between the EPA and the Central Queensland Regional Organisation of Councils has also brought new companies into WasteWise Queensland. Some of these companies have found innovative ways to turn waste into resources in their local area.

Let me give you an example. In Rockhampton CQ Fresh Pack Vegetables now sells potato sacks to a local pottery outlet that uses them to protect their product in transit. During the first seven months of the program up to the end of the 2002-03 financial year, 10 participating companies saved almost 6,500 tonnes of waste from landfill. Figures for the 2003-04 financial year will be available in late August and are expected to show a considerable increase. Some companies have reported that waste minimisation activities are cost neutral for them. Others have reported savings in management costs of up to 75 per cent.

The benefits of the program will multiply as participating companies encourage their suppliers and customers to be more WasteWise. For example, Jupiters Casino on the Gold Coast has initiated an ecopurchasing program to ensure that it does not take unnecessary waste from suppliers. Wherever possible, excess packaging such as styrofoam boxes and waste cardboard boxes are returned to suppliers for reuse. Bunnings at Cannon Hill is another example as it has, with the cooperation of its customers, slashed plastic bag usage by 80 per cent to 90 per cent by offering alternatives such as boxes and by charging for plastic bags. The WasteWise program and participating companies will be rolled into the new ecoBiz program which assists industry to make savings in water, energy and materials consumption. The ecoBiz rebate scheme will offer an incentive to WasteWise companies to expand their ecoefficiency program to include water and energy savings or to undertake more ambitious waste reduction initiatives.

The CHAIR: Minister, on page 1 of the MPS reference is made to \$3.5 million for upgraded visitor facilities and roads in national parks. Can you give the committee examples of how that money will be spent? Can you advise whether this infrastructure will benefit the tourism industry?

Mr MICKEL: Thank you for the question. You asked specifically about where some of the money will be spent, and let me go straight to that. There is \$500,000 over the next three years for the construction of a visitor information centre at Springbrook National Park on the 'dreaded' Gold Coast. There is also \$1 million over three years for the construction of visitor facilities on Bribie Island, including a new beach camp ground and toilet facilities.

I am confident that we will be able to build that because the federal government does not have a say in it. There will be an upgrade of interpretive facilities, an upgrade of visitor access to facilities and an improved visitor safety presentation and interpretation of an old World War II fort. The Sunshine Coast will get the next one, too, because we do not have the feds interfering—\$750,000 over three years for the construction of a visitor information centre in the Sunshine Coast hinterland. The member will also be excited by this one—\$250,000 over three years for the extension of the visitor information centre at Noosa National Park—one of our most frequently visited parks; \$1 million over three years for the construction of toilet and visitor facilities in the Cooloola section of the Great Sandy National Park; \$1.5 million over three years to enhance visitor facilities and upgrading of tourist roads in the Wet Tropics outside of the Daintree. That funding comes to the Daintree and Wet Tropics in the face of federal government cutbacks. \$1 million will be provided over three years to enhance visitor facilities in Cape York, specifically at Chili Beach, Hann Crossing and Eliot Falls.

I want to say something about the facilities that have already been provided and that I have had the great joy to open. The new Fraser Island camping ground has had built into it, and enhanced, facilities to protect campers from the intrusion of dingoes. I invite people to go and see what we have done there. They will also see an example of a Great Walk. We have put about \$1 million into the boardwalk to build upon the Great Walks initiative up there and to protect the environmental value of an area that hosts 120,000 visitations a year.

Recently, I opened an exciting project on Red Lily Lagoon in Lakefield National Park. One of the hidden talents of Cape York will be the tourist boom that will go on up there. Red Lily Lagoon is one of those hidden talents. A walkway has been built out into the lake area so that you can see first-hand—now that the water has come in—the impressive conservation value and the wildlife that is all around there.

I also want to talk about the camp ground that we opened last week in Lakefield National Park—Kalpowar Crossing. These are all examples of the way we are improving facilities in our national parks and I congratulate my professional staff on the work that they are doing.

The CHAIR: Minister, page 21 of the MPS refers to a total of \$15 million for acquisition of lands of high conservation value. Can you advise the committee how that money will be spent and what the priority ecosystems are?

Mr MICKEL: Yes. In addition to what the government is doing, I want to praise a group called the Australian Wildlife Conservancy. They recently announced a program to be undertaken in far-north Queensland and they have purchased about 70,000 hectares of land. They relied upon corporate donations to do so. They have protected a massive area essentially out of their own funds. They will maintain it themselves on advice from our department. It is not always the government that has to go in and purchase property. I want to acknowledge people like Atticus Fleming for the excellent job that he did with that. They are protecting endangered species. It shows that there is money available from the private sector for individuals who want to get out there and work for it, to ensure that they themselves can buy areas of high conservation value.

Your question asked what the government is doing. In line with our election commitment, we are protecting areas such as Cape York and the Daintree to give priority to biodiversity enhancement in other regions of the state. Over the next three years we will spend about seven and a half million dollars on strategic acquisitions to preserve the unique conservation value of the Cape York Peninsula. This year, \$3 million has been allocated to that program. We think the cape represents—in addition to my previous answer about tourism—an opportunity to secure significant areas containing cultural heritage and conservation value. Last week I went up to Cape York and it was great to see the excellent job being done by Michael, one of the traditional owners up there. When I listened to the great stories he told about the place, I could hear the pride in his voice. He is running cattle in one of the areas up there. It was a great experience, learning from him about that country. We are involved with the traditional owners in the management of Cape York.

I am reminded of the actions of Mr and Mrs Sharman, who live just outside of Cooktown. They have set aside a substantial part of their grazing property as a nature refuge. They saw the area as a pristine, environmentally significant area and so they have taken the initiative and set aside part of their land as a nature refuge. I congratulate people like that, people who recognise the conservation value of their own property and undertake to preserve it. In addition to what government is doing, I want to recognise today in a real sense the job being done by private landowners and by the group that I mentioned earlier in this estimates hearing.

The CHAIR: The time for government questions has expired. I call on the member for Lockyer.

Mr RICKUSS: Minister, I refer you to the Output Performance 'Ensuring a Clean Environment' on page 15 of the MPS. What assurances will you provide to witnesses of environmental vandalism that any information they provide to your department will be in the strictest of confidence, and can you provide them with a guarantee that their identities will not be revealed to the parties in question?

Mr Purtill: Thank you very much for the question. A key part of the compliance activities of the EPA has come about due to the contributions made by members of the public in providing us with information which we can then act upon. Some areas of environmental vandalism, if you will, are very difficult to approach in a more strategic way without that support. Earlier on you mentioned littering, that you actually have to catch someone in the act. That is a good example of how people giving us corroborative evidence can assist us with our compliance program. Nonetheless, we have also mentioned the major strategic compliance program that we undertake, so it is a combination of both.

The information that we receive is treated with strict confidentiality and we take the matters extremely seriously. In the year 2000 we undertook a significant review of the compliance program within the agency. After that review, we employed professional investigators and professional lawyers in numbers never before seen within the agency. We have used those skills to make sure that our compliance regime is professional.

Every case has to be dealt with on its merits, but the principle of maintaining the confidentiality of people who provide information is important to us. As the minister has previously mentioned, we have also established a 365 days a year, 24/7 pollution hot-line which provides a vehicle for people to provide us with information, upon which we can act. The confidentiality of that information is important and is a key part of the way that we go about our enforcement programs.

Mr RICKUSS: Minister, just on that topic, I received a letter from you in April—I will table it, if you like—which stated—

If your constituents have any further concerns regarding the environmental performance of LPC, the EPA will thoroughly investigate these concerns. However, if offences against the EPA Act occur, the EPA cannot guarantee confidentiality for the witness or any other parties who may assist them with an investigation.

Mr Purtill: The matter of confidentiality of witnesses in court is a matter for the court to decide. That is a court matter. We will treat people with confidentiality and we will respect their concerns, but that is a court matter and I dare say that that is what that letter refers to.

The CHAIR: I call on the member for Moggill.

Dr FLEGG: Minister, with reference to the consultancy register that you provided to me in response to my question on notice, can you advise me how many of these consultancies listed are directly involved with Dr Aila Keto and, if there are payments from any other area not listed as consultancies, such as professional services or contractors, made to entities associated with Dr Keto?

Mr Purtill: Bruce, as you are probably aware, Dr Keto is the head of the Australian Rainforest Conservation Society. Anything in this list that is to do with consultancies from ARCS would involve Dr Keto—that is, the Australian Rainforest Conservation Society. I would be very happy to table this list rather than try and scan through it and perhaps miss one.

Mr MICKEL: It has been tabled.

Mr Purtill: Oh, it has been tabled. So it would be Professor Keto by name or by the Australian Rainforest Conservation Society on the list.

Dr FLEGG: Is that the same document that has been provided here?

Mr Purtill: Yes, it is.

Dr FLEGG: That would be the only payments made to her or to entities associated with her?

Mr Purtill: That I am aware, unless there is an entity with which Professor Keto is associated that I am not aware of.

Dr FLEGG: Not consultancy No. 560?

Mr Purtill: I will have a look. What page is that on?

Dr FLEGG: They are not numbered. The date is 19/11/01.

Mr Purtill: University of Queensland provides systemic sustainability indicators for Queensland?

Dr FLEGG: Yes.

Mr Purtill: To the best of my knowledge, Professor Keto does not have any association with that.

Dr FLEGG: Thanks for that. Minister, in the MPS it refers to the government's commitment to protecting our cultural heritage. On page 9 you reveal the shrinking number of heritage places on the heritage register. Why has community heritage project funding fallen to such low levels, down from \$442,000 in 1998 to just \$115,000 currently, which is even less than the Northern Territory? Isn't the National Trust correct when it says that the Beattie government is guilty of abandoning Queensland's heritage?

Mr Purtill: The minister has asked me to respond to that question, Dr Flegg, and to explain the rationale behind the way the Environmental Protection Agency is managing cultural heritage. We have heard some of this previously. To be quite frank, grants are only a part of that picture and that was why we went to some lengths to explain the commitment of the Environmental Protection Agency in the last financial year of over \$1.2 million to cultural heritage across-the-board.

One lesson we learnt from the first grants program—which was a three-year grants program that was conducted for the full duration of its term and ceased a number of years ago—was that one-off grants are not necessarily the most effective way to achieve the capacity building in the community that is required for good cultural heritage outcomes or, if you like, a sustainable future where the community is valuing the work. Whilst I acknowledge the dedication of those people who have been involved, we have seen a better investment profile to include a mix of funding across the board, through expertise, through more strategic assessments and maintaining a sufficient commitment to the grants program so that when projects come along that require an emergency injection of commitment, it still remains. We are trying to put together, with our \$1.287 million commitment to cultural heritage, a program that will leave a legacy. That is a challenge for cultural heritage in Queensland but we are very confident, with the review that we are undertaking and with the work that is being done, the lessons that we have learnt over the last many years and the dedication of our work force, that that mix will end up being a better outcome for cultural heritage in Queensland. That is the explanation for the change in the grants funding.

Dr FLEGG: In relation to SunAqua's proposed fish farm in Moreton Bay, has an environmental impact statement been finalised for the project? If so, was there any involvement of your agency in reviewing the environmental impact statement?

Mr MICKEL: I can give you a detailed answer. I think the community as a whole, as well as the committee, is entitled to it. We are fully aware of the exceptional environmental and amenity values of Moreton Bay. The assessment of SunAqua is being undertaken in this context to ensure that the values of the area are preserved. SunAqua proposes to construct and operate a sea cage aquaculture farm in the general use zone of the Moreton Bay Marine Park off Moreton Island. Its current proposal would produce approximately 1,200 tonnes of fish per year worth, it says, about \$10 million a year.

On 31 October 2001 SunAqua was declared a significant project under the State Development and Public Works Organisation Act 1971, and the proponents are required to prepare an environmental impact statement. The proponent released a draft impact statement for public review in July 2003. All government agencies, stakeholder groups and members of the public had the opportunity to examine the document and make comment to the Coordinator-General. My department, I understand, responded to the Coordinator-General in August 2003. The response highlighted the lack of scientific evidence to support claims in the environmental impact statement of insignificant impacts on aquatic ecology. The

proponent was requested to submit further information on the likely impacts on water quality and marine ecology. I am advised that the proponent has not yet provided the additional information.

The State Development Department has involved my department at all stages in the environmental impact statement process. I am advised that my department will fully assess the proposal following the receipt of the requested information. The department will provide a full and detailed submission on its findings and recommendations in its response to the Coordinator-General. The criteria that the department will use to assess the proposal are the standard criteria in the Environmental Protection Act 1994 and those in the Marine Parks (Moreton Bay) Zoning Plan 1997. The proponent, I understand, has been fully informed of the criteria for assessing the proposal through the terms of reference for the environmental impact statement and in subsequent discussions. The proponent has also been made aware that there are significant hurdles to the progress of the proposal.

Once the EIS process has been completed, the Coordinator-General's report will be prepared, which will either recommend that the project should proceed with conditions or recommend that it should be rejected. The recommendation of the Coordinator-General's report will form the basis of any decision on an application subsequently made under the Integrated Planning Act.

Dr FLEGG: With reference to page 2 of the MPS, in relation to your role in protecting our historic cultural heritage, a former minister and president of the National Trust of Queensland has suggested that the review is aimed at watering down the heritage legislation and the powers of the Heritage Council in matters of heritage listing and development applications on heritage properties such as Yungaba and vesting those powers in you as minister. Is this the case?

Mr MICKEL: The former minister was working off a leak to the media, I dare say. To my knowledge he has not been briefed on that review. The only people, to my knowledge, who have been briefed on that review are as I told this committee before. I asked the person doing the review, through my director-general, to go and brief the chairman of the Heritage Council and I also asked, in view of the inaccurate media statements, my director-general and the reviewer to go and brief the Heritage Council.

I repeat what I told this committee before. No decision has been made because it is an across-government decision. No decision will be made by me to downgrade the heritage values. What I said to this committee before and I will say to this committee again is that what I was after is a streamlined process, a process that cuts through the red tape, if there is any, in my department. Why did I conduct the review? I conducted it because of concerns raised from within the Heritage Council itself, from developers and from other people, including members of parliament, who have come to me or expressed to me concerns about time taken on heritage decisions.

You instanced the Yungaba decision. Obviously that is one that has been of concern because of the time taken. I do not mind giving you what I can publicly say on the Yungaba decision. My understanding is that they had a meeting with the department earlier this week. I am uncertain today as to the results of those deliberations. Let me go through the Yungaba matter as I understand it.

In July 2003 the owner of Yungaba lodged an application under the Queensland Heritage Act 1992 to develop it as apartments. On 10 December 2003 the Queensland Heritage Council's development committee approved the proposed development, subject to conditions intended to limit the impact on Yungaba's heritage significance. The applicant was dissatisfied with the conditions of the approval and requested a review of that decision by the Heritage Council's review committee. The review committee varied the decision by amending some of the conditions of approval. The applicant was still dissatisfied with the conditions of approval. In April 2004 the applicant lodged an appeal against those conditions of approval with the Planning and Environment Court. As I understand it that process is continuing.

Mr RICKUSS: Minister, state forests on the Sunshine Coast have long been used for horse riding trails. Can you give a commitment to the many thousands of riders who enjoy the sport and who use our forests responsibly that the government will not lock them out? After all, they are only seeking to use existing trails and corridors that account for two per cent of the former state forest.

Mr MICKEL: I have had meetings—Peter Wellington organised a group to come and see me—in relation to horse riding. Concerns have been expressed by recreational users on the Sunshine Coast. I have been busy with another couple of things. Activity can go on until I make a decision on this.

You would be aware that on 21 May the Premier and I announced future tenures for 11 of the 23 SEQFA areas. What I have said to those people is that I will not make any decision that impacts upon them until I have got my mind around the impacts they are having at the moment versus the conservation values of the areas on the Sunshine Coast. As I said to them, my commitment to them and to other horse riders is that I am prepared to listen to them. I want to hear also, before I make any decision on it, what the competing interests are. That is where I stand today. As you have noticed, there has been no decision on it.

Our agreement on the SEQFA is unique, and the Premier is proud of the fact that it was a partnership between the timber industry and the conservation movement. It is a commitment that is fully funded by the Queensland government. The federal government said that it was going to contribute to it

but, as we have seen with the Gold Coast, it interferes or refuses to fund. In this instance it refused to fund \$36 million that it said would be going to Queensland as a direct result of that. The decision the Premier and I announced recently was the conversion to national parks of 215,000 hectares of land. The government was elected on a policy of providing open space and green space for people in south-east Queensland.

My response to you on recreational users is that I am prepared, as I have been on every decision I have taken, to try to get the balance right between the conservation values of an area and all of the other interested parties involved.

The CHAIR: The time for non-government questions has expired. I call the member for Noosa.

Mr MICKEL: Just before we go on, I would like to provide an answer in relation to questions asked earlier today with regard to injuries. I am advised that there were 65 injuries reported last financial year on national parks. I was also asked about infringement notices. There were 470 infringement notices issued for offences on the EPA estate. As the director-general advised the committee, 30 were for litter offences, which is extraordinary when you consider that people would not necessarily drop something in front of a ranger. But there you go.

Ms MOLLOY: Minister, given the outstanding natural values of Cape York Peninsula and the increasing numbers of visitors to the region, can you advise the committee what money will be spent out of the additional funds set out on page 1 of the MPS for acquisitions, enhanced visitor facilities and land management?

Mr MICKEL: Let me deal with the enhanced visitor facilities. This year we have allocated \$365,000 for improving visitor infrastructure in Cape York Peninsula protected areas as part of a three-year \$1 million program. The funds will be spent primarily in three key visitor destinations: Eliot Falls camping area and day use area, which is in the Heathlands Resources Reserve; Chili Beach camping and day use area from the Iron Range National Park; and Hann Crossing camping and day use area in Lakefield National Park.

This funding allocation will build on the 2003-04 budget allocation of \$600,000, including \$500,000 for growing tourism in the Cape York Peninsula. Under this initiative, tourist infrastructure has been significantly upgraded as a number of Cape York protected areas. They include, as I announced to this committee a little while ago, the Red Lily Lagoon boardwalk and viewing platform and the upgraded camp ground at Kalpowar Crossing, both in Lakefield National Park. I opened both facilities during my visit to Cape York last week. The new budget allocation will ensure that Eliot Falls and Chili Beach camping and day use areas will have high quality visitor infrastructure to meet visitor needs and match the icon status that these destinations already have.

In terms of land management, in 2004-05 an additional \$180,574 will be allocated to Cape York Peninsula national parks for weed and feral animal management including pig control measures, and there will be an additional \$53,000 for fire management. These funds will allow priority focus on working with neighbours, enhancing natural resource management initiatives.

In line with our election commitment, we have allocated \$3 million for the first year of a three-year program for voluntary land acquisition of areas with high conservation values. We are seeking the support of the Commonwealth government to match the state's contribution to ensure acquisitions of land that meet national criteria, but I regret to inform the committee that the federal government has not maintained its level of financial support for land acquisitions as originally negotiated under the Cape York Natural Heritage Trust. This has resulted in Queensland and Queensland taxpayers having to meet all of the costs associated with recent acquisitions, namely Green Hills and Lilyvale. We take our responsibility for a number of existing state lands and acquired lands under interim arrangements under the Land Act 1994 that will protect natural and cultural values.

Ms MOLLOY: On page 6 of the MPS reference is made to eight new ranger houses on Fraser Island. Can you advise the committee if these houses are of sustainable design and if other areas will benefit from this initiative?

Mr MICKEL: They are a magnificent design. As a matter of fact, they were designed by the Royal Australian Institute of Architects 1998 gold medallist Gabriel Poole. He comes from Noosa, too, incidentally. A lot of good things come from Noosa.

I can assure you that the houses are environmentally sustainable. They are perfect examples of the built-in environment and they will prove very popular, I am sure, with rangers. They replace what I think were pretty indifferent facilities. Some of the stuff I saw that I had to live in last week in Cape York—and this is no reflection on people like Alan Feely, who made me stay there—left me indifferent. I am pleased that we are improving them both at Lakefield and on Fraser Island, where I understand the first of the houses arrived today. So it was a very timely question.

We have invested \$1.2 million in eight new housing units for rangers on Fraser Island. You would understand that a place like Fraser Island—even though it is a pristine part of the world; an iconic area—

can be a bit tough on families, particularly if they are out of contact with people. So having decent housing, modern housing, sustainable housing is one of the things we are aiming to achieve.

Mr Poole is renowned for his low-cost, innovative and energy efficient housing designs. The design principles that I speak about that have been adopted for these houses include natural cooling of buildings through maximising cross-ventilation and effective use of insulation, wide roof overhangs providing shading to walls, and non-toxic materials for improved indoor air quality.

They have been built of durable and transportable materials, prefabricated offsite to minimise material wastage during construction and site disturbance during installation. The buildings have also included solar hot water, water wise showers and long-life fluorescent lighting. Reducing the risk from bushfires has also been an important consideration during the design phase. The buildings have been constructed with fire resistant materials and include specifically designed shutters over windows and doors to further reduce the risk from bushfires. This project reinforces our government's commitment to improving the management of the Great Sandy National Park, and a further seven accommodation units will be constructed on Fraser Island in 2004-05.

The reason I am doing this is that I am very proud of the professionalism of the officers who serve on Fraser Island. I got a note from one of our members recently to congratulate people like Rob Allan and the staff that he provides. They said he was the most professional officer they have dealt with, and I want to pay tribute to the people on Fraser Island. They were in the public spotlight when there was an unfortunate incident years ago and I want to put them in the public spotlight today for the outstanding job that they do on Fraser Island with their dingo awareness program. I think it is appropriate that we provide them with modern housing accommodation both for themselves for their morale and also for their families.

Mr HAYWARD: Minister, on page 11 of the MPS reference is made to the Solar Schools Goes Bush program. Can you advise the committee where solar systems have been installed and what benefits have been achieved so far?

Mr MICKEL: I opened one of these Solar Schools programs in the electorate of the chair—Hampden State School. What we try to provide there is examples where children particularly, in working with the local electricity company, have photovoltaic cells put on the roof of one of their classrooms. Usually in a small school it is one of those, and they learn about the value of solar electricity as a renewable energy.

The Solar Schools Goes Bush program is an extension of our Solar Schools program. To date an additional eight of the 11 nominated schools in far-north Queensland have commenced the extended Solar Schools Goes Bush program. Importantly, they will be in Aboriginal communities in far-north Queensland, the reason being that it makes good environmental and good economic sense to put that sort of energy saving into places that experience a lot of sunlight. So it will go into Aurukun, Mapoon, Weipa, Napranum, the Cairns School of Distance Education and Coen.

Due to the extended wet season in far-north Queensland this year—and that is a good thing; I wish we could have an extended wet season down here—the installations were delayed. I do, however, expect that all installations will be included by the end of this month. Solar systems also serve as an educational resource. Students collect, analyse and interpret solar and electricity data. The hands-on learning experience contributes to a greater community awareness of the benefits of solar power. I had an exciting incident recently in Jimmy Pearce's electorate at Gracemere State School, where the kids had this little solar cell and they were using that to drive energy for propellers, and even the smallest kids were running around showing me the benefit of the sun. So I figure it is a program that is well worth persevering with.

We also have a program with isolated country towns. I had the pleasure of going to Thargomindah, where they have a solar voltaic cell on the council roof and some of the other public facilities out there. They have reported that the saving on their electricity bill is 10 per cent. That may not seem a big deal but it is when you consider the cross-subsidy that is provided in getting energy out to a place as isolated as Thargomindah. So the more you can get communities becoming self-sufficient in what comes naturally the better the environmental outcome. It is also an important economic outcome. One of the starting points for that, we think, is the schools. But I want to congratulate the town of Thargomindah, which has always been very progressive historically in embracing new technology, and it did just that.

Mr HAYWARD: Minister, page 12 of the MPS refers to the promotion of climate smart building design. Can you advise the committee what benefits can be achieved by using climate smart design?

Mr MICKEL: Can I mention to the committee a piece of smart design that has been sitting beside me for ages—not that I wanted to use it on members of the committee, but I wanted to bring it in here today to show you. That is what is called a fibre composite and it has been developed at the University of Southern Queensland. The science escapes me, but I was so impressed with it. Queensland Rail are going to use it as a substitute for sleepers. I have asked my department to trial it in a couple of our national parks because I think it can be put to use in the national parks either as seating or to help with

materials that do not degrade. Currently we have hardwood timbers doing the job of sleepers. What I would like to do is put hardwood timber to a higher order use than just sleepers. I do not know how Hansard are going to report this long piece of material I have here; perhaps it can be listed as a fibre composite. It is not of commercial use yet, but I asked the department to put it in some of our national parks. I think it has some real possibilities there. I congratulate the University of Southern Queensland for its initiative on this and all the people who have been involved in the fibre composite work.

I want to also say that my department was involved in helping fund some of this. I can now give you a detailed answer on what it is. It is an alternative to glulam—or glue laminated—timber products, recycled timber, solar power, recycled plastics, soil stabiliser and alternative waste watch technology. It is known as fibre composites. It is a potential alternative, as I said, to hardwood for park infrastructure. As I said, hardwood timber is an excellent general use purpose construction material. In recent years it is becoming difficult to obtain. I see this as one of the ways we can substitute it.

Initial trials indicate that it may have a life expectancy up to five times that of timber. Fibre composites may also be more resistant to moisture rot, weathering and insect attack than hardwood. We are planning a trial, and the trial will be held at the Brisbane Forest Park as one of the suitable sites. The reason we have done that is not because I have any great liking for Brisbane Forest Park above all others; it is because it is close to Brisbane and will be available to be trialled and assessed closer to home. It will allow comparisons, more importantly, with traditional hardwood facilities and other materials. Two sites within Brisbane Forest Park have been chosen. One is Bellbird Grove and the other is Maiala National Park.

Mr CHOI: Minister, page 20 of the MPS refers to capital acquisitions by the Environmental Protection Agency including plant and equipment, capital works and land. What systems have been in place to ensure that assets purchased with taxpayers' money are managed properly?

Mr MICKEL: Thank you for the question. It enables me to again highlight to the committee the professionalism of my staff in ensuring that taxpayers' dollars are protected. What we are doing, as I have said previously, is spending an additional \$8.5 million over the next three years on the maintenance of roads and infrastructure. This budget allocation helps maintain vital infrastructure and protects the environment. It protects ecosystems, as I instanced to you before with the boardwalk on Fraser Island and the infrastructure at Lakefield, and takes the pressure off the environment. That is important. It is important when you have high visitor numbers to make sure that we have infrastructure that takes the pressure off the environment but at the same time enables people to enjoy the facilities.

We have established a new system to improve the management of built assets on parks and forests in Queensland, including recreational facilities such as camping and buildings. In responding to our initiatives, my department has implemented a program to evaluate the condition of infrastructure on parks and prioritise the maintenance of these facilities. We have a powerful web-enabled information system that all our rangers throughout the state can access. This information provides details on maintenance requirements for park infrastructure, but it also improves the capacity of rangers to effectively manage and improve the quality of facilities for visitors.

Strategic decisions made on asset management will be better focused as a result of this program, ensuring that the Queensland government gains value for money in providing services to visitors at national parks. The system also results in better standards, facilities and improved access, enhancing visitors' enjoyment of the state's protected area. The initiative has also led to increased resources for the maintenance of visitor facilities, and I want to say that key visitor facilities will be targeted in 2004-05 including the improved maintenance of walking tracks—where we can build them—increased servicing of camping and day use areas, and enhanced management of roads in parks and forests.

I must say to you as an aside, the provision of infrastructure on Fraser Island is one of our expensive tasks, certainly in the provision of roads. It is very hard with an area that large for the state government to do that. We do it without a cent coming from local authorities who take some of the rates there. As I have said to this committee before, we do it with a diminished effort from the federal government. Their funding for Fraser Island got down to as low as \$8,000 one year. I do not know what that would do for a road, but it has come back up to \$42,000 this year. That is why I am not knocking back their \$300,000 on a boardwalk, even though they did not consult us about it. It at least is making some progress towards the infrastructure, but it by no means meets the cost of providing tracks on Fraser Island. That is something that we are going to have to address down the track.

Ms MOLLOY: Minister, I understand that crocodiles can pose a threat to humans. What steps does the EPA take to minimise this risk?

Mr MICKEL: Thank you for that question. We have a croc awareness program. I want to start off by saying this: I want to pay tribute to an officer in my department, Dr Mark Read, and his team. Mark is one of those unsung heroes. He is from Logan, so I am very proud of him for that alone. He has now become, I think, the world expert on crocodile research. The point about it is this: Mark and his team work with Australia Zoo. I want to also thank Steve Irwin. I know he gets a belting in the newspapers but I want to say this about Steve Irwin: what is not known about him—and I hope he does not mind me giving him this plug today—is that he is prepared to put in his own dollars to work with our department.

His people were up there in Lakefield the other day for crocodile research to examine things like the movement of crocodiles and to increase public awareness of crocodile behaviour.

The problem these days is that everybody thinks the solution to a wildlife problem is to shoot it. We had that unfortunate incident off the coast recently where a little girl was bitten. The indication from that from people like Mark—and I must say the crocodile was destroyed—was that that crocodile did not do further damage; it had been habituated. That is, it had been used to being fed, we suspect, from the backs of those trawlers.

The other thing is that, as the population grows, people are increasingly moving into traditional crocodile habitat. Mark, and the work being done by Australia Zoo, is giving us an inkling into that. I want to say to the committee that, against my better advice, Alan Feely asked me to go out with Mark Read the other night to go crocodile spotting in one of the rivers off Lakefield. Mark Read ensured that I came back safely, which I know will be a relief to all members of the committee. He is outstanding in the work he is doing, but make sure that you also acknowledge the work being done by Steve Irwin up near the member for Kallangur's electorate. I will tell you something else about Irwin: he is not afraid to put his hand in his pocket to help research, and he is providing jobs for somewhere between 400 and 500 people this year.

The CHAIR: Thank you, Minister. The time allotted for the consideration of the estimates for the Environmental Protection Agency has expired. I thank you, Minister, and your departmental officers for your attendance. The transcript of this part of the hearing will be available on the Hansard page of the parliament's web site within two hours from now.

Mr MICKEL: Could I thank the members of the committee for what has been, I think, a robust session. I make no apologies for being robust on behalf of my department. When they are being unfairly maligned I will, of course, defend them and defend them stoically. If that is what I have to do, that is what I will do. On the other hand, if there are allegations that are proven, I expect my director-general to take action where that is necessary. I encourage people at all levels, if they have an environmental problem, to come to my department and we will do our best within our resources to help resolve that problem.

I want to thank all the people who have been involved in preparing for today's estimates. I find this a very good experience and a very good one for the accountability process in government. I must say that I am probably a unique individual in this place in that I have now been on all sides of the argument with regards to estimates—writing the government questions, writing the opposition questions, asking the government questions and now answering the questions. I think it is a process that I would encourage everybody to get involved in. It has enabled me to learn a heck of a lot about my department in a very short space of time. I do not know whether they were thrilled by that, but I certainly have been.

I want to thank my director-general and the officers who have been here today. We took a deliberate decision, Madam Chair, that we would not have a coterie of people behind us today, but that we would stand and fall on the faults of the ones here. The reason I did that is quite deliberate: I want them out there providing services for people, and that is what they have been doing today. They have done their work in the preparation and I figured the answers were up to me.

I want to thank my department staff, including my old mate down the back there Brian Carroll, who did not say anything today. He has been everywhere with me. I thought I would mention him because he came along today and, of course, there is my other mate down the back Lyn Doblo, who is my CLLO—she has followed me just about everywhere as well—and her assistants. I also thank Rhonda and I thank Mark, who does all the compliance. I thank my own personal staff for providing me with the advice and the patience that they always have, and I thank the committee for having us.

The CHAIR: The committee will now break for afternoon tea and resume its hearing at 4 p.m.

Sitting suspended from 3.53 p.m. to 4.09 p.m.

ESTIMATES COMMITTEE F—TOURISM, FAIR TRADING AND WINE INDUSTRY DEVELOPMENT

In Attendance

Hon. M.M. Keech, Minister for Tourism, Fair Trading and Wine Industry Development

Mr M. Caldwell, Senior Policy Advisor

Department of Tourism, Fair Trading and Wine Industry Development

Ms H. Ringrose, Director-General

Ms L. Andrews, Director, Corporate Development and Communication Unit (Acting)

Mr I. Warren, Director, Finance and Administration Unit

Mr M. Miller, Commissioner for Fair Trading

Mr W. Briscoe, Executive Director, Liquor Licensing Division (Acting)

Ms C. Maconachie, Executive Manager, Liquor Licensing Division (Acting)

Mrs F. FitzPatrick, Commissioner for the Office of Body Corporate and Community Management

Mr B. Bauer, Director, Commercial and Consumer Tribunal

Mr I. Mitchell, Chief Executive Officer, Tourism Queensland

Mr D. Ronai, Executive Director of Corporate Services, Tourism Queensland

The CHAIR: The hearings of Estimates Committee F are now resumed. The next item for consideration is the proposed expenditure for the Minister for Tourism, Fair Trading and Wine Industry Development. The portfolio areas will be considered in the following order: Fair Trading, Wine Industry Development, Tourism, Liquor Licensing and then Dispute Resolution.

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 each 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 and answers 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 name. I also ask that all mobile phones and pagers be switched off or on to silent mode.

I now declare the proposed expenditure for the Department of Tourism, Fair Trading and Wine Industry Development to be 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 you may make an opening statement, but the committee asks that you kindly limit it to five minutes.

Ms KEECH: Thank you, Madam Chair, and thank you for this opportunity to present my proposed budget for examination to your committee. Thank you to all government and non-government members of the committee. Madam Chair, Queensland tourism is flying high because of an air access boom over the past 12 months. Tourism growth depends on access. You can have the best attractions in the world, but their potential is wasted if access is limited.

There have been dramatic increases in international and domestic flights and seat capacity into Queensland: a 27 per cent hike on domestic routes and a 20 per cent boost in international seats. This provides a huge opportunity for a tourism industry, which is right back in full swing after being helped by the Beattie government to rebound from the impacts of world events and the Ansett collapse. A highlight of the tourism year will be the implementation by the government through Tourism Queensland of destination management plans for the state's regions. DMPs are comprehensive strategic plans which will take regional tourism planning to a new level. They will help deliver Beattie government Smart State objectives and build jobs in our regions. The plans confirm Queensland's position at the forefront of the industry.

It is clear from my travels both within and outside Australia that when it comes to tourism Queensland has no peer. We prove that time and time again. We have the best product, the best

infrastructure, the best regional structure, the best operators and the most innovative thinkers. We have the government most committed to the industry and in Tourism Queensland, and with the support of my department, we have the best marketing and structural body in the nation. We have entered a positive new era for tourism in 2004 with Queensland's Year of the International Tourist being announced by the Premier. Backed by unprecedented support from the Beattie government, the industry is shaping up for a bumper year, but this is no time for us to rest on our laurels. The Beattie government has provided across-the-state industry support, both directly and indirectly, with a \$920 million investment in tourism, which will help the government deliver on its charter to build Queensland's regions. Our government has always taken its consumer protection role very seriously indeed and it will continue to do so.

Every single Queenslanders is a consumer and, therefore, a potential client of the Office of Fair Trading. Fair Trading is building a proud regulatory record both in compliance and enforcement and in proactive programs aimed at educating consumers to make responsible decisions in the marketplace. It is the national leader on a number of consumer protection fronts. I am pleased that Fair Trading in recent years has worked hard to improve its standards, performance and service delivery whilst at the same time boosting its credibility and reputation with consumers. Like other regulators, the Office of Fair Trading is not perfect, but it will continue to strive for improvement. As minister, I am proud of the dedicated staff who continue to work hard to provide advice, direction and assistance to consumers from Coolangatta to Cairns, from Bedourie to Bowen and from Burketown to Cunnamulla, and I congratulate them on their efforts throughout the past year.

The Commercial and Consumer Tribunal, lead by Chairperson Julie-Anne Schaeffer, will continue to provide fair and just outcomes for Queenslanders in a low cost and timely manner. It will be helped with an extra \$200,000 this year. I am pleased that for the first time dispute resolution is an output in my department's MPS. The budget includes \$303,000 additional funding for the Office of the Commissioner for Body Corporate and Community Management to manage its growing disputes case load. With more than 50,000 people flocking to Queensland each year, community living is growing in popularity. Such rapid growth brings with it many challenges. My department recently released a discussion paper for the purpose of inviting public and industry comment as we move to ensure that Queensland continues to provide the most progressive and flexible legislation covering community living.

The Liquor Licensing division will continue to work closely with other agencies in the implementation of alcohol management plans for indigenous communities across Queensland. I would also like to thank the director-general and all the staff of my department for their hard work over the past year and I look forward to working with them, in conjunction with my ministerial staff, in delivering on Beattie government priorities over the coming year. Thank you, Madam Chair.

The CHAIR: Thank you, Minister. We will commence with the area of Fair Trading. The first period of questioning is allocated to non-government members. I call the member for Beaudesert.

Mr LINGARD: Thank you. Minister, your budget in Fair Trading for this year shows only a few thousand dollar increase from last year. Following recent criticism in the media, your senior officers are quoted as saying that the challenge is to best direct whatever resources we are given by government to address the issue. Yet they also say that there is no limit to the amount of resources that you need. Minister, what increase did you request from the Treasurer to administer the Fair Trading department?

Ms KEECH: I thank the honourable member for the question with respect to the budget for the Office of Fair Trading. As you can see at page 1-15 of the MPS, Fair Trading Services has a revenue budget of \$33.382 million in 2004-05. This is an increase of \$602,000 from the 2003-04 adjusted budget of \$32.78 million. I inform the committee that the reason for the increase is an additional \$370,000 in funding to help the office meet increased costs of full national crime history record checks from the federal agency CrimTrac. Such checks will be conducted on more than 25,000 businesses and occupational licence applications. The balance of the increase mainly relates to enterprise bargaining salary increases in 2004-05.

On top of the \$33.382 million revenue budget, Fair Trading also received \$1.5 million in administered appropriations for the Property Agents and Motor Dealers Claims Funds. The fund provides financial assistance to Queenslanders affected by unscrupulous marketplace activities.

With respect to the issue that the honourable member raised regarding my approach to Treasury, I inform him that any negotiations in the Cabinet Budget Review Committee are cabinet in confidence. Therefore, I am not able to share that information with you. I am very happy with the \$602,000 increase that we received.

There would not be a regulatory body in the entire world that would not ask for more resources every year. That is a fact of life whether it be a police service or the Office of Fair Trading. We are always keen to seek additional resources. Given that we are a government that is committed to not increasing taxes we have to deal with the cake as it is. I am thrilled with the \$602,000 increase from the 2003-04 adjusted budget. Through the mid-year review in December 2001, the Office of Fair Trading received \$1 million funding for 2001-02 and \$1.5 million in recurrent funding for the next four years.

Mr LINGARD: I wrote to you recently and gave you all the details of a lottery scam from South Africa which is being sent to Queenslanders advising them that they have won the lottery. You wrote back and said that because the instigators are outside your jurisdiction no further action would be taken. This is degrading to those who seek and expect your assistance. Quite obviously, it is an open invitation for perpetrators to continue the schemes, especially if they are interstate as well. Why do you not make representations as the minister to other states or to other countries to have these schemes stopped?

Ms KEECH: I thank the honourable member for the question. I do remember the letter that he sent me. I thank him for that. I personally read all letters sent to me. I think you are talking about the David Rhodes scam. This is a serious scam that, unfortunately, has been perpetrated throughout Queensland. Recently, I went to the Office of Fair Trading and viewed 5,000 letters that had been confiscated with the assistance of Australia Post.

This scam is basically a chain letter in a pyramid style. When people receive the letter there are 10 names. People are asked to put their name at the bottom and send \$10 to each individual on the list. It really is a scam. Some 5,000 people have been caught up in that scam. That is probably the tip of the iceberg.

During the year the Office of Fair Trading has worked not only with Australia Post but also with the Australian Competition and Consumer Commission and ASIC on a local, national and international level to investigate these scams. It has also continued to work closely with other key government regulatory agencies and the Queensland Police Service in areas such as fraud, fuel quality and other trade measurement matters and consumer product safety.

We would definitely like to stop these scams. It is very difficult, particularly when we do not have legislation that can impact internationally, to stop these individuals perpetrating these scams. Many Queenslanders are too trusting. When I went through and looked at the names and addresses of the individuals on those letters, many of them came from regional areas. I think that shows that Queenslanders are too trusting. That is why it is important from both a media and education perspective that we get our message out that these scams are out there. The thing people should do when they get these scam letters is to throw them in the bin. It is very important not to read them or engage in the activities but simply throw them in the bin.

Mr LINGARD: Do you not think it would be much better to write back to people and say that you are trying to contact people interstate or overseas rather than just say that that is out of jurisdiction when it comes from another state? People lose confidence in your department.

Ms KEECH: With the scams there is no evidence whatsoever that people are losing confidence in my department. We are at the stage now with our education and media programs regarding scams that people are not writing to us or contacting us on our 1300 number to inform us that they have become victims of schemes but instead—and I am very pleased about this—they are writing to let us know, as you did, about the scams. They have already been educated through our communication strategy that they are simply scams and they should throw the letters in the bin. They are also encouraging other people to look out for them. The Office of Fair Trading does not have international jurisdiction but we work very carefully with ASIC and the ACCC and the United States and United Kingdom regulators.

Mr LINGARD: I honestly do not think you can blame the Queensland public for becoming very disenchanted with a department that spends \$34 million and continually says that it cannot do anything except tell people to use their commonsense. Page 1-8 of the MPS under Responsible Businesses refers to proactive compliance monitoring and targeted blitzes of motor dealers. How many complaints have been received over the past three years relating to the practices of winding back the odometers in cars? What number resulted in an enforcement action or prosecution?

Ms KEECH: I thank the member for the question. The Office of Fair Trading has contacted other jurisdictions and can confirm that Queensland is the only state to have pursued proactive compliance in relation to odometer tampering. It appears that Queensland is the only state in Australia to have pursued criminal charges against a motor dealer for odometer tampering.

You may recall from a media release that Garry Sidney Cunningham is now languishing in jail after being convicted of odometer tampering. Since July 2001, the Office of Fair Trading has successfully finalised 34 court and tribunal proceedings in relation to odometer tampering with penalties of over \$292,000 being imposed.

Our latest prosecution was just this week when an unlicensed dealer in Townsville was fined \$6,000 for winding back odometers and selling vehicles without a licence to do so. The court heard how Hank Schoolderman bought one vehicle for wrecking but instead presented it to a buyer with a odometer wind back of 130,000 kilometres.

This latest prosecution is further proof of the Office of Fair Trading's determination to ensure motor dealers meet their obligations under the law and to weed out rogue backyard operators who rip off consumers. OFT will continue its attempts to stamp out the deceitful practice of odometer tampering. Recent media reports suggesting that undertakings by the Premier and other ministers have not been pursued by the Office of Fair Trading are incorrect.

I have further information regarding enforcement and prosecutions. In 2003-04 enforcement proceedings relating to odometer tampering were finalised against 13 traders. This resulted in penalties of over \$47,000. Two traders had their licences cancelled. One trader has been disqualified from holding a licence for five years, which is a significant penalty. Five traders have been disqualified for 10 years and one trader has been permanently disqualified.

OFT recently successfully prosecuted Garry Sidney Cunningham in the Brisbane District Court under the Criminal Code for 64 counts of fraud in relation to the winding back of odometers in used vehicles. Mr Cunningham, an unlicensed motor dealer, was convicted and sentenced to 12 months imprisonment to serve four months with the condition that if he broke the law within the next two years he will serve an additional eight months in prison.

Mrs STUCKEY: I also refer to page 1-8 of the MPS under Responsible Businesses with regard to monitoring and target blitzes of real estate agents. What has your department done to protect property owners from predatory scouting agents who breach section 113 of the Property Agents and Motor Dealers Act by acting as agents for buyers without written appointment who then persuade owners to sell to their buyer clients but seek to have the sellers pay the agent's commission?

Ms KEECH: I thank the member for the question. The regulation of real estate agents falls within the responsibility of the Office of Fair Trading under the Property Agents and Motor Dealers Act 2000. The Office of Fair Trading has undertaken a significant amount of compliance activity in this industry since the act commenced on 1 July 2001. I take this opportunity to give the committee some facts. Over the past three years more than 3,000 spot checks have been conducted in the real estate industry. In 2003-04, 592 enforcement actions were finalised against real estate agents, auctioneers, property dealers and restricted letting agents.

These actions included 324 infringement notices, 253 warnings and 15 court and tribunal matters were finalised. During this period, warnings and prosecution details were categorised under the legislation and not in specific industry groups. So this information also includes a whole range of real estate agents, motor dealers, commercial agents, auctioneers and property developers. With respect to compliance activities in the real estate industry as the member has noted, during 2003-04 there were a number of major compliance activities in relation to the industry undertaken by the Office of Fair Trading. These included a statewide blitz in May and June 2003 by OFT to determine whether the conduct of auctions was in accordance with the Property Agents and Motor Dealers Act. No instances of dummy bidding were detected. However, 10 warning letters were issued to auctioneers for failing to properly register bidders.

I want to share with you other investigations that were completed. Brian Sullivan's licence was disqualified for 15 years and his company Michelin Pty Ltd had its licence cancelled as a result of the non-banking of \$43,000 in trust moneys. There are also significant enforcement actions pending. Some of those include 114 counts of failing to disclose permissions initiated against three entities on the Gold Coast, five counts of falsely converting trust account moneys initiated again against a real estate agent on the Gold Coast, and an injunctive action against Summa Petere Pty Ltd and other individuals is pending in the Supreme Court pursuant to the Fair Trading Act 1989 for acting unconscionably in eight transactions.

Mrs STUCKEY: Following on under responsible businesses, are you aware of the recent Supreme Court case Jones v. Millward and Pervan which was reported in the last edition of the Queensland Law Society newsletter. A north Queensland real estate agent called George Pervan, who is the Deputy Mayor of the Johnstone shire and a prominent ALP member, was found to be acting as a buyer's agent without a written appointment and then tried to get an appointment as the seller's agent and even admitted to backdating the appointment after the contract was signed. What action has your office taken against Mr Pervan considering he breached not only section 133 of the act, which is a very serious offence carrying a maximum fine of \$15,000, but also section 162 because he acted for more than one party to the transaction?

Ms KEECH: I thank the member for the question. As I said, the Office of Fair Trading does have responsibility for the Property Agents and Motor Dealers Act which includes the area which you refer to. Given that I personally am not aware of the case that you refer to, I refer the issue to the commissioner.

Mr Miller: I would respond to the honourable member by saying that I am not familiar with that particular case. But through the minister, we will attempt to get an answer before the end of the proceedings in terms of what action is on foot in relation to that specific case.

Mrs STUCKEY: Thank you. May I please table for the committee the—sorry, I beg your pardon. I do not need to table anything if you are going to get back to me. I do apologise, Minister. In the wake of revelations that some real estate agents are targeting bereaved relatives through death notices, what has the Office of Fair Trading done to stop real estate agents from using information from state government databases for invasive direct marketing purposes?

Ms KEECH: I thank the member for the question. I say at the outset that this is something that we have discussed previously. These examples of real estate agents targeting grieving relatives is

something that I do not condone. It is something that the industry—the REIQ—does not condone at all and is an activity that I really believe is despicable. There are a number of ways that we are working with the industry to stamp this out. One of those ways is through the negotiations I have had through my ministerial colleague the Hon. Tom Barton, the Minister for Employment and Training, to ensure that this sort of behaviour is not encouraged in any sort of training programs for those people who seek to enter the real estate industry.

As I said, it is a practice which is not condoned at all. I would certainly encourage the honourable member herself or any members at all that if they have knowledge of this to pass it on to the Office of Fair Trading and we would be more than happy to follow it up. Very shortly after I had the honour of being appointed as the Minister for Fair Trading I met with the board of industry stakeholders—the REIQ. One of the issues that we discussed at that meeting was a code of conduct for real estate agents. I can assure the committee that the industry does not condone this sort of behaviour at all and neither does the code of conduct. I really encourage the member that if she has any instances at all of this sort of behaviour occurring I would be pleased to hear about it whether personally or through the Office of Fair Trading.

Mrs STUCKEY: Thank you, Minister. I do beg the pardon of the committee. I would like to table the record from the Supreme Court of Queensland of the Jones v. Millward and Pervan case. I seek leave to table that Supreme Court record.

The CHAIR: One moment while I consult with the secretariat.

Ms KEECH: Madam Chair, if the member cannot table it, we are just happy to have it passed over to us and that will help us—

The CHAIR: No, I have advice that it can be tabled.

Leave granted.

Mrs STUCKEY: Thank you. Minister, why have staffing levels in the Office of Fair Trading Compliance Division remained static over the last three years when population levels have surged by more than 240,000?

Ms KEECH: I thank the member for the question. Could you give me the page in the MPS that you are referring to regarding staffing numbers?

Mrs STUCKEY: It is page 1-6.

Ms KEECH: I thank the member for the question. The MPS data that you have is a snapshot of the full-time equivalents as at 30 June each year. A better indicator of resourcing is the average full-time equivalents over the year. So I want to share that with the member and the committee, if I may. What I will do is go from 2001 up to 2004. I will do Fair Trading first and then I will do the Compliance Division so that you will have a better snapshot. In 2001-02 the Fair Trading portfolio itself had almost 308 full-time equivalents. In 2002-03 we had 325 and in 2003-04 there were 325—the same. However, with the Compliance Division, in 2001-02 we had 55.4, in 2002-03 we had 63.3 and in 2003-04 we had 68.7. So you can see that there has been some increase. The staffing for the Fair Trading portfolio increased by an average 17 full-time equivalents from the 2001-02 levels due to a number of reasons. For example, there was new recurrent funding of \$1.5 million to establish the Strategic Compliance and Enforcement Unit. There was also additional regional staff and investigators. As well, we had new recurrent funding of \$0.7 million to establish the Residential Services Accreditation Branch. An additional \$0.4 million was also provided in 2003-04 to resource the introduction of new regulations covering inbound tourism, the fitness industry and introduction agents. Average staffing for the FTE data for the Compliance Division in Brisbane depicts the effect of the establishment of the SCEU in 2001-02 and the transfer of the C and R branch in 2003-04.

The other issue that I just want to bring to the member's attention is that there are a range of ways that the Office of Fair Trading is able to outreach to consumers, and one of those is through our fantastic web site. I do not know if the member has had an opportunity to have a look at that, but I would encourage her some time during your busy life that she do that. We have had a huge number of hits. I think we have had about two million hits on our Fair Trading web site. Sorry, I am advised that it is 600,000 individual hits. That has been a significant increase from the previous year from 480,000.

Mr LINGARD: I refer to recent allegations about odometer tampering by a Brisbane Holden dealership and media reports that General Motors Holden provided a tool to enable retailers to adjust an odometer with less than 100 kilometres on it. Minister, given the implication that multinational car manufacturers may have encouraged retailers in odometer tampering, do you concede that your compliance efforts in this regard have failed to catch the big offenders and have consistently ignored this widespread practice?

Ms KEECH: I thank the honourable member for the question with respect to odometer tampering, and recent media reports have referred to this. I will just give you some additional background information. Office of Fair Trading inspectors have attended not only the Holden dealer that you referred to which was Armstrong Holden dealership at Woolloongabba but also nine other Holden dealers in the

Brisbane area and clarified the dealer's responsibility in relation to odometers and queried their use of a tool which you referred to. It is a tool called Tech 2 machinery to wind back odometers. Investigations are ongoing in relation to this issue, including regional visits to dealerships. I join with the honourable member in saying that, like you, I have serious concerns about this. Firstly, I did not even know that there was such a tool in existence and that a Holden dealership would be using this tool. The Office of Fair Trading is currently gathering intelligence in relation to the Tech 2 machinery and will be seeking clarification of the machinery's applications and instructions of use from General Motors Holden.

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

Mr HAYWARD: Minister, page 1-12 of the MPS refers to improving financial literacy for young people. Can you please provide details of how you are going to achieve this important goal?

Ms KEECH: I thank the honourable member for Kallangur for the question. One of my key priorities since becoming minister has been to improve the financial literacy amongst young people in our community. As a local member, I have seen the detrimental effect that excessive credit has within the northern Gold Coast area. I am sure that this is not isolated just to my electorate, and all members are aware of the effect of the burden of excessive credit use in their own electorates. That is why the Beattie government is working to develop a financial literacy program within our school system and particularly within our secondary school system. I believe that it is important to educate Queenslanders at a young age so that they are informed consumers before they start purchasing things like mobile phones or second-hand cars.

After discussions with Minister Anna Bligh, I am pleased that a new partnership has been forged between the Office of Fair Trading and Education Queensland to develop a financial literacy package for years 10 and 11 for use in Queensland schools. Financial literacy covers a number of subject areas and, as such, it will be designed to provide Fair Trading advice across a variety of curriculum activities, including maths, English and commerce. For example, reading and understanding a contract requires strong English skills but understanding the true interest rate within the contract requires mathematical skills. Fair Trading staff are working with Education Queensland to produce new resources for the middle school years of grades 7, 8 and 9 to further expand what is taught in Queensland schools, again educating potential consumers earlier in life. I am also asking the Ministerial Council on Consumer Affairs meeting in August to agree to work collaboratively with the Ministerial Council on Education, Employment and Youth Affairs on a national approach to building financial consumer literacy skills for young people.

The need to improve financial literacy is not just confined to Queensland. It is critical to include consumer and financial literacy skills into the relevant state curriculums to ensure that our children are taught basic consumer and financial literacy skills. You are never too young to learn. Consumer knowledge and the ability to make responsible decisions will be retained for life and that is why I am so passionate about the consumer knowledge and financial literacy program that I am implementing.

Mr HAYWARD: Minister, I refer you to page 1-12 of the MPS. Can you please provide details of the educational programs that you will run over the next 12 months to specifically target consumer education?

Ms KEECH: I thank the member for the question. Consumer education is an extremely important part of the work of the Office of Fair Trading and it complements the office's compliance and investigative powers. As I have previously said regarding financial literacy, early education is critical to ensure that we have well-informed consumers. The Office of Fair Trading has developed a number of education campaigns that directly target young people, the elderly and indigenous Queenslanders, and other programs that target the consumer on the street. The Buy Smart schools competition is currently running in schools across Queensland and is designed to educate young consumers in a fun and interesting way. I am looking forward to the opportunity of seeing some of the entries. I recently launched Get Out There, a survival guide for young adults which has been distributed to all year 12 students and youth contact programs throughout the state. In 2004-05, the Office of Fair Trading will work to improve Queenslanders' credit behaviour through its Control Your Credit campaign. The next phase will focus on improving young Queenslanders' level of financial literacy. The Shop Smart campaign will educate consumers on their rights and responsibilities and will promote refund rights, smart shopping online and how to make a complaint. I am sure that honourable members have seen the absolutely fantastic products. There are fridge magnets and a whole range of interesting and informative articles.

In the last financial year, the number one category of complaint to the Office of Fair Trading was household and personal goods. This includes everyday items that people purchase such as whitegoods, electrical appliances, food and clothing. Shop Smart helps Queensland consumers to make more responsible purchasing decisions and to understand their rights when buying items in the marketplace, particularly during busy periods like Christmas.

I will continue to issue alerts and advice as part of the Scam Smart campaign, which builds on the theme of increasing consumer responsibility. This campaign aims to educate Queenslanders so they can recognise and reject scams. The success of this approach was shown by the interception—as I said earlier to the member for Beaudesert—of the 5,000 David Rhodes chain letters. Rather than being

caught by these scams, Queenslanders are playing a proactive role in identifying the scams and notifying the Office of Fair Trading so that it can warn other consumers of the dangers and take action against the perpetrators. I really appreciate the efforts of local members, such as the member for Beaudesert, to alert me and the Office of Fair Trading to these scams.

The CHAIR: Minister, I note from page 1-12 of the MPS that you are placing a strong emphasis on informing businesses of their rights and responsibilities in the marketplace. Can you please detail some of the campaigns that the Office of Fair Trading will be conducting to better educate the business community?

Ms KEECH: I thank the member for the question. The Beattie government, through the Office of Fair Trading, has a comprehensive program of communication and educational activities to improve awareness of the rights and responsibilities of both traders and consumers in the marketplace. Responsible businesses improve marketplace integrity and build consumer confidence, both of which contribute positively to economic growth in Queensland. The Office of Fair Trading's communication and educational activities are an integral part of its regulatory function. It maintains a strong focus on ensuring that appropriate marketplace rules exist, that they are well communicated and that reactive and proactive enforcement activities effectively deter poor trading behaviour.

A number of business campaigns are being undertaken in 2004-05 and I will share those with the committee. The Trade Smart campaign raises awareness of and improves Queensland businesses' compliance with fair trading legislation. This campaign will build on the 23 free small business seminars on fraud prevention that were conducted throughout the state from March to July 2004. The Office of Fair Trading's key publication for businesses, the *Good Business Guide*, is being comprehensively reviewed and will be relaunched later this year. Each year this guide is distributed to over 40,000 new businesses. It provides information and advice to businesses on their fair trading rights and obligations. A biz facts email newsletter will be created as part of the Trade Smart campaign and will be sent regularly to all business name holders and occupational licensees. This update will provide Queensland businesses with a regular one-stop shop for all fair trading information on issues impacting on business.

The Beattie government is ensuring that business operators and their staff have the tools and the information that they need to operate effectively in their industries. The *Good Business Guide* is provided along with the issue of a new licence to assist a licensee to understand their obligations. Key messages are developed and distributed via updates, media promotions, web site information and direct mail to help ensure that businesses understand their obligations and comply with legislation. A regular program of promoting enforcement activities and outcomes will help ensure that businesses are aware of compliance activities and of the consequence of being caught out.

The CHAIR: Minister, reference is made on page 1-12 of the MPS in relation to Fair Trading awards. Can you please provide details about these awards, including when they are likely to start?

Ms KEECH: I am really excited about this. It is one of my initiatives since becoming the Minister for Fair Trading. Many people in our community provide important consumer support. Therefore, I have decided to initiate a Fair Trading awards scheme. These awards recognise the valuable contribution to consumer advocacy and fair marketplace practices made by community organisations, businesses, industry, the media and school teachers. The awards will be presented on international consumer rights day in mid-March next year. These awards not only recognise the important work that the recipients have undertaken but also advance consumer and business fair trading education objectives. Nominations for the Fair Trading awards will be called for in October this year through media promotion and direct mail. I am looking forward to writing to each member of parliament to encourage them to nominate somebody for an award. The Fair Trading awards categories will include community organisations, teachers, businesses, and there will be media awards and a minister's award.

The Fair Trading awards will be a key component of the first Queensland Fair Trading Week, which is designed to bring into focus and raise awareness of fair trading issues and to promote people in the community who are exhibiting good practice and innovation in fair trading. Many of these people are often volunteers who work for consumer associations and do absolutely brilliant work with their local communities and with the Office of Fair Trading. The cost will be met from the existing Office of Fair Trading budget allocations for consumer and business education. I also expect to seek sponsorship from industry. I am very excited about these awards. Every day I see wonderful ambassadors for consumer rights in Queensland—young and old—and I am excited about sharing their achievements with the wider community.

Mr CHOI: Minister, I refer you to page 1-11 of the MPS. Under the title of 'Fair Trading Framework' the report states that the Office of Fair Trading will commence a review of the Security Providers Act 1993. What has prompted such a review and what does it aim to achieve?

Ms KEECH: I thank the honourable member for the question. This is another area that I am passionate about. I am very excited about an opportunity to review the Security Providers Act. One of the first phone calls I received after I became the Minister for Fair Trading was from Mr Ron Monaghan, the State Secretary of the Liquor, Hospitality and Miscellaneous Workers Union. He was seeking a review of the Security Providers Act. At the time, Mr Monaghan informed me that his union and

employers in the security industry had formed a committee called the security providers act review committee—or SPARC—to begin reviewing the legislation. I commend the employers, the stakeholders and the union for being proactive and setting up this committee.

Queensland already has very high standards in place for the regulation of the security industry through the Security Providers Act. The Office of Fair Trading has been working closely with industry representatives to ensure that the act meets current community expectations. However, since its enactment in 1993, the legislation has not been subject to a major review. With the help of union and industry representatives through SPARC, a full review of the act will be carried out in the 2004-05 financial year by the Office of Fair Trading.

I place on record my sincere thanks to the members of SPARC for the work that they have done to date. I look forward to working closely with them over the coming months to review the current act. I was fortunate to meet with SPARC in May to discuss the review and I was very impressed with the passion of the employers and their keenness to work with the union and with my department to ensure that the review is undertaken in a timely manner.

As a precursor to the review, the act was subject to a national competition policy review in June 2002. This involved extensive consultation with both industry representatives and the community. It identified a number of issues requiring further investigation. In more recent times, the unfortunate death of cricketer David Hooke has focused attention on regulation of the security providers industry throughout Australia. Factors such as the ongoing need to keep thugs out of the industry and to respond to community perceptions of increased crime levels mean that this review is timely. The act regulates private investigators, crowd controllers, security officers and security firms. I have asked the Office of Fair Trading to report to me on the outcomes of the review by June of next year. Any recommendations for legislative amendments arising from the review will then be actioned.

Mr CHOI: Minister, I refer you to the same section of the MPS, which states that the Office of Fair Trading will be preparing legislative reforms for national regulation of unfair terms in contracts. Can you please provide the committee with further information about this important initiative?

Ms KEECH: I thank the honourable member for the question because this is an area of key importance. At a recent meeting I attended with the Queensland Consumers Association, they advised me that their number one national objective is removal of unfair contract terms. I am sure that all members would support that. The Beattie government has taken this on board and I am working towards the regulation of contract terms. Standard contracts across a range of industries often contain clauses which are complicated and which are confusing to consumers, whether they are highly educated or members of industry. You often find that these terms are very, very confusing. Such contracts are generally on a take-it-or-leave-it basis, are very lengthy and the purchaser may not have a proper opportunity to read the contents before completing the purchase.

The Beattie government is dealing with this issue on two levels. Firstly, the scoping study for the current review of the Queensland Fair Trading Act 1989 notes that unfair contract terms is an area for consideration and that any regulation could be included in an updated Fair Trading Act in Queensland. Secondly, it is being dealt with at a federal level. Queensland first tabled this matter at the Ministerial Council on Consumer Affairs in 2002, where it was taken up as a national project. Queensland and Victoria cochair the national unfair contract terms working party, which has representatives from all state and territory fair trading agencies as well as the ACCC and the Australian Securities and Investments Commission.

On 23 January this year, a discussion paper prepared by the working party was released in order to obtain stakeholders' views on the need for nationally consistent regulation of unfair contract terms. The first part of the discussion paper considers the possible extent of the use of unfair contract terms and the current legal options for addressing them. The paper notes that there are two major aspects to unfair contracts and unfair contract terms: firstly, procedural unfairness, which relates to the circumstances leading up to and at the time of making the contract; and secondly, substantive unfairness, which relates to the unfairness of a term or terms of a contract, which leads to an injustice.

Examples are allowing the supplier but not the purchaser to terminate the contract; penalising the purchaser but not the supplier where a contract is breached or terminated; and allowing the supplier to vary the characteristics of the goods or services to be supplied under the contract. The second part of the discussion paper sets out five options for addressing unfair terms. I would prefer to leave that to another time.

Ms MOLLOY: Good evening, Minister. Minister, on page 1-9 of the MPS mention is made of the Centre for Credit and Consumer Law. Can you please detail the Beattie government's involvement in this centre and how you think it will benefit Queensland's consumers?

Ms KEECH: I thank the honourable member for the question. This is an absolutely fantastic initiative. I know that it will benefit Queensland consumers in a whole range of areas, given that it is the first of its kind ever in Queensland. I really thank you for your interest in this area.

Consumer protection is a high priority for the Beattie government. I was delighted to be part of the creation of a new era in consumer advocacy and research with the opening in May this year of the Centre for Credit and Consumer Law. The centre's main objective is to promote a fairer, safer and more efficient marketplace through well-researched responses to consumer law and credit issues. This is something we have not had to date.

The creation of an independent consumer policy research and advocacy centre is seen as important to balance the influence and advocacy capacity of peak business organisations. It is difficult for individual consumers to band together and present a clear voice in the community and advocate for system changes. It is also difficult for consumers to compile research to support their arguments. For this reason the Beattie government has allocated funding to the centre, which will be based at Griffith University.

The centre will be integrated with Griffith uni, with funding through a grant from the Consumer Credit Fund to the value of almost \$400,000 over three years. The Centre for Credit and Consumer Law gives consumers a much stronger voice in the development of policies that affect them directly. I have said to the centre that I am really looking forward to working closely with it. The centre will advocate for the reform of laws, policy and industry practices, represent and advocate for consumer interests, undertake high-quality research into credit and consumer law, and promote improved links with consumer, government and industry groups.

The centre gives consumers a much stronger voice in the development of policies that affect them directly. The board of the centre will prioritise projects that are particularly relevant for vulnerable consumers. I am pleased that the Commissioner of Fair Trading is represented on that board. Projects will also enable the centre to leverage resources and have a national focus. I was pleased to note the attendance at the launch of the centre of judges, magistrates, consumer advocates such as Professor Allan Fels and academics. I was really quite humbled at their attendance, because it indicates the importance they give to this initiative. It was a glowing endorsement of the Beattie government's funding of the new centre. I certainly look forward to working with Griffith University and the centre and to being involved in its important activities to further the protection of Queensland's consumers.

Ms MOLLOY: I note on page 1-8 of the MPS that the Office of Fair Trading conducted compliance monitoring of inbound tour operators. Can you please inform the committee how the Office of Fair Trading is working to achieve better outcomes for overseas tourists?

Ms KEECH: I thank the member for the question. I acknowledge her passion for tourism in her area of Noosa—not only international tourists but also domestic tourists. The Beattie government's new Tourism Services Act 2003 demonstrates the government's commitment to promoting positive experiences for tourists in cleaning up our inbound tourism industry. It addresses problems including controlled shopping, misrepresentations, overcharging for goods and services and unconscionable conduct. These problems, as the member would be aware, impact on our tourism industry, as tourists may not enjoy their holidays as much as they should and may leave with a negative and distorted view of Queensland. That is the last thing we want. I am particularly aware of the effects of unscrupulous tourism operators not only in my role as Tourism Minister but also as a minister representing the Gold Coast, one of the state's major tourism destinations. In fact, I recently visited Surfers—that was probably within the first week or so of being appointed as minister—to meet with traders who had concerns regarding unscrupulous operators.

The Tourism Services Act 2003, I am proud to say, is another first in Australia by the Beattie government. No other Australian jurisdiction has even attempted to clean up problems in the inbound tourism industry with targeted legislation. The key to successful outcomes is to work closely and strategically with the tourism industry. We certainly need its help and assistance.

The Office of Fair Trading is currently working with industry to gain intelligence on the challenges involved in identifying and prosecuting offences under the Tourism Services Act 2003. On 18 June 2004 the Office of Fair Trading conducted a workshop with industry representatives to discuss the issues involved in identifying rogue traders and to develop a compliance strategy to effectively enforce the new Tourism Services Act 2003. That workshop was attended by a range of representatives from theme parks and other industry sectors.

The first phase of the compliance strategy is under way and consists of intelligence gathering and undertaking a number of spot checks on tour guides and inbound tour operators. I guess the frustrating point from a compliance point of view is that there has been much hearsay about this problem; however, we have not at this stage been able to get the names of operators who are actually contravening the act. That is why I welcome the undercover and intelligence gathering activities of the Office of Fair Trading.

The CHAIR: The time allocated to the area of Fair Trading has expired. The committee will now move to the area of Wine Industry Development. I call the member for Beaudesert.

Mr LINGARD: Minister, I refer to page 1-29 and the reconciliation of output statements in the budget for the Wine Industry Development portfolio. I note that the wine industry development department has a budget of approximately \$57,000, which is the same as last year when it was under

State Development. In answer to questions on notice you told me that it has a staff of six. Why have you not been able to increase this very meagre budget?

Ms KEECH: I thank the honourable member for the question and acknowledge his support of the wine industry, particularly in his electorate. The total budget for 2004-05 is \$838,000. This budget comprises \$500,000 a year for four years, I am very pleased to say, \$89,000 in recurrent budget transferred from the Department of State Development and \$249,000 additional budget reallocated for 2004-05 from existing resources within the department.

Total staffing is six full-time equivalents, comprising two permanent officers and four temporary officers. It should also be noted that my department has made only two permanent staff appointments. One of these is a staff member transferred from the Department of State Development, who I have to say is doing an excellent job, and the other is a senior project officer, whose services we certainly appreciate.

The Wine Industry Development Division has already been partially established through the machinery of government transfer of staff from the Department of State Development, as you indicated, and through a \$500,000 funding allocation in 2004-05. I am very happy that the Beattie government has committed to pour \$2 million over the next four years into helping to develop Queensland's wine industry. The honourable member is very fortunate to represent an area of wine growing and recognises the great potential of the industry not only to create new jobs to develop rural and regional centres and to generate export earnings but also to provide new tourism experiences for visitors to our state and to our regions.

As Minister for Wine Industry Development I aim to take Queensland wines to Australia and to the world through a strategy and action plan which provide a vision for the future development of the industry. Initiatives will focus on a whole range of areas and include viticulture research and development, regional promotion and development, web information, and investment and promotional opportunities for Queensland wines.

One thing the director-general and I have been very keen to indicate is that we want to ensure our Wine Industry Development Division is very focused on industry. That is why we have done a major amount of consultation with the industry. In fact, yesterday we were able to have the eighth of our stakeholder meetings, which was very well attended by a range of industry stakeholders, not only from the wine industry but also academics, representatives from the Restaurant and Caterers Association and other industry groups. They are very excited about the initiative of the Beattie government in the establishment of not only Queensland's first and not only Australia's first but also the world's first Wine Industry Development portfolio. I thank the member for his interest.

Mr LINGARD: I think all people might be interested in the fact that we have a portfolio, but a portfolio which, as I mentioned, has only six staff obviously will lead to mockery and suggestions that it is a department in name only. Now that it has come to the committee's attention that this portfolio operates under the same budget and staffing restrictions as occurred when it was under the Department of State Development, how can Queensland's wine industry be confident that your department will assist in growing the industry when it is revealed that this portfolio exists virtually in name only?

Ms KEECH: I thank the member for the question. I will give some facts with respect to the creation of the wine industry division within the department. In line with the priorities and strategic objectives of the government and the wine industry, a Queensland wine industry development strategy and action plan will be developed in partnership with the wine industry. Although the government will play a critical leadership role, it will be the wine industry itself that will need to champion and to a significant extent implement the strategy.

I can guarantee that, although the honourable member may have reservations about the Beattie government's commitment to the wine industry division, no single operator, whether it be a wine grower, a cellar door manager or a tourist operator, has any reservations whatsoever. In fact, they are thrilled that the Beattie government has taken the initiative of creating the world's first wine industry portfolio. Secondly, they are really excited at the opportunities this presents not only to take Queensland wines to Australia and to the world but also to work in collaboration with the department to compile the wine industry strategy and see it go to cabinet. I can assure the honourable member that I as minister am very serious about the responsibility I have. So, too, is the director-general. We are very excited about the potential, as is the industry.

It should be clearly understood that many other government departments have provided and continue to provide assistance to the Queensland wine industry in the course of their normal departmental business and support services. The honourable member has indicated a department. I will give a couple of examples of how other departments contribute to the portfolio. The Department of State Development and Innovation has a range of schemes and grants that the business industry in Queensland can access. State Development operates the Regional Business Development Scheme for existing wineries. The RBDS usually provides up to 50 per cent of total eligible costs of a project for up to one year. An example project might be the conduct of feasibility studies on the viability of winery expansion. In fact, I have spoken to some growers who have been able to use this scheme. State

Development also operates a business resource centre which aims to help Queensland businesses research their industry customers and competitors so they can take advantage of all the opportunities available.

Mr LINGARD: Obviously, the Queensland wine industry has fantastic potential. The federal government supported the wine industry by extending the wine equalisation tax rebate ceiling. The Queensland government could surely assist in the cellar door rebates. What is the Queensland government doing regarding cellar door rebates to assist the industry? Will the government return these cellar door rebates to the industry and how will it do so to ensure the industry benefits?

Ms KEECH: Was there a particular MPS that you are referring to?

Mr LINGARD: No, it is just a comment.

Ms KEECH: With respect to Mr Costello's recent budget, I have to say that I was probably the only minister in the Queensland government who was able to find some good news in that budget, and certainly after working with the Premier and writing to the minister with respect to the wine equalisation tax I was pleased to see that at long last Peter Costello did recognise the importance of Queensland's wine industry and was able to give some exemption particularly to small growers. I always believe in giving credit where credit is due and I did publicly acknowledge the small relief provided. I have to say that, in discussion with growers, they consider it to be a small relief, but certainly it was welcome.

With respect to the rebate scheme to which you referred, changes after the announcement in the budget will lead to the replacement of the current cellar door rebate scheme with a new wine producer rebate of up to \$290,000 per annum. The new scheme will commence on 1 October 2004. It will effectively exempt the first \$1 million in domestic sales at wholesale value made by wine producers from the wine equalisation tax. As you would be aware, most Queensland wine producers will then pay no wine tax and for them state cellar door rebates will become redundant. It is estimated that Queensland's largest winery will receive a state cellar door rebate in the vicinity of around \$170,000, I am advised, for its cellar door sales made during the year ended 30 June 2004.

Under the new arrangements this winemaker will now be eligible for a rebate of \$290,000 for all its wine sales and not just for the cellar door sales component. This is something that was raised in discussions with industry, particularly at the Highfields forum which was held in late March. So I certainly welcome the exemptions for the cellar door sales component. This new scheme will greatly assist the profitability particularly of small winemakers across the state and particularly winemakers in your area.

The CHAIR: I remind committee members that, because this is an examination of the budget estimates, questions should relate at some level to the MPS.

Mrs STUCKEY: Minister, I refer to 1-17 of the MPS, the last dot point, which states that your office will participate in state and national forums and initiatives to promote Queensland wine and the Queensland wine industry. Is it true that you declined an invitation to the recently held Queensland wine show—a highly important industry event in Australia which is attended by a group of the most eminent winemakers from around the country? Is it also true you do not particularly like drinking wine? If that is the case, how can you convincingly promote the rapidly emerging Queensland wine industry when you fail to support major industry events and do not fully appreciate wine?

Ms KEECH: I am not too sure I can say I thank the member for the question given it is a personal reflection and personal reflections are not allowed under the standing orders. So I do take exception to that personal reflection. With respect to my attendance or non-attendance at functions, as a new minister I receive hundreds and hundreds of invitations every week for a wide range of activities. I could honestly say every single one that comes to my attention I would love to attend. Unfortunately, because there is only one of me and 24 hours in the day, sadly I have to decline many functions.

I was very pleased that my department was able to attend the function on 3 July. A special dinner was held as part of the Gold Coast convention of hinterland wineries. So I was glad that I was able to be represented by my department. In fact, I attend a wide range of wine industry functions and I always enjoy attending them.

Something else I would like to inform the committee of is that recently I had the opportunity to launch the Gold Coast food and wine trail. This trail is a joint project of the state government, the Gold Coast City and Beaudesert councils, and also the Gold Coast Tourism Bureau. It is the first themed tourist drive on the Gold Coast. It is about 83 kilometres long and there are 100 signs. I do not know about your area but in my area I am surprised at the number of locals who are not aware that we have a wine-growing area so close. So this new wine trail will certainly encourage its promotion.

I would like to refer back to a previous question which was asked by the honourable member. I have a correction regarding web site hits on the Office of Fair Trading web site. For your information, in 2002-03 the number of web site hits was 219,009 and in 2003-04 there was a substantial increase to 562,635. I encourage you to go to that web site because it is absolutely fantastic. That is an extra 343,626 hits, so an increase of almost one-third of a million hits to the Office of Fair Trading web site.

The CHAIR: The time for non-government questions has all but expired.

Mr CHOI: Minister, I note on page 1-16 of your department's report you are supporting the growth of the wine industry. Can you advise the committee what assistance and advice your department provides on the ground to the wine industry and what is some of the research to date of this advice and assistance?

Ms KEECH: I thank the honourable member for the question. New investors such as Mount Tamborine Estate recently received advice on licensing requirements, wine production, cellar door operations and assistance with securing Queensland grape supplies. This resulted in new investment and increased employment for this company which benefits the industry. Another winery currently under development in the Gold Coast hinterland which many of you may know is Witches Falls winery. My department assisted this winery to resolve a number of development application issues with the local government that potentially could have seen the work on this new winery cease. The staff of my department were able to negotiate a more flexible approach for local government that made sure the winery's development plans could go ahead. These efforts were acknowledged by the winery owners, who contacted my director-general and passed on their appreciation.

The department has also provided advice to a number of Queensland wineries who recently participated in the 2003-04 Hotel and Food Asia Expo in Singapore. Canungra Valley Vineyards, Mary Byrnes Wine and Tamborine Estate Winery all participated in this Asian event. Tamborine Estate has since confirmed their first export orders following their involvement in the event, and that is certainly good news

While on the subject of wine exports, several other wineries have received advice and assistance from Craig Rutledge of the department's Toowoomba office. Craig's assistance contributed to a number of wineries progressing their export plans including Ballandean Estate Wines, which is going to be a new exporter to Vanuatu, Mary Byrnes Wine, which is a new exporter to the United Kingdom, Tamborine Estate, which is a new exporter to Thailand, and Rimfire wines, which is a new exporter to Singapore. So my department provides potential leads and network opportunities to the industry.

Officers recently escorted a delegation from Singapore who are considering Queensland wine exports to China. The delegation visited wineries in the Granite Belt region and had discussions with members of the Gold Coast hinterland wine industry association. We have also played an important role in promoting the virtues of the Queensland wine industry through our financial contribution to wine trade shows, displays, exhibitions and other industry events. For example, the department is currently coordinating a Queensland wine stand for the 2004 wine Australia show in Sydney in November of this year. This is the largest wine trade show in the southern hemisphere and attracts thousands of wine enthusiasts, visitors and buyers. We are aiming to take around 25 local wineries to Sydney for this major industry event.

Ms MOLLOY: Minister, I note that your department is currently developing a Queensland wine industry strategy, page 1-17 of the MPS. Could you please update the committee on the progress of the development of the strategy? What practical help do you think the strategy will deliver to the Queensland wine industry?

Ms KEECH: I would be delighted to do that. The Queensland wine industry development strategy and action plan will be developed in partnership with the wine industry to make sure that industry and government are working together to address those issues which are the greatest priority for developing the Queensland wine industry. Although the government will play a critical leadership role, it will be the wine industry that will need to champion and, to a significant extent, implement the strategy.

As I said earlier, a series of eight regional workshops have been held and feedback from them will provide the basis for the creation of the strategy. These regional information gathering workshops have been hosted in regional Queensland centres by the various wine industry associations, and I would just like to share with the honourable member some details about those. They were extremely well attended and I was very enthused by the passionate response to the workshops. On 6 May we had the Gold Coast Hinterland Wine Industry Association, on 15 May the north Queensland fruit wine association, on 23 May the Somerset valley wine industry, on 8 June the South Burnett wine industry, on 18 June the Sunshine Coast wine industry, on 1 July the Granite Belt and on 6 July Darling Downs. Scenic Rim Wine Industry Association members were invited yesterday to join the business workshops at the Brisbane Convention and Exhibition Centre. I thoroughly enjoyed meeting the attendees. The workshops are providing the basis for the strategy and so far have assisted with identifying what development means to the wine industry members in the regions, identifying key areas of concern and issues for each region of the Queensland wine industry which will provide the basis for developing strategies and actions, creating awareness of the role the Department of Tourism, Fair Trading and Wine Industry Development and broadly advising the process for the development of the wine industry development strategy and action plan and participants' involvement in that process.

The department has also received electronic submissions from those wine industry participants unable to attend a regional workshop. Usually they were out working in the vineyards. Consultation will occur with other stakeholders including business and government. Issues identified to date for which action plans will be developed in the strategy include viticulture, research and development, integration

of food and wine tourism, regional promotion and wine event participation, investment attraction and coordination at a whole-of-government level to develop the existing Queensland wine industry. Whilst these issues are not the final list, they are indicative of the progress to date on strategy development. The draft strategy will be available for public consultation in the near future and the Premier will launch the strategy later this year.

Mr HAYWARD: I note that on page 1-17 of the MPS your department will participate in initiatives to promote Queensland wine and the wine industry. Can you please provide details about these initiatives that will occur over the next 12 months?

Ms KEECH: I would certainly like to do that. The Beattie government is committed to assisting the growth and development of the Queensland wine industry, as I have indicated. There are a number of exciting projects under way in my portfolio which will shape the time frames and focus of any changes to the Wine Industry Act 1994. In partnership with the industry, my department has commenced work on a Queensland wine industry development strategy—a strategy that will clearly articulate the vision and direction for growth in the state's wine industry.

In conjunction with the development of this strategy, two other key activities are occurring. Firstly, the Wine Industry Act 1994 is being reviewed to ensure it provides a contemporary approach to regulating the industry. At the same time, the existing wine licensing processes in place within the Liquor Licensing Division are being reviewed to ensure that they are efficient and effective, and support industry development. I have told the industry I will deliver a licensing and regulatory system for wine producers that speeds up licensing processes and is relevant to the needs of the industry. This is one of the issues that was raised at our very first forum at [Highfields. I am happy to be working on this one in conjunction with my director-general and the industry.

I have told producers that an efficient regulatory framework will stimulate industry growth. I want to ensure the industry is developing to its full potential while maintaining its integrity. Given that the existing wine licensing processes under the act are being reviewed, it is likely that a number of amendments to the act will be considered as part of a bill containing a range of miscellaneous amendments to the Liquor Act 1992 during 2004. By the end of 2004, with the completion of the Wine Industry Development Strategy and the revision of the Wine Industry Act and wine licence processes, the Beattie government together with the Queensland wine industry will have both a vision and direction for growth in the state's wine industry and supportive regulatory framework.

The CHAIR: Minister, I refer you to page 1-17 of the MPS, which indicates that the Wine Industry Act 1994 will be reviewed in conjunction with the strategy. Can you please give details of this review, including time lines and the purpose of the review?

Ms KEECH: I am happy to do that. I am absolutely delighted to advise that my department has committed to a variety of trade shows, wine festivals and wine events during the next 12 months to help promote our outstanding Queensland wine industry. In fact, since the inception of the Wine Industry Development Division in March 2004, involvement with the Queensland wine industry has taken place and there is a whole range of events that we have taken part in. There has been a variety of shows. For example, on 12 June the Rural Agriculture Society in Queensland held a wine show in Toowoomba. My department sponsored the award for the best table wine produced from Darling Downs grapes. Gary Mountain Estate won the award for the 2002 cabernet sauvignon. On 18 to 20 June the Brisbane Wine Festival was held at the Carlton Crest Hotel and my department sponsored the top Queensland white wine award, which was won by Robert Shannon wines of Stanthorpe.

There are a range of other shows that we have attended. For example, on 3 June the Gold Coast hinterland wine makers dinner was held at the Gold Coast Convention and Exhibition Centre. A special dinner was held as part of the opening celebrations which featured six Gold Coast hinterland wineries. There was a six-course dinner featuring Queensland food matched with the hinterland wine. That was an outstanding way to promote the wines of the Gold Coast and Beaudesert shires.

There is a range of future events that we are looking forward to. There is the Hilton master class series in July. Also in July there is the Queensland Restaurant Caterers Awards For Excellence dinner and, of course, the RNA will have a wine tasting room at the RNA in August. My department is co-sponsoring the wine room as part of a food and wine pavilion at the RNA. I encourage honourable members who are at the RNA to come along and enjoy some great Queensland wines. I have been advised that 17 Queensland wineries will be represented in the pavilion. That is outstanding.

The CHAIR: That concludes the committee's examination of the expenditure in respect to wine industry development. The committee will now take a short break and resume its hearings at 5.45 when it will examine the areas of tourism, liquor licensing and dispute resolution.

Sitting suspended from 5.34 p.m. to 5.45 p.m.

The CHAIR: The committee will now continue its examination of the portfolio of the Minister for Tourism, Fair Trading and Wine Industry Development. The committee will now consider the area of tourism. I call the member for Beaudesert.

Mr LINGARD: Minister, I have already criticised the budgets for fair trading and the wine industry, but I really think that the budget for tourism is downright embarrassing. When you look at state budget papers in Western Australia, Tasmania and the Northern Territory, they have all had massive increases in their tourism budgets. In Queensland, we see a reduction by 1.8 per cent, and it is even greater from the 2001-2002 budget. Why have you or your department been unable to convince the Treasurer that tourism needs more dollars?

Ms KEECH: First of all, I thank the honourable member for the question. I am not too sure where your mathematics comes from. My maths do not show a reduction at all. In fact, the Beattie government's commitment to the Queensland tourism industry has never been stronger, I am proud to say.

Tourism Queensland has a base budget of \$39.95 million for 2004-05. That is the highest in its history. Special purpose funding takes the government financial contribution this financial year to more than \$43 million, which is almost \$5 million more than any other state. I certainly do contest the figures that you have there.

On top of that, we have \$10.2 million in funding for Queensland events, including \$2.4 million for the successful Regional Events Program. Also, there is \$11 million for the Gold Coast Indy, another \$2 million over three years for stage 2 of the Drive Tourism program, which creates five new routes across Queensland—the Country Way, the Great Inland Way, the Pacific Coast Way, and Leichardt Way between Goondiwindi and Rockhampton. There is \$500,000 a year for wine industry development, with wine and food tourism a major component of that funding.

Contrary to the member's comments, we have not slashed funding to Tourism Queensland as claimed yet again. I guess the alleged slashing is something that happens about this time every year by the opposition. There is clearly a big difference between base funding and special purpose funding. As I have said, we have provided a record base budget to Tourism Queensland this year.

When it comes to tourism marketing, Tourism Queensland is the undisputed leader of the pack. The variations you take such delight in highlighting have come about because of special purpose funding to respond to such major events as the Asian economic melt down and, more recently, the Ansett collapse, September 11 and the SARS outbreak. We retain the capacity to seek additional funding if required—if, unfortunately, some other international event happened, although we certainly would never want to see that happen.

The Beattie government backs tourism. We always will and we always do. Government support of tourism goes way beyond direct funding to Tourism Queensland. Over the past two years we have injected a staggering almost \$1.3 billion into the tourism industry in both direct and indirect support. We have provided infrastructure like, of course as you would know, the Gold Coast Convention and Exhibition Centre, a \$111 million investment, and also the Cairns Esplanade and City Port projects, which are reshaping the CBD and the Strand development.

Mr LINGARD: Minister, obviously we can disagree, but federal figures show that in 2001-02 Queensland had \$45.4 million, in 2002-03 it had \$43.4 million, and this year only \$42.6 million. You have declared 2004 the International Year of the Tourist. Despite the increase in web site usage which you have already referred to, the tourism industry has not reflected significant growth. The number of backpackers coming to Queensland has fallen significantly behind the increases in New South Wales and Victoria. Why has this campaign failed?

Ms KEECH: I thank the honourable member for the question. I would prefer not to agree to disagree with respect to funding for tourism bodies in other states. I would like to inform the member with respect to budgets for tourism bodies besides Queensland. I would like to share that information with you. Let us go through them: Tourism Tasmania \$29.4 million, Tourism Western Australia \$34.6 million, Tourism New South Wales \$37.8 million, South Australian Tourism \$39.5 million, Northern Territory Tourism \$34.8 million, Tourism Victoria \$34.6 million and, as I said, Tourism Queensland leads the pack nationally with \$43.4 million for 2004-05. Clearly our figures are very different to yours. I am proud to be able to state that Queensland does support the tourism industry with record funding again this year.

With respect to the issue of backpacking that the honourable member commented upon, in June I convened a backpacker industry forum to discuss the key issues impacting on Queensland's backpacker market, which is very important to us, particularly in the areas of Whitsunday and Noosa and other areas of our regions. The backpacker industry forum was held on 27 June and was attended by key industry representatives to discuss backpacking in Queensland. In fact, there were 31 attendees from a range of areas.

A joint industry and government working group has now been established to develop a broad backpacker industry strategy for Queensland and it is meeting for the first time tomorrow. This industry is very important and we really do want to grow it. The strategy will help to foster the future growth and development of Queensland's backpacker market.

In the meantime, Tourism Queensland continues its role expanding international airline capacity through developing business case studies for airlines. This will make it easier for international visitors, including backpackers, to fly directly to Queensland. As I said in my opening statement, it is access that is most important for almost all tourists to Queensland but particularly, of course, for the international market. There has been a 20 per cent increase in international seat capacity to Queensland or an extra 10,500 seats between April and October. There are now 255 flights and 63,300 seats per week into Queensland.

Mr LINGARD: You would know that there are many people on the Gold Coast and in areas like Mackay who are very critical of Jetstar and the problems that might be experienced. There is a lot of criticism, which obviously neither the government nor Jetstar has been able to contain. You have not criticised the move by Qantas to introduce Jetstar services into the Gold Coast and other regional areas. I wonder whether you have received a guarantee from Jetstar that it will not fly out of Avalon in Melbourne? It costs \$50 for a taxi to get to Avalon airport from Melbourne, which is one hour away. Have you received a guarantee from Jetstar that it will not use Avalon?

The CHAIR: Before the minister answers the question, I go back to my comments before about questions relating to the MPS. I am going to leave it to the minister whether she answers that question.

Ms KEECH: Thank you. With respect, I do recognise that standing orders encourage members' questions to be directly related to the budget process and I thank the honourable chair for her ruling. With respect to me being given a guarantee regarding Jetstar flying out of Avalon, of course certainly there are commercial decisions to be made regarding where airlines fly from, whether it is from Avalon or wherever. The answer to that categorically is, no, I cannot give you a guarantee.

One thing I do know is that taxi fares in Melbourne are very expensive. I certainly agree with that. I am not too sure exactly how much it would cost to take a taxi from Melbourne to Avalon, but I am sure it would be around that amount of money, perhaps even more than that.

With respect to Jetstar, Jetstar's decisions are based on commercial evaluations and any questions relating to their schedules should be directed to them. They are based very clearly on purely commercial decisions. They have an operation to run. They have to ensure that they provide services that also make a profit. Clearly it is not a decision that a government member should be making.

What I do recognise is that, as I have said earlier, for example with regard to the Gold Coast, which the honourable member mentioned, what we want—and I am sure the member for Currumbin would agree with me—is more tourists. How do we get more tourists? We get them there by road and mainly by air. I welcome any operator, whether it is Jetstar, Virgin or Qantas, that can bring more seats to the Gold Coast. I am absolutely delighted that Jetstar has been able to bring about 5,000 extra seats per week to the Gold Coast. That is good news for the tourism operators.

Certainly when I have been speaking to the new Gold Coast Tourism CEO, they have welcomed those extra seats coming into the Gold Coast because they mean additional tourists. Whether you are a family or a single person, you have a budget for your holiday and you do a couple of things with regard to decision making. You either spend a lot of money on your flights or else you get cheap flights from, for example, Jetstar or Virgin and then you can spend that extra money on the Gold Coast at theme parks and accommodation. Who wins there? The Gold Coast or the destination wins, be it Whitsunday or Noosa. They all win. Brisbane wins as well. I am really excited about Jetstar and I support extra seats from any commercial airlines coming into Queensland.

Mr LINGARD: Minister, I refer to page 2-1 of the MPS. It is quite public knowledge that the tourism industry suffered post September 11, the Bali bombings and the war on Iraq. Was any contribution given to increased funds to RTOs as a result and, if not, why not? Will you provide the total amount of funding provided to each tourist organisation in RTO funding and convention and incentive funding for this financial year? You have provided it for other years, but what of this financial year?

Ms KEECH: You have asked a couple of questions and I am happy to go through those. With respect to the RTOs, it was regarding RTO additional funding in relation to the Bali bombing?

Mr LINGARD: Yes.

Ms KEECH: As you are aware, Queensland's network of 14 regional tourism operators receive \$3.11 million per annum in funding from the Queensland government. The six regional tourist organisations with the convention bureau are supported through convention centre funding of \$1.875 million per annum. This is part of your second question. The government's funding represents only a small percentage of budgets of the largest regional tourist organisations, but for the smaller regional tourist organisations it represents a greater proportion of their total budget and is therefore more significant.

Tourism Queensland's destination base approach to marketing has channelled substantial funds and human resources towards assisting the regional tourist organisations with their marketing and product development roles. Tourism Queensland works with the RTOs when it allocates its marketing budgets to ensure that funds are allocated according to destinations marketing needs. RTOs also

require strong support from local councils and community stakeholders. I acknowledge the councils who are doing good work in supporting their regional tourism organisations, but I think that there are some other councils in Queensland that could really put their hand in their pocket and do a little bit more to support the regional tourism organisations who do such great work in bringing tourists to their area and providing jobs.

I will deal with the convention incentives first and then I will move on to Bali. The convention and incentive sector is worth about \$1.6 billion a year for Queensland. In 2002-03 the government committed \$7.5 million over four years until 2005-06 to the convention and incentive sector. Funding of \$8 million was provided to the convention bureau between 1998-99 and 2001-02. In fact, convention and incentive funding increased \$1 million between 1997-98 and 1998-99. Until 2005-06 the Beattie government will invest \$15.5 million in the convention bureau. Coinciding with this funding, a different formula was introduced to distribute the funding to recognise performance at a destination level. All six convention bureaus receive base level funding of \$120,000 to provide resources to employ marketing managers and for administration assistance.

With respect to the other part of your question, if I may.

The CHAIR: Do you consent to an extension of time?

Mr LINGARD: No, do not worry.

Ms KEECH: Thank you. I was happy to answer it for you.

The CHAIR: The member for Currumbin.

Mrs STUCKEY: Thank you, Madam Chair. Minister, I am referring to MPS 2-4 once again to the tourism aviation plan to develop domestic and international air services. In very recent discussions you endorsed Jetstar's no frills low cost, in fact saying to the Tourism Export Council that it was a huge plus for the local tourism industry. Minister, one has to question why your government would build a convention centre and then support a move to halt their major business air link, Qantas, and one has to ask why your comments are at such odds with the ALP member for Southport, who said it was a disastrous position. Minister, would you please clarify why your government is sending mixed messages to the public?

Ms KEECH: I thank the honourable member for the question. There are a couple of things I would like to talk about, first of all, with respect to the domestic airline situation in Queensland, and then I will talk about Jetstar, particularly on the Gold Coast.

The government's Commercial and Tourism Aviation Plan acts as the blueprint for developing domestic and international air services for Queensland, providing broad strategic direction for future airline route development opportunities. My portfolio continues to work closely with the airlines and airports in particular to maximise air access to Queensland and to benefit regional economies. The increase in the seat capacity and frequency currently being experienced is good news for Queensland. As I said earlier, it is very important that we have the additional capacity to ensure that we can bring as many tourists, whether they be domestic or international tourists, to our regions—whether it is to the Gold Coast, the Whitsunday or Noosa. The more tourists who come here the better.

With respect to the Gold Coast domestic air services, compared to July 2003 the Gold Coast has received an overall increase in capacity of 50 per cent—I will repeat that, 50 per cent—compared to last year. The recent opening, as you indicated, of our \$127 million convention centre on the Gold Coast was well overdue, as the Premier indicated. It was an absolutely brilliant opening. I am aware of the importance of both adequate air access and capacity to book groups on key routes into the Gold Coast. I am advised that Jetstar is working on the Gold Coast to deal with issues and concerns that key stakeholders have with aspects of the Jetstar model. This includes access to seats for group bookings as well as issues arising from international group transfers. Tourism Queensland continues to closely monitor the impact of air access and ability of conference planners and groups to secure group bookings.

With respect to Jetstar, they operate 61 services per week on the Sydney to Gold Coast route, and 28 services per week on the Melbourne to Gold Coast route. This is around 11,100 seats per week. Between July 2003 and 2004 there was a 62 per cent increase in capacity between Sydney and the Gold Coast, and a 43 per cent increase from Melbourne. That is good news for the Gold Coast. There are also services to the Gold Coast from Adelaide, Canberra and Perth.

I know that there has been some issue with respect to the provision of business class services to the Gold Coast. I am sure that given that this is again a commercial decision if there is a need for additional business class services on Qantas, then I am sure that Qantas would be looking at reviewing their plans. Again, as I said, it is a commercial decision and it is in the hands of the airlines themselves.

Mrs STUCKEY: Thank you, Minister. MPS 2-1, under 'strategic issues', says that Tourism Queensland has developed a destination management planning process designed to achieve a number of outcomes. Would the minister provide details of Tourism Queensland's activities internationally, and particularly New Zealand? By what assessment mechanism are they deemed to be generating, in your

own words, millions of dollars in public relations value? In other words, how do you quantify how effectively Tourism Queensland spends taxpayers funds when their campaign thrust is merely to get prospective holiday makers into retail travel agents rather than targeting potential tourists before they have made up their minds and are still considering their destinations?

Ms KEECH: That is a very wordy question. As I have said earlier, the important thing is to get as many tourists to Queensland as possible. That is why the Premier has announced that 2004 will be the Year of the International Tourist. With respect to international marketing levels and spending, \$9.9 million will be spent marketing Queensland internationally in 2004-05. This will be used to maintain Queensland's presence internationally, and for ongoing trade servicing and marketing initiatives. We will continue to work with trade partners and tourism Australia to ensure that we all leverage all mainstream consumer market investment. Australian Airlines activity will continue with a new focus on building Queensland's destination awareness, particularly in the Japanese market. I will come to the New Zealand market in a minute. We will build on the work over the past two years to market the airline's services. International marketing spend will be accompanied by ongoing international media publicity, as you said, generated by coordinating travel arrangements for visiting travel agents and media. This is valued at around \$170 million.

With respect the member's question about the use of additional publicity that we have been able to get through other areas, Tourism Queensland does an excellent job. I was able to go on the inaugural flight from Brisbane to Los Angeles, and whilst I was there I was able to farewell a range of very senior United States tourism writers and accommodation writers who were going on the inaugural Los Angeles to Brisbane flight. I did not know the actual names of the publications, but I was informed by Tourism Queensland staff from the Los Angeles office that these people were very, very important in the industry. They were going to Brisbane to write articles about Queensland and our tourist destinations. This sort of advertising that we get is something that the Queensland taxpayers could never pay for. That was certainly one way that we would be able to leverage off the activities of Tourism Queensland.

I will ask the CEO just to talk with respect to New Zealand given that that is an operational matter.

Mr Mitchell: Internationally we spend not just money in terms of marketing our product overseas. In fact, the majority of the consumer marketing overseas is actually the responsibility of Tourism Australia, formerly the Australian Tourist Commission. Our role over there is certainly trade marketing—that is one part of the role—and responsibility. Publicity is another, using online is another and also talking to consumers. So we do spend some cooperative funds with the Australian Tourist Commission, but generally we need to use all four methods to try and promote tourism. We do trade missions from Australia, and we attend various trade shows organised from the Australian Tourist Commission. It is all part of the process to try to get more New Zealanders coming to Australia.

Mrs STUCKEY: Briefly, Minister, the assessment mechanism that I was asking about as far as Tourism Queensland is concerned, would you briefly touch on that please?

Ms KEECH: Thank you. I appreciated the question; I just did not have time to talk about that. With respect to publicity—as I said, publicity is generated through a whole range of sources and some of the issues I talked about earlier. For example, exposure via Australia's television and lifestyle programs, newspapers, magazines and freelance print journalists; exposure through a media familiarisation program under which Queensland plays host to film crews and journalists from overseas; media workshops undertaken throughout Queensland to educate operators on how to write their own press releases and maximise publicity opportunities; media outlets are able to access ready-made stories from Tourism Queensland's media web site; and media outlets accessing tourism operator media releases posted on the Tourism Queensland media web site. Familiarisation trips offer the opportunity to showcase a region to tens of thousands of potential visitors through magazines, newspapers and television.

With respect to the method of calculating the amount of publicity and the value, the publicity value is calculated using the methodology equating publicity at three times the advertising rate. This is achieved by measuring the columns—centimetre lengths of papers and magazines—and multiplying this figure by the official advertising rate card and then multiplying by three. For electronic media the relevant advertising rates for 60 second commercials are used as a base and are multiplied by a factor of three. This formula is also used by the Australian Tourist Commission.

The CHAIR: The time for non-government questions has expired. I call the member for Capalaba.

Mr CHOI: Thank you, Madam Chair. Minister, there seems to be some confusion regarding the level of funding provided by the government to Tourism Queensland, as indicated by the first question asked by the honourable member for Beaudesert. Can you please look at it again and outline what support the government is giving to Tourism Queensland?

Ms KEECH: I would be delighted to do that, and I thank the member for Capalaba for the question. I am pleased to stand on my record and the Beattie government's record with respect to funding for Tourism Queensland and this state's tourism industry.

This year Tourism Queensland has received another record base budget of \$39.95 million. Additional special purpose funding of \$3.42 million has been allocated for business events, international marketing and drive tourism. We are once again supporting the business events sector with \$1.875 million in support for Queensland's six dedicated convention bureaux. Internationally a further \$1 million has been allocated for the final year of Australian Airlines marketing funding. This is the final year of \$4 million in special initiative funding over the past three years to help market Australian Airlines services linking Cairns and the Gold Coast with key Asian ports. Finally, to implement stage 2 of the \$2 million drive tourism program Tourism Queensland will direct \$140,000 over the next three years to support the launch and marketing of the five routes which I mentioned earlier. There will be improvements to directional and road safety signage and the erection of regional and town gateway signs. I also in particular want to thank the Main Roads and the Minister for Main Roads, Paul Lucas, for his support on this. This takes the total Tourism Queensland budget to, as I said earlier, \$43.4 million—more than any other state or territory body. This makes Tourism Queensland the highest funded state tourism organisation in Australia, something that I am very proud of.

By comparison Tourism New South Wales receives \$37.8 million and Tourism Victoria receives \$34.6 million. Major initiatives to be undertaken by Tourism Queensland in 2004-05 include the launch of the destination management plans and the research and information web sites at the Tourism Futures Conference in August, which the director-general and I are looking forward to attending, along with people from Tourism Queensland. The plans will help to inform the government, industry and community of tourism industry decision making.

Other initiatives include: progression of the drive tourism and tourism in protected areas initiatives in partnership with the government; the generation of efficiencies through participation in destination Australia partnerships in the United Kingdom and Europe with Tourism Australia and the other tourist organisations; and a focus on evolving and repositioning the commercial division to remain relevant to the dynamic market environment. The Beattie government's support for tourism extends far beyond Tourism Queensland's budget. Over the past two years, the government has injected almost \$1.3 billion into the tourism industry in direct and indirect support and infrastructure.

Mr CHOI: This year has been declared the Year of the International Tourist. What activities have been undertaken by Tourism Queensland to increase its awareness?

Ms KEECH: Thank you for the question. I am happy to inform the committee that during a trade mission to the United Kingdom earlier this year the Premier declared 2004 the Year of the International Tourist. The year 2004 is just the beginning of a revitalisation process for Queensland's international markets being undertaken by Tourism Queensland. This is because outcomes from much of the groundwork being undertaken this year will not materialise until 2005 and beyond. By declaring 2004 the Year of the International Tourist we are acknowledging the difficult few years experienced in international markets. As you would recall, first there were the September 11 terrorist attacks, then the war in Iraq and, more lately, SARS.

We are also making it clear that we will do the groundwork now to guarantee a stronger future for Queensland operators. Our aim is to help revitalise our tourism industry. Central to the revitalisation is a major research project currently being undertaken by Tourism Queensland. The research will help to reprioritise the state's international markets and identify opportunities for investment by Tourism Queensland and industry in areas where there is a maximum return on investment.

This research is in addition to the work undertaken through TQ's destination management planning process which will assist with the alignment of international strategies and planning with the regional tourism organisations. While the research is being undertaken, TQ will continue to work closely with the revamped Australian Tourist Commission, now known as Tourism Australia, to ensure that there is a substantial amount of time, resources and money invested into making Queensland a holiday destination of choice for international tourists.

I will be meeting with the new chair of Tourism Australia, Tim Fischer, at the Tourism Futures Conference in early August to discuss opportunities available to Queensland. In a challenging internationally environment I will continue to ensure that there is a strong Queensland presence at key international trade shows and sales missions, particularly in those markets that show significant growth potential for Queensland.

In Queensland we like to develop smart strategies and none more so than in the important international market. Long ago Queensland recognised how a relatively small investment in bringing international media and travel trade to Queensland could result in incredible levels of free publicity—publicity that money could not buy. That is something that I mentioned earlier in answer to a question from the member for Currumbin.

Through the efforts of TQ and key partners, over \$170 million in publicity was regenerated in 2003-04 through coordinating travel arrangements for more than 40 film crews, 300 journalists and 1,000 agents. However, you can have the best product, but if you do not have adequate air access you will not realise the results. That is why I am very excited about the additional capacity we have coming to Queensland with Jetstar and Virgin.

The CHAIR: The Whitsunday Visitors and Convention Bureau continues to attract high levels of convention centre business and flow-on tourism benefits to our regional area. I know you touched on this before, but could you give us further details about how much funding Tourism Queensland will contribute to the state's convention bureaus in 2004-05?

Ms KEECH: I would certainly enjoy doing that. Madam Chair, I recognise the incredible work that you do as the local member in promoting the tourism industry in the electorate of Whitsunday. When I meet people from the Whitsunday electorate they sing your praises and they certainly know your face, know your name and recognise your contribution to promoting tourism in the region. I would really like to acknowledge your work.

The convention and incentives sector is worth a staggering \$1.6 billion a year for Queensland's economy. It also has big spin-offs for the tourism industry with pre- and post-convention touring a popular option for many conference delegates. In 2002-03, the government committed \$7.5 million over four years until 2005-06 to the convention and incentives sector. The Queensland government owns convention facilities in Brisbane, Cairns and, of course, the Gold Coast. But our support for the convention and incentives sector goes further. The 2004-05 budget included \$8.5 million for the upgrade and refurbishment of the Cairns Convention Centre. The recently opened Gold Coast centre received around \$111 million in state government support and is expected to generate around \$200 million a year for the local economy. This will help to create more jobs in one of Australia's fastest growing regions. It is said to be the most significant infrastructure project in the last 20 years. As the Premier says, it will create jobs jobs jobs.

I encourage honourable members who have not had a chance to visit the new Gold Coast Convention Centre to do so. It is absolutely magnificent from an architectural point of view and from the contribution that it will make in terms of tourism jobs not only on the Gold Coast but also in the regions. People will fly into the Gold Coast for their convention, they will tour the wineries of the Beaudesert shire, they will go to the Whitsundays, they will go to Noosa, they will go shopping in Capalaba and they will go shopping in Kallangur. It is a big boost for all of Queensland.

In 2004-05 we will continue to support the growth of the convention and incentives sector through a grant of \$1.875 million to Queensland's six convention bureaus. All six bureaus receive base level funding of \$120,000 to provide resources to employ marketing managers and for administrative assistants. The remaining funding is distributed retrospectively based on a funding formula. Under the formula, a 50 per cent weighting is given to the share of total Queensland delegate days.

The CHAIR: The MPS notes, and you have spoken about, the importance of aviation as the key to tourism success. I am keen to hear more about what Tourism Queensland is doing to develop air services into Queensland and what are some of the recent successes.

Ms KEECH: I am happy to talk further about the aviation industry and its importance to tourism success. The Queensland government's commercial and tourism aviation plan acts as a blueprint for developing domestic and international air services for Queensland, providing broad strategic direction for future airline route development opportunities. Through the plan, Tourism Queensland works in partnership with the airlines and airports to maximise air access to Queensland and the benefits to the regional economy.

Between July 2003 and July 2004 Queensland destinations received a 27 per cent increase in seat capacity on domestic routes. That is good news particularly for our regions. This translates to an estimated 180,000 additional seats compared to the same time last year. The commencement of Jetstar in late May has boosted visits to Queensland's holidays destinations, providing even greater access to the short breaks air travel market.

Recent successes in increasing international access demonstrates that Queensland continues to emerge as a holiday destination of choice in the international market. The further expansion of Queensland's international aviation network is essential to growing this state's tourism industry. There has been a 20 per cent increase in international seat capacity to Queensland between the April and October 2004 scheduling period compared with the same period last year. This represents an extra 10 and half thousand seats.

Tourism Queensland works proactively in consultation with key agencies, airlines and industry partners to increase international air services to this state. New international air services scheduled for Queensland—and I am happy to share these with the committee—are three Qantas nonstop services between Brisbane and Los Angeles from 16 June 2004. This means an additional 1,300 seats per week on this route. Having had the opportunity to represent the Premier on that inaugural flight, the excitement in the American market with respect to this nonstop flight is absolutely amazing. It is incredible.

I am led to believe that it takes about four hours off the current flight time, which has stopovers in Auckland and Sydney. It is of particular advantage for businesspeople. There is tremendous excitement about it. I am led to believe that it will mean an additional \$89 million to the Queensland economy, which is incredible. At the present time there are three of these services per week. I am hoping that will grow to

five services per week by the end of year. That would be wonderful for Queensland, particularly our regions.

Ms MOLLOY: Minister, around the tourism traps you hear a lot about destination. So I would like to refer you to page 2-1 of the MPS and ask: what are Tourism Queensland destination management plans and how will these assist the development of regional tourism?

Ms KEECH: The honourable member for Noosa is an absolute passionate supporter of tourism in her area, and why would she not be given the wonderful destination she has? Thank you for the work that you have done as well. Tourism is a dynamic, fast-moving sector of business, impacted by global and local events and characterised by fragmenting markets and business interest. Tourism Queensland is addressing these contemporary issues and trends through a comprehensive knowledge-driven strategic planning program which commenced in 2003.

This progressive strategic planning program is designed to provide clear direction and strong leadership for the future growth and development of Queensland's tourism industry. It is comprised of three components. There are 12 destination management plans developed in conjunction with industry. There are 12 destination knowledge banks, which will provide online access to the plans and supporting research. There is a tourism industry coordination plan.

I will officially launch the destination management plans and associated destination knowledge banks at the Tourism Futures conference in Townsville in early August. These comprehensive strategic plans will take regional tourism planning to a new level by providing tourism stakeholders with a research based tourism framework that is designed to promote a cohesive approach to sustainable tourism growth and industry profitability. One of the key strengths of the tourism management plans is this cohesion and the knowledge bank program. It is very exciting. Queensland is the only state that is doing it.

There are plans for Brisbane, Bundaberg, central Queensland, the Fraser Coast, the Gold Coast, Mackay, the outback, south-east Queensland country, the Sunshine Coast, Townsville and tropical North Queensland. We are all included. Each plan will include an expansion of the tourism business planning framework, a rationale for destination management, a destination description, performance review and market analysis resulting from current tourism research and a strategic vision to guide the development, marketing and coordination of tourism in the destination.

The regional tourism organisations and key industry representatives were consulted on the release of the draft destination management plans during October and November last year in completion of the final documents. It is a very excitement time for Tourism Queensland. To correct the record, Madam Chair, there are also plans for the Whitsundays. I congratulate you on being able to be patient enough until that important piece of information was given to me. My apologies.

Ms MOLLOY: Minister, given the international interest in the Australian indigenous community, how is Tourism Queensland encouraging the development of indigenous tourism? I refer you to page 2-4 of the MPS.

Ms KEECH: I thank the honourable member for the question about this very important area and the great opportunities of indigenous tourism. The Beattie government is committed to promoting and assisting with the development of sustainable indigenous tourism opportunities in partnership with indigenous communities. We recognise that tourism offers particular opportunities for employment, social stability, economic independence and preservation of culture and traditions to the significant number of indigenous Australians who live in regional or remote Australia. Tourism Queensland is involved in a number of initiatives to develop indigenous tourism in Queensland. The Tourism Queensland indigenous tourism strategy is foremost in these initiatives. Expected to be released next month following consideration by the TQ board, the strategy will provide the framework to guide the sector's tourism development.

It will outline a partnership approach to increase indigenous involvement in and subsequent benefit from the broader tourism industry, and it really is very important. I believe that the indigenous communities that are hosting these tourism attractions do get the major benefit from the tourists who are coming to their areas. TQ also undertakes a broad range of initiatives to develop indigenous tourism, and I want to outline some of those for committee members. One very exciting initiative is a concept to involve tourists in a campaign to save the turtles of the western cape which are under threat from ghost nets and wild pigs. TQ has been working closely with the Western Cape Regional Consultative Group to develop a new style of remote experience based around selling tours to assist community rangers with the protection of the turtles. The experience will involve tourists working with the Aboriginal rangers to help save Cape York Peninsula turtles. Test trips to gauge market response and local logistical requirements are scheduled for August and October of this year.

Following world-famous Aboriginal potter Thancoupie expressing an interest in developing a series of art camps on her land at Bouchat near Weipa, TQ has been working with commercial operators to help establish these camps. TQ is also negotiating with the Darnley Island Council to develop special event opportunities which would see small groups of visitors come to the island for

events such as the annual Coming of the Light Festival, the only festival of its kind in the world. As well, TQ continues to work with the Cherbourg community to explore the region's tourism potential. The first stage of this process involves the preparation of the Cherbourg-South Burnett tourism needs assessment, and the report is currently being finalised. I really am very excited about the opportunities for indigenous communities in Queensland to participate in the tourism successes, and I thank you for the question.

Mr HAYWARD: Minister, cheaper domestic air fares stimulate demand and mean more tourists for Queensland. How has Tourism Queensland made the most of this opportunity?

Ms KEECH: I thank you for the question, and it is very important. As I said earlier, over the past year Queensland destinations have received a 27 per cent increase in domestic seat capacity or an extra 180,000 seats. Competition between the airlines has also resulted in cheaper domestic air fares to popular tourist destinations like those that we represent here on this committee. This is great news for our tourism industry and great news for jobs in our regions. During the year, TQ made the most of the cheaper air fares. Television coverage played a key role and between February and May Queensland received over \$2.2 million worth of television coverage. This included \$600,000 of Where Else But Queensland television advertising in Sydney and Melbourne. It is very satisfying when you hear visitors from Sydney and Melbourne say, 'We've come up here because we saw your Where Else But Queensland ads,' so congratulations to the marketing people who do a great job. A range of domestic campaign activity was undertaken, including over 175 cooperative marketing campaigns with industry partners.

In tropical north Queensland the Get On Up campaign offered great deals on accommodation and tours. In the last two years, more than 7,000 people have taken advantage of Get On Up deals, resulting in almost \$5.2 million in tourism revenue for the region. A \$335,000 Sunshine Coast campaign in March was supported by a press campaign undertaken with industry partners to assist in the kick-start of Jetstar services which commenced in May. Bookings taken from this campaign for May and June were 40 per cent up on the same time last year. So that is good news for your area. To boost the visitation to the Gold Coast in the post-Easter period, the national Gold Coast's Coast with the Most campaign started on 18 April. As a result of that promotion, many operators reported significant increases in sales compared to the same time period last year. In fact, at a luncheon I attended recently with the shadow minister for tourism at the federal level, Kerry O'Brien, there were operators there who were talking about all of the hotels being absolutely full on the Gold Coast. So they were absolutely thrilled with that Coast with the Most campaign. Gold Coast television commercials aired in Sydney and Melbourne during late April and early May and billboards also appeared in these markets. The ever-popular Whitsundays street furniture campaign coincided—

The CHAIR: It is going well.

Ms KEECH: Thank you for that. It coincided with the Whitsundays Winter Wonderland campaign during May. The street furniture consisted of a bus shelter, tram shelters and poster billboards in the Sydney and Melbourne CBDs. I actually saw them in Melbourne. They look fantastic. It was supported by a billboard campaign during April and May in Sydney and Melbourne with sites, including over the bridge at Melbourne airport which nobody can fail to miss. It is just great. I am sure that the member for Whitsundays is very proud every time she goes to the Melbourne airport.

The CHAIR: Actually, I saw them in Sydney, Minister, and they look fantastic. Minister, thank you. The time allocated to the area of Tourism has all but expired. The committee will now move to the area of Liquor Licensing. The first question will be from the member for Currumbin.

Mrs STUCKEY: Minister, I refer to page 1-16 of the MPS regarding compliance activities in indigenous communities. Why was not Liquor Licensing able to make a determination whether alcohol management laws were breached when the government jet landed on the Lockhart River tarmac with a bottle of wine stashed on board? Why did it take a lengthy and costly CMC inquiry to declare the tarmac an exempted area? Why now has the government backflipped and changed the law to make all tarmacs in dry communities restricted areas?

Ms KEECH: I thank the member for the question. On 3 March 2004 officers of my department received a complaint regarding the presence of liquor on the government jet at Lockhart River airport. The complaint was referred to the police and subsequently the Crime and Misconduct Commission. A determination was made by the Queensland Police Service that the airport tarmac is not a public place and a restricted area and therefore not subject to the restrictions. This finding was not disputed by the Crime and Misconduct Commission. On 12 July of this year cabinet endorsed the recommendations of my department in a joint submission with the departments of the Premier and Cabinet, Aboriginal and Torres Strait Islander Policy and the Queensland Police Service to amend the Liquor Act to specifically include airport tarmacs as part of restricted areas. In fact, we did not change the law. What we did was clarify the law. That was the particular question that the member was asking.

This will remove any doubt as to the status of tarmacs to address sly grogging in particular entering the restricted communities in aircraft. I was very happy to support this clarification. As I said, it was not a changing of the law but purely a clarification. Just some additional information for the member,

the Lockhart River community, which you mentioned, was declared a restricted area on 3 October last year. The restricted area regulation specifically refers to the Lockhart River airport as being included in the restricted area, and now there is strong clarification of that. Under the restrictions, the possession of liquor in public places is prohibited except at the Lockhart River canteen. I would prefer to leave it there.

But I want to go back to something else that the honourable member asked about earlier regarding the civil matter before the Supreme Court, the matter of Jones and Jones v Millward, Lee and Pervan. That is a civil matter which was determined in the Supreme Court of Cairns on 26 May 2004. The Office of Fair Trading has not received a complaint with regard to this matter, but we will undertake to investigate any possible breaches of the PAMDA on the part of the parties involved in this matter. I have been informed that it is irrelevant whether this person is a member of the ALP and that it is not part of the equation whatsoever. They will be dealt with in the same way as any other person if it is proved that they have breached the Property Agents and Motor Dealers Act or another act under the jurisdiction of the Office of Fair Trading. I thank the member for that question.

Mrs STUCKEY: Thank you, Minister, for getting back to me so promptly.

Ms KEECH: You are very welcome.

Mrs STUCKEY: I refer to page 1-1 of the MPS and the 'Departmental Overview' and the fact that the office is continuing to establish collaborative business relationships with relevant key industry bodies, consumer associations and the like. Minister, on 17 May an aggressively toned and confusing letter from the Liquor Licensing Compliance Division was sent to all licensed restaurants throughout Queensland demanding detailed financial records within a three-week period or the owners would face fines of almost \$2,000. Given that senior Liquor Licensing staff have publicly admitted that the letter was, in their words, 'draconian and a bit of a shocker', can you inform the House what action you have taken to rectify this situation and what have you done to ensure all future correspondence is handled better?

Ms KEECH: I thank the member for this question. I will just give some background information regarding the letter that was sent to restaurateurs on 17 May. Under the Liquor Act, restaurateurs and cafes operating under an on-premises meals licence have a degree of flexibility to supply liquor to non-diners. However, restaurateurs have been cautioned since the introduction of these new laws in 2001 that this government will not allow them to become de facto hotels or bars. While the vast majority of licensees are doing the right thing, there is an increasing number of traders who have scaled down their food preparation and are trading primarily as a bar. There are serious concerns about this change of business activity which can unreasonably disturb local amenity through patron behaviour problems and entertainment noise and may not meet local government planning requirements.

There is nothing to prevent licensees who want to trade primarily in the sale of liquor from applying for a general licence. However, they must run the gauntlet, as other traders have, in subjecting their business to review against more stringent planning and licensing requirements for full consideration of the business's potential operational and community risks. With respect to the letter that the honourable member has referred to, it was sent on 17 May reminding restaurateurs of their obligations under the Liquor Act to keep accounting and transaction records in relation to the food and liquor aspects of their business and requesting an income and expenditure statement for the year ending 30 June 2003. It became quite clear that, despite information previously provided to licensees, many were not aware of the obligations and were confused about the records that they were required to keep.

The Liquor Licensing Division has since forwarded another letter to all restaurateurs clarifying the requirements and explaining the reason for the compliant audit, which was to ensure that they were trading in accordance with the approved licence type. Restaurant licensees must be able to demonstrate the primary purpose of the business that they are conducting is the sale of food prepared and served to be eaten on the premises. The sale of liquor is a subsidiary to the sale of food. Licensees have always had to keep business and transaction records under the Liquor Act. In 2002 amendments to the liquor regulation developed in conjunction with Restaurant and Catering Queensland detailed the types of records that would be reviewed if food sales were in doubt. It was not the intention of the Liquor Licensing Division to prosecute licensees who have not kept appropriate account records. However, it will formally remind them of their future obligations. Just further to that point, I have directed Liquor Licensing to send another letter when I became aware of its concerns, and that was the letter that I just referred to here.

Mrs STUCKEY: Thank you, Minister. Madam Chair, I seek leave to table the letter of 17 May from the Department of Tourism, Fair Trading and Wine Industry Development.

Ms KEECH: Madam Chair, I actually have the letter here. You are welcome to table it, but I actually have the letter.

Mrs STUCKEY: I would like to table it please.

Leave granted.

Ms KEECH: Madam Chair, I would like permission to table the second letter which was sent out.

The CHAIR: Leave granted. I call on the member for Beaudesert.

Mr LINGARD: Minister, I understand that there are only seven liquor licensing officers in Cairns to service the entire northern community. Quite obviously this is unsatisfactory for such a large area.

Ms KEECH: While I am waiting for that information, I would like to talk a little about my Liquor Licensing Division, which administers the Liquor Act 1992 and the Wine Industry Act 1994. The division undertakes compliance and educational activities to ensure that the Queensland liquor industry is operating in a socially responsible manner and enhancing the state's reputation as an enjoyable place to live, work and visit.

All liquor licensing officers across Queensland will be required to have an indigenous focus to their work. One additional permanent liquor licensing officer will be appointed to Mount Isa and two additional officers will be appointed to Cairns, making a total of seven officers—as the member said—with a focus on indigenous services. This will substantially increase our capacity to service remote western and northern communities. These officers will be in addition to existing liquor licensing officers based in Cairns, Townsville and Mount Isa, who also service that northern area. They are required to have an indigenous focus to their work as they work with licensees in and around the restricted areas.

A further officer situated in Brisbane will be dedicated to developing and implementing an appropriate strategy for communicating messages about responsible service and consumption of alcohol to indigenous communities across Queensland. I will pass this over to Wayne for him to make any further comments, particularly with respect to Cairns.

Mr Briscoe: One big difference the new funding has made is that the officers in Cairns who will be doing primarily indigenous work will now be permanent as opposed to temporary. Until we received the recent funding from the Queensland government, they were only temporary officers. I might also mention that all Queensland police officers have full powers under the Liquor Act. In northern Queensland, particularly, we seek a lot of assistance from the Queensland police and that assistance is willingly given.

The CHAIR: The time for non-government members' questions has expired. Minister, in relation to the previous question, I note that page 1-21 of the MPS refers to an increase in employee expenses at the department for the indigenous liquor licensing program. Could you elaborate further on where these officers are located and what role these new officers undertake?

Ms KEECH: I am happy to do that and it will follow up on my answer to the honourable member. I am pleased to have secured recurrent funding to engage 10 additional permanent officers to help address alcohol related problems in indigenous communities. This additional funding will allow the department to continue and extend its existing services across the state as part of the government's Meeting Challenges, Making Choices initiative. Existing service provision has included the implementation of restricted areas under the Liquor Regulation 2002 and the complementary license conditioning of community and nearby liquor outlets.

Regional licensing officers have been assisting the Queensland Police Service in joint operations to deter sly grogging and have been providing information and assistance to community justice groups on the law. The funding will enable a permanent officer in Brisbane to continue policy and legislation work on the restricted area declarations and their review in conjunction with the Department of Aboriginal and Torres Strait Islander Policy. A communications officer will ensure that appropriate information is provided to community members, tourists and other stakeholders. An administrative support officer will issue restricted area permits and assist with policy research. Three officers will be appointed in Brisbane. The majority will be regionally based to continue providing direct community assistance and support for police operations.

A principal liquor licensing officer, four liquor licensing officers and an assistant liquor licensing officer will be based in Cairns. This will create development and progress opportunities through the organisation for appointees. The six new permanent positions will replace the three existing temporary positions. An additional officer will be appointed to Mount Isa to assist the current licensing officer and to provide services to western Queensland. Regional licensing officers have played a significant role in the development and implementation of liquor restrictions in indigenous communities. With this funding, they will continue their support and monitoring role. Preventing and counteracting sly grogging is a priority issue and helps to ensure that community aspirations for a better quality of life have the best chance for success.

The newly funded positions have been advertised and appointments will be made quickly over the coming months. To ensure that there is no gap in service delivery, the officers who are working with the department in temporary licensing officer positions will continue in their roles until 31 August. They will also have every opportunity to apply for the permanent positions. The appropriate assistance is being provided to them, with job application training already completed.

Mr HAYWARD: Minister, the Liquor Licensing Division, as part of its obligations under the Meeting Challenges, Making Choices strategy, has declared and implemented alcohol restrictions in indigenous communities. This is mentioned on page 1-16 of the MPS. Will the Liquor Licensing Division be involved in a review of the alcohol management plans which resulted in these restrictions being imposed and, if so, what can it contribute?

Ms KEECH: I thank the member for the question. The Liquor Licensing Division is involved in the alcohol management plan review that is being led by the Department of Aboriginal and Torres Strait Islander Policy. The review will examine the effectiveness of the plan and whether the liquor restrictions have improved life in these communities. The review process has commenced in Aurukun, Napranum and Doomadgee, as these were the first communities to adopt an alcohol management plan. The review will continue generally after the communities have experienced 12 months of alcohol restrictions to ensure that sufficient time has transpired for a proper evaluation. As there are 19 communities that will eventually have their alcohol management plans reviewed, the review process will take some time. Consultation will also be influenced by factors including the wet season and cultural sensitivities surrounding community gatherings such as funerals.

Liquor licensing officers are members of the review team and will accompany DATSIP officers on community visits. My officers' role will be to provide advice on the Liquor Act and the declarations in place and to respond to any issues raised about licensed premises, whether within or outside the community area. They will be able to liaise with licensees, police and community justice group members and provide advice on the processes for declaring and amending restrictions. Additionally, they will assist ATSI in assessing implementation issues and the impact of the restrictions on surrounding communities, businesses and tourists.

Upon completion of each review, recommendations will be made to the government to further assist in improving the quality of community life and to minimise harm from alcohol abuse. The continuing role of my department will be to assist DATSIP through the development and implementation of any legislative amendments to the existing restrictions.

Mr CHOI: Minister, page 1-16 of the MPS describes the wide range of activities involved in administering the Liquor Act 1992. Given the department's finite number of resources, how will you ensure adequate compliance and enforcement activities on the ground?

Ms KEECH: That is a good question and I thank the honourable member for it. Currently, the Liquor Licensing Division of my department has a total of 26 liquor compliance officers employed throughout the state. I would like to take some of the committee's time to explain where they are located. There are eight in Brisbane, three on the Gold Coast, two on the Sunshine Coast, two in Cairns, and one each in Toowoomba, Wide Bay, Rockhampton, Mackay, Townsville and Mount Isa. Five officers are assigned to the indigenous liquor licensing program, with three located in Cairns and two in Brisbane. These officers have the responsibility of ensuring that licensees comply with the Liquor Act 1992 and that the operation of licensed premises are not causing undue annoyance, disturbance or disorderly conduct.

Liquor compliance officers continue to maintain a strong presence in the field in order to detect non-compliant traders and to act as a deterrent against potential offenders. The officers assigned to the indigenous liquor compliance program have assisted in the development and implementation of alcohol management plans, the monitoring and compliance of licensed premises in restricted areas and nearby catchment areas, and the support of police in the prevention and detection of sly grogging. In recognition of the importance of the work undertaken by the indigenous liquor licensing program, permanent recurrent funding has been secured for six permanent officers to be located in Cairns, three in Brisbane and one in Mount Isa. Regional managers also undertake some liquor compliance duties as necessary.

Liquor licensing compliance officers also work collaboratively with officers of the Queensland Police Service both in relation to the sharing of information concerning licensed premises and in the conduct of compliance field operations. All 8,700 Queensland police officers have the same powers as liquor compliance officers and are able to work in partnership with liquor compliance officers in undertaking compliance and enforcement activities. With almost 6,000 active trading licensed premises in Queensland, the Liquor Licensing Division has developed a compliance strategy to ensure that appropriate resources are allocated to high-risk activities. This strategy focuses on activities such as adult entertainment venues, licensed premises in and around indigenous communities, and nightclub precincts where there is a concentration of licensed premises which trade after 3 a.m.

Liquor compliance officers also take part in joint compliance activities with agencies that share a regulatory role in respect of licensed premises, both in Brisbane and in regional centres. One such operation conducted during November 2003 on the Sunshine Coast involved the Liquor Licensing Division, the Queensland Police Service, Queensland Health, and the Queensland Fire and Rescue Authority. Full premises inspections were conducted in preparation for schoolies and the subsequent holiday period, with numerous breaches detected by several agencies.

The CHAIR: Thank you, Minister. The time allocated for the area of liquor licensing has expired. The committee will now move to the area of dispute resolution. I call on the member for Beaudesert.

Mr LINGARD: Minister, I refer you to the issue of dispute resolution, dealt with on pages 1-22 to 1-24 of the MPS. The delay in the review of body corporate management is causing many people great financial concern. A recent Court of Appeal decision interpreted section 48 of the Body Corporate and Community Management Act as entitling a lot owner to apply to the District Court to vary lot entitlement contributions in a manner that has enabled the owners of penthouses and prestige apartments, particularly in complexes built before 1997, to apply to vary their contributions downwards with a consequent increase in the value of their asset, thus decreasing the capital value of the owners of other units in the complex. This decision opens up the potential for increased disputation between lot owners. What action are you taking to prevent unintended consequences to the many unit owners who now face significant financial obligations?

Ms KEECH: I thank the honourable member for his question and for his particular interest in lot entitlements. Recent media reports on the lot entitlements issue have included claims by stakeholders—most notably by the Community Titles Institute of Queensland—of significant increases in body corporate levies and decreases in property values as a result of the recent Court of Appeal decision. I believe that a note of rationality and clarity needs to be injected into this debate, so I am glad that you have asked the question.

The fact is, contrary to claims made in the media, that Queensland's nearly 300,000 unit owners do not face increases in body corporate levies of 30 per cent to 40 per cent. Further, owners of penthouses will not enjoy an automatic decrease by the same amount in their share of levies. These claims do nothing to aid the public's understanding of this complex issue. Let us be clear. The government has not amended legislation to mean that all lot owners in community title schemes in Queensland will be paying considerably more in body corporate levies. As I said, they are not doing that. The vast majority of Queensland's lot owners remain unaffected by the recent Supreme Court appeal decision. The court's decision merely reinforces the intent of the current legislation, that owners of lots in community title schemes should be equally responsible for body corporate expenses, except where it is just inequitable in the circumstances for it to be otherwise. An example of this would be if a penthouse had a garden outside their area which was maintained by the body corporate and the gardener was looking after not only the common gardens but also the garden of the penthouse. In that case it would be reasonable to expect that in the lot entitlement of the owner of the penthouse there would be an acknowledgment that the garden is being used for his own area.

I am perplexed by the claims of across-the-board 30 per cent to 40 per cent increases in body corporate levies. In fact, CTIQ is yet to provide hard evidence to back up such claims. It is disappointing that the institute has gone out and made these outlandish claims and unfortunately caused rather a lot of upset and confusion, as you mentioned. I know that members have probably received phone calls regarding this. It is quite disturbing that these claims are made when there is no evidence to back it up.

I am concerned at claims that property values are now affected by the Supreme Court decision. There are a range of factors influencing property values, including the state of the property market, interest rates and that old chestnut of position, position, position.

Mr LINGARD: Minister, I am interested in your interpretation, but I am still concerned that this review will take a significant period to complete. Will you take up the suggestion to urgently amend section 48 of the act in the coming parliamentary session? Will you vary section 48(5) to encompass the principle that lot entitlements should be determined on the benefits derived—that is, the user pays principle—thus preserving the position of those people who bought into unit developments with lot entitlements developed under the Building Units and Group Titles Act?

Ms KEECH: I thank the honourable member for the question. You have raised a range of issues. We are currently going through a community consultation period. I was honoured to be able to present a discussion paper to cabinet. I can certainly send one out to the honourable member. This discussion paper with respect to body corporate and community management into the 21st century encourages the industry and lot owners to contribute their points of view with respect to a whole range of issues. I would like to talk about some of those. The issues you have raised will be acknowledged through this consultation period.

As I said, cabinet has authorised community consultation on this discussion paper, aimed at providing Queensland with the nation's most contemporary and flexible body corporate and community management legislation. This consultation process seeks to set a policy and legislation agenda to take this vibrant industry through the coming decade, to ensure the industry's viability and to address new and emerging issues. Body corporate legislation encourages the concept of self-management by equipping bodies corporate and their committees with the tools they need to make the necessary administrative, property and financial decisions. Stakeholders want the government to take a leadership role in creating a forward-thinking policy agenda for the body corporate and community management industry.

This discussion paper canvasses a broad range of issues, including whether dispute resolution and information services provided through the office of the Commissioner for Body Corporate and Community Management could be improved and how to encourage more mediated settlements of disputes rather than formal orders. Again, there is discussion about legislative provisions, as you have indicated, relating to lot entitlements in light of the recent Supreme Court decision. There are also issues regarding compliance and enforcement of the body corporate legislation and the adequacy of current legislative provisions regarding body corporate managers and letting agents. As well, we will be seeking information regarding how best to position the community titles industry in respect of its role in tourism. Another issue that will be raised—the member might be interested in this—is whether there are any issues regarding ageing buildings that need to be addressed. This is certainly an issue on the Gold Coast, where there are many buildings that are getting older.

The discussion paper was released for public comment on 10 July 2004 and the closing date for comments is 3 September 2004. There have been newspaper advertisements across the state notifying people of the paper's availability. It is also available on the web site. Responses may be lodged online. If the member has not received one already, I would be happy to send one to him.

Mr LINGARD: I respect the legal opinion you have received; however, the Centrepoint case certainly indicated that some units might drop by as much as 20 per cent. I am also concerned about the implication for lenders whose first mortgages were on properties geared at 90 per cent to 95 per cent. I wonder what will happen with owners as far as negative equity is concerned. The basis of my request is: will you finalise the review as urgently as possible?

Ms KEECH: The review, as I indicated, is a priority. I have recently taken it to cabinet and it has already been sent out to our key stakeholders. I am certainly happy to share the time line with the honourable member. In addition to the 52-page discussion paper, there is also a short overview brochure which is available from the department's public counters. This brochure has a tear-off postage reply paid response sheet for ease of response. We really want to get as many people as possible responding to the discussion paper.

The results of the consultation will be collated and an internal report prepared. A reform agenda will then be developed for further consultation with key stakeholder groups. Where legislative change is required, it is anticipated that authority to prepare a bill will be sought from cabinet, I would expect, early in 2005. I will ask the commissioner if she would like to add any other information with respect to details of the discussion paper.

Ms FitzPatrick: Submissions close on 3 September. As the minister says, I understand that if any legislative change is required it will be proceeding in 2005.

Ms KEECH: It would be pre-emptive of us to say at this stage if we are going to make legislative changes or not. The consultation period is very important and we respect this stage. We are trying to get as many people as possible to respond. Only through that feedback will we then be able to collate the information and be directed as to the next step.

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

Mr CHOI: Minister, page 1-23 of the MPS indicates that the Body Corporate and Community Management Office has resolved close to 1,000 dispute resolution applications and has provided information for over 21,000 clients. Can you please detail how this result was achieved and what further support the government is considering to this greatly important service?

Ms KEECH: I thank the honourable member for the question. The Dispute Resolution Service helps resolve disputes when parties cannot solve problems themselves. This provides an affordable means of resolving a broad range of disputes that arise when people live side by side and have shared financial responsibilities for their homes or investments. For example, parties may be in dispute about issues such as compliance with body corporate by-laws, the financial management of the scheme and proposed improvements to lots.

The dispute resolution process includes case management to include applications complying with the jurisdiction and requirements of the Body Corporate and Community Management Act 1997, submissions from affected parties, a reply to submissions by the applicant, dispute resolution recommendations and, where matters are referred to adjudication, investigation of the application by an adjudicator and the issuing of an order. Disputes can be resolved through departmental or specialist adjudication, mediation with the Dispute Resolution Centre in the Department of Justice or specialist mediation or conciliation. Case management strategies identify the most appropriate option for resolving each dispute. A total of 1,020 new disputes were lodged with the commissioner's office in 2003-04 and 993 matters were resolved. I think that is an excellent result.

There are currently over 30,000 community titles schemes in Queensland, representing some 300,000 lot owners. This government recognises that because this industry is growing by around 1,000 schemes a year, increasing demands have been placed on the information and dispute resolution services provided by the commissioner's office. In response, the Beattie government has allocated an additional \$303,000 to the commissioner's office in 2004-05 to assist in meeting community needs. That

amount of money is most welcomed. In particular, the additional resources will be used to employ two temporary adjudicators. This will enable the commissioner's office to determine more disputes more quickly. Additional staff will facilitate the processing of applications, support adjudicators in resolving disputes and support the information service.

The office of the Commissioner for Body Corporate and Community Management in my department provides a very valuable service to the growing community titles industry. The information service supports bodies corporate to manage their own affairs. Information is provided through a whole range of services, including a freecall 1800 telephone number. The information service responded promptly to around 90 client contacts per working day in 2003-04, a total of 22,505.

Ms MOLLOY: Minister, page 1-24 of the MPS indicates that there will be a community consultation process to identify issues for the community living sector and to develop appropriate approaches. Can you please provide details of this review for the benefit of this committee?

Ms KEECH: I am happy to do that. Queensland has one of Australia's most contemporary and flexible legislative frameworks for managing community titles schemes. However, the Beattie government acknowledges the need for continuing consultation with the community to ensure Queensland's position to meet the future challenges of this complex and rapidly expanding industry. The community has been invited to comment on the discussion paper that will set the policy and legislation agenda to take this thriving industry through the coming decade. This initiative will address new and emergent issues in the industry and will ensure the industry's continuing viability.

The discussion paper invites comment on a broad range of issues of interest to the community. As I have indicated, they include the role of government in providing dispute resolution and information services and enforcing the body corporate legislation, the existing legislative provisions relating to lot entitlements, the adequacy of current legislative provisions regulating body corporate managers and service contractor/letting agents, how best to position the community titles industry to support the tourism industry and, as I mentioned earlier, the issue regarding ageing buildings. For example, we are asking whether there are ways of improving information and dispute resolution services provided by the office of the Commissioner for Body Corporate and Community Management and how to encourage more negotiated settlements of disputes.

There has been some recent media attention regarding lot entitlements, which the honourable member referred to earlier. A Supreme Court appeal decision has reinforced and clarified the current legislative provisions. However, misleading claims in the media about the impact of the decision have led to a lot of confusion about the implications of the lot entitlement provisions of the legislation. Through the consultation period we will take the community's views and carefully assess the impact of the Supreme Court decision.

The increasing role of body corporate managers is another important issue. While the BCCM Act contains a code of conduct for managers, they are not licensed to perform their duties. The discussion paper will seek feedback from the community on any problems with managers and potential solutions. I guess this will be an opportunity for people to talk about whether they believe body corporate managers should be licensed, an issue that has been raised with me on many occasions. I have invited all those with an interest in the community titles industry to contribute to this important consultation process. The results of the consultation process, as I said earlier, will be collated and an internal report prepared. A reform agenda will then be developed for further consultation with key stakeholder groups. If legislative change is required, it is anticipated that I will take as minister an authority to prepare a bill to cabinet around the beginning of 2005.

The CHAIR: There being no further questions, that concludes the examination of the proposed expenditure in the areas of Tourism, Fair Trading and Wine Industry Development.

Ms KEECH: Madam Chair, could I thank you and the committee for your time today. I am very pleased to have been able to share some of the many successes from the Department of Tourism, Fair Trading and Wine Industry Development, and I thank both government and non-government members for their attention to the estimates committee today.

The quality of the staff in this portfolio is fantastic. I am proud to work alongside such good people. I would like to take this opportunity to thank each and every staff member of the department and Tourism Queensland for their teamwork, their hard work throughout the year, and the sincerity and passion which they bring to their roles in delivering the priorities of the Beattie government. Thank you to my director-general, Helen Ringrose, executive directors, the Commissioner of Fair Trading, Tourism Queensland executives and also the hardworking staff of the Corporate Development and Communications Unit who have worked so hard over many, many long weeks and many, many long nights to ensure that we were fully briefed for any questions that may be asked of us.

In particular, I would like to thank Lorna Andrews and her team, Paula Hynes, Rachel Crang and Allana Finlen; from the Office of Fair Trading, Nicole Bunning and Melinda Rabbit; from Liquor Licensing, Claire Maconachie; from Tourism, Razel Croaker; and from my office, Julia Wilkins. Thank you very much indeed to the committee and to the chair.

The CHAIR: On behalf of the committee, I thank the Hansard staff, the timekeepers and the attendants. That concludes the committee's consideration of the matters referred to it by the parliament on 20 May 2004. I declare this public hearing closed.

The committee adjourned at 7.16 p.m.