



ESTIMATES COMMITTEE G - 2004 REPORT

Introduction

1. The sessional orders adopted by the Legislative Assembly on 20 May 2004 established seven estimates committees to consider proposed expenditure under the *Appropriation Bill 2004* and the *Appropriation (Parliament) Bill 2004*.
2. Estimates Committee G was appointed 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 Natural Resources, Mines and Energy, and the Minister for Primary Industries and Fisheries.
3. The committee conducted a public hearing on Friday, 23 July 2004 to take evidence from these Ministers and their officers.
4. For the purpose of examining the proposed expenditure for the organisational units allocated to it, the committee considered information obtained at the public hearing in conjunction with:
 - budget papers and Ministerial Portfolio Statements (MPS) tabled by the Treasurer;
 - 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.
5. Accompanying this report is a volume of "Additional Information" presented by the committee to the Legislative Assembly. The additional information includes the minutes

of the committee's meetings, documents tabled at the hearing and answers to questions on notices before and during the public hearing.

6. The transcript of the committee's public hearing is available on the Hansard web page at:
<http://www.parliament.qld.gov.au/Hansard/>
7. In the course of its inquiry the committee examined a wide range of issues, including those listed in this report.
8. For more detail on these issues the committee directs readers to the volume of 'Additional Information' accompanying this report. The volume 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.

Minister for Natural Resources, Mines and Energy

9. The total appropriation for the Department of Natural Resources, Mines and Energy in 2004-05 is \$609.267 million. The MPS provides the following output summary:

Output	Total Cost \$'000
Natural Resource Management Services	384,779
Mineral and Petroleum Resource Services	58,109
Energy Services	12,191
Total	455,079

Source: 2004-05 Queensland State Budget- Ministerial Portfolio Statements – Minister for Natural Resources, Mines and Energy p.8.

10. During the public hearing the Minister for Natural Resources, Mines and Energy responded to questions from the committee in relation to a wide range of matters, including:

- mining royalties
- the mining industry & exploration permits
- exploration, mining and petroleum tenures
- indigenous land use agreements and small-scale mining agreements
- sustainable development of mining industry
- the geological database
- airborne geophysical surveys
- the Queensland Digital Exploration Report System
- the Curragh North coal deposit and the Aurukun deposit
- clean coal technology
- coal-fired power stations
- the coal seam methane industry
- tin mining & copper production
- Townsville Power Station & Enertrade
- retail electricity prices & uniform tariff
- power generation, transmission network infrastructure and Powerlink
- electricity trading
- facilitation payments
- electricity GOCs Energex & Ergon Energy
- gas fired electricity
- the North Queensland Gas Pipeline Project
- mining industry health & safety
- lost time accidents
- the Coalmine Workers Health Scheme

- the Health Surveillance Unit
- Coal Seam Gas Water Management Study
- Great Artesian Basin Sustainability Initiative
- water extraction and Surat Basin aquifers
- Condamine-Balonne Water Resource Plan
- water treatment technologies and use of by-product water
- water supply strategies and future charges
- water harvesting and water entitlements
- trade, transfer and sale of water allocations
- hydro-electric power plants
- irrigation price paths for SunWater schemes
- new vegetation management legislation and related structural adjustment package
- best practice vegetation management
- Vegetation Incentives Program
- phasing out of broadscale clearing of trees & remnant vegetation in Queensland
- protecting 'of concern' regional ecosystems
- Kyoto greenhouse gas emission reduction
- security measures for transport of explosives
- riparian land titles and property boundaries
- misuse of property database information to generate unsolicited junk mail

Minister for Primary Industries and Fisheries

11. The total appropriation for the Department of Primary Industries and Fisheries for 2004-05 is \$261.782 million.
12. The Ministerial Portfolio Statement for the department provides the following output summary for 2004-05:

Output	Total Cost \$'000
Industry Development	200,241
Biosecurity	89,190
Fisheries	45,389
Total	334,820

Source: 2004-05 Queensland State Budget- Ministerial Portfolio Statement – Minister for Primary Industries and Fisheries p.1-8.

13. During the public hearing the Minister for Primary Industries and Fisheries responded to questions from the committee in relation to a wide range of matters, including:

- FarmBis funding and training subsidies
- the Queensland Rural Adjustment Authority
- Remote Training Australia (now IRES Corporate Services) dive courses
- drought declarations and revocations and 'individual droughted property declarations'
- local drought committees
- Drought Relief Assistance Scheme, freight subsidies for graziers and dairy farmers; and freight subsidy claims by dairy farmers
- drought preparedness and policy reform
- carry-on finance, drought recovery loan schemes and farm financial counsellors
- National Livestock Identification Scheme, QNIC (Queensland NLIS Implementation Committee) and electronic tag subsidies

- developments in livestock traceability
- abattoirs, saleyards and herd management
- the foot-in-mouth disease vaccine bank
- animal welfare services
- coral reef fin fishery management plan
- Qld Boating and Fisheries Patrol specialist investigators and fisheries patrol facilities
- the quota monitoring unit for quota fisheries
- east coast trawl fisheries, turtle excluder devices and wild caught prawn exports to US
- the recreational fishing industry
- the soft shell crab aquaculture project
- the Cape York Partnerships Program
- ecologically sustainable fisheries and export orientated fisheries
- shark net and drum line program
- marine mammal rescue teams
- the Cooperative Research Centre for Climate Risk Technologies -climate risk management
- the Better Berries program
- FutureCane program and the sugar industry
- the Primary Industry Productivity Enhancement Scheme (PIPES) and sugar industry funding
- exotic citrus canker disease
- plant health biosecurity initiatives, plant biosecurity fees and plant certification
- broadacre production of cereal grains, pulses and cottons, and growth of the pulse industry
- chickpeas, peanuts, mung beans
- economic development of Wide Bay-Burnett

- horticulture industry development
- sorghum breeding and processing facilities
- midge-resistant sorghum and biopesticides
- postharvest management
- exotic forestry plantations, the hardwood joint venture program, commercial timber production and Future Directions Strategy
- turf and sports turf industries
- the fire ant eradication campaign

Recommendation

14. Estimates Committee G recommends that the proposed expenditures, as stated in the *Appropriation Bill 2004*, for the organisational units within the portfolios referred to the committee for examination, be agreed to by the Legislative Assembly without amendment.

Acknowledgments

15. The committee wishes to thank the Ministers and their departmental officers for their cooperation and assistance throughout the estimates process.
16. The committee also acknowledges the support and assistance of the committee's secretariat and those other officers of the Parliamentary Service who contributed to the conduct of the estimates process.

Tim Mulherin MP
Chair

17 August 2004

Membership

Mr Tim Mulherin MP, Chair
Member for Mackay

Mr Jeff Seeney MP, Deputy Chair
Member for Callide

Mr Paul Hoolihan MP
Member for Keppel

Mr Mike Horan MP
Member for Toowoomba South

Mrs Dorothy Pratt MP
Member for Nanango

Mr Kerry Shine MP
Member for Toowoomba North

Mrs Carryn Sullivan MP
Member for Pumicestone

Secretariat

Ms Renée Easten (Research Director)
Ms Carolyn Heffernan (Executive Assistant)

STATEMENT OF RESERVATIONS

ESTIMATES COMMITTEE G

Jeff Seeney MP

Deputy Leader of the Opposition

Member for Callide

The process of Estimates Committee hearings in relation to the Ministerial Program Statement for the Department of Natural Resources, Mines and Energy highlights yet again the weaknesses in the operations of Estimates Committees in Queensland as a mechanism for scrutinizing 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 25 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 Program 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 subprograms that inhibit capacity to explore individual activities by government.
- The failure to permit statutorily independent officers and organizations to be directly responsible to and answer questions directly by Members of Parliament thus undermining their independence from Executive government.
- The use and placement of Departmental Displays behind Estimates Committees reflecting a lack of impartiality in Committee processes and a denial of the capacity of Non-government members to utilise similar opportunities.

In addition to these general comments about the Estimates Committee process the hearings of Estimates Committee G on 23 July 2004 also highlighted the following matters on which the response of the Minister was unsatisfactory:

- The failure of the Beattie Government to provide sufficient funding to improve the State's geological database.
- The failure of the Beattie Government to commit significant funding towards the development of clean coal technology.
- The Minister's continued refusal to provide a proper explanation of the funding arrangements for the Townsville Power Station, and why unspecified amounts of taxpayers' money are being spent to meet a self-imposed gas usage target that will not meet the needs of local industry.
- The failure of the Beattie Government to properly compensate landholders adversely affected by vegetation management restrictions introduced since 1999.
- The Minister's refusal to guarantee that landholders unable to develop the land they currently own will be able to access the State Government's financial assistance package to buy new land that can be developed.
- The Minister's failure to prevent a blow-out in the completion timeframes for water resource planning throughout Queensland.

Jeff Seeney MP
Deputy Leader of the Opposition

STATEMENT OF RESERVATIONS

ESTIMATES COMMITTEE G

Mike Horan MP

Shadow Minister for Primary Industries and Fisheries

Member for Toowoomba South

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- The failure of the Minister to properly explain why more than \$1.2 million of Farmbis funding was spent training 350 divers in the Torres Strait.
- The Minister's refusal to properly account for almost \$2 million in unspent FarmBis funds.
- The failure to explain why 25% of Farmbis funding was spent in just three Shires in Far North Queensland, mainly in the Cook Electorate.
- The Minister's refusal to clarify how dive courses were funded when the Farmbis guidelines clearly state that activities that are NOT supported are:
 1. Stand alone technical or operational training activities and
 2. Specific training activities required to be undertaken to satisfy government regulations and statutory obligations. The Minister even stated that these courses were focussed on Workplace Health & Safety issues.
- The Minister's refusal to provide copies of local drought committees' minutes to the Estimates Committee.
- The Minister's refusal to provide any financial support to beef producers to assist with the implementation of the National Livestock Identification Scheme and just \$690,000 in infrastructure spending to assist abattoirs and sale yards. Answers by the Minister showed only \$690,000 of direct funds to NLIS with other monies being for tasks such as brands, cattle and property identification – all of which have been normal DPI tasks and costs for many years. Thus the \$4.45 million announced by the Minister for NLIS Identification in Queensland is misleading and incorrect.
- The Minister's refusal to provide structural adjustment assistance to commercial fishers affected by State Government fishing restrictions, such as the coral reef fin fish management plan.
- The failure of the Minister to allocate significant funding to assist the sugar industry, with only identified spending of \$1.7 million for the Future Cane project.
- The Minister's refusal to provide projections for spending and uptake of the Farm Consolidation Loan Scheme.
- The Minister's pre-empting of the Estimates Committee hearing process by releasing the answer to a Non-Government Member's Question On Notice relating to fishing two days before the hearing.

Mike Horan MP
Shadow Minister for Primary Industries and Fisheries