



ESTIMATES COMMITTEE F

REPORT – 2004

1. INTRODUCTION

Estimates Committee F was appointed on 20 May 2004 to examine and report on the proposed expenditure set out in the Appropriation Bill 2004 for the organisational units within the portfolios of:

- the Minister for State Development and Innovation;
- the Minister for Environment; and
- the Minister for Tourism, Fair Trading and Wine Industry Development.

The committee conducted a public hearing on Thursday, 22 July 2004 to take evidence from these Ministers.

For the purposes of examining the proposed expenditure for the organisational units allocated to it, the committee considered information obtained at the hearing, in conjunction with:

- budget papers and ministerial portfolio statements;
- written responses provided by Ministers to questions on notice prior to the public hearing; and
- Ministers' written answers to questions taken on notice at the public hearing.

Pursuant to leave granted by the committee, Dr Bruce Flegg MP, the Member for Moggill, asked questions at the hearing directed to the Minister for Environment and Hon Kevin Lingard MP, the Member for Beaudesert, asked questions directed to the Minister for Tourism, Fair Trading and Wine Industry Development.

During the inquiry the committee examined a wide range of issues, including those listed in this report.

Accompanying this report is a volume of 'Additional Information' presented by the committee to the Legislative Assembly. The additional information includes the Ministers' answers to questions on notice asked before or during the public hearing, documents tabled at the hearing, and the minutes of the committee's meetings.

2. DEPARTMENT OF STATE DEVELOPMENT AND INNOVATION

Introduction

The total appropriation for the Department of State Development and Innovation for 2004-05 is \$267,588,000.

The Ministerial Portfolio Summary for the Department provides the following output summary for 2004-05:

Output	Total Cost \$'000
Business and Market Development Services and Innovation	156,364
Infrastructure and Project Facilitation	22,229
Total	178,593

Source: MPS, Minister for State Development and Innovation, 2004-05, page 10.

Issues considered by the committee

During the course of its inquiry the committee examined a range of issues, including:

- Synergy industrial park
- public private partnerships
- Queensland Investment Incentives Scheme, Queensland Industry Development Scheme
- Western Hardwoods region forestry assessment
- assistance for the aviation and cruise ship industries
- creative industries policy
- Burnett River dam
- Australian Magnesium Corporation
- business migration incentives
- technology incubators
- Institute for ICT Innovation
- various initiatives to aid the sugar industry, including encouragement of ethanol use and production, and of sugar industry diversification
- development of the Aurukun bauxite reserves
- assistance to biotechnology industries
- assistance to small business, including the Smart Small Business website and the Small Business Accelerator program
- Smart State Research Facilities Fund, including assistance for the Queensland Hypersonic Testing facility
- SunAqua aquaculture development.

3. ENVIRONMENTAL PROTECTION AGENCY

Introduction

The 2004-05 appropriation for the Environmental Protection Agency is \$317,075,000.

The Ministerial Portfolio Summary for the Department provides the following output summary for 2004-05:

Output	Total Cost \$'000
Protecting Our Natural and Cultural Heritage	181,079
Promoting Sustainable Use of Our Natural Capital	137,378
Ensuring a Clean Environment	53,564
Total	372,021

Source: MPS, Minister for Environment, 2004-05, page 5.

Issues considered by the committee

During the course of its inquiry the committee examined a range of issues including:

- maintenance and safety in National Parks
- Great Walks of Queensland
- proposed HMAS Brisbane dive site
- fire management
- Heiner Road Bridge
- review of the Queensland Heritage Council
- heritage funding
- water quality improvement initiatives
- ecoBiz program
- Great Sandy Marine Park

- environmental compliance inspections and audits
- Sustainable Catchment Partnership Program
- Departmental staffing policies
- water recycling
- Wastewise Queensland program
- promotion of sustainable building practices and climate smart building designs
- SunAqua aquaculture development
- consultancies
- access to State Forests for horse riders.

- adequacy of departmental funding and staffing
- odometer tampering
- predatory behaviour by real estate agents, including unsolicited direct mail to grieving relatives
- initiatives in consumer and business education and in improving financial literacy
- Fair Trading awards scheme
- review of legislation governing security providers
- steps to combat rogue tourism operators
- development of a wine industry strategy and review of wine industry legislation
- backpacker tourism market
- regional tourism funding and planning
- airline services, in particular Jetstar services
- methods of evaluation of the success of international marketing by Tourism Queensland
- convention bureau funding
- indigenous tourism
- review of alcohol management plans in indigenous communities
- community living review and consultation, including a discussion paper on community living issues.

4. DEPARTMENT OF TOURISM, FAIR TRADING AND WINE INDUSTRY DEVELOPMENT

Introduction

The 2004-05 appropriation for the Department of Tourism, Fair Trading and Wine Industry Development is \$83,369,000.

The Ministerial Portfolio Summary for the Department provides the following output summary for 2004-05:

Output	Total Cost \$'000
Fair Trading Services	33,582
Liquor Industry Services	10,883
Dispute Resolution Services	6,518
Total	50,983

Source: MPS, Minister for Tourism, Fair Trading and Wine Industry Development, 2004-05, page 1-6.

Issues considered by the committee

During the course of its inquiry the committee examined a range of issues including:

5. RECOMMENDATION

Estimates Committee F recommends that the proposed expenditures, as set out in the Appropriation Bill 2004, for the organisational units within the portfolios allocated to the committee, be agreed to by the Legislative Assembly without amendment.

6. ACKNOWLEDGMENTS

The committee thanks the Ministers and their departmental officers for their cooperation and assistance throughout the estimates process.

Jan Jarratt MP
Chair

3 August 2004

MEMBERS

Ms Jan Jarratt MP [Chair]

Mr Howard Hobbs MP [Deputy Chair]

Mr Michael Choi MP

Hon Ken Hayward MP

Ms Cate Molloy MP

Mr Ian Rickuss MP

Mrs Jann Stuckey MP

SECRETARIAT

Mr Stephen Finnimore, Research Director

Ms Andrea Musch, Executive Assistant

The transcript of the committee's public hearing is available on the Hansard web page at:

<http://www.parliament.qld.gov.au/Hansard/>

STATEMENT OF RESERVATION

DEPARTMENT OF STATE DEVELOPMENT AND INNOVATION

The process of Estimates Committee hearings in relation to the Ministerial Portfolio Statement for the Department of State Development and Innovation highlights yet again the weaknesses in the operations of Estimates Committees in Queensland as a mechanism for scrutinising expenditures by government departments.

These weaknesses include:

- The limit on the number of Questions on Notice able to be asked as part of the Estimates process when compared to the number of pages (58) provided for examination in the portfolio statement.
 - The receipt of replies to such Questions on Notice less than 24 hours prior to the actual hearing meeting of the Committee.
 - The limited time available for the conduct of hearings for each department thus limiting the capacity of the Parliament to explore issues of concern to finality.
 - The use by Ministers and government Members of questions to provide a basis for propaganda statements rather than genuinely exploring issues relating to departmental expenditures.
 - The failure of Ministerial Portfolio Statements to contain comprehensive, consistent and readily understandable performance standards that are consistently applied on a year by year basis.
 - The grouping of inappropriate activities in programs and sub-programs that inhibit capacity to explore individual activities by government.
- The Minister did attempt to answer all questions. However many questions required in depth knowledge of issues and some departmental actions taken prior to his appointment to the portfolio. The Minister could have enhanced the Estimates Committee process had he called departmental officers to provide this information.
 - The failure of the Minister and his department when asked through a Question On Notice to provide guidelines and application forms for the following grant and subsidy schemes – Significant Projects, Queensland Regional Development Initiative, Indigenous Business Development Grant Scheme, Business Network Development Program, Queensland Investment Incentives Scheme, and One Off Grants. This is in contrast to all other grant and incentive assistance scheme guidelines and application forms which are available publicly on the website and web addresses were provided to the Estimates Committee.
 - This refusal of the Minister and government to be fully and openly accountable to the Estimates Committee and the people of Queensland in relation to these grant and incentive expenditure programs (ie Queensland Investment Incentive Scheme) raises the potential of increased risks of corruption by the government in making grants to businesses in return for favours.
 - The failure of the Minister to ensure that his department answered Question on Notice Number One in full raises real questions about the government's commitment, not only to the principle of openness and accountability, but also to compliance with the requirements of a Committee of this Parliament.

In addition to these general comments about the Estimates Committee process the hearings of Estimates Committee F on 22 July 2004 also highlighted the following matters on which the response of the Minister was unsatisfactory:

Howard Hobbs MP
Shadow Minister for State Development and Innovation
Member for Warrego

STATEMENT OF RESERVATION

ENVIRONMENTAL PROTECTION AGENCY

The process of Estimates Committee hearings in relation to the Ministerial Portfolio Statement for the Environmental Protection Agency highlights yet again the weaknesses in the operations of Estimates Committees in Queensland as a mechanism for scrutinising expenditures by government departments.

These weaknesses include:

- The limit on the number of Questions on Notice able to be asked as part of the Estimates process.
- The receipt of replies to such Questions on Notice less than 24 hours prior to the actual hearing meeting of the Committee.
- The limited time available for the conduct of hearings for each department thus limiting the capacity of the Parliament to explore issues of concern to finality.
- The limit on each questioning session generally to 20 minutes thus inhibiting the capacity to pursue issues of interest until finality is reached.
- The use by Ministers and government Members of questions to provide a basis for propaganda statements rather than genuinely exploring issues relating to departmental expenditures.
- The failure of Ministerial Portfolio Statements to contain comprehensive, consistent and readily understandable performance standards that are consistently applied on a year by year basis.
- The grouping of inappropriate activities in programs and sub-programs that inhibit capacity to explore individual activities by government.
- The failure to permit statutorily independent officers and organisations to be directly responsible to and answer questions directly by Members of Parliament thus undermining their independence from executive government.

In addition to these general comments about the Estimates Committee process the hearings of Estimates Committee F also highlighted the following matters on which the response of the Minister was unsatisfactory:

- The consistent refusal of the Minister to provide full and comprehensive answers to legitimate questioning by Committee members, and continued attempts to demean the Estimates Committee process.
- The failure of the Minister to respond to legitimate concerns and tangible evidence of the government's lack of funding for National Park management and maintenance.
- The failure of the Minister to allocate reasonable funding to maintain and uphold the biodiversity values of the protected area estate, particularly the sensitive areas surrounding the Great Walks of Queensland.
- The failure of the Minister to adequately fund heritage activities, or provide a detailed response on the future of the Heritage Council.
- The failure of the Minister to provide a reasonable timeframe for the public release of the management plan for the Great Sandy Marine Park.
- The failure of the Minister to provide a definitive answer regarding the future use of former state forestry areas for recreational purposes.

Signed

**Ian Rickuss MP
Member for Lockyer**

STATEMENT OF RESERVATION

DEPARTMENT OF TOURISM, FAIR TRADING AND WINE INDUSTRY DEVELOPMENT

The process of Estimates Committee hearings in relation to the Ministerial Portfolio Statement for the Tourism, Fair Trading and Wine Industry Development portfolio highlights yet again the weaknesses in the operations of Estimates Committees in Queensland as a mechanism for scrutinising expenditures by government departments.

These weaknesses include:

- The limit on the number of Questions on Notice able to be asked as part of the Estimates process.
- The receipt of replies to such Questions on Notice less than 24 hours prior to the actual hearing meeting of the Committee.
- The limited time available for the conduct of hearings for each department thus limiting the capacity of the Parliament to explore issues of concern to finality.
- The limit on each questioning session generally to 20 minutes thus inhibiting the capacity to pursue issues of interest until finality is reached.
- The use by Ministers and government Members of questions to provide a basis for propaganda statements rather than genuinely exploring issues relating to departmental expenditures.
- The failure of Ministerial Portfolio Statements to contain comprehensive, consistent and readily understandable performance standards that are consistently applied on a year by year basis.
- The grouping of inappropriate activities in programs and sub-programs that inhibit capacity to explore individual activities by government.
- The failure to permit statutorily independent officers and organisations to be directly responsible to and answer questions directly by Members of Parliament thus undermining

their independence from executive government.

In addition to these general comments about the Estimates Committee process, during the hearings of Estimates Committee F intense questioning by the Member for Beaudesert highlighted a number of matters on which the response of the Minister was unsatisfactory:

- The failure of the Minister to secure substantial budget increases for the Office of Fair Trading and refusal to allocate additional resources for compliance and enforcement.
- The failure of the Minister to allocate significant resources to focus on the illegal practice of odometer tampering, despite recent allegations that the practice remains rife throughout Queensland.
- The failure of the Minister to undertake a proactive response to scams, and subsequent tardiness in informing the public of the nature of international and national scams.
- The acknowledgement by the Minister that the budget for the Wine Industry Portfolio operates under a restricted allocation of \$500,000 a year including only two permanent staff and four temporary staff, and is therefore limited in its capacity to deliver tangible outcomes for industry.
- The failure of the Minister to secure increases in funding for the tourism sector over subsequent years, particularly Regional Tourist Organisations.
- The failure of the Minister to allocate significant liquor licensing officers to service the needs of the Far North Queensland community.
- The lack of urgency of the Minister to complete the review of body corporate management, thus causing many people undue financial concern.

Signed

**Ian Rickuss MP
Member for Lockyer**

STATEMENT OF RESERVATION

Firstly may I congratulate Committee Chair, Ms Jan Jarratt MP for her professional and even handed approach throughout this Estimates hearing.

State Development and Innovation

The Liberal Party has considerable reservations regarding the SunAqua fish farm proposal and in particular the detrimental effects that the project may have on the sensitive environment of Moreton Bay. The Minister stated that the proposal is currently with the Coordinator-General and would not comment on how the state government would ensure that Moreton Bay remains unaffected by the proposal.

The Liberal Party supports incentive programs that encourage business to Queensland, but recognises the need for a cut-off point once a business is established and returning a profit. Once companies, like Virgin Airlines, reach a certain profit threshold they should no longer be eligible for the same amount of continued funding under the Queensland Investment Incentives Scheme. If the state government is serious about attracting businesses to relocate to Queensland in the long term then a restructuring of the methods used to select businesses for these incentive programs is necessary. This would allow more businesses access to the QIIS.

The Minister has stated that in this financial year we will see a lot more Public Private Partnerships in Queensland. His comments raise a high degree of optimism considering the unit has been established for almost two years and to date Queensland does not have any PPP's commenced. With 19 probable projects as candidates for PPP the Liberal Party will be carefully monitoring any progress.

I wish to note that the Minister, in reply to my question regarding PPP's (Hansard p 429), said the department had been going for 14 months. He was corrected by the Director General or similar high ranking member of his staff that the department was set up 20 months ago. I asked for confirmation from the Minister who agreed that 20 months was correct. These comments were not recorded in Hansard.

Environment

Conduct of Committee

Questioning of the Environment Minister Mr Mickel was conducted by Shadow Environment Minister Mr Ian Rickuss and Liberal Environment Spokesperson Dr Bruce Flegg. Both MPs are newly elected and conduct themselves in a polite manner. Neither is given to disruptive interjection or sarcastic outbursts. From the very first question asked by Mr Rickuss the Minister chose to take an aggressive, confrontational and belligerent approach. This was not consistent or helpful for the role of an estimates committee, which is considered to be a rational and reasoned questioning, with the purpose of obtaining information and scrutinising the taxpayer's expenditure within the subject department. Questions were rarely directly answered making it difficult to determine the status of the issues.

The committee however was very professionally chaired by Ms Jan Jarratt MP.

Untreated Sewage Discharged By Local Authorities

Questioning of the Minister to gain a clearer picture of the scope of this problem was singularly unsuccessful. Questions in relation to the number of reported accidental discharges of untreated or partially untreated sewage and the question relating to surveillance activities detecting unreported discharges of untreated or partially treated sewage were in effect left unanswered by the Minister leaving open the question as to whether the EPA is meeting its obligations in relation to sewage discharges from local authorities.

The Great Walks of Queensland

There was extensive discussion of the Great Walks of Queensland, in particular the Gold Coast Hinterland Walk. The Minister was intent on blaming his government's failure to comply with the *Environment Protection and Bio-Diversity Conservation Act* on the Federal government. It is quite apparent that Queensland committed to establishing this walk in 2001 but has taken till May 2004 to seek approval from the Federal Minister under the above-mentioned Act.

Given that it has taken the Queensland government three years to get its act together on this issue it is unreasonable that they try to excuse their own failures to meet environmental safeguards by blaming the Federal government's insistence that it meet proper environmental standards as the cause of a delay in getting this project up and running. In fact the Federal government has only had a matter of weeks to consider this project whilst the state government has worked on for three years or more.

Further delay was created by the Queensland government in that the information provided to the Federal government under the Act was sufficiently vague that it was not even possible to identify the exact location of the proposed walking trail.

Queensland Cultural Heritage

I note that there has been considerable disquiet amongst heritage groups such as the National Trust about the apparent downgrading of cultural heritage as a priority in Queensland. This is highlighted by the shrinking number of heritage places on the Heritage Register, substantial reductions in funding to the Community Heritage project and the likely impending watering down of the heritage legislation and the powers of the Heritage Council in matters of heritage listing and development applications on heritage properties.

The Queensland Liberal Party believes that Queensland's unique cultural heritage should be accorded a higher priority for conservation.

SunAqua - a Proposed Fish Farm in Moreton Bay

There has been considerable disquiet in the general community and environmental groups about the proposed SunAqua fish farm in Moreton Bay. Moreton Bay is considered to be a unique and sensitive environment close to the state's capital. It is already subject to heavy fishing and recreational impacts. The Liberal Party is of the view that aquaculture of this type and scale proposed by SunAqua is best located in areas of less environmental sensitivity.

We note the Minister's comments that the proposal is still under investigation and consideration. The Liberal Party urges the Minister to protect the important and sensitive marine environment of Moreton Bay for future generations and reject the application in this location.

TOURISM, FAIR TRADING & WINE INDUSTRY DEVELOPMENT

Fair Trading

The Liberal Party still has concerns that the state government is not doing enough to protect property owners from predatory scouting agents who breach s113 of the *Property Agents and Motor Dealers Act 2000* and from real estate agents who target bereaved relatives through Death Notices. The Minister in response to my question proceeded to quote facts that have taken place over the past three years and avoided answering the specific question on compliance activities covering buyers' agents.

How can the Minister continue to claim Queensland is the national leader in consumer protection when this state is way behind other states in a range of areas such as mortgage brokers, auctions and real estate contracts?

I am still waiting for the Minister to contact my office regarding the Supreme Court case *Millward v Jones*, as was stated at the Estimates hearing on July 22.

Fair Trading appears to be more focussed on education rather than enforcement, and upon passing their responsibility onto the Federal government to fix.

Wine Industry

The Liberal Party whole-heartedly supports the establishment of a portfolio to grow the untapped potential of Queensland's developing wine industry. To compete effectively with the experience and market share of the southern states the Minister and her department need to move quickly to build credibility.

Tourism

Acknowledging Queensland as the prime tourist destination in Australia, the Liberal Party urges the government to take the leaf out of the Federal government's commitment to the industry. Long term strategies need to be implemented so we can focus on specific marketing to entice more tourists to place Queensland at the top of their preferred holiday destination list. This is not happening according to those in the industry.

The Minister must get tough on rogue tourism operators who are giving Queensland a bad reputation and driving away tourists.

It is disappointing that backpacker numbers have dropped significantly in Queensland. An urgent campaign is required to boost numbers, especially with low cost airlines abounding here.

Ms Jann Stuckey MP
Liberal Shadow Minister for Child Safety –
Communities and Disabilities – Women –
Tourism, Fair Trading & Wine Industry
Development – Employment, Training and
Industrial Relations
Member for Currumbin