

TUESDAY, 12 JULY 2005

ESTIMATES COMMITTEE E—PRIMARY INDUSTRIES AND FISHERIES

Estimates Committee E Members

Mr TS Mulherin (Chair)
Hon. NI Cunningham
Mr MJ Horan
Mrs DR Pratt
Mrs DC Scott
Mr JW Seeney
Mr CA Wallace

In Attendance

Hon. H Palaszczuk, Minister for Primary Industries and Fisheries
Department of Primary Industries and Fisheries
Mr J Varghese, Director-General
Mr P Neville, Deputy Director-General, Fisheries
Mr K Dunn, Assistant Director-General, Biosecurity
Mr B Turner, Executive Director, Strategic Policy
Mr C Adriaansen, General Manager, Plant Biosecurity
Prof. B Woods, Executive Director, R&D Strategy
Mr G Hannigan, Assistant Director-General, Forestry

Committee met at 8.59 am

CHAIR: I declare the meeting of Estimates Committee E now open. I want to introduce the members of the committee. I am Tim Mulherin, the member for Mackay. My fellow committee members are the deputy chair and member for Callide, Mr Jeff Seeney; the Hon. Nita Cunningham, the member for Bundaberg; the Hon. Mike Horan, the member for Toowoomba South; and Mrs Dorothy Pratt, the member for Nanango. Mrs Pratt is also a member of the Palm Island Select Committee and she will be in and out of this hearing. The other members of the committee are Mr Craig Wallace, the member for Thuringowa, and Mrs Desley Scott, the member for Woodridge.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2005 for the areas allocated to the committee. The organisational units will be examined in the following order: Department of Primary Industries and Fisheries and the Department of Natural Resources and Mines. The committee will suspend proceedings for the following breaks: 10.25 to 10.45 am; 12.00 pm to 1.00 pm; and 2.25 to 2.45 pm.

I welcome the Minister for Primary Industries and Fisheries, public officials and members of the public who are in attendance today. 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 15-second warning will be given of the expiration of these time limits. An extension of time may be given with the consent of the questioner. The standing orders require that at least half of the time is to be allocated to non-government members. I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record the information in the transcript.

In the event that those attending today are not aware, I should point out that the proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In that regard, I remind members of the public that in accordance with standing order 206 strangers—that is, the public—may be admitted to or excluded from the hearing at the pleasure of the committee. In relation to media coverage for the hearing, the committee has resolved that television and film coverage and sound broadcast be allowed for the chair's opening comments and the introductory statement of each minister. I also ask that all mobile phones and pagers be switched off.

I declare the proposed expenditure for the portfolio of the Minister for Primary Industries and Fisheries to be open for examination. The question before the chair is—

That the proposed expenditure be agreed to.

Minister, would you like to make a brief introductory statement, or do you wish to proceed direct to questioning? If you do wish to make a statement, I remind you that the statement must be limited to five minutes under the standing orders.

Mr PALASZCZUK: Thank you very much, Mr Chair, and good morning committee members. I do intend to make a statement. I will proceed with it now. Could I say at the outset that one of the most pleasing features of the past 12 months has been the very strong support the government has received from producers, agribusiness and other participants in the rural sector in Queensland. They clearly understand that the Department of Primary Industries and Fisheries is a key economic development agency for the primary production sector and remains at the forefront of industry growth and development. The Smart State is all about having a robust, skilled and diversified economy using innovation, creativity and science to deliver sustainable economic, social and environmental outcomes for all Queenslanders.

The department's key budget commitments have been grouped under three key outcomes this year which clearly reflect those priorities. We are developing strengths by reinforcing and building on the key capacities, processes and supportive relationships essential to maintain growth in the food and fibre agribusiness sector. We are expanding horizons to facilitate and develop innovation, knowledge diffusion and leading-edge technologies that transform business practices and revolutionise product development to achieve accelerated growth. We are protecting capacity by focusing on managing business and market failure, risk and structural adjustment, food safety, biosecurity and sustainable production.

Specific commitments in this year's budget include an additional \$8.8 million over the next four years to provide confidence to markets and communities that key biosecurity and animal welfare risks are managed. This funding is ongoing. There is \$4 million over four years to support the development of Queensland's major aquaculture sectors such as prawns and barramundi and emerging sectors such as crabs, sea scallops and reef fish and \$1.7 million in 2005-06 for Future Cane to assist canefarmers to increase their productivity and profitability by enhancing their farm management and business practices. There is \$1.5 million over three years to spearhead a horticulture export drive in partnership with industry into new Asian markets.

All of this is happening against a backdrop of a very successful year for our primary industries despite one of the worst droughts on record and skyrocketing world fuel prices. The latest issue of the Department of Primary Industries and Fisheries' *Prospects Update*, which I am releasing this morning, shows that the gross value of production for Queensland's primary industries is estimated to be an impressive \$10.54 billion in 2004-05, which is up three per cent from last year. Whilst this figure has been slightly revised downwards from the figure published in the March 2005 quarterly *Prospects Update*, it stills shows a remarkably strong and resilient primary industries sector in Queensland.

The increase reflects higher gross value of production estimates for a number of commodities such as cattle and calf disposals, sugar, cotton, fruit, lifestyle horticulture, poultry, eggs and forestry. Strong demand and export prices for Queensland's largest primary industry, beef, are expected to account for a significant proportion of this increase. But we could not escape completely unscathed from the hot and dry conditions over the first four months of this year which reduced potential yields and resulted in some crops being ploughed in or baled. Fortunately, we have had some relieving rains over much of the state this winter, but more than 60 per cent of Queensland is still drought declared and much more rain is required.

We are now 12 days into a new era for food safety in Queensland with the introduction of the NLIS from 1 July. The new system gives us the ability to trace individual beasts from the paddock to the abattoir, ensuring that we can meet some of the strictest international demands for food safety and traceability. It has been a great success and the result of an excellent partnership between the department, producers and producer groups such as AgForce, the saleyards and the meat processing industry. I congratulate everyone involved for their efforts, not least the department.

CHAIR: Thank you, Minister. I call the member for Toowoomba South.

Mr HORAN: Thank you, Mr Chairman. Minister, I refer to pages 1-14 and 1-18 of the MPS and your department's role in managing the citrus canker outbreak. Minister, you have previously told parliament that you had presented a proposal to the National Management Group for a \$9.2 million citrus canker compensation proposal of which the Queensland government would contribute less than eight per cent of the funding. Minister, for the benefit of this committee, will you table a copy of this proposal and will you advise the committee whether any other state governments or citrus industry organisations have agreed to that proposal?

Mr PALASZCZUK: Let us get something on the table immediately, and that is this: the Citrus Canker Eradication Program has been a national response to an exotic plant disease that threatens the entire Australian citrus industry. We are not talking about the Queensland industry; we are talking about the entire Australian industry. Because the breach of Australian quarantine laws has occurred in

Queensland, we are now called the 'combat state'. In relation to the honourable member's questions, we could talk about the total national cost shared budget for the eradication of canker being in excess of \$17.5 million. That does not take into account more than \$5 million which the Queensland government has spent. We can talk about what we planned to do—what we intended to do—and we could go down to the proposal. Could I just ask our director-general, who is a member of the National Management Group—the group that makes the decision—to explain briefly the context of the question that the honourable member has raised.

Mr Varghese: Thank you, Minister. The National Management Group, which is the group charged with the responsibility for the citrus canker eradication campaign, has a process in place where the states, territories and Australian government agree on the cost-sharing agreements. The current cost-sharing agreement is based on a principle of no owner reimbursement or compensation of the current eradication cost-sharing agreement. The proposal that Queensland put up was based on the principles of the emergency plant response deed. This deed, which provides for a level of owner reimbursements, which the Queensland government supports in principle and is moving towards signing, provides for those involved in the campaign—that is, the states and territories, the Australian government and the growers involved—to receive a level of reimbursement.

As the director-general who sits on the National Management Group and with the guidance and direction of our minister, we put before the National Management Group a proposal for owner reimbursement for up to \$9.2 million or \$80 a tree at the top end. This was based on the principles of the emergency plant response deed. It is not a compensation package in the traditional sense; it is an owner/grower reimbursement package. This proposal, which was argued for in a very focused way by Queensland, was rejected by all of the states and territories, industry and the Australian government.

Mr PALASZCZUK: Just on that point as well, we are very disappointed with the response that we have received from the other states and territories, the Commonwealth government and of course the citrus industry. What I have done as minister, seeing that we do have a new federal minister for agriculture in Canberra—and I certainly hope that there is going to be a breath of fresh air through there—is write to the new minister calling for a reconvened ministerial council meeting as soon as possible to consider the Queensland proposal and to consider any other further proposal that could come from the Commonwealth. We are certainly hopeful that we can get a resolution to the impasse that currently exists. I will table the letter that I have sent to Peter McGauran, the new agriculture minister.

Mr HORAN: Minister, before I ask my second question, you still have not said whether or not you have a written proposal and whether you would table a copy of that proposal for the benefit of this committee which I asked—

CHAIR: I remind the member for the Toowoomba South that the minister has the right to respond to the question, and the tabling of documents is at the discretion of the minister. We will move on.

Mr HORAN: I just want to know yes or no. It just seems that he is not going to. My second question then is: Minister, this proposal—and could you tell us in the answer to this question whether you provided a written proposal of that \$9.2 million—to fund the citrus canker compensation through the Emergency Plant Pest Response Deed arrangements has been exposed as blatant political spin because you knew when you put that up that the growers did not have a levy system in place, they did not have funds and they would even be required to have a national vote to do that, and even you yourself had not signed that new agreement or that new model.

Mr PALASZCZUK: The fact that Queensland and other states have not signed to that agreement is of little consequence in our proposal to the National Management Group. We based our proposal on the principles of that deed. We wanted to use that deed or the principles of that deed to assist the citrus growers in the Emerald region. Unfortunately, as our director-general has said—he is a member of the National Management Group—we did not have support. You specifically mentioned the citrus industry in Australia. I am very disappointed with the citrus industry in Australia and also the citrus growers in Queensland. One only has to have a look at the response by the banana industry to the black sigatoka outbreak in north Queensland just a couple of years ago. They were able to raise a voluntary levy to be able to assist in the eradication of black sigatoka in north Queensland. I cannot see why the citrus industry cannot do the same thing.

If all the states and territories had intended to sign up to this deed by the end of this year, it was Queensland's position that we should use the principles of that deed to generate assistance based on a cost-sharing arrangement according to the deed where the citrus industry, the Commonwealth and the states and territories took part in assisting the Emerald citrus growers. Unfortunately, that did not occur. We in Queensland are so frustrated that, as I said earlier, I have written a letter personally to Peter McGauran asking for a meeting of the Primary Industries Ministerial Council to reconsider as a matter of urgency the Commonwealth's position, the other states' and territories' position and the citrus industry's position. So I am calling on the citrus industry. If we had support from the citrus industry, I believe that we would be able to convince others. However, that support is not there and I would strongly suggest to the citrus industry to try to work with Growcom, the organisation that represents the fruit and vegetable organisations, and the government to arrive at some sort of a decision.

Mr HORAN: Minister, I would just like to go back a little bit. When the proposal for total destruction was put in late 2004, with approximately \$16 million in compensation, you did not act on that. Then in the new year—that is, this year—there was a proposal put forward by the Queensland citrus growers, into which your department had input, for approximately \$2,000 per hectare support of the growers. Added to that then was an amount of \$55,000 for two growers to harvest the lemon crops that were there. That went to cabinet, and I understand that you were rolled in cabinet on that, and the Premier came out and announced only the \$55,000 portions. As a result, you then offered \$500,000 loans, or more debt, to those growers and none of them took that up. Minister, isn't this citrus industry recovery scheme that you offered really just a Clayton's assistance scheme to cover up for the fact that you got rolled in cabinet for what was a reasonable proposal?

Mr PALASZCZUK: No, far from it. I refute that allegation. All decisions on eradication are made by the National Management Group. It is chaired by the Commonwealth and it includes representatives from all states and territories and the citrus industry. Decision making for the eradication program has always been based on science and has followed the best science available which, of course, is the Florida protocol. I think we all understand what the Florida protocol means: the destruction of citrus trees within a 600-metre radius of an infestation of canker. This happened on 3 June this year.

Under the Emerald protocol all citrus trees, including commercial, domestic and native citrus, within the Emerald pest quarantine area have been ordered to be destroyed. For the first time—and this is the point—on 3 June the decision was made by the National Management Group that the Citrus Canker Eradication Program included healthy trees. So for the first time healthy trees as well as those infested or most likely to be infested with citrus canker must be destroyed. Queensland believes that this new protocol requires a new approach to other elements of the Citrus Canker Eradication Program including reasonable reimbursement to growers whose healthy trees are now being destroyed for the good of the entire citrus industry in Australia. That is the Queensland position because healthy trees are going to be destroyed, which is a departure from the Florida protocol.

We believe that adequate compensation, or grower reimbursement, should be provided for our growers. We believe that this reimbursement should be based on the principles of the draft Emergency Plant Pest Response Deed, which, as I said earlier, is supposed to be ratified by all jurisdictions by later this year. This proposal was put to the National Management Group at its 3 June meeting and it was rejected. As I said earlier, I am not satisfied with that decision, which was made at senior officer level, and I have written to the new federal agriculture minister urging him to convene an urgent session of the Primary Industries Ministerial Council to reconsider our proposal.

The previous federal agriculture minister, Warren Truss, was prepared to make ex gratia payments to a nursery owner in my electorate who was adversely affected by the red imported fire ant infestation. He received around \$105,000 in compensation. The Commonwealth government was also prepared to make an ex-gratia payment to a banana grower in the Daintree area affected by black sigatoka. We just expect the same treatment from the Commonwealth to the growers in Emerald.

Mr HORAN: Minister, further on from what I said about the support package that the growers did not get earlier this year, as a result of that failing you then offered the \$500,000 loans, which were not taken up because they were just drowning in debt. Then you went on to this track of promising or saying to these people that you would get domestic market access, which everybody knew you would not be able to obtain. Minister, in pushing for that market access, you undertook a pest risk analysis that paralleled the pest risk analysis that is undertaken by Biosecurity Australia for the importation of product. Minister, isn't it true that that analysis scheme that you said would allow the sale of Queensland fruit into the domestic Australian market would then have forced Australia into the position where it would have had to accept citrus canker-ridden fruit from the United States, Japan and Korea as well as New Zealand apples at risk of fire blight and bananas from the Philippines because all of that is based on the equivalent principle?

Mr PALASZCZUK: That is right. To give you the detailed response that you want to that technical question, I ask Chris Adriaansen to come forward.

Mr Adriaansen: The department completed a pest risk analysis for citrus fruit from the Emerald pest quarantine area in February, March and April this year. There were obviously parallels to the international standard with regard to pest risk analysis. The outcome of the pest risk analysis—and this has never actually been disputed by any of our interstate trading partners—is that we actually came up with an appropriate level of protection or an acceptable level of risk of very low. Currently, Australia's international trading standard says that if fruit or vegetables or other fresh product coming from overseas can also demonstrate a very low level of risk then that fruit or fresh product is accepted from overseas countries. The proposals that we put in place with regard to the risk mitigation for fruit from Emerald achieved that very low level of risk and therefore were compatible with Australia's current international trading position. Therefore, it was not just a case of if we allowed Emerald fruit in we had to allow Florida or any other fruit in simply because we had to be able to achieve the same level of protection and the same risk mitigation.

Mr PALASZCZUK: People in Gayndah-Mundubbera did not believe that the department could get market access for the fruit from Gayndah-Mundubbera in the short space of time that we were able to. We based that on science. We did the same thing in Emerald. We tried to get market access for the Emerald growers as quickly as we could. One of the complaints we received was the issue of area freedom certificates. They were based on science. They were based on the correct protocols and we believed that until the third outbreak of canker occurred on the Iddles's property we were in a good position to be able to gain that market access.

Mr HORAN: Minister, section 14 of the Plant Protection Act 1989 provides that the chief executive may order destruction of a crop on land that is not infested with the pest and says that the owner shall be entitled to compensation. Does this section relate to the Emerald citrus growers whose crops are being destroyed despite not having citrus canker and, if it does not, can you explain why not?

Mr PALASZCZUK: I will get Chris to start by giving you the technical information and then I will complete the answer.

Mr Adriaansen: The initial provisions that the member refers to of section 14 certainly do make provision for an ex-gratia payment by agreement between the landholder and the chief executive. However, the member would also be aware of the recent amendments that have been proclaimed with regard to the pest quarantine area in Emerald and the requirement to destroy and maintain a host-free area for canker. Those amendments have been proclaimed recently—on 8 July, in fact. Those amendments to the regulations are actually in place to provide the powers under which Queensland can potentially implement the resolutions of the National Management Group of 3 June, which require all commercial citrus trees within the pest quarantine area to be destroyed; all non-commercial citrus trees within the pest quarantine area to be destroyed; all native citrus plants—that is, native limes, citrus glauca—to be destroyed within 600 metres of the boundary of a commercial orchard and within 600 metres of the boundary of the township of Emerald; and for the Emerald pest quarantine area, as it is currently declared, to be maintained free of host material up until 1 January 2008 or an earlier date to be determined based on scientific evidence. Therefore, those current arrangements actually allow for that destruction to take place under section 11B of the Plant Protection Act of 1989.

Mr HORAN: Under section 14, as amended, it still says that compensation should be paid and that it should be an agreed amount between the owner and the department and it even allows for a mediator to work that out.

Mr Adriaansen: If the action is being taken under section 14. However, this action is being taken under the new proclaimed regulation, which actually provides for actions under section 11B of the act rather than section 14. These actions are actually being directed under section 11B and other relevant sections of the act, not section 14.

Mr PALASZCZUK: When Evergreen took the department to court during the initial outbreak on IP1, I am sure that it was section 11 that was used in the court case, and the court case upheld the department's position.

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

Mr WALLACE: Minister, you spoke in your opening comments about your department's close relationship with industry. I refer you to page 1-17 of the MPS and to the second dot point under the heading 'Biosecurity Enhancement'. What role has the partnership between the cattle industry and the DPIF played in the implementation of the NLIS?

Mr PALASZCZUK: The National Livestock Identification System became mandatory in Queensland on 1 July 2005 through the enactment of the Stock Identification Regulation 2005. The recent announcement of another case of BSE in the United States is a timely reminder of the need for NLIS to support continued market access. This certainly has strengthened industry support across all sectors. Our department has worked very closely with industry through the Queensland NLIS Implementation Committee—or QNIC, as it is called—which has representation from all sectors across the production chain. QNIC has worked hard to design a system that best suits Queensland conditions. This we believe has minimised the impact on producers during the phase-in period while maintaining traceability standards—for example, note tagging is required for most direct-to-abattoir movements and for sporting events for the first one to two years, yet traceability is still maintained through recording these movements on the national database.

In another example, the department has demonstrated that it is flexible and responsive in the implementation period by assisting producers who had been unable to obtain tags because of a temporary shortage of these devices. Within a matter of days, the department established a short-term system to supply emergency NLIS tags—a scheme known as Quicktags—to genuine cases where people need to move cattle, especially through saleyards and small lots to abattoirs. This has been welcomed by both producers and stock agents.

We have also engaged in probably the largest communication exercise ever undertaken by the department. During 2004-05 we expended over \$4.8 million on NLIS in areas such as policy development, communications for industry, training, updating property registration records and

developing the required legislation. This has been a true one DPI and F effort, with people from virtually all business groups making significant contributions. This was recognised this year when the field staff from biosecurity and delivery received a client service award for their excellent producer workshops.

Let me turn to some of the specific examples of assistance provided. Producer information seminars have been held continuously throughout the state, with around about 25,000 producers attending. This has been supported by a very comprehensive information package available both on the web and also in a guide to the NLIS booklet as well as media stories. As well as its own staff, DPIF has also funded two industry people to deliver information services to producers. There have been two mail-outs to the 52,000 registered property owners, providing information on NLIS and updating property registration details.

Mr WALLACE: I enjoyed your dissertation on the NLIS, Minister, and I hope you do not mind if I ask you another question about NLIS. I refer to your question on notice No. 5 and page 17 of the MPS, dot point 6, and I ask: what initiative does DPIF plan for this financial year to build on the NLIS implementation program?

Mr PALASZCZUK: Whilst NLIS started on 1 July, it needs to be realised that this date represents only the start of implementation. This is a massive undertaking for the cattle industry considering the complex nature of the regulatory requirements and the number of people within the industry, which is around about 52,000 registered holdings. It is expected that it will take up to two years for the system to bed down. The department will continue to work closely with industry through QNIC, which has representation from all sectors across the production chain. The role of QNIC will be to monitor implementation and recommend changes that may be required to the system.

It should also be remembered that considerable work will continue to be required in implementing enhanced traceability systems for other livestock industries such as sheep, goats and pigs. QNIC will play a very important role in the design of these systems. As I said earlier, the department has spent over \$4.8 million on NLIS in a range of areas. A similar level of resources is expected to be required for the 2005-06 period. The following areas will receive particular emphasis—education and training, troubleshooting and infrastructure support, compliance monitoring and enforcement, and the implementation of the NLIS for sheep. I note that the Commonwealth has finally announced details of its funding to assist in the implementation of NLIS, which it first promised at the federal election in October last year.

To a large extent, I am sad to say that the Commonwealth really has been missing in action on NLIS in Queensland. Our best estimate is that the Commonwealth has provided around about \$125,000 to the implementation of NLIS in Queensland. The Commonwealth has announced its \$20 million package—\$5 million for sheep; \$15 million for cattle—based on the cattle herds in the different states, and that money will be spread over four years. We have finally found out what the conditions are to this funding, but we are exploring with AgForce and others how we might be able to access this money that is available to Queensland for the benefit of the Queensland industry. We are already working with AgForce to identify ways to minimise the cost of tag devices.

Mr WALLACE: Minister, there is another area in which the Commonwealth has been lacking. I refer to page 1-3, dot point 4 of the Ministerial Portfolio Statement. I refer especially to the additional \$8.8 million over four years to enhance biosecurity, and I ask: what are the priorities in 2005-06 for this additional funding?

Mr PALASZCZUK: The Queensland government is clearly committed to biosecurity of our plant and animal industries and the production and trading status benefits this provides. As evidence of this, the Queensland government, as I said in my opening statement, has allocated an additional \$8.8 million over the next four years to enhance biosecurity service delivery in Queensland which will enhance our ability to manage the risks of pests and diseases, ensuring continued market access to our quality Queensland produce and the proper care of all animals in Queensland.

This additional funding will secure some 20 additional positions for the biosecurity group, with the greatest focus of these additional positions on areas of surveillance and compliance management including for the continued enhancement of FMD and BSE surveillance and emergency preparedness activities. An additional six biosecurity inspectors will be positioned around the state to enhance our pest and disease and chemical use surveillance efforts. Part of their function will contribute to the FMD BSE enhancement activities. Not only will this help ensure the earliest possible detection of pests and diseases; it will also reinforce our trading position by demonstrating the absence of critical quarantine pests and will demonstrate the safety and integrity of Queensland produce in terms of chemical residues and contaminants. The funding will provide for the services of a senior veterinary officer for Longreach. This position will address a significant priority for the animal industries of surveillance to support market access programs for meat products including, for example, surveillance and emergency preparedness activities for FMD and BSE.

Additional effort in ensuring compliance with the range of Queensland legislation which underpins our biosecurity and trading status will also be secured through this additional investment. Senior compliance staff will be recruited to ensure that the world-class compliance systems which facilitate our

favoured trading position are maintained and implemented. Part of the additional funding will provide for a veterinary pathologist and technician at Toowoomba to perform the rapid testing of animal samples for bovine spongiform encephalopathy, BSE or mad cow disease. This testing program, together with the associated recording and reporting software, is a first for Queensland, and Toowoomba Veterinary Laboratory is the only laboratory in Australia other than the national laboratory in Geelong to perform this test. Testing for BSE is demanded by international standards and is the most significant and tangible method of demonstrating confidence in Queensland beef's freedom from this disease.

Mrs NITA CUNNINGHAM: Minister, we regularly hear reports in the media that Australian farmers are ageing rapidly. I refer to page 2-2 of the Ministerial Portfolio Statement regarding new entrants into farming, and I ask: what initiatives has the Queensland government taken to encourage young people to become involved in farming and agribusiness in this state?

Mr PALASZCZUK: The government is keen to do everything it reasonably can to encourage young people to pursue a career in our primary industries. We believe these industries have a great future and can continue to be a source of financial and personal achievements for future generations. One important way of demonstrating this commitment is through concessional loans programs operated by QRAA, in particular, the First Start component of the PIPE Scheme. The First Start scheme has been strongly promoted amongst rural communities in an endeavour to encourage new entrants into agriculture.

It has been recognised that the vast majority of new entrants into primary production will not have the financial capacity to establish a viable property from the outset. As a result, the program was changed two to three years ago enabling new entrants to acquire a viable rural business on a staged basis enabling off-farm income to attribute to servicing the loan. Activity under PIPES has increased steadily over recent years. The 2004-05 financial year saw QRAA provide about \$17 million to 61 applicants to allow them to establish themselves in primary production. In fact, this was the most assistance provided under the component of PIPES since its introduction. This is an increase from 2003-04, where 49 applicants were approved \$12.7 million in assistance.

Concessional rates of interest on these loans can be fixed for one, three or five years, ensuring greater stability and confidence in repayment commitments on the loan in the early years of establishment. PIPES loans do not have any establishment fees, have up to 20-year repayment terms and have maximum lending limits of up to half a million dollars. First Start loans also assist producers when they are considering their succession planning alternatives and determining the future management structure for their enterprises. The loans provide a means whereby these younger generation family members are able to purchase a property from parents or other family members, ensuring continuation of the enterprise.

Due to the success of these loans in providing young people the opportunity to become involved in owning their own primary production enterprise, recent changes to PIPES will now enable those primary producers within the commercial wild catch fishing and forestry industries to also apply for concessional finance under these programs. The inclusion of these industry groups will further strengthen Queensland's primary industries, becoming more productive and sustainable in the long term. I would encourage any young Queenslander with any interest in primary industries, whether it be agriculture, fishing or forestry, to have a think about applying for a First Start loan from QRAA.

Mrs NITA CUNNINGHAM: Minister, I refer you to page 1-11, dot point 4 and the reference to the Queensland Farmers Federation. Can you indicate how the department engages and consults with primary industry stakeholders?

Mr PALASZCZUK: The Department of Primary Industries and Fisheries works with a wide range of clients and stakeholders as part of its vision of profitable primary industries for Queensland. Our department engages and consults primary industry stakeholders in many ways. For example, in March this year the Premier and I launched the department's three strategic documents—the discussion paper, the research and development strategy, and Food and Agribusiness Export Strategy. The documents and the target for gross value of primary industries' production to increase to \$14.4 billion per annum by 2010-11 were released for public comment. In terms of the research and development strategy and the Food and Agribusiness Export Strategy, these have been subject to industry and stakeholder consultation to develop an implementation plan.

Another example of close industry consultation is the Biosecurity Advisory Council of Queensland, which provides advice to the department on plant and animal health issues. Industry is represented on this council. A subcommittee of the council was formed to advise the department on the implementation of the NLIS. This implementation of NLIS provides a good example of another form of consultation with primary producers. Our department has conducted a number of workshops and other extension activities to ensure producers were aware of the responsibilities under the NLIS.

Another major example of industry consultation has been the recent releasing of the RIS for the proposed Fisheries fees and licensing arrangements. Our officers have conducted 16 port meetings to discuss the RIS with fishers. In addition, the department will receive public submissions from the community, and on a recommendation of industry we have extended the terms of that RIS by a month

from the 1 July deadline until 1 August. Our department provides a wide range of material through its own publications, the web site and the call centre as well as through industry events, publications and general media outlets. Since the department's establishment in 1887, it has placed a high priority on the provision of information and consultation with industry. Nothing has changed.

Mrs DESLEY SCOTT: Minister, I refer to page 2.2, dot point 6 of the MPS, and I ask: how has QRAA been able to assist producers suffering the long-term effects of drought as well as those primary producers who are now recovering from the drought?

Mr PALASZCZUK: QRAA has been particularly mindful of the need of our primary producers and small business owners over the past 12 months, during which time we have seen a continuation of the severe drought conditions across large areas of the state. QRAA has provided some \$32.5 million in interest subsidy assistance to 1,697 primary producers during the 2004 financial year. In addition to this, a further 16 primary producers received a total of \$1.15 million in assistance under the drought carry on and the drought recovery loan schemes to help producers restock or replant crops post drought and also to help cover carry-on requirements for essential costs such as fuel, seed, fodder and so on. QRAA also provided a total of close to half a million dollars to small business owners during the 2004-05 financial year.

Another role QRAA undertakes is the provision of exceptional circumstance certificates for primary producers, enabling them to access welfare funding through Centrelink. In this regard, a total of 4,694 primary producers were issued with these certificates in 2004-05. I inform the committee that Queensland is the first state to sign on to the Commonwealth expanded exceptional circumstances scheme where the interest rate subsidy has been lifted from 50 per cent to 80 per cent. This was achieved by the Prime Minister of Australia. It could not be achieved by the former agriculture minister, who tried for five years to get some sort of a scheme in place and was unable to do it.

CHAIR: Minister, the time for questioning by government members has expired. I now call on the member for Toowoomba South.

Mr HORAN: Thank you, Chairman. Minister, I want to go back to this issue of the Plant Protection Act and clause 14, which allows for compensation, and the explanation you gave that section 11 was used to not provide compensation. As you explained it, that was to do with the unhealthy farms, the one where the cookie cutter system was put in place. There are farms in that area that are clean and healthy; certificates were presented publicly by yourself and the Premier.

Mr PALASZCZUK: Yes.

Mr HORAN: They have gone on under your market access plan to spend hundreds of thousands of dollars on water harvesting, pruning and so forth. Shouldn't these farms at least be subject to section 14 of your act so that they do, in fact, get compensation for the massive costs that they have had where they have had to destroy a complete healthy farm?

Mr PALASZCZUK: We have to understand that the response to the eradication of citrus canker is a national response. Queensland is only one player when we take into account the other states, the territories and the Commonwealth. The National Management Group makes the decisions. The National Management Group is chaired by the Commonwealth. Because the outbreak is in Queensland, Queensland is what we call the combat state. Once the National Management Group makes a decision, the Queensland government has to abide by that decision, whether we like it or not, because if we go away from the decision of the National Management Group it would put in jeopardy national responses to outbreaks Australia-wide.

If we want to talk about section 11 and section 14, let us go back to the National Management Group. On 3 June this year the National Management Group requested that the eradication program be undertaken under section 11, not section 14. That means no compensation. It was a National Management Group decision, and we have to abide by that decision.

Mr HORAN: Minister, allowing for all these issues of the old model and the new model, whether section 11 or section 14 was a national issue, when it comes down to tin tacks, it affects Queensland families and a Queensland district—eight farms only, owned by five people, in an isolated area. Here is a chance for the Queensland government and yourself to show some real leadership on this issue. A proposal has been put forward by those farmers who have been so financially, emotionally and physically devastated for \$35 million over seven years, involving \$79 per tree and \$20 per tree over seven years only on trees post the 1 May decision, so it does not include all those trees and orchards before that. Are you prepared to save these people and the Emerald district with 40 per cent of that compensation, provided the other 40 per cent came from the Commonwealth and the other 20 per cent came from the industry? Are you prepared to put your hand up now, give some leadership and say you would put that forward to save these people?

Mr PALASZCZUK: Unfortunately, as you would know, Mike, you cannot make policy on the run. I cannot make unilateral decisions unless I have agreement from cabinet. You talk about leadership. Where is the leadership from the Commonwealth government? This is a national eradication campaign. We have citrus growers, and you have outlined in graphic detail the situation that those citrus growers are in in Emerald, and I agree with you on that.

On two occasions Queensland has put forward a proposal based on the principles of the deed. Twice they have been rejected by the National Management Group. That is why, in desperation, I have now written to the new minister for agriculture in Canberra, Peter McGauran, to urgently convene a meeting of ministers—whether it be in person or by phone—to reconsider the Queensland position. The Queensland position is this: we need to assist those citrus growers. If industry shows leadership and is prepared to put money up, I will take that proposal to the ministers' council meeting—if Peter McGauran convenes it—and we will consider anything that could be agreed to by the National Management Group and by the ministers to assist the citrus growers in central Queensland.

You have to understand that it is essential that all the stakeholders in the National Citrus Canker Eradication Program deal with the issue of financial and other support for the affected growers. It is not a Queensland problem. Unfortunately, in the last session of parliament you basically said that it is a Queensland problem and that Queensland should sort it out. It is not a Queensland problem; it is a national program. Our growers are at the forefront in ensuring that Australia remains citrus canker free, and we are not getting the support from the other jurisdictions.

CHAIR: Time has expired, Minister.

Mr PALASZCZUK: I am sorry, it has two minutes here.

Mr HORAN: That was a mistake.

Mr PALASZCZUK: Sorry.

Mr HORAN: Thank you, Mr Chairman.

Minister, let us get on to NLIS now. Here is another opportunity for you to be able to do something. The rollout of the federal government's NLIS funding package is contingent on your government acting to reduce the cost of NLIS to producers, conditions which AgForce fully supports. I know that you have continued to oppose any subsidy arrangements. Other states have done that, and other states that do not have levies have also done that. What I am asking you at this estimates hearing today is: would you be prepared to underwrite a tender to assist producers in reducing the cost? That would ensure federal funding would flow to Queensland. There is a no-cost way for you to be able to reduce the cost of the tags.

Mr PALASZCZUK: We are committed to providing strong support to industry during the implementation of NLIS. As I have said twice before, we have expended over \$4.8 million on NLIS in areas such as policy development, communication, training, updating property registration records and developing the required legislation. We have also put close to \$700,000 into the Saleyard Rebate Scheme, which is a significant investment supporting our profitable cattle export industries. This effort has been crucial in establishing NLIS. I think anyone who witnessed the sales in the first week after it came in would agree that the implementation of NLIS has gone through very, very smoothly.

In relation to the government's proposal—I think I said, in my answer to the honourable member for Thuringowa, that we are working together with AgForce to see how we will be able to access that available money from the Commonwealth government now that we have been given the guidelines. We are not going to do it together; we are going to do it with industry. We believe in working in a partnership, and we will do it together with AgForce. If there is a way that we can lever that money from the Commonwealth government on a 50-50 split, of course we will consider it.

On the final issue that the honourable member has mentioned, that is, the underwriting of a tag subsidy scheme—

Mr HORAN: No, a tender.

Mr PALASZCZUK: A tag subsidy tender, we are currently in negotiations and discussions with AgForce on that very issue right now. As far as the other states are concerned, in relation to their levies—transaction levies and so on—my understanding is that all the states basically have used producer money to subsidise their tags. In Queensland I think our producers are served far better by not having transaction levies or additional costs and charges to subsidise their industry. I think it is a lot cheaper for us, and it is a lot better the way things are going currently. Out of the 25,000 producers who attended our seminars throughout the state, I do not think we heard any producers talk about a subsidy for their tags.

Mr HORAN: Minister, I want to come now to the DPI budget cuts. The MPS shows a DPI budget for 2005-06 of \$313.4 million, down \$23 million from the 2004-05 estimated actual figures. In the actuals over the past three years, the DPI budget has fallen from \$352 million to \$345 million to \$336 million while, in the estimated figures, the budget has fallen from \$350 million to \$335 million and now it is down to \$313 million—a clear downward trend in each and every indicator. To try to spin out this year's budget cut you claimed in a media release that there will be about \$9 million less spent on fire ant eradication, \$5.4 million less spent on controlling citrus canker and \$1 million not required for the RSPCA's capital program. This only accounts for \$15.4 million. Given you also claimed increased biosecurity funding of \$8.8 million, there is still nearly \$10 million in funding wind downs that have not been explained. Can you detail for us today where the cutbacks are?

Mr PALASZCZUK: There is a difference of \$23.356 million between the 2004-05 estimated actual and the 2005-06 estimate for controlled revenue. Total income of controlled revenues within the departmental financial summary in the income statement consists of two major components: firstly, the controlled revenue for the Department of Primary Industries and Fisheries comprises Queensland's government output payments of \$216.8 million for 2005-06; and, secondly, there is a further \$96.7 million from other sources referred to as own source revenue.

The difference between estimated actuals and estimates can be summarised as: successful programs either winding down or being completed; technical changes, such as accounting and budgeting treatment, and machinery of government changes for 2005-06; timing differences of deferrals and carryovers; new core funds for 2005-06; and new specific project moneys for 2005-06.

Let us talk about the fire ant eradication program. The financial contribution is intended to be reduced by \$9 million in 2005-06 as compared to 2004-05. That is good news because the eradication campaign is working. Funding for the Citrus Canker Eradication Program will also be reduced. Around \$2.638 million has been allocated for an early conclusion of the eradication program.

Let us talk about the Drought Relief Assistance Scheme. Treasury has changed its accounting policy for funding the Drought Relief Assistance Scheme. In the past, it was funded through output revenue allocations of controlled revenue. Instead of including an estimate, the department will now be funded on actual expenses; that is, it will be funded in arrears. This will in no way affect the amount or timing of drought assistance that is paid to Queensland's primary producers. The effect of this change on the difference between the estimated actual for 2004-05 and the estimate for 2005-06 is a reduction of \$3.5 million.

Let us talk about special initiative funding. The member mentioned the \$1 million allocated to the RSPCA. Also, \$2.4 million was provided for the establishment of the Adai Cape York Seafood Company, an Indigenous fishing company. Initiative funding of \$1.1 million was provided by the government for policy development communication for NLIS in 2004-05 and \$2.7 million was provided by the Queensland government for work related to coral reef fin fish management plan and fishery resources.

That means, basically, that there has not been a reduction in the DPI budget. In actual fact, there has been an increase in the DPI budget.

Mr HORAN: Minister, I refer you to the DPI staffing levels which show that 3,685 staff will be employed in 2005-06. Previously, you have refused to provide the opposition with a breakdown of how many staff are at various DPI offices and research stations, which is a reasonable question for us to have asked on notice. However, you have been prepared to provide the media with the numbers of staff at DPI centres—for example, Mareeba. You provided the media with that information when there was controversy over cutbacks there.

Are you prepared to provide this committee—and it may have to be post this meeting—with a copy of the breakdown of staffing levels at DPI offices and research stations throughout the state?

Mr PALASZCZUK: I do not have the detail that you have requested. If I table what I have in front of me, you can look at it and see if that satisfies your needs. However, let us go back to staffing levels.

In the 2005 Ministerial Portfolio Statement, it was estimated at 30 June 2005 that there would be 3,702 FTEs. As at 30 June 2005, there were 3,724 FTE staff actually employed in the DPI and F. The variation between estimated and actual FTE numbers is due to normal staff fluctuations caused by turnover, recruitment, and so on. In this instance, a number of staff who were recruited for projects such as the citrus canker eradication project, the reef line review and seasonal forestry work exceeded the number of temporary staff who completed their contracts on projects such as the fire ant eradication project. The following output FTEs shows actual FTEs at 30 June 2004 and estimated FTEs for 30 June 2005. I will table this document. I think that should answer your question.

Mr HORAN: Minister, can you tell this committee how many stock inspector vacancies the department currently has, and can you confirm that there has not been a stock inspector at the weekly Oakey cattle sale since the beginning of this year?

Mr PALASZCZUK: Kevin, do you have those figures there?

Mr Dunn: In relation to the first part of the honourable member's question, there is currently one vacant stock inspector position. As we speak, the recruitment process is being finalised. That is the inspector position at Winton. There has been quite a number of movements of stock inspectors around the state due to long service leave, sick leave, promotion or transfers in this current year.

In relation to the question about the Oakey cattle sale, it is not our policy to have a stock inspector at every cattle sale. That has been the policy for many years. However, with the advent of the NLIS and the monitoring and audit of the NLIS by stock inspectors, there will be an increasing presence—albeit on a randomised basis—of stock inspectors at cattle sales in the future to audit the implementation of the NLIS.

Mr PALASZCZUK: If I could just add to that answer, currently the department has commenced a selection and recruitment process for six new biosecurity inspectors. Part of their role will be the work of stock inspectors. The process is currently underway to select and recruit those persons.

Of course, as we know, the other problem is the difficulty of getting people to work in rural areas. I have had this out with the honourable member for Gregory in relation to stock inspectors in his own area. The department placed ads and I suggested to the member that if he had anyone in mind, please ask them to put their hand up and put in an application. Unfortunately, if you cannot attract applicants, you cannot fill positions. As Kevin Dunn has basically stated, the situation is nowhere near what the honourable member has made it out to be.

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

Mrs DESLEY SCOTT: Minister, I refer you to page 1-19 dot point 10 of the MPS on the proper care and treatment of all animals in Queensland. What is being done to protect animals from harm in Queensland?

Mr PALASZCZUK: This is a really good news story for our government, which is a trendsetter for the rest of Australia and for the rest of the world, I suspect. Our new Animal Care and Protection Act promotes the responsible care and use of animals. People who are in charge of animals now have a duty of care to those animals. People are legally obliged to care for their animals by providing food and water, suitable accommodation and living conditions, allowing animals to display normal patterns of behaviour, treating them for any disease or injury and handling them properly.

The act provides for monitoring programs, the first of which has been developed and deals with the use of animals for scientific purposes. During the next three years, we aim to audit all scientific establishments which use animals and work with them to ensure that the requirements of the scientific purposes code are met.

We have strengthened the role of the animal welfare unit. We now have 98 departmental inspectors who deal with animal welfare complaints. Last year, the department undertook more than 820 investigations. We have established an animal welfare advisory committee, which is chaired by Dr Cam Day, to advise myself and the government on animal welfare matters. We fund the RSPCA with recurrent funding of \$165,000 per year, plus we gave them a \$90,000 grant to establish their mobile education unit and provided them with \$2.5 million to help refurbish facilities statewide.

Queensland, I am proud to say, has led Australia in the fight to ban tail docking. We have encouraged other states to do the same and we have brought about a national ban. International animal welfare organisations have focused attention on animal welfare issues, like mulesing. Our wool industry has responded admirably to this challenge and has indicated that it aims to end mulesing by the year 2010.

Some years ago, the Queensland government provided \$60,000 seed funding to the University of Queensland for the groundwork to establish a chair in animal welfare. It is great that Professor Clive Phillips has been appointed as the inaugural chair and has been in that position for the past two years. We have provided ongoing support and we have committed a total of \$560,000 to that position. This is matched by the Commonwealth and is being supplemented by other generous supporters, such as the livestock industry, the AVA, local councils and numerous forward-thinking individuals. This is a first for Australia.

Mrs DESLEY SCOTT: Congratulations to all. Minister, Queensland has an enormous investment in its forestry plantations, as mentioned on page 1-43 paragraph 3 of the MPS. What is being done to manage and protect this investment from the threat of wildfires?

Mr PALASZCZUK: The state's investment in forestry plantations is enormous. In fact, DPI Forestry manages more than 190,000 hectares of plantations, which are worth more than \$1 billion. In addition, it manages timber production from about 5 million hectares of native forests. Fire is a constant threat to these forests, particularly over the past few years when we have experienced such terrible drought conditions in many areas of the state.

To help prevent serious forest losses through wildfire and to protect thousands of regional timber industry jobs, Forestry places a high priority on the maintenance of state-of-the-art fire prevention and suppression capabilities. DPI Forestry's comprehensive system of fire management includes preventative and control measures, such as controlled burning of forest fuels, maintenance of fire breaks, forest surveillance and rapid fire suppression to control wildfires.

Forestry also ensures that its staff has the capability and resources to fully support these operations. More than 400 of the DPI Forestry's 700 staff members are qualified firefighters, including staff from the central office in Brisbane, who can provide much needed relief for field based firefighters facing long hours at the fire front.

To support this training and to foster interagency cooperation, DPI Forestry holds regular firefighting exercises throughout the state, almost all of which are attended by firefighters from other organisations, including the rural fire brigades and Queensland Parks and Wildlife Service. In addition,

DPI Forestry maintains a modern, well-equipped firefighting fleet, including tankers, dozers and four-wheel drive mop-up units. This fleet is constantly upgraded. For example, DPI Forestry placed six new firefighting tankers into service for the 2004-05 fire season at a total cost of \$1.5 million. Each tanker features the latest in firefighting technology, including electric hose reels, a specialised foam injection system, high performance pumps and variable flow nozzles which allow the operator to dial up the right level of water for the fire intensity.

During 2005-06, DPI Forestry will further upgrade its firefighting capability at a total cost of \$2.2 million by putting seven new bulldozers into service, primarily for fire control activities including dozing of fire lines. With this excellent capability in place and in the pipeline, Queenslanders can be confident that our enormous forestry investment is being very well protected from wildfires.

CHAIR: I call the member for Thuringowa.

Mr WALLACE: I will stick with forestry for a while. I refer to DPI Forestry's expansion up my way in north Queensland outlined on page 1-44, paragraph 4 of the MPS. Minister, can you provide practical examples of how DPI Forestry is expanding its plantations in partnership with both small and big businesses?

Mr PALASZCZUK: The department, through DPI Forestry, is working to forge strong links with both big and small business to expand Queensland's hardwood and softwood plantations. Forestry recently concluded an agreement with Pentarch Forest Products for the sale over 15 years of three million cubic metres of log timbers from 12,000 hectares of state owned plantations in north Queensland. This sale will support 80 long-term jobs in the region, with the potential for further employment generation as additional sawmill and value-adding facilities are developed as a consequence of the sale.

As part of its proposal for the sale Pentarch Forest Products signalled its intention to plant up to 5,000 hectares of softwood and hardwood plantation in the region. These plantations will nicely complement Forestry's plans to expand state owned plantations in the region by a further 5,000 hectares by 2010 and will greatly assist timber industry development in the region. In line with timber supply arrangements with DPI Forestry, two of its major timber-processing customers—Hyne and Sons and Weyerhaeuser—are aiming to establish more than 30,000 hectares of plantation in south-east Queensland.

DPI Forestry has been selected to supply some of the exotic pine planting stock for one of Hyne and Sons' plantation projects and has also been conducting on-site trials to help identify the best tree taxa to suit specific sites. Links have also been formed with a range of other companies that are interested in expanding plantations for both commercial and environmental purposes. These include a joint venture with Millmerran Power Partners to establish a hardwood plantation research trial, a biofuel plantations project with Tarong Energy, a hardwood plantation land reclamation project in Swanbank with Thiess Services and a service contract with Forest Enterprises Australia to monitor the growth and the health of their hardwood plantations in the South Burnett. The involvement of both small and big business is of key importance in expanding Queensland's plantation resources, and DPI Forestry will continue to look for opportunities to expand its links with business in plantation development projects.

Mr WALLACE: DPI Forestry has been involved in moves to save the Wollemi pine from extinction as mentioned on page 1-44, paragraph 5 of the MPS. I note that one of the Wollemi pines was shown recently at the Chelsea Flower Show in the UK. Can you advise when the Wollemi pine will be released for public sale in domestic and international markets and what involvement DPI Forestry has had in saving this ancient tree from extinction?

Mr PALASZCZUK: I am very pleased to advise that the Wollemi pine or Jurassic tree will be launched for commercial sale in 2005-06. Initially it is intended that a limited supply of Jurassic trees will be commercially auctioned in Australia this coming October, and then in April 2006 it is planned to launch the tree for general sale to ornamental gardeners in Australia and around the world, including North America, Europe and Japan.

It has been a great achievement to reach this point after so many years of hard work. For six years scientists from DPI Forestry and the department's Horticulture and Forestry Science group, together with other Australian and international collaborators, have worked on propagating the rare and threatened Wollemi pine or Jurassic tree for worldwide distribution. Dubbed the botanical find of the 20th century, the Jurassic tree was thought to be extinct until 1994. I think we all know the history after that.

The pine belongs to a family of trees that dates back 200 million years to the Jurassic age when dinosaurs roamed the earth. The oldest known fossil dates back 90 million years to a time when the Wollemi pine flourished in great forests and may have been a primary food source for plant-eating dinosaurs. As part of the conservation strategy for the species the Royal Botanical Gardens in Sydney called for tenders to prepare sufficient Wollemi pines for the international market in the form of a desirable and hardy pot plant.

The tender was won in March 2000 by Wollemi Australia Pty Ltd, a Queensland joint venture bringing together the tree propagation expertise of DPI Forestry and the international plant-marketing capabilities of Brisbane's Birkdale Nursery. DPI had to draw on its 100 years of experience with related

species such as the hoop pine. It has come through with a product that will thrill collectors and plant aficionados around the globe. This landmark project is expected to generate millions of dollars in export earnings for Queensland, at the same time helping to fund the conservation of the Jurassic tree and other endangered species in the wild.

Recent major international events, as the honourable member has said, have celebrated the Jurassic tree with special plantings and displays, including Japan's Pacific Flora 2004, World Expo 2005 and, of course, the 2005 Chelsea Flower Show. We can all be justly proud of Queensland's pivotal role in the exceptional technological effort that has pulled this tree back from the brink of extinction.

Mr WALLACE: From one good news story to another. I refer to page 1-11 at dot point 2 of the Ministerial Portfolio Statement. What role has DPIF been playing in the promotion of sustainability and water management?

Mr PALASZCZUK: To maximise the economic potential of primary industries in Queensland it is vital that our natural resources—that is, our land and water—are used in a sustainable way. DPIF has a vital role in continuing to develop and promote sustainable farming management systems. In terms of water management, the department has made significant contributions to the delivery of the Rural Water Use Efficiency Initiative outcomes in partnership with the Department of Natural Resources and Mines.

This includes improvements in water use efficiency practices in the irrigated cotton and grains industries whilst maintaining production. During the period 1999 to 2003 the irrigated cotton and grains industries increased water use efficiency by 11.3 per cent. The resultant water savings of 67,855 megalitres provided the capacity for the production of an extra 113,996 bales of cotton with a value of \$57 million.

As part of the second stage of the Rural Water Use Efficiency Initiative DPIF is leading the delivery of the cotton best management practice land and water module program aimed at improving whole-of-farm irrigation efficiency. Working in partnership with Cotton Australia, the department has drafted the cotton best management practice land and water module, referred to as the cotton industry farm management system, which is anticipated to be rolled out in late 2005. Importantly, this cotton industry and farm management system will assist producers in meeting the planting requirements of land and water management plans. We have four departmental staff working with irrigators and consultants, catchment groups and Cotton Australia to support the adoption of improved irrigation practices.

In addition, during 2004-05 the cotton industry and Cotton Australia, together with DPIF, has participated in the development, launch and distribution of Waterpak, which is a guide for irrigation management in the cotton industry. There are water use efficiency displays at Emerald and Toowoomba, and there have been grower field days on topics such as innovations in irrigated agriculture, furrow irrigation evaluation and storage loss and management. They have established a storage seepage management project on the Darling Downs with industry partners using the funds from the Condamine Alliance. This activity clearly illustrates the way in which DPIF is partnering with industry peak bodies and key stakeholders to achieve win-win outcomes from a production and environment perspective. I am confident that the department will continue to work collaboratively with industry and government to deliver on our mission to maximum the economic potential for Queensland's primary industries on a sustainable basis.

Proceedings suspended from 10.24 am to 10.45 am

CHAIR: The hearing of Estimates Committee E is now resumed. The question before the committee is—

That the proposed expenditure for the portfolio of the Minister For Primary Industries and Fisheries be agreed to.

I call the member for Toowoomba South.

Mr HORAN: Minister, I refer to page 1-15 of the MPS, which refers to the services that the DPI is moving out of providing. Why are you only making frozen rather than chilled tick fever vaccine available during the Christmas period, despite your survey revealing that nearly 80 per cent of the affected producers do not have access to liquid nitrogen, which is needed to store the vaccine, and despite the fact that the chilled vaccine is a more viable option for producers? What financial savings is the DPI making by moving to this system through that two-month period?

Mr PALASZCZUK: As part of the Queensland government's strategy to proactively manage the effects of cattle tick fever, the department is committed to maintaining a supply of tick fever vaccine for all Queensland producers. In the past, DPI and F has produced a chilled tick fever vaccine for distribution all year round. However, following extensive consultation with 850 stakeholders, it was decided that the chilled tick fever vaccine would not be made available to producers in December 2005 or January 2006.

The reasons for this are the following. The department wants to promote the use of tick fever vaccine during the most appropriate time of the year, and that is during the cooler months. The chilled vaccine has a shelf life of only four days, which is a significant problem for remote producers, especially

during summer months and times of inclement weather. Variable yields in the production system can cause the chilled vaccine to become unavailable on up to 10 per cent of supply days and only a relatively small number of producers use the vaccine in the summer months. The number of doses ordered during 2004 and January 2005 made up nine per cent of the total demand for the financial year.

However, I am aware of the need for a small proportion of producers to vaccinate introduced cattle during December and January. A frozen vaccine, also produced by this department, will be made available to those producers. The frozen vaccine is considered an improvement on the chilled product and is already preferred by some of the major producers because of the flexibility provided by its long shelf life. Whilst the new vaccine has to be stored in liquid nitrogen, the DPI and F is looking at alternative methods of storage and transport.

The DPI is also examining ways that ensure that the frozen vaccine is able to be delivered to clients for the lowest cost per unit. For example, officers from the department are negotiating with veterinary practices to store vaccine for producers and even prepare the vaccine for them in a ready-to-use form. It is likely that in future the price per dose for small orders dispensed by a vet will be competitive and if not cheaper than the chilled vaccine dispatched from the tick fever centre.

I would also add that, like yourself, I was concerned about the change. I visited the tick fever research centre a couple of weeks ago. I spoke to the people there. The answer that I have given is, I believe, the reason why this has occurred. If only nine per cent of producers are using the vaccine in the December-January months, that leads me to believe that during that very, very hot period the proposed new system is really the way to go. Do you have anything to add, Kevin?

Mr Dunn: In addition to the minister's comments, I would point out——

CHAIR: Time is up.

Mr HORAN: Minister, on page 3 of the Ministerial Portfolio Statements there is a reference to the Eco Science Precinct and that the key capabilities of the DPI and F will co-locate at the precinct. Is it correct that the staff from facilities at Yeerongpilly., Indooroopilly, Deception Bay and Hamilton will be relocated both to this site and to Cooper Plains? Can you advise when this is going to happen? How many staff will be relocated? Will any of the DPI facilities that are left be shut down as a result of staff relocations? Will there be any job cuts associated with the move?

Mr PALASZCZUK: The government announced this initiative in April and it has certainly given the Department of Primary Industries a unique opportunity to really improve its infrastructure in the Brisbane metropolitan area. As the honourable member rightly said, the Eco Science Precinct will be located on the old Boggo Road site. We will have an ecoscience precinct there. A health and food science precinct is to be developed on the existing site of the Queensland Health science facility at Coopers Plains. Of course, these new precincts will offer our scientists the opportunity to pursue research and development activities that support profitable primary industries in facilities that are designed to support modern scientific approaches.

In addition, there will be the co-location of scientists from several state government agencies, NRM and EPA. Of course, that will provide opportunities for greater collaboration and integration of planned scientific outcomes. It is also hoped that other science agencies will choose to locate staff in the new facilities. I expect that all existing staff in DPI and F metropolitan sites will be accommodated at these sites from 2009 onwards. To give further detail in response to the question, I will call on Professor Beth Woods to respond further.

Prof. Woods: In undertaking the planning for the new infrastructure, we are looking at new science partnerships and we are also looking at the new opportunities for both funding and styles of work which would be possible in the new infrastructure. The move to those new science directions and the possibility of working collaboratively with a range of new agencies will mean that we will have some new project work, and that will likely mean new roles for some staff. That is the normal process of R&D. As project directions change and as funding sources change, we evolve and staff might move from a project in one area to a project in another area or, in the case of support staff, from laboratory support to support of field activities, or for administrative staff again there may be some adjustment in their roles. However, that is the normal process that we expect to go on in R&D activities and we expect that same sort of adjustment will have to take place as we move to new infrastructure in 2009.

Mr PALASZCZUK: As the honourable member has said, we do have a steering committee with corporate representation from people at affected sites, such as Yeerongpilly., Indooroopilly, Deception Bay and Hamilton, and we are working through the whole issue with the unions. As minister, I do not expect to see any staff reductions.

Mr HORAN: In the fishing section, 1-23, there is reference to the review of the fishing licensing and fees system. In parliament I have mentioned that you made the comment to the fishing industry that they had been screwed. You have gone back on your word by introducing this proposal, with massive increases of up to 1,100 per cent. I ask: are you going to release a revised fee schedule, as the Premier had to promise, to overcome this huge revolt against these prices? Have you done a detailed analysis of how the increased fees will impact so badly on the viability of fishing families in Queensland?

Mr PALASZCZUK: You really need to take the contents of the RIS as a whole. Sure there is an element of increased fees for our commercial fishers. However, within that RIS there are numerous benefits for our commercial fishers. Part of that, as a critical element of a rights based system, is the ability of fishers' rights to be freely traded. We are giving that to the commercial fishers. No longer will they have to apply for a licence each year. They will now have a tradable property right. This was provided to them in this RIS as a result of representations from the QSIA.

In relation to the proposed fee structure, that has gone out in the RIS. There has been extensive consultation. There have been 16 port meetings so far. The department has listened very closely to what our commercial fishers have said. The Premier has listened very closely to what our commercial fishers have said. There is going to be a further series of port meetings to work through the issue with our commercial fishers. As minister, I have asked the department to extend the time for the RIS by an extra month so that submissions now can be submitted up until the end of this month. That gives everyone the opportunity to have as much say as possible.

The government has an open mind. It is well documented that the Premier has said that he is not looking at introducing the fees immediately. The Premier is looking at a period whereby the fees will be introduced gradually. It could be a period of five years. We do not know yet. We have to wait until we conduct the final port visits and until the final submissions for the RIS have come in. The government will then make a decision.

As far as I am concerned, I stand by my statement in ensuring that this year is the year of consolidation. Other management plans, such as the inshore fin fish management plan, have been put on hold simply because we do not want to further introduce stringent measures on our commercial fishers. It is true that I have said that as minister I believe that over the past six years we have addressed issues that had not been addressed for a long time. As a consequence, commercial fishers and recreational fishers have felt the pain.

Mr HORAN: Minister, just on that fishing issue, you have mentioned the permit and the security that that provides with the licence. But you should be aware that that only allows you to go out in the boat. Outside of that arrangement, it is the effort where you make the money. It is not much use going out in the boat if you cannot fish or you do not have a quota and so forth. It is important to realise that. I just make that as a comment.

Mr PALASZCZUK: So that is a comment?

Mr HORAN: Yes.

Mr PALASZCZUK: Okay.

Mr HORAN: I want to ask you about timber. With DPI Forestry now being a commercialised business unit, it seems that a very serious error has been made in the estimation of what the returns would be this year and what the actual returns were. It is an error in the order of \$36.5 million. Can you explain why such a serious miscalculation could be made by a commercialised business unit?

Mr PALASZCZUK: The department is projecting that its operating surplus will rebound from its \$17.6 million in 2004-05 to \$46.8 million in 2005-06. This improved financial performance is expected to be driven mainly by increased forest product sales of exotic pine plantation timber and, of course, the Wollemi pine or Jurassic tree and an expected increase in the value of state-owned plantations. Our market demand for timber products is expected to remain quite firm during the 2005-06 year, buoyed by continuing high levels of dwelling construction and alterations. In this environment, plantation timber sales volumes are projected to increase from around two million cubic metres in 2004-05 to 2.2 million cubic metres in 2005-06, with the increase in sales mainly attributed to additional timber removals under a major 15-year sale from state-owned plantations near Atherton, Ingham and Proserpine which was finalised during 2004-05. Garry, would you like to comment further?

Mr Hannigan: There are three reasons for the difference in the performance balance sheet. There is a \$36.5 million difference in terms of what was budgeted for and the actual figure arrived at. There were three reasons. The first one was that there was an unexpected demand from interest budgeted by the Treasury corporation that was not budgeted in our balance sheet. That is because the Treasury corporation interest rate that they calculated was different to the interest rate we had calculated. The second is that there has been a slight reduction in demand for forestry material. If you look at the 'Performance Statement' you will see that, with regard to plantation timber, we budgeted for 2.1 million cubic metres and we only delivered two million cubic metres to industry. With regard to native forests, we budgeted 343,000 cubic metres and we only delivered 313,000 cubic metres. There was a slight increase in quarry material to 3.3 million cubic metres. They are the two initial reasons why, but the main reason for the variance is in the fact that the accounting standards for forests or tree growing corporations require that we recognise the growth of the value of the timber when it is growing and not when it is sold. So we have a situation where, in other words, our plantations are required to report the market value of the plantation. As there is no actual market value for forests, we use a surrogate means of evaluating the value of the forest. We go to three factors—

CHAIR: Thanks, Mr Hannigan. Your time has expired.

Mr HORAN: Thank you, Mr Chairman. Minister, I refer to page 1-43 of the MPS about native forest hardwood and cypress being key products in Queensland. Minister, are you concerned about the Premier's proposal to lock up one million hectares of forests that contain both cypress and hardwoods under the western hardwoods plan? Do you accept that decisions about future timber industry activity in forests containing both cypress and hardwoods should be dealt with separately, or do you support the lockup of cypress forests under the current western hardwoods planning process?

Mr PALASZCZUK: The government is committed to addressing the long-term development needs of the timber industry in Queensland. Using the consultative model established for the South East Queensland Forests Agreement, the government is now pursuing solutions for forest management and industry development in the rest of the state under the banner of the statewide forest process. On 14 December 2004 the Premier outlined the elements of a plan for the future management of forests in the western hardwood region. This plan is currently the subject of further discussions between the government and key stakeholders. The long-term management of the cypress resource will be considered through the statewide forest process once a strategic direction for the management of the western hardwoods region is finalised. The potential for alternative plantation based timber resources, increased utilisation of timber harvested and greater value-adding processing are options being explored to provide a sustainable timber industry future. This process is being coordinated by the Department of State Development and Innovation.

If I could just continue, I think honourable members of the committee would know that I have been a very strong supporter of the cypress industry here in Queensland. As a matter of fact, as minister I am proud to say that I have been at every new mill opening in western Queensland since I have become minister. I am pretty proud of that. I believe that cypress is a wonderful resource. It is the lifeblood of many small country towns going from Toowoomba all the way through to Tambo—

Mr HORAN: You roll over for those people—

CHAIR: Order!

Mr PALASZCZUK: All the way through to Tambo. The value adding that is currently under way for cypress is exceptional and the export sales for cypress timber, especially to the United States as flooring, are on the rise. The millers in the cypress industry are using the latest technology to use up as much of that timber resource as possible. As minister, I am very confident, having said all of those things, of the future of the cypress industry here in Queensland.

CHAIR: Thank you, Minister. The time for questioning by non-government members has expired. I call on the member for Bundaberg.

Mrs NITA CUNNINGHAM: Minister, I have a question that is very relevant to my electorate of Bundaberg. I refer to page 1-10 dot point 3 of the MPS. The Sugar Industry Reform Act 2004 was in part promoted to encourage the sugar industry to innovate and improve productivity. What is the government doing to promote this objective? Is innovation actually occurring and, if so, what are some of the new and emerging technologies for our sugar industry?

Mr PALASZCZUK: Thank you. The sugar process initiated reforms are two levels to improve innovation and productivity to ensure the long-term viability of the industry. These were the legislative reforms and the Queensland sugar industry assistance programs. Legislatively, the industry is required to innovate commercially by developing and agreeing to, for the first time, commercial supply contracts and dispute resolution systems instead of the set statutory CPA and bargaining systems which had previously applied. Vesting exemptions for alternate products are also available for the first time. Supply contracts are now coming into place for the start of the 2005 crushing season after, at times, vigorous negotiating processes.

The \$10 million sugar industry innovation fund and the \$13 million change management program, which includes the Future Cane program, are key initiatives for promoting innovation and productivity increases in the industry. The sugar innovation fund is motivating sugar industry participants to adopt innovative management systems and technologies. The fund is also enabling increased production of value-added products from sugar and fostering the development of more efficient supply chains. To the end of June, some 20 projects valued at \$2.4 million have been approved. For example, HCL Harvesting, a harvesting and planting cooperative representing seven farms in the Burdekin and covering an area of 1,035 hectares, has received \$50,000 to introduce controlled traffic and precision guidance practices throughout the cooperative. HCL Harvesting is an innovative response to the declining profitability of small- to medium-sized businesses in the sugar industry. Other successful applicants have been for sugar bagging equipment at Mossman Central Mill; equipment for commercial stockfeed production at Nambour; precision guidance harvesting equipment at Tully, Mareeba, Sarina and Mackay; ethanol projects at Sarina, Mackay, Atherton Tablelands, Beenleigh and the Burdekin; feasibility studies of functional sugarcane production for the health food industry, stockfeed and fertilisers; and best practice farming, harvesting and milling systems projects.

Future Cane is a multidisciplinary project with a strong emphasis on working with canefarmers to improve their productivity and profitability—in other words, doing that very important extension work that is required to assist our producers to go through the tough times of change. It also promotes a

sustainable and competitive cane growing sector. It ensures that farmers have a clear view of what their direction should be financially, and it facilitates change by improving the value chain connections between growing, harvesting, transport and milling, and that is something that did not exist until the changes were effected by our legislation back in 2004.

Mrs NITA CUNNINGHAM: On a very different topic, I refer to the MPS at page 1-24 dot points 8 and 9 and ask: what programs does the government have in place to support recreational fishing in Queensland?

Mr PALASZCZUK: We certainly are blessed with one of Australia's most enviable recreational fisheries because of the diverse variety of well-managed fish species and the range of accessible fishing opportunities for local, interstate and international anglers. To help maintain our fisheries resources, Queensland has implemented Australia's most comprehensive recreational fishing information systems to monitor the activities of Queensland anglers. The Department of Primary Industries and Fisheries is currently conducting its fourth survey since the initial survey was commenced back in 1996. In addition to the ongoing recreational fishing information systems program, the department also took part in a national recreational and Indigenous fishing survey in 2000-01, which indicated that the Queensland recreational fishery harvested an estimated 8,100 tonnes of fin fish from the national total of 27,000 tonnes. It also highlighted the importance of interstate fishers to the Queensland economy.

The government has also put in place a number of programs over recent years to ensure that recreational fishing remains an iconic component of the way of life of Queenslanders and those fortunate enough to visit our state. The Recreational Fishing Unit was established within the Fisheries group in July 2000—and I am pretty pleased that I had something to do with that—to provide a centralised location to deal with recreational fishing related issues. This unit is also responsible for a range of projects that directly support recreational fishing in Queensland, including the administration of the kids fishing clinics and recreational fishing grants programs. The clinics were established in November 2003 to provide school-aged children the opportunity to experience recreational fishing activities first-hand and to learn how to fish responsibly so they can look after Queensland's fish stocks. To date, more than 1,000 children have attended these clinics in about 20 locations around Queensland.

The Recreational Fishing Unit also administers the recreational fishers grants program that was established in October 2004 to provide special project funding to incorporated bodies for projects designed to restore, enhance and develop recreational fisheries in Queensland. A selection of approved grants under this scheme include projects as diverse as environmental education for disadvantaged children, installation of wheelchair accessibility pathways for a freshwater fishing location, and a range of fishing clinics and promotional material. In Queensland we believe that recreational fishing is a pastime that should be enjoyed by all, not by just a few, and we include people from the southern states as well.

Mrs NITA CUNNINGHAM: Again on the topic of fishing I refer the minister to the table on page 1-29 of the MPS regarding the compliance program for Fisheries, and I ask: how much is the government investing in 2005-06 to ensure that the Queensland Boating and Fisheries Patrol has modern, reliable boats for its work and where are those funds being spent?

Mr PALASZCZUK: The Queensland government is aware of the need to maintain a modern, safe and efficient fleet of patrol boats as part of its compliance program implemented by the Queensland Boating and Fisheries Patrol. In 2005-06 we are investing \$1.8 million in boating equipment in order to further improve Queensland Boating and Fisheries Patrol's ability to monitor and enforce fishing regulations on Queensland waters. The funds have been allocated for the replacement of vessels from Cairns to the Gold Coast and west to Roma.

The key areas of investment is in rigid inflatable boats, which will improve the capability of regional patrol officers to plan and conduct operations in their relevant areas. Four 7.5 metre boats valued at \$155,000 each will be stationed at Cairns, Bowen, Mackay and Hervey Bay. Another 5.9 metre vessel worth \$75,000 will be based at Noosa. Two more 5.9 metre boats will be used by the Department of Primary Industries and Fisheries offshore patrol vessels which are stationed at Gladstone and Cairns. This will significantly improve the patrol's ability to approach and board fishing vessels during offshore operations.

In addition, almost \$1 million will be directed towards a range of dinghies and small craft suited to the patrol's heavy workload in inshore and near shore areas and the state's inland waters. These replacement vessels will be located at Weipa, Karumba, Thursday Island, Ingham, Townsville, Airlie Beach, Mackay, Rosslyn Bay, Gladstone, Bundaberg, Hervey Bay, Maryborough, Urangan, Noosa, Mooloolaba, Pinkenba, Redlands, Gold Coast, Wondai and Roma. No wonder we have about 5,000 applicants for vacancies for Boating and Fisheries Patrol officers when you look at these locations.

The vessel replacement program also covers a range of items such as boat trailers and outboard engines that are required to maintain the state's excellent surveillance and enforcement fleet, which is arguably the best in Australia. Almost all of the 23 Queensland Boating and Fisheries Patrol locations will benefit from the replacement program in 2005-06, ensuring that the patrol maintains its capacity to do its vital job across the state.

Mrs DESLEY SCOTT: I refer the minister to the fourth dot point on page 1-25 of the MPS. Minister, you have already commented on the proposed changes to the fisheries licensing and fees system. Would you like to expand further on the proposed changes to licensing and fees and how the government has responded to the widespread concerns of commercial fishers?

Mr PALASZCZUK: The government believes that the current commercial fisheries licensing system is more complex than it needs to be, as I said earlier, and that the fees charged for access to commercial fisheries bear little relationship to the rights that these licences grant. The aim of the current review is to reduce the red tape by introducing a more streamlined and equitable licensing system which improves the security of commercial access rights. The licensing and fee arrangements set out in the recently released regulatory impact statement are, however, draft proposals. No decision has yet been made as to the time frame beyond the fact that the full proposal will not be implemented at this time. The approach to consultation on the issues of licences and fees has been different from that which has been undertaken in the past, and I have gone through all of that in my previous answer. Immediately following the release of the RIS, officers of the department of primary industries did the port visits, as I mentioned earlier.

Let us talk about the rights based system. A critical element of a rights based system is the ability of these rights to be freely tradeable. In other words, fishing licences and quotas under a rights based model would need to be able to be bought, sold and leased. As part of the licence amendment package, existing limitations on full tradeability will have to be reviewed. Again, I want to emphasise that the proposals outlined in the RIS are still at a very early stage of consultation and it is impossible to predict the outcomes of these consultations. Officers of the Department of Primary Industries and Fisheries will continue to develop the proposal to deliver the Premier's commitment. This process will occur in consultation with affected fishers to ensure that the fisheries licensing and fee system meets the needs of both industry and government. I spoke to a number of fishers at the community cabinet meeting at the Gold Coast on Sunday. Once I explained it to the fishers, they were quite happy.

I think it is important that I provide a brief response to the observations made by the member for Toowoomba South following my response to the question about proposed licence fees for Queensland fisheries. It is good to see that the member has identified the importance of the level of effort or quota held by each individual. A key component of the proposed licence structure is that fees for quota fisheries will be based on the level of quota held on each licence. In other words, the more quota you have the more you pay. So the fees will therefore reflect the earning potential and resale value of the rights that each individual holds. Once this is explained to the commercial fishers they tend to accept the thrust of the proposal. Thank you for pointing that out to us, too.

Mrs DESLEY SCOTT: Minister, I refer you to the seventh dot point on page 1-24 of the MPS. Minister, could you provide details of any recent initiatives the department has taken to actively encourage the involvement of Indigenous people in fisheries and aquaculture?

Mr PALASZCZUK: Indigenous fisheries and aquaculture development is really an important component of the core business of the Department of Primary Industries and Fisheries, and significant resources have been and will be directed towards it. DPI and F has three full-time staff working in Cape York with Indigenous communities to help identify opportunities for involvement in fisheries and aquaculture. They assist in developing proposals and any projects that arise as a result. They also provide contact with relevant DPI and F experts in other parts of the state and work closely with other agencies to ensure that project initiatives have every opportunity for success. These field staff are based at Weipa and Cooktown and one officer is based in Cairns. The Cairns based officer has a roving commission with a focus on training and education. A number of other departmental staff also spend a significant part of their time working on Indigenous development projects and are being trained to ensure that they have the necessary skills to do so.

Two working groups have been established to help identify and evaluate Indigenous fisheries and aquaculture project proposals to set priorities and to coordinate the activities of the various agencies involved in Indigenous projects in the cape. One of these working groups focuses on wild capture fisheries and the other on aquaculture. An Indigenous fisheries forum is held at Weipa every year to bring Indigenous people throughout Queensland together with representatives from relevant state and Commonwealth agencies. The aim is to facilitate information exchange, relationship building and discussions in a wide area of fisheries' issues.

The government has spent \$2.4 million over the last two years establishing a commercial fishing company called Adai Cape York Seafood Pty Ltd, and I would like to acknowledge the work that has been done by our director-general at Lockhart River, who is the champion for that community. This company is owned by the Indigenous people of Cape York. Three coral reef fishery licences and a quantity of reef fish quota have been purchased for the company. This gives Indigenous people of the cape a significant stake in the mainstream fishing industry. The company board has considerable fishing industry business and legal and Cape York development expertise and Adai is acting as a business incubator to help get Indigenous people into other fisheries related businesses. This initiative will provide employment, training and revenue benefits and will enhance the economic and social position of

these communities. This will help address a range of regional development and socioeconomic issues that were identified in the Cape York Justice Study. It is good news for the Indigenous people of the cape.

Mrs DESLEY SCOTT: Minister, could I ask you to expand on the development and investment that is taking place in the aquaculture industry right throughout Queensland as referred to in the third dot point on page 1-25 of the MPS?

Mr PALASZCZUK: The Department of Primary Industries and Fisheries has been actively involved in a range of tasks to advance the growth and development of existing and emerging sectors of the aquaculture industry in Queensland. The department has undertaken two industry development plans—one for the oyster sector and the other for the prawn sector. The oyster industry development plan, prepared with full industry participation, has been completed and was launched by me at Parliament House in 2004. The plan is currently being implemented in conjunction with industry. Further, I expect to formally release the prawn development plan later this year.

The department has also worked closely with the emerging crab aquaculture sector to document the current position and future direction of the sector in the soon-to-be-released 'Opportunities for crab aquaculture in Queensland'. The department has a lead agency role in facilitating the development of guidelines for the construction and management of aquaculture ponds in Queensland. A technical advisory committee has been formed, which includes representatives from State Development, EPA, NRM, two aquaculture industry members and an external engineering firm which has been contracted to develop the guidelines. These guidelines will assist industry in the design, construction, maintenance and ongoing management of aquaculture ponds in Queensland.

This year the department has developed a technical guideline for industry to raise awareness about the potential for aquaculture product to accumulate chemical residues. This accumulation may be as a consequence of past chemical applications on agricultural land. The guideline outlines a suggested approach in determining the site's suitability for aquaculture and thereby reducing potential risks from residue or contaminants.

The department has had a significant involvement in the accreditation of Queensland law under the Great Barrier Reef Marine Park (Aquaculture) Regulations. The aim was to establish a single accredited environmental assessment process and performance standards for any aquaculture development adjacent to the Great Barrier Reef. The accredited process, which commenced on 2 March 2005, incorporates technical standards that were developed with the aquaculture industry. The department has also released a number of policy documents relating to the aquaculture industry's development, the latest being the draft policy for the management arrangements for the commercial harvest of juvenile eels. These policy documents are providing clear direction to the relevant aquaculture sectors.

CHAIR: Order! The time for questions from government members has expired. I call on the member for Nanango.

Mrs PRATT: Minister, I understand that a lot of the questions I wanted to ask with regard to canker have already been asked. This question is fairly specific. It has now been recognised that bird flu is being carried by migratory birds from areas outside the known areas of bird flu in Asia. Some of these migratory birds are known to frequent Australia and it is believed that it is now a real possibility that bird flu will be experienced across Queensland in the not-too-distant future. Minister, what kind of investigation has the department done or what requirements have been established to ensure that bird flu does not contaminate poultry farms? What kind of buffer zones has the department decided to put in place to protect our industry and the people of Queensland in the event that bird flu does come into Queensland waters and to the islands that these migratory birds frequent?

Mr PALASZCZUK: The presence of H5NI throughout Asia is a source of global concern about the potential for future avian influenza epidemics in poultry and its potential spread to human populations. In particular, the potential for the H5NI subtype of avian influenza to change to a form that becomes much more highly contagious to people is considered by a number of global organisations to really be a serious threat.

In Queensland it is the department's responsibility to lead the response to avian influenza in poultry and other birds. Queensland Health would activate its pandemic influenza plan to lead a response to influenza outbreaks in people. DPIF will use existing plans and structures to respond to a detection of avian influenza. As minister, I will represent Queensland on PIMC if it is required to form, as this body forms the national ministerial level body for emergency disease control within the current national emergency response structure. We also have a response at the departmental level, and we will have to follow the AusVet plan—the agreed national plan to be used by all jurisdictions for response to emergency animal diseases—and the Queensland disaster management system would support both DPIF and Queensland Health in any response.

If we talk about migratory birds, the greatest risk to our poultry is migratory water birds coming into contact with native wild bird populations or commercial poultry. As I said, this basically represents the greatest risk of introducing the avian influenza virus to Australia. The virus is highly concentrated in

the manure and in nasal and eye discharges, and can be transferred through close contact and contamination of drinking water or feed. Spread can also occur through contact with contaminated equipment or even humans. Australia has had five previous incursions of avian influenza and one which was in Lowood, Queensland during 1994. Kevin, would you like to continue that answer?

Mr Dunn: In relation to migratory birds, that certainly is an issue which has a lot of the Australian animal health and public health authorities watchful at the moment. In the north of Australia under the Commonwealth funded NAQS, North Australia Quarantine Strategy, there is ongoing monitoring of wild bird populations to test background levels of avian influenza virus. Avian influenza virus consists of many strains, but it is only very specific strains which are the concerning ones at the moment in South-East Asia. The other issue is that there will be a major exercise nationwide to test the response capability of the animal health authorities working in conjunction with public health authorities at the end of November this year called exercise eleusis.

Mrs PRATT: It was preventative measures I was wanting to know; the buffers.

Mr HORAN: I refer to the native forest hardwoods that you have mentioned on page 43 of the MPS. I understand the conservation movement opposes most of the main elements of the western hardwoods plan—elements such as the 20-year transition to plantations and greater reliance on private wood. Given that the statewide forest process has now been going on for five years, and there is no end in sight, and the fact that state Labor governments in New South Wales and Tasmania have recently proceeded with forest agreements without the total endorsement from the green movement, would you support the government developing a workable plan that does not have the support of the conservation lobby, or are you going to sacrifice the future of hundreds of timber workers in a string of regional communities to ensure that you do not offend the extreme green movement?

Mr PALASZCZUK: I suggest to the honourable member that that question is really in the province of the minister for state development. We will take it on notice and get you a response from the minister for state development.

Mr HORAN: The next question, then, is regarding the farm consolidation loan scheme—the \$10 million scheme with the sugar industry. If we look at the other government loan schemes, one person has taken up the Natural Disaster Relief Arrangements scheme; three people have taken up the Coral Reef Fishery Temporary Assistance Scheme; zero people have taken up the Citrus Canker Eradication Program; three people have taken up Drought Carry-on loans for 2004-05; and 13 people have taken up the drought recovery scheme for 2004-05. Can you tell us how many people have taken up, and for what amounts, the Farm Consolidation Loan Scheme in the sugar industry?

Mr PALASZCZUK: The opposition has been a constant critic of these schemes. The position of the government is this: we put up these schemes and they are there for the advantage of producers. Some of those schemes are targeted at certain industries. If the producers do not take up those schemes, it is not the government's fault. We put them forward for industry to access. If they do not access them, it is not our fault. If you look at NDRA, there has been one application. If we have a look at the climate in Queensland over the past year, we really have not had any major disasters. We have not had the cyclones or the floods or so on where people can apply for these schemes. That one application I think for this year is on par. What I might do to give you a more detailed answer on those other schemes—

Mr HORAN: I have the answers. I read them out. They were answers to questions on notice.

Mr PALASZCZUK: Well, my answer is quite simple: we put out these schemes to benefit producers and, if they do not take them up, it is not our fault. If you have a look at the Citrus Industry Recovery Scheme, the Farm Consolidation Loan Scheme, the Coral Reef Fishery Temporary Assistance Scheme, the Drought Carry-on and the natural disaster and drought recovery loan schemes, the uptake has been pretty low. There are factors that impact upon the take-up of QRAA's loan programs. It is fair to say in the past, as I said earlier, that NDRA was taken up following cyclones of significant magnitude. We have not seen those sorts of events over the past year. With programs such as the Citrus Industry Recovery Scheme and sugar farm consolidation loans, QRAA is dealing with a targeted market and does not endeavour to provide finance to all participants in these particular industries.

The commercial banking sector will largely continue to provide funding for enterprises in these particular industries, bringing about adjustment through its own mechanism. QRAA's funding is aimed at those producers who may be outside commercial bankers' policy parameters but who still demonstrate viability. It is not possible for government to openly market programs such as the ones we have mentioned to all primary producers at concessional rates and without fees or charges. Other factors that influence uptake of these programs include providing seasonal and commodity conditions and also other assistance programs that may be on offer at the time. These programs have a very targeted market and provide essential finance to these producers accessing them to ensure continued viability of their operations.

Mr HORAN: Minister, from the answer to question on notice No. 2, I understand that biosecurity needs could require funding from the contingency fund that you have, but can you explain to this committee why almost \$350,000 from the contingency fund was used on promotions?

Mr PALASZCZUK: We need to clarify with the promotions arm. I will ask the director-general to talk about the contingency fund.

Mr Varghese: The contingency fund is really a fund that goes back to the programs. By 30 June it is a zero balance. In relation to your question of biosecurity, what went from that contingency fund back into biosecurity was for four broad areas. One was for compensation of some 325 head of cattle at a cost of some \$141,000. Secondly, there was the 150 years of biosecurity in Queensland promotion. If that is the promotion you are referring to, there was some \$10,000 for that. Then there was the Vector Command simulator, which is pretty important for our biosecurity preparedness, which was some \$24,000. Very importantly, there was some staffing for new positions to meet emergent priorities at some \$95,233, giving a total of \$270,233.

Mr HORAN: I want to go back to the question I asked you about the ecosciences precinct, and you mentioned the time of 2009 in which you said that everybody would be transferred out over those new areas. Does that mean that the facility at Yeerongpilly will be closed down or sold off? What is the plan there? That will be vacant, I take it, as will other facilities that you have.

Mr PALASZCZUK: I will get the director-general to give you a detailed response to that.

Mr Varghese: As you would know, in moving to this new complex, the current ARI site would be a surplus asset. In accordance with government policy on surplus assets, that is disposed of in the appropriate way. As the minister has indicated in his earlier answer, we have a process of working through with the unions any staffing issues affected. It is, as Professor Beth Woods has indicated, a very significant move to the ecosciences project which allows us collaboration not just with DNR and the EPA but also with CSIRO and the University of Queensland, supplemented by Coopers Plains.

Mr HORAN: I think I have only one more question, but in asking that could this committee be given a list of those facilities that will eventually come under the sale banner in time?

Mr PALASZCZUK: I think I gave you that answer to a previous question.

Mr HORAN: Okay.

Mr PALASZCZUK: The working group consists of those centres that you mentioned originally.

Mr HORAN: That is fine. I want to ask you one last question on citrus canker, but you have not answered the question about the sugar loan—the \$10 million scheme—in terms of how many people have accessed that and for how much. My final question on citrus canker is as follows: can you advise us how much Q-Build received to undertake the Citrus Canker Eradication Program? I understand it was the lead agency in that eradication, and it would have been paid through you. Has there been any continuing problem with the roots and other material appearing unburnt on evergreen paddocks as a result of that clearing that was undertaken under the umbrella of Q-Build?

Mr PALASZCZUK: Let me answer the first question in relation to the \$10 million Farm Consolidation Loan Scheme. This scheme was implemented because we recognised the importance of farm build-up. This was one of the major issues identified by Hildebrand in his report on sugar. This scheme was designed to complement the Commonwealth scheme. It commenced in 2004 and will continue until 30 June 2007.

Activity under this scheme has seen eight applicants receiving \$2.17 million assistance. Sure, the uptake of this program to date has been slow, but it is possible that as the industry recovers from recent poor commodity prices the attractiveness of this scheme to sugarcane growers should increase. However, the reluctance on the part of sugarcane growers to incur additional debt may also be related to their existing debt levels. With the average debt per borrower in the 2003 rural debt survey conducted by QRAA at \$372,000, this tends to lead me to believe that that anecdotal evidence is pretty well right.

Whilst the government has been proactive in providing assistance programs to the sugar industry, the decision to take up assistance remains a commercial one for individual businesses. I hope that answers that part of the question for you. In relation to Q-Build and so on, I will get Chris Adriaansen to give you a response to that.

Mr Adriaansen: The Department of Primary Industries and Fisheries is, in fact, the lead agency for the Citrus Canker Eradication Program and not, as was stated by the honourable member, Q-Build. Q-Build was, in fact, a contractor that was used by the Department of Primary Industries and Fisheries in the first phases of the emergency response for the destruction of what we know as IP1, or what you have referred to as Evergreen Farms. The ability of Q-Build to be able to bring together the resources to assist the department in that emergency destruction clearly demonstrates the ability of a whole-of-government response by the Queensland government to this emergency and dealing with that. Q-Build was paid a very small amount in terms of its overhead and management fees. The rest of the money that was paid to Q-Build was, in fact, for the subcontractors that were organised by Q-Build. All of the subsequent destruction that has been done on those properties in Emerald has, in fact, been done by

local private contractors and has obviously therefore returned some financial benefit to the local economy through the use of private contractors.

In terms of regrowth control, that has been absolutely vigilant. We have been working very cooperatively with the owners of IP1 to maintain that control and it is very much under control.

CHAIR: Thank you. The time for questioning by non-government members has expired. I call on the member for Thuringowa.

Mr WALLACE: Thank you, Mr Chair. Minister, your department received additional funding to assist in the development of horticulture exports. Indeed, I recently spoke to my in-laws in Singapore, who had read about Queensland pineapples and their cancer prevention properties in the local Chinese press. I refer to page 1-2, paragraph 4, dot point 1 of the Ministerial Portfolio Statements. What initiatives are being developed to progress this?

Mr PALASZCZUK: The horticulture industry is the second largest primary industry in Queensland and it strongly underpins the employment and economic fabric of many Queensland regional communities. However, several sectors of this industry are facing uncertainty, both in the international and domestic markets. Low-cost producers such as China and strong supply alliances from the Southern Hemisphere countries are eroding Queensland's horticulture industries' competitiveness and viability. On the domestic market, Queensland fruit and vegetable products increasingly have to face competition from imported products.

I am pleased to report that the department has proactively tried to address this issue, which has resulted in a special initiative funding allocation of \$500,000 for 12 months. There is consensus by industry players that something needs to be done. The department proposes to utilise this funding to precipitate a process of change that will be committed to, and continued, by industry.

International markets are of paramount importance for Queensland exports. This initiative will focus on developing linkages between Queensland's major exporters and the key global supply chains. The department's trade staff are currently meeting with exporters to identify products and markets that have the greatest chance of success. These opportunities will be worked into projects. The department will use resources from this initiative and existing expertise to facilitate business relationships with importers and to provide targeted postharvest and disinfestation research and development assistance.

As you are probably aware, a new phytosanitary protocol for mangoes has been signed between Australia and China, suggesting that mangoes would be a priority for this work and the subject of one of these projects. However, we anticipate that exporters will be able to identify other opportunities where this initiative can assist them to achieve export outcomes.

Mr WALLACE: Minister, I will stick with horticulture for a little while if that is okay with you.

Mr PALASZCZUK: That is fine.

Mr WALLACE: I refer to page 1-12, dot point 8 of the MPS. What activity is the DPI and F providing to assist lifestyle horticultural exports to the Middle East?

Mr PALASZCZUK: Lifestyle horticulture is one of Queensland's fastest-growing primary industries. According to our *Prospects for Queensland's primary industries, 2003-04 to 2004-05* publication, the total gross value in current price terms of Queensland's lifestyle horticulture industry is forecast to exceed \$1.4 billion in 2004-05. If this forecast is realised, the gross value of the lifestyle horticulture industry will have grown by 42 per cent since comprehensive statistics for this industry were first collected in 2001.

I view this industry sector as important to achieving export growth for Queensland. However, the Queensland lifestyle horticulture industry currently has a relatively low export propensity. In 2001-02 only 2c of every dollar of gross sales from the lifestyle horticulture industry was from overseas, although a further 10c of every dollar of gross sales was supplied from interstate markets in the same year. Our investment in the lifestyle horticulture industry is significant. It includes a range of new projects initiated under the auspices of the Lifestyle Horticulture Industry Development Council.

Further export enhancement work will be undertaken in partnership with the Australian Centre for Lifestyle Horticulture as part of our support for this project. We will also undertake a range of research and development projects in conjunction with industry.

We facilitated the development of lifestyle horticulture exports to the Middle East through a trade mission to the United Arab Emirates and Qatar in February 2005. This was a very highly successful mission in promoting our capabilities in lifestyle horticulture products and services. The construction boom in these countries has increased demand for landscaping, training and education, turf grass and nursery products and services. For example, a Queensland company is currently negotiating with a local Dubai partner to supply landscaping services as a result of the trade mission. This project is valued at \$1.5 million.

The department will soon be conducting export seminars to communicate the market opportunities identified from the mission to industry. It is also envisaged that these seminars will build industry enthusiasm to further exploit the market opportunities identified in the Middle East.

Mr WALLACE: Minister, your department is a participant in a number of cooperative research centres. I refer to page 1-10, dot point 8, of the MPS. What benefits do these CRCs provide the Queensland primary producers?

Mr PALASZCZUK: CRCs are a very integral part of work done in Queensland and other parts of Australia to assist our primary producers because they promote world-class science research and provide our department with the opportunity to become a leader in national research collaboration supported by industry. CRCs are designed to overcome institutional barriers and deliver increased outcomes through cooperation. These can be commercial outcomes such as productivity increases and non-commercial outcomes such as improved ecological sustainability.

The department's participation in CRCs enables it to secure valuable additional research outcomes for Queensland's primary industries. Each of the new CRCs in which the department is a participant will directly benefit the major primary industries in Queensland and the environment in which these industries operate. A clear benefit provided by participation in CRCs is the opportunity to establish significant national collaboration and investment by a wide range of research and development providers, that is, state government agencies, CSIRO, universities and industry end users of technologies. More specifically, these collaborations provide additional expertise in developing viable solutions to real primary industry problems and opportunities. In providing a vehicle to access the skills and capabilities in other states and organisations, these CRCs provide Queensland with the opportunity to maximise its return on its investment in research and development.

Mrs NITA CUNNINGHAM: Minister, following on from that, given that climate variability and climate change has a major impact on rural industries right across Australia, there would seem to be a pressing case for establishing a cooperative research centre for climate risk technologies. On page 1-10 of the MPS it is noted that there is an absence of such a CRC. Can you advise what DPI and F has done to initiate a CRC for climate risk technologies? What is the current status of such a project?

Mr PALASZCZUK: The department did lead a consortium of 18 national research providers and industry end users of technology in a bid to develop a CRC for climate risk technologies to commence in July 2005. During the seven-year life of the CRC, participants committed to invest \$15.6 million in cash and in kind and sought \$25 million as cofunding from the Commonwealth CRC program. The bid was invited to participate in two rounds of the highly competitive CRC selection process. However, disappointingly the bid was unsuccessful in the last selection round. Queensland remains convinced of the overwhelming benefits that a CRC on climate risk technologies would provide to Australia—the world's most arid continent.

Here in Queensland we have shown how investing in drought preparedness produces outstanding returns for our primary producers. You only have to compare the resilience of our primary industries during the current drought to previous droughts to realise the impact better drought management and preparedness has had. The department is still committed to this area of research under the leadership of Dr Roger Stone and his team in Toowoomba. Therefore, we are continuing our world-class integrated climate and agricultural systems work with a focus on the primary industry sector in Queensland. This work provides tailored information to guide decision making in Queensland's agribusiness. In particular, this work is focused on improving the drought preparedness of Queensland's agribusinesses and increasing the capacity of rural industries to capitalise on potentially favourable seasons. As a result, farmers are managing climate risk better due to the adoption and use of technologies developed within the department.

We have not given up on this research and we have not given up on the need for a CRC on climate risk technologies. I personally hope that a future application for a CRC will receive stronger support from the federal government.

I think at this point I might give the committee a clarification of the Plant Protection Act, section 11 and section 14. I wish to clarify a comment I gave the committee in response to a question from the member for Toowoomba South on citrus canker. In my response I commented that the NMG requested that section 11 of the Plant Protection Act be used. The NMG directed that all citrus trees in the pest quarantine area be destroyed according to its decision. The NMG also decided that this destruction would not be supported by grower compensation. The decision to amend regulations by introducing a new section 11B of the Plant Protection Act was taken by Queensland to enable the effective implementation of the National Management Group decision.

For the benefit of the committee, I intend to table the National Management Group submission of 3 June 2005, presented by Jim Varghese, on cost sharing for total destruction and, of course, on the new Emerald protocol. Secondly, it also has an indicative budget. Finally, the draft resolutions that were prepared on Friday, 3 June, have not really been finalised by the Commonwealth, to my knowledge, as of now. In paragraph (r) the resolution states that the NMG—

DID NOT support the proposal from Queensland that all further destruction of commercial citrus trees in the PQA should be conducted under the provisions of the Emergency Plant Pest Response Deed, and therefore DID NOT support the payment of any owner reimbursement.

That is why I have written to the new minister to try to rectify that. I will table this for the benefit of the committee. Unfortunately, the National Management Group has not convened since 3 June to confirm those minutes.

CHAIR: Thank you, Minister. The time allotted for the consideration of the estimates for the Minister for Primary Industries and Fisheries has expired. I would like to thank the minister, his staff and departmental officers for their attendance here today. For the information of those attending today, the hearing transcripts for this portfolio will be available on the parliament's web site in approximately two hours.

The next portfolio to be examined relates to the Minister for Natural Resources and Mines. The committee will now adjourn for lunch. The hearing will resume at 1.00 pm.

Mr HORAN: On behalf of the opposition I also thank the minister and his staff for their assistance.

Mr PALASZCZUK: Mr Chairman, could I just say a few words? I would like to thank the members of the committee for the manner in which they asked their questions. Whilst some of the questions were quite tough, I am quite sure that the responses that have come from me reflect the manner in which the questions were asked. I would also like to thank all the very hardworking members of the department of primary industries who are scattered right throughout the state, especially the team that is behind me, who work day and night to make sure that the responses that we have given to the members of the committee are as factual as possible.

I want to say one more thing. I want to say thank you very much to Garry Hannigan from Forestry for coming in today. You are here under difficult circumstances; you have just lost your dad. That is the type of person we have working in the department of primary industries. They all do their best. Thank you.

CHAIR: Thank you, Minister.

Proceedings suspended from 12.01 pm to 1.00 pm

ESTIMATES COMMITTEE E—NATURAL RESOURCES AND MINES

In Attendance

Hon. S Robertson, Minister for Natural Resources and Mines

Department of Natural Resources and Mines

Mr B McCarthy, Director-General

Mr B Coulter, Deputy Director-General, Natural Resource Services

Mr S Spencer, Deputy Director-General, Integrated Resource Management

Mr M Cremer, Deputy Director-General, Bureau of Mining and Petroleum

Mr T Usher, General Manager, Finance and Asset Management (Acting)

Mr P Noonan, Chief Executive Officer, SunWater

CHAIR: Estimates Committee E is now resumed. I welcome the Minister for Natural Resources and Mines, public officials and members of the public who are in attendance today. I remind members of the committee and the minister that the time limit for questions is one minute and that answers are to be no longer than three minutes. A 15-second warning will be given at the expiration of these time limits. An extension of time may be given with the consent of the questioner. The standing orders require that at least half the time is to be allocated to non-government members. I ask departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in their transcript.

In the event that those attending today are not aware, I should point out that the proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In that regard, I remind members of the public, in accordance with standing order 206, that strangers—that is, the public—may be admitted to or excluded from the hearing at the pleasure of the committee. I also ask that all mobile phones and pagers be switched off.

I declare the proposed expenditure for the portfolio of the Minister for Natural Resources and Mines be open for examination. The question before the chair is—

That the proposed expenditure be agreed to.

Minister, would you like to make a brief introductory statement or do you wish to proceed directly to questioning? If you wish to make a statement, I remind you that the statement must be limited to five minutes under the standing orders.

Mr ROBERTSON: Thank you, chair and members. Managing Queensland's natural resources is an enormous responsibility and, indeed, a complex task. It is crucial that we protect the state's finite natural resources now and for generations to come. We must recognise that, like any inheritance, our land, our water, our vegetation and our mineral and petroleum resources are precious beyond monetary value. We cannot avoid making the hard decisions about managing our natural resources wisely today. To do so would be gross negligence that would reverberate for decades. I believe that the Beattie government has shown political courage in tackling the complex issues arising from the sustainable management of our natural resources. In recognition of its importance, the Beattie government is investing a record \$576 million into the Natural Resources and Mines portfolio for 2005-06.

Since my opening statement to the estimates committee last year, water has become an increasingly important issue now capturing the national spotlight. In Queensland, the goal continues to be the best and most efficient use of water by all with the growing understanding that water is a commodity which carries both an environmental and an economic value. Statewide water resource planning, along with associated resource operations plans, continue to engage the community on the complex issues of water. These plans are managed on a catchment-by-catchment basis. I can now report that more than 90 per cent of the state has either commenced or is commencing this planning process.

I am pleased to report that the most substantial and complex of all these water resource processes, the Moreton Water Resource Plan—which involves more than 50 per cent of the state's population—is now under way.

It is important that members understand that water planning is just one aspect of our overall water reform agenda. Water metering, future water resource charges, tradeable allocations, proposed infrastructure, regional water supply strategies, drought management strategies and urban water reform are all part of the broader water reform agenda and must be viewed in this context.

Despite the recent rain, we still face a major water supply challenge, particularly in south-east Queensland. There are both short-term issues caused by the rainfall deficit in the Wivenhoe-Somerset catchment and long-term issues associated with drought. My department is working in partnership with local government communities in an effort to secure the future water supplies for all water users in the burgeoning south-east region for the long term. The South East Queensland Infrastructure Plan and program has listed \$860 million in proposed future water infrastructure projects in the south-east region. A snapshot of these include proposed weirs, the Wyaralong dam, water recycling initiatives for the Gold Coast and Brisbane regions, urban water conservation projects, alternative sources of supply, including desalination, and rural water use efficiency projects.

Let me make it clear to members that this government is also working to secure water supplies not just for the south-east Queensland region but also across the state. We are planning for the decades ahead, not just for tomorrow. As evidence of the strategic future planning, you need look no further than the protection of Queensland's wild rivers through the introduction of new legislation to preserve the natural heritage values of those rivers.

Looking beyond our water needs and expectations, the future prosperity and wellbeing of the state also depends on my department continuing to be committed to this broad agenda and giving priority to issues of parallel economic, social and environmental importance, such as vegetation management. The phasing out of broadscale clearing of remnant vegetation by 2006 is another key government reform being progressively implemented with 40 new vegetation management staff to be employed over the next 12 months to help land-holders adapt to these changing conditions. The generous financial package of \$150 million will also continue to be rolled out at the same time to support land-holders who are affected by the new vegetation management legislation. To ensure that Queensland's precious natural resources are used appropriately and fairly, the department will strengthen its compliance capability so that it can respond to breaches of natural resource management legislation.

The state's mining and petroleum resources are also being carefully managed by the government in recognition of their ongoing contribution to our economy. In 2003-04, the mining and petroleum sectors contributed more than \$12 billion to the state's economy. That is about 9.5 per cent of Queensland's gross state product.

In the 2005-06 state budget, the government announced that it would spend \$20 million through the Smart Exploration program for new geoscience data in areas of Queensland that have the highest potential for discovery of additional mineral and energy resources. In the meantime, the department will support more than 30 mineral coal and petroleum exploration and development projects. Eighteen of these are expected to reach construction stage during the year ahead. This will result in at least \$1.2 billion in new capital expenditure across Queensland and will create more than 1,200 jobs.

Chair and members, as you can see overseeing the management of our precious natural and mineral resources is an enormous and complex task. Its management cannot be based on quick-fix or politically expedient solutions. I am confident that the wise choices that the Beattie government has made on these issues will ensure that the natural resources we enjoy today and the quality of life they provide will continue to be enjoyed by future generations.

CHAIR: Thank you, minister. I call on the member for Callide.

Mr SEENEY: Minister, the vegetation management legislation is a significant part of the budget for which this committee is considering the expenditure, and you mentioned it in your opening statement. The vegetation management legislation has now been in place since 1999. Has your department instigated or commissioned any external reviews to ensure that the direction in which you have taken the issue since 1999 is producing the results that you envisaged and that the money that you continue to spend on it is public money well spent?

Mr ROBERTSON: I am not aware of any. I will just check with my deputy director-general.

Mr SEENEY: Wouldn't it have been a good idea though, over five years, to instigate some sort of—

Mr ROBERTSON: I think it is fair to say that our priority has been putting in place our major election commitment, which was to phase out broadscale tree clearing by December 2006. As you would be well aware—because you have been calling on me to do this for the last year or so—we are putting every effort into ensuring that that \$150 million package is rolled out. While I understand where you are coming from, member for Callide, my priority has been to respond to your quite appropriate calls to ensure that the \$150 million package is rolled out to affected land-holders as a priority.

Mr SEENEY: So there have been no external reviews of the consequences of the vegetation management legislation?

Mr ROBERTSON: Not that I am aware of, but there are ongoing reviews of various parts of the legislation, including the various vegetation management codes, which should be completed by the end of this year.

Mr SEENEY: Minister, I made a freedom of information application for 'any external reviews, reports or audits commissioned and/or completed since 1999 in relation to the Queensland government's vegetation management laws'. Your department advised me that it held no such reports. I will table a copy of the correspondence, with your permission, Mr Chairman.

Leave granted.

Mr SEENEY: On the University of Queensland web site—and I will table this document as well—in Research Solutions there is an indication that your department has provided funding of \$45,000 in total for a Study of Fodder Harvesting in Mulga Regional Ecosystems.

Mr ROBERTSON: Yes. That is what I was referring to. There are these ongoing reviews of the codes. That allocation is to the University of Queensland's Gatton campus, which is conducting a scientific review of the mulga harvesting code. That is what I was referring to. That is one of a number of reviews of various codes that are going on at this time.

Mr SEENEY: Why would the correspondence relating to those reviews not have been provided to me through my freedom of information application?

Mr ROBERTSON: Based on what you have said, I do not think there was any intent to deceive you; I think it is just a definition issue.

Mr SEENEY: You are not trying to make a differentiation—

Mr ROBERTSON: No, no.

Mr SEENEY: —between the codes and the legislation, surely?

Mr ROBERTSON: No. I do not think that scientific review has been concluded yet. We have just received the final report, which will go to the business advisory group for vegetation management, which AgForce sits on—among others. There was no deliberate attempt to hide it from you, Mr Seeney. By virtue of the fact that it will go to the business advisory group in the not-too-distant future, I would imagine—it has gone—I am sure it will now be made available in a broader sense.

Mr SEENEY: I also table the terms of reference that your department provided to the University of Queensland for that study. I could quote from it extensively but, importantly, the terms of reference mention 11 times the vegetation management legislation and/or the regional vegetation management codes that that legislation sets up. Yet you told me, in response to my question about my freedom of information application, that there were no documents relating to external reviews of the vegetation management legislation.

Mr ROBERTSON: I do not think I told you that.

Mr SEENEY: The department told me that.

Mr ROBERTSON: The freedom of information officer told you that. I thought I would clarify that. To clear this matter up, if there has been an error—and I am certain that it was not deliberate—I would be more than happy to make this study available to you.

Mr SEENEY: There is probably no need to, because I have a copy of it. I will table it for the benefit of the committee. The issue of whether or not it should have been provided to me in response to my freedom of information request is one that I intend to pursue further. Were you involved at all in the decision not to provide it?

Mr ROBERTSON: No.

Mr SEENEY: At what level within the department would that decision have been made?

Mr ROBERTSON: At the FOI office. I had absolutely nothing to do with that response.

Mr SEENEY: Are you aware of the report and the recommendations in the report?

Mr ROBERTSON: No, I have not seen the report because it has only just been received by the department.

Mr SEENEY: It was produced on 15 April.

Mr ROBERTSON: I have not yet seen it. Perhaps we can clarify this through the deputy director-general.

Mr SPENCER: Mr Seeney, we received a number of drafts and we went back to them. I am not sure which version you have, but the earlier versions that we received did not actually address the full terms of reference. We returned a number of times to the university officers and spoke to them, following discussions with the business advisory committee, to seek further information. In particular we were concerned that the economic impacts were not very well covered. So we went back to the university once or twice. The report is now finalised as far as the university is concerned.

Mr ROBERTSON: To add to that, I have just been informed that I did, in fact, receive it. I received it on the last day before I went on annual leave. I returned only at the beginning of last week. It was something that I did not have the opportunity to consider before going on leave.

Mr SEENEY: Minister, the opposition has had a lot of difficulty getting information from the government generally regarding the vegetation management legislation. This is not the first report that has been denied to us.

Mr ROBERTSON: I do not think that it has ever been denied.

Mr SEENEY: It certainly was denied. The FOI application was denied.

Mr ROBERTSON: No, but I have just made—

Mr SEENEY: In the same way that the Burrows report was denied.

CHAIR: Member for Callide, let the minister respond.

Mr ROBERTSON: I do not know what version of the report you have. Based on the answer by the Deputy Director-General it seems to me that it could well be that you have an earlier version and that it may not be the final version. I have indicated to you today that if there has been an error by my department in responding to what you were seeking through your FOI request I will fix that by making the most recent or final report available to you.

Mr SEENEY: It does not surprise me that your department would seek to hide this report because it certainly does not—

CHAIR: Member for the Callide, is this a question or a statement?

Mr SEENEY: It is a question. The report contains a number of recommendations that cast doubt on the effectiveness of your vegetation management legislation. What will you be doing with the recommendations in this report?

Mr ROBERTSON: I have not had a chance to consider them yet. I reject utterly that my department has tried to hide it. I do not know how you can hide a report that has now gone to the business advisory group for vegetation management that comprises organisations such as the QFF, AgForce and the Queensland Conservation Council. That does not seem to me to be some secret report that has been buried. It has been made available to that committee. So I reject totally what you are suggesting, that my department has tried to hide it. That is a ridiculous suggestion.

Mr SEENEY: It would not provide it to me under FOI.

Mr ROBERTSON: You are putting that much spin on it that I am starting to get dizzy, I have to tell you. As I have indicated to you, I received that report only the day before I went on three weeks leave. I have only returned in the past week or so and I have been concentrating on preparing for these very worthwhile questions from you for the past week. I still have not had a chance to consider it. I have indicated to you—and I repeat for the record—that I will make a copy of that final report available to you.

Mr SEENEY: No doubt you are aware of the penalties for breaching the FOI legislation. Are there mechanisms within your department to ensure that your department does not breach the FOI legislation?

Mr Coulter: Yes, there are. Our FOI people religiously adhere to those requirements. They can be called to account through higher investigations if we do not provide information. In this case I do not know the answer to your question, but we will look at that very carefully. They look at all information that the department has and make decisions on that basis.

Mr ROBERTSON: I will tell you what I will do. I will ask my director-general to provide me with a copy of your application so that I can make an assessment myself as to what it was that you were in fact asking for, because experience over the last number of years has taught me, Mr Seeneey, not to quite take everything that you say at face value.

Mr SEENEY: I did quote it.

Mr ROBERTSON: I will consider what you said in that application and discuss that matter with my director-general and consider whether the FOI officer or the system of responding to FOI requests failed in this particular instance. If that be the case, I will look at ways to improve our system. I cannot be fairer than that, I do not think.

Mr SEENEY: Let us look at the report itself.

CHAIR: Member for Callide, whereabouts in the Ministerial Portfolio Statement are you referring to?

Mr SEENEY: There are dozens of references to the vegetation management legislation. I can refer to page 12 and the Future Developments section, if you like.

Mr ROBERTSON: I am not too sure how I can help you here, member for Callide, because I have already indicated to you that I have not had the opportunity to consider that report.

Mr SEENEY: Minister, do not interrupt me because I am not allowed to interrupt you. What are the rules here?

CHAIR: Put your question, member for Callide.

Mr SEENEY: Given the recommendations that are made in the report, particularly those in relation to environmental improvements that can be the outcome of clearing in that particular ecosystem—the report says that they can lead to an increase in ground cover, a reduction in erosion, an enhancement of ecosystem health and an increase in greenhouse gas sink effect—will you be looking at the effects of the legislation in other ecosystems? The minister is not even listening to the question.

Mr ROBERTSON: I am hanging on very word.

Mr SEENEY: This report clearly demonstrates that the direction that you have taken with this legislation does not necessarily match the rhetoric. There are a lot of benefits to be had by a different system of land management. Will you be looking at the vegetation management legislation and its effect right across Queensland?

Mr ROBERTSON: I have already indicated to the member for Callide that I have not had an opportunity to consider that report nor have I received any report on the consideration by the business advisory group on vegetation management. It is only after I consider that report and indeed that committee considers that report that I would be in a position to be able to respond to you, which I would be more than happy to do.

It is pointless asking me a question about this report because I have already indicated that I only received it on the day I started my annual leave, which was four weeks ago. I have been back in the office for only a little over a week and still have not had an opportunity to consider that because I have been preparing for this estimates committee. I can assure you that if you want to ask me a question on this in parliament in the forthcoming weeks I will have had time to consider that report and would be more than happy to answer the question should you break your record of the frequency of questions you do ask me in parliament.

Mr SEENEY: One of the difficulties that land-holders have had in achieving permits under the legislation is the requirement to demonstrate the maintenance of biodiversity and ecological processes. This report says that this is a difficult task if not an impossible imposition. Would that not trigger a need for a complete review of the requirement to demonstrate those two factors in ecosystems right across the state?

Mr ROBERTSON: Experience has taught me over the last number of years never to take anything that you say at face value.

Mr SEENEY: It is a quote from the report.

Mr ROBERTSON: Before I answer that question I would like to know what the three pages preceding and the three pages following your quote said. As I have said, as soon as I consider that report I will be in a position to provide detailed answers on what my views are. Frankly, I think you are wasting the time of this committee if you continue to ask about a report that I have not had a chance to consider yet.

Mr SEENEY: I will continue to ask you questions about it because it is very important. The report also gives support to the case that certified property management plans would be a much better system and produce much better outcomes for the environment and land-holders' viability. It says that the current drought declaration trigger permits are inappropriate and that the permits should not be restricted to drought times. It says that the current short-term nature of the permits rules out long-term management, which would provide better environmental outcomes. These are all arguments that I have put to you in the parliament over the last five years. Will this report be treated with any more credibility than scientific reports that do not support your political agenda have been in the past?

Mr ROBERTSON: I give consideration to all reports that end up on my desk, Mr Seeney. There has not been a report on my desk that I have not given consideration to in the four years that I have been in this portfolio. I thought I might pick up on something that you have thrown in there about property planning. You would be aware, of course, of the \$8 million that has been provided to AgForce to run the best management program, which is all about picking up on that suggestion. A cursory consideration of that particular section suggests to me that we have already got in place a lot of the initiatives that that section talks about—that is, property maps for assessable vegetation, the vegetation incentive program that Greening Australia is running—which are all funded under the \$150 million package. That is a cursory response to the very short clause you have read out to me. I do not think there is much else I can help you with.

Mr SEENEY: Do you envisage that the other regional ecosystems will be similarly advised?

Mr ROBERTSON: No, what we have committed ourselves to is a review of the codes. I hope I have got this right. The report that you have got is about the fodder harvesting code. It is not in itself geographically based, although obviously the predominant fodder area is out in the far west. The other codes that are currently being reviewed—that will be completed by the end of the year—are those which refer to thinning, forest practices and so on; that is, the ongoing codes. They are not regionally based codes.

Mr SEENEY: Can I turn, then, to the questions on notice that you answered as part of this committee process. Question on notice No. 1 deals with the assistance package that you referred to in your opening statement. It indicates that there were 53 applications for assistance denied and six for assistance approved.

Mr ROBERTSON: Is it question No. 1 or 2 that you are referring to?

Mr SEENEY: It is 1(c). At the end of June six applications for enterprise assistance had been approved, 17 applications for enterprise assistance and 11 applications for exit assistance had been denied and 25 applications were refused by your department before they got to QRAA. You will no doubt remember the extensive discussion we had before this committee last year, when you assured me that this assistance would flow to land-holders. Those figures would seem to indicate that the proposition I put to you last year, that it would be very difficult to qualify for that assistance, was indeed correct and that the assistance package has turned out to be a farce.

Mr ROBERTSON: I disagree with that. Perhaps I can provide you with some details with respect to the \$130 million component of the overall \$150 million package. As you are aware, we fully funded a financial assistance package of \$130 million to provide either enterprise or exit assistance to primary producers who can demonstrate that their business viability is significantly affected by the increased tree-clearing controls, which we introduced in May 2004.

The Queensland Rural Adjustment Authority is responsible for the administration of this assistance package. To be eligible for assistance my department must first confirm that the farm business has areas of land that could have been cleared under previous regulatory frameworks but cannot now be cleared. Some 150 applications for confirmation of area of land affected have been received by my department. Of these, some 48 have been advised that they have areas of land affected. Forty-three of those 48 applicants have lodged applications for assistance with QRAA. When we responded to this question it was six, and I am informed that as of today eight have been provided with enterprise assistance. I assume that four applications are now awaiting determination by QRAA and the other 31 are waiting on action from my department to finalise an assessment of the area of land affected.

I think that provides more detail in terms of what has actually been happening. But it is true to say that we have stringent guidelines in place to ensure that taxpayers' money is spent appropriately and in areas where land-holders have been directly affected by the changes in legislation brought in in May 2004.

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

Mrs NITA CUNNINGHAM: Minister, the government has set aside \$243 million for new water infrastructure under the South East Queensland Infrastructure Plan and Program. How are these new dam and weir projects identified on page 3 being progressed and how much more land needs to be acquired at the various sites?

Mr ROBERTSON: The state infrastructure incorporated into the South East Queensland Regional Infrastructure Plan and Program includes two new weirs on the Mary and Logan rivers respectively, a new Wyaralong Dam on the Teviot Brook at the tributary of the Logan and new water storage options on the Mary River. Plus, investigations and potential land acquisitions for a possible Glendower Dam on the Albert River are under way. As part of the infrastructure plan, \$26.8 million over four years has been provided to the department as part of the program for land acquisitions associated with the new water infrastructure. Some \$13.5 million over four years has been provided for investigations and designs. Importantly, decisions relating to these projects are subject to the outcomes of both the South East Queensland Regional Water Supply Strategy and the investigations and normal approval processes.

The South East Queensland Regional Water Supply Strategy will determine the need for timing and sequencing of these and related water supply infrastructure, and this work is being progressed as a matter of priority. There is the potential that sufficient information may become available during these investigations to enable some decisions to be made earlier in relation to the December 2006 time frame for completion of the strategy.

My department is currently working in conjunction with the Department of State Development to progress the Cedar Grove Weir as expediently as possible. Other projects will proceed in accordance with appropriate timing requirements resulting from the Regional Water Supply Strategy. To date, my department has acquired 98 per cent of the land area for the Glendower Dam. There are approximately 75 hectares of land yet to be acquired from five properties for this project.

About 36 per cent of the land has been acquired for the proposed Wyaralong Dam. There are approximately 6,000 hectares of land yet to be acquired. An invitation remains for affected land-holders to sell the land needed for the Wyaralong Dam voluntarily. There have been no land purchases associated with the proposed Cedar Grove Weir, but following the completion of the necessary hydrology and environmental studies, the area required for this project will be determined and land

purchases will initially afford affected land-holders the right to voluntarily sell. Any compulsory land acquisitions subsequently required would then include formal notifications, negotiations and rights of appeal. Likewise, for water infrastructure proposals on the Mary River, appropriate investigations are yet to be finalised, but subject to the outcomes of such investigations and assessments, any necessary land acquisitions will commence in the appropriate time, with all affected land-holders contacted at the earliest opportunity.

Mrs NITA CUNNINGHAM: Again on water, the opposition leader claims this government is anti dams. How many dams, weirs and other water infrastructure projects have been built, are being constructed or are under investigation by the Beattie government?

Mr ROBERTSON: Firstly, the Beattie government is committed to ensuring that our water supply needs are met through good planning, efficient use of existing resources and the development of optimal water infrastructure arrangements. Water supply strategies for south-east, central and far-north Queensland are currently being progressed in partnership with local governments and other stakeholders throughout the state. In part, these strategies will provide guidance in the establishment of clear frameworks for any future water infrastructure developments.

Not only is the Beattie government continuing to show leadership in the development of planning arrangements for the most efficient use of existing resources and best options for new water infrastructure, but the government has also a proven record for constructing new storages and other water infrastructure projects. For example, we have provided \$5.34 million for the Moura Weir refurbishment, \$4.56 million for Moura Offstream Storage, \$281 million—as the member for Bundaberg would be aware—for the Burnett River Dam and for raising the Eidsvold Weir, another \$93.8 million for the Awoonga Dam stage 2, about \$22 million for the Gattonvale Offstream Storage, as well as infrastructure for Palm Island and, of course, the proposed Nathan Dam.

It is interesting about the Nathan Dam that we somehow get criticised for not progressing with it, yet it sat with the Commonwealth, I believe, for over two years now while they do their assessments under their EPBC Act. If there is any government that is unable to deliver new infrastructure it would have to be the Commonwealth government. For their assessment of the Nathan Dam to be sitting down in Canberra for so long is an absolute scandal, yet they have the temerity to criticise the Queensland government. They should look at their own performance, in my view, with respect to the assessment of water infrastructure for Queensland, which is much needed.

To get back to what I was saying, the Cairns/Atherton Tablelands Regional Water Supply Strategy has recently commenced and the state government is actively liaising with local governments and other stakeholders to progress the development of preferred water supply arrangements for the region for the next 50 years. I have already mentioned the money that has been set aside under the South East Queensland Infrastructure Plan. I think and would expect that we have answered the less than accurate statements that have been made recently by the Leader of the Opposition.

Mr WALLACE: Minister, my wife is from Singapore, which I have the pleasure of visiting quite regularly. I am aware that people in Singapore drink recycled waste water treated through the reverse osmosis method. 'New water' is its name. Indeed, I have consumed it previously. Is this water safe and can the minister see the day when Queenslanders may be drinking recycled waste water?

Mr ROBERTSON: I certainly hope so. In fact, I have brought with me some of that Singapore recycled water. Given the importance of a similar project in Toowoomba, and I note that Mr Horan is here, I thought that this would be a good opportunity, in a bipartisan way, to drink some of this recycled water to demonstrate quite publicly across the political divide that what Mayor Thorely is doing, in terms of providing a water future for Toowoomba, is a responsible thing to do.

This water comes from Singapore. It is indirect potable recycled water. It has been on the market in Singapore for about three years. Currently, it makes up about one per cent of their water supply. Within the next few years it will increase to about 2.5 per cent. If all members of the committee wish to join me in drinking some of this indirect potable recycled water, we can toast to the future—

Mr Seeney interjected.

Mr ROBERTSON:—of what I think is a visionary project in Toowoomba that I would hope would receive support across the political divide.

Mr Seeney interjected.

CHAIR: Order, the member for Callide.

Mr ROBERTSON: I note the comments from the member for Callide.

Mr Seeney: This is a stupid stunt to cover your own—

CHAIR: Order! Member for Callide, I warn you.

Mr ROBERTSON: This is about a long-term vision for our most important natural resource and I think we should toast.

Mr WALLACE: Gun bay!

Mr ROBERTSON: Gun bay!

Mr Seeney: Build some infrastructure and provide some real water for the people of Queensland.

Mr ROBERTSON: I Have just answered that question. I thank the member for the intervention.

Mr WALLACE: After that very refreshing answer, can you provide details about the budget initiatives mentioned on page 3 to investigate alternative water supply sources, such as desalination, stormwater harvesting and waste water reuse.

Mr ROBERTSON: As part of the South East Queensland Infrastructure Plan and Program, \$21.9 million in output funding and \$2.8 million in equity funding over four years have been provided to the department to undertake a variety of investigations into potential alternative sources of water supply. With the population under the South East Queensland Regional Plan likely to increase from about 2.6 million to around 3.7 million by 2026, there will be increasing pressure on the region's available urban and rural water supplies. My department is addressing these pressures by introducing measures to reduce demand, increase water use efficiency and monitor the achievement of outcomes identified under the South East Queensland Regional Water Supply Strategy.

Stormwater run-off from urban areas of Brisbane is potentially an excellent source of water for non-potable uses such as landscape, irrigation or toilet flushing. Characteristic of urban areas is the high fraction of hard or impervious surfaces: roofs, pavings and roads. These hard surfaces are excellent at shedding rainfall. In the commercial heart of Brisbane, the fraction of hard surface is about 70 per cent or more, whilst in outer urban areas the figure is as low as 15 per cent. The average for Brisbane is around about 42 per cent.

There are problems catching and storing this run-off and the contaminants in the stormwater due to household and road pollution. Most of these problems would be avoided if roof run-off was captured in rainwater tanks. For example, a 5,000 litre tank connected to the typical roof in Brisbane can supply up to 70 kilolitres per house per year, which is a substantial fraction of the total household water use of, on average, about 280 kilolitres per house per year.

The other challenges of using stormwater are how to store the rainfall events and distribute it to end users during dry periods. Of course, this is why we build dams but there is not much space for these types of structures in urban areas. One alternative is to go underground and use ground water aquifers to store stormwater run-off after treatment. This is already done, I believe, down in Adelaide. In Brisbane, opportunities for this type of aquifer storage and recovery are limited due to our geology, but Brisbane Water plans to bring online aquifers in the Oxley Creek and Darra areas, in some case for potable water use, supplying up to 20 megalitres per day. That is just an indication of some of the investigations that are under way for alternative sources of water, which provide long-term certainty for this fast-growing region of south-east Queensland.

Mrs DESLEY SCOTT: I understand that some dams can lose up to 40 per cent of their water through seepage and evaporation. Could you please provide any results from the government's research trials involving new types of dam covers to reduce water loss?

Mr ROBERTSON: My department contracted the National Centre for Engineering and Agriculture to complete a two-year study to investigate the commercial potential of three different evaporation mitigation techniques. These techniques include the Netpro shade cloth cover, the E Vap Cap floating cover and a monolayer. All of these techniques were trialled on farm dams either at Stanthorpe, Saint George or Dirranbandi. The monolayer was also tested on a four hectare town water supply dam in Capella. In addition to these field trials, these mitigation techniques and two other techniques were tested on 10-metre diameter tanks at the University of Southern Queensland in Toowoomba.

The Netpro shade cloth cover is a cover suspended on a high tension cable system. It provided an average evaporation reduction of about 70 per cent at Stanthorpe and the USQ site. Economic assessment of this product indicates that the cost of every megalitre of water saved ranges between \$300 and \$400.

The E Vap Cap floating cover is a bubble wrap type material made from a high density polyethylene with a white surface on top to reflect heat and black bubble on the underside. This material reduced evaporation by 96 per cent at the USQ site. However, at St George, where it was trialled on a four hectare dam, there were anchoring problems. This type of cover seems to be more suited, therefore, to smaller dams with a surface area of about one hectare or less.

The monolayer used is basically a long-chain fatty alcohol. The trials at Dirranbandi and USQ indicated a reduction in evaporation of about 19 per cent to 26 per cent. The economic assessment of this product suggests that the cost of every megalitre of water saved ranges from \$130 to nearly \$1,200, depending on how the monolayer is managed.

In summary, the different techniques showed varied potential for commercial use in mitigating evaporation losses from farm dams. As the economic assessment indicates, these techniques have the potential for commercial use. At this stage it is not envisaged to have further trials. However, it is hoped to extend the results to interested parties such as irrigators, shire councils and water service providers over the next year and beyond.

Mrs DESLEY SCOTT: Page 11 of the MPS mentions that the government will continue to implement the Great Artesian Basin Sustainability Initiative. How many bores have been capped and how much water has been saved in the basin since 1989?

Mr ROBERTSON: Since the Great Artesian Basin Sustainability Initiative or GABSI started in June 1999, 152 bores have been rehabilitated or capped, 133 bores piped and approximately 4,700 kilometres of bore drains have been replaced under this initiative. When combined with other government funded schemes, there have been a total of 499 bores rehabilitated, 194 bores piped and approximately 7,110 kilometres of bore drains replaced under government subsidy in Queensland since 1989. This effort has resulted in water savings to the Great Artesian Basin of around 130,000 megalitres per. This is equivalent in volume to approximately 130,000 Olympic swimming pools or one quarter of the entire volume of Sydney Harbour being conserved every year as a result of the GABSI scheme.

These water savings have also resulted in demonstrable pressure recovery in many parts of the Great Artesian Basin and there is evidence that some artesian bores that had previously ceased to flow due to pressure decline have now recovered to an extent where once again they are able to supply water to the ground surface. These obvious benefits have only been achieved through considerable effort and commitment on behalf of the Queensland government. To date state expenditure on the project exceeds \$20 million, with a further \$18.5 million already committed to the initiative over the next four years.

Other realised benefits of the program include reductions in land degradation, improved grazing management, better pest and weed management and the increased preservation of natural springs and wetlands associated with the basin. To ensure the good work continues and the benefits of the initiative are fully realised, a water resource planning process has also commenced which will ensure that the bulk of water savings obtained in the GABSI scheme are retained to stabilise and restore pressure in the basin. This planning process, combined with GABSI, will ensure the sustainability of the Great Artesian Basin in Queensland and the security of supply from this valuable resource for future generations.

Mrs NITA CUNNINGHAM: Minister, would you outline for the committee the government's progress in implementing water reform and developing water resource plans and operations plans throughout Queensland?

Mr ROBERTSON: I think it is fair to say that Queensland has been at the forefront of water reform in Australia and already has in place many of the water initiatives agreed to by the Council of Australian Governments. The Queensland government remains committed to continue its work in introducing the water reforms needed to ensure a sustainable future. This is reflected in the recent budget allocation of \$31 million over four years to continue with the good progress. With respect to water reform, Queensland was the first state in Australia to introduce a system to register water allocations as assets separate from land. The water allocations register, the first of its kind in Australia, has been established which centrally records ownership information. To date, there have been approximately 10,500 megalitres of water permanently traded in the Fitzroy and Burnett catchments.

During the 2004 state election, the government announced a comprehensive measure to declare and preserve rivers with high natural values, essentially called the wild rivers policy, and this bill was tabled in parliament on 24 May and is scheduled for debate later this year. The regional water supply strategy has been developed to ensure the continuing supply of water in Queensland's regional communities. Currently, strategies are being developed for south-east, central and far-north Queensland. The stage 1 report of the South East Queensland Regional Water Supply Strategy was completed in September 2004 and stage 2 of this strategy has now commenced. Water use metering will be extensively expanded over the next seven years in Queensland to measure the amount of water taken from streams and underground aquifers. There are currently over 3,000 water meters in place for unsupplemented water. Over the next six years my department will roll out meters for an estimated 16,000 water entitlement holders.

As part of the Council of Australian Government's National Water Initiative, the state is currently reviewing the rural water price paths for SunWater assets and existing water resource charges. Currently, significant work is under way in Queensland aimed at implementing the urban water components of the 1994 COAG water resource policy. This is achieved through regular reporting and implementation of strategic asset management plans, consumer service standards, system leakage management and drought management plans. To date, 91 per cent of the state is covered by water resource planning involving 19 planning areas and more than 35 major catchments. Of this, 59 per cent of the state is now covered by 11 finalised water resource plans.

During the past 12 months, notices of intent were published for the Moreton water resource plan and the Great Artesian Basin water resource plan and the development of the draft gulf, Mitchell, Burdekin, Calliope, Logan and Mary water resource plans are well in progress and they are planned for release later this year. Furthermore, the notice of intent to prepare the Gold Coast and the Whitsunday water resource plans are expected to be announced later this year, as are other amendments also being planned for the Fitzroy, Pioneer and Burnett water resource plans—I think quite an impressive agenda.

CHAIR: Thank you, Minister. The time for questioning by government members has expired. I call on the member for Callide.

Mr SEENEY: Minister, can I return again to question on notice No. 1 which indicates that some 53 applications for your assistance package were denied, with only six applications being approved and a total of \$297,000 being paid out to land-holders. It is in stark contrast to what you told this estimates committee last year where you predicted that some \$20 million would be paid to land-holders from that package. Minister, are there any plans to revise the criteria that are associated with that package to ensure more land-holders can take advantage of it?

Mr ROBERTSON: That is under consideration. The reason I have not done so yet is that I have wanted to have the vast majority of applicants under the ballot to be assessed. That gives you, therefore, a much more accurate idea as to how many of those applicants will miss out. That then gives you a much more accurate number of people that you potentially will see coming through the door looking for assistance under that \$130 million package. So now that we have gone to around about I think 75 per cent—certainly over 70 per cent—of that 200,000 hectares available under the ballot and that has now been allocated, I think it is now timely to start having a look at the guidelines and having a look at what has been happening with the applicants that have gone through the process so far and whether some changes are necessary without of course potentially blowing out the budget of \$130 million. Any changes we make must fit within that overall package. I do not think that the Treasurer would thank me too much if I put forward changes that blew out that \$130 million. I do not think that I would succeed in that endeavour if I was of a mind to go down that path. But I think it is now timely to have a look at what has happened to date and see whether changes can be made.

Mr SEENEY: Will you be considering changing the eligibilities so that people who were impacted before 2004 could take advantage of that assistance package?

Mr ROBERTSON: I have received representations from AgForce, QFF and individuals for what we call land-holders in catchments with less than 30 per cent remnant vegetation. That was the group that was impacted most in the changes to vegetation legislation brought in during 2003. That is one of the changes that I will be having a look at in the review that I envisaged.

Mr SEENEY: I have also written to you about a number of very unfair situations.

Mr ROBERTSON: Yes, you have.

Mr SEENEY: There is also the situation of people who find themselves with endangered vegetation on their land and cannot access that assistance package. Can you also consider reappraising the government's situation in that regard?

Mr ROBERTSON: Probably not in the case of endangered vegetation, but I do not want to be black and white about that. But it is not something that I have considered to date, because endangered vegetation by its very classification should be vegetation that should never be touched anyway. Indeed, the protection of endangered vegetation has been in place for many years. It would be, I think, a problematic argument to say that the most recent changes—say, over the last couple of years—have had an impact on land-holders with endangered vegetation. As I said, I do not want to be black and white about it, but it is not something that I have considered to date.

Mr SEENEY: Would you see exit assistance being an option for land-holders who find themselves with extensive areas of endangered vegetation on their property and therefore are unable to develop it?

Mr ROBERTSON: I think I know the case you might be referring to, and I do not think it is appropriate that I actually answer that question.

Mr SEENEY: I did not ask you about a specific case.

Mr ROBERTSON: No, but I do know a case that you and I both know of. If you want to talk to me further about it, I would be more than happy to.

Mr SEENEY: Okay. Can I ask then for confirmation of an issue that you were not able to confirm last year at the estimates committee hearing, and that is with regard to using property build up as a mechanism that would attract funding under this assistance package. Will land-holders be able to use this assistance package to purchase additional land?

Mr ROBERTSON: The answer is yes. In fact, there has already been one case in Gympie where assistance has been given for the purposes of property build up.

Mr SEENEY: That is good.

Mr ROBERTSON: I think that would be a positive outcome, too.

Mr SEENEY: Absolutely. I agree. That was the point that I was making to you at this estimates committee last year—that is, for a lot of those people that is the only option, and I congratulate you.

Mr ROBERTSON: I should say that what we have done recently is produce some information pamphlets to go out to land-holders that provide more information on the range of measures that could

be funded under this assistance package. One of them was in fact property build up, if I remember correctly. What we are trying to do is get that information out for land-holders to, if you like, get them to think about what they may be able to put into their application for assistance. That has just occurred over the last few weeks.

Mr SEENEY: I am pleased to see that. What I am not pleased to see, though, is the answer to question No. 3 on notice which dealt with—

Mr ROBERTSON: I thought it was a good answer.

Mr SEENEY: It dealt with the penalties that have been put on to land-holders since the vegetation management legislation was put in place. That question indicates that there has been a total of \$674,460 in penalties paid by Queensland land-holders. That is in stark contrast to the \$300,000 that has been paid out in assistance. Does this indicate that the department's focus is on prosecuting land-holders rather than the other parts of the vegetation management legislation?

Mr ROBERTSON: The simple answer is no. They are quite separate sections of my department, both of which, both in terms of compliance and in terms of the vegetation management section of my department, have received funding increases under this record budget. I think that is an even-handed approach and demonstrates how serious we are about compliance but also how serious we are about ensuring that that \$130 million package in particular is rolled out.

Mr SEENEY: You surely cannot be comfortable with a situation where your department has fined land-holders two and a half times more than it has paid out of your much-touted assistance package?

Mr ROBERTSON: I do note that that is over a three- or four-year period that money has been aggregated whereas the \$130 million package has only been running for a bit over a year. So it is chalk and cheese.

Mr SEENEY: I refer to question on notice No. 2, which also deals with your department's focus on compliance. I note in the budget there is a budget allocation to increase the number of compliance officers. The answer that you have given to this question indicates that there were 1,808 investigations undertaken of which 61 prosecutions were successful and 34 infringement notices handed out to land-holders. That represents a five per cent prosecution rate or a five per cent completion rate of the 1,808 investigations. How does that justify an extra budget allocation for more compliance officers?

Mr ROBERTSON: I think because we want to improve that rate of assessment of complaints and alleged offences being undertaken. I think that is quite a logical response. As I keep saying, the vast majority of notifications we get of potential illegal activity actually comes from other land-holders—neighbours—who are concerned that other land-holders are not doing the right thing. They actually have a reasonable expectation that, if people are not doing the right thing, if they are breaking the law, that will be investigated. You argue the very same point under all kinds of legislation in the parliament. Natural resource management legislation should be no different. If someone is stealing water, then that should be investigated and if found guilty that person should be fined, because they are stealing water off their neighbours. Similarly with vegetation, if they are conducting tree clearing which is illegal and a neighbour complains that that person may be undertaking illegal activity, they have a reasonable expectation that that will be investigated.

I am actually amazed that we continue to have this debate, because time and time again, including letters from the Leader of the Opposition, I get across my desk requests by members of parliament on behalf of constituents—including, as I said, the Leader of the Opposition—to investigate allegations of illegal tree clearing. In order to improve the performance of my department with regard to that, we have made additional funding available in this budget. I think that is quite a logical and positive response to the reasonable expectations of Queenslanders that people will look after their land and that they will not undertake activities which have a direct impact on their neighbours.

Mr SEENEY: The figures that you provided me in response to this question indicate that out of the almost 2,000 investigations only 100 were shown to have any validity. Surely that would indicate that there is no great problem with noncompliance. I ask again: how on earth do you justify an increase in the budget funding for compliance officers?

Mr ROBERTSON: That is simply because, of the vast majority of the number of cases you mentioned, more than 400 investigations were in the south-east region where the urban exemption applied and precluded the operation of the legislation. That means that we got a notification into the department but it did not represent a potential offence because of the urban exemption that applies. Nevertheless, we still get regular complaints into the office which need to be investigated and which need to be investigated thoroughly.

I think one of the standout statistics here is the number of prosecutions that went to court and the success rate. From memory, of the 61 that went to court only two did not succeed. That indicates how thorough our investigations are to ensure that if a prosecution is taken then we have a good chance of its succeeding. If there were a substantial rate of prosecutions that failed, you would rightly complain that my department was being inefficient and ineffective and I would probably agree with you. I think it is

fair to say that investing in proper investigations means that those cases that do go to court usually succeed but, most importantly, those notifications for investigations that do not show up illegal activity are not proceeded with. That is in direct contrast to your claims about my department demonising land-holders. If that were the case, you would see far more land-holders being taken to court and a much higher failure rate than two out of 61. I think that is actually the positive news that comes out of those figures.

Mr SEENEY: That is a direct reinforcement of my question. Despite the efforts of the department, you have only been able to establish that there are 61 cases where you have been able to prosecute. Does that not indicate that there is no great issue with noncompliance? Despite the spy satellites, despite the dob-in-a-farmer hotlines, despite the constant amendment of the legislation to make it easier to prosecute, despite the requirement for land-holders to prove themselves innocent when you assume that they are guilty and despite the incorrect regional ecosystem maps, there have still been only 61 prosecutions. That would indicate, Minister, surely that there is no great problem with noncompliance with the vegetation management legislation and there is no need for the extra budget allocation of \$10 million, I think it is, for extra compliance officers.

CHAIR: Ask the question.

Mr SEENEY: How do you justify—

CHAIR: Order! Member for Callide, put your question.

Mr SEENEY: I think 'How do you justify' is a question, Mr Chairman.

CHAIR: You have gone over time.

Mr SEENEY: How do you justify the extra allocation for compliance officers in the budget documents before the committee?

Mr ROBERTSON: Because of the sheer number of complaints or allegations that my department receives, mostly from members of the general public—neighbours—who have an expectation that those allegations will be investigated. I think it is important to note that there are currently 443 notifications being investigated by my department. As to how many of them reach court, how many of them receive an on-the-spot fine, how many of them receive a warning and how many of them receive a remediation order, we do not know. Each one of them has to be thoroughly investigated. The people of Queensland expect nothing less. As I keep saying, I regularly receive letters from members of parliament, including members on your side, including the Leader of the Opposition—

Mr SEENEY: I do not think that is right. You keep saying that, but I think that issue was resolved. You were shown to be misleading when you raised that issue before.

Mr ROBERTSON: No. The simple fact was that he wrote to me on behalf of a constituent who was concerned about potential illegal tree clearing and asked me to do something about it.

Mr SEENEY: That is not right.

Mr ROBERTSON: That is the simple fact. As to whether it was illegal tree clearing does not matter one iota. The fact is that Mr Springborg had a constituent who believed that he had witnessed illegal tree clearing and asked Mr Springborg to make representations to me for it to be investigated which Mr Springborg, in my view, responsibly did, but then he goes out and alleges that we are demonising land-holders by investigating them for illegal tree clearing. It is absolute rank hypocrisy. As I said, there are over 400 notifications that are currently under investigation. Those who make those allegations have an expectation that they will be investigated. That is why we are putting additional money into the compliance area, not just for vegetation but also for water. I cannot think of a worse crime during the current drought than to steal your neighbour's water. I cannot think of a worse crime. But, unfortunately, from time to time it happens, and when it happens I think the government has a responsibility to protect those whose water has been stolen. That is why I make no apologies for putting additional money into this compliance area.

Mr SEENEY: Can you explain the recruitment process and the training that is provided to compliance officers?

Mr ROBERTSON: I might get Bryan to answer that to provide appropriate information.

Mr Coulter: Mr Seeney, there is a detailed recruitment process going on at the moment. We have received over 180 applications from around Queensland for these extra positions. We have a number of teams who are doing interviews and who will be doing interviews very shortly. We have a detailed assessment process to make sure that we get the right people. We have appropriate selection criteria to make sure that we get people who not only have investigatory skills but also have skills in dealing with the public and can provide proper education and those sorts of things to land-holders. We are not just in there pushing prosecutions but also in there pushing education. Our recruitment activities are directed to recruiting those sorts of people.

Mr SEENEY: Minister, are you aware of or concerned about the degree of anger and resentment in rural Queensland that is expressed towards the so-called tree police? Are you concerned about the anger that is out there? Are you concerned that sooner or later it is going to lead to somebody doing something stupid?

Mr ROBERTSON: I am certainly aware that there are some individuals who do not support what we are doing with respect to our vegetation legislation and with respect to compliance. But I also believe that the vast majority of Queensland land-holders want to do the right thing and expect that their neighbours will do the right thing. I expect that those people who do not do the right thing would probably be pretty cranky with the government. But the simple fact is that our natural resources are valuable. They have a value attached to them, not just for this generation but also for future generations.

This is part of a sea change, part of a reform agenda, to finally ensure that Queensland's natural resources are managed sustainably now and for the long term. Part of that is compliance. It is not the whole story, because there is a whole range of programs and assistance available to land-holders, whether it be NHT, NAP or other programs across government, to assist land-holders to operate in a sustainable way. But, unfortunately, in every society there is a small proportion of people—it does not matter whether they are land-holders or not—who do not do the right thing.

I think Queensland has reached the stage where we value our land and value our water to a point that we cannot turn a blind eye to those who misuse our natural resources. I make no apologies for that. That is what we are running here: we are ensuring that people do the right thing, that the 95 per cent or 99 per cent of land-holders who do do the right thing can be assured that by doing the right thing they are valued. Part of that valuing process is ensuring that those who do not do the right thing receive appropriate penalties.

CHAIR: Order! The time for questioning by non-government members has expired. I call the member for Bundaberg.

Mrs NITA CUNNINGHAM: Minister, the new vegetation management laws mentioned on page 1 of the MPS are the subject of a lot of myths and misconceptions being pedalled by groups such as Property Rights Australia. Would you like to take this opportunity to explode some of those myths?

Mr ROBERTSON: I thank the member for Bundaberg. Some reports suggest that farmers in drought cannot harvest their fodder. Queensland's vegetation management laws allow land-holders to apply to harvest fodder. My department's policies ensure that fodder harvesting applications are dealt with as quickly and as efficiently as possible. Over 117,000 hectares of mulga have been approved for fodder harvesting during the past 12 months. Some reports, however, suggest that stock is dying while the department takes its time assessing applications.

In the mulga lands and parts of the southern Brigalow Belt, land-holders who are drought declared and need to access fodder urgently can apply for an expedited fodder permit to harvest mulga mapped as remnant. Expedited applications are generally assessed within between 10 and 20 working days generally. However, the speed at which an assessment can be made depends on the quality of the application that my department receives. So the better the quality of the application generally the quicker it can be assessed.

The other myth is that some reports suggest that no-one can clear regrowth. Regrowth is defined as vegetation not mapped as remnant. On freehold land vegetation not mapped as remnant can be cleared without a permit. On agricultural and grazing leases regrowth that has been cleared since 1990 can be cleared without a permit. In other situations a permit is normally required.

Another myth is that a land-holder being investigated for illegal clearing is not afforded the right to remain silent until they contact their solicitor. This is not the case. Any individual land-holder under investigation by the department has the right to decline to answer questions that may tend to incriminate them. In some circumstances an individual may be required to provide information or documents to the department. In such cases any information or documents supplied that may tend to incriminate that individual cannot be used in any court proceeding except in the limited case of a proceeding for an offence about the falsity of the information.

Another claim is that the department's compliance officers secretly record conversations with land-holders under investigation. While there is no legal requirement for someone recording a conversation to obtain the consent of any other person taking part in that private conversation, it is the policy of the department that all investigating officers advise the land-holder when a conversation is being recorded. This is always the case unless exceptional circumstances exist to warrant not disclosing that the conversation is being taped—for example, if there is the threat of violence or the officer believes that it is the only way to gather the evidence. There is one case that we are all aware of that regularly gets brought up about an officer not disclosing that a conversation was being taped. That is one case, and since that time all investigating officers have been reminded about the department's policy with respect to notifying—

Mr SEENEY: You still prosecuted him.

Mr ROBERTSON: I am not aware as to how that case particularly went.

Mr SEENEY: I will tell you about it after.

CHAIR: Order! Member for Callide.

Mr ROBERTSON: The important thing was that when that was brought to our attention we acted to ensure that all officers were reminded of their obligations in terms of gathering evidence.

Mrs NITA CUNNINGHAM: Thank you, Minister. Property Rights Australia and some opposition MPs claim that the impact of tree-clearing laws was not taken into account when determining the 2005 unimproved capital land valuations for rural properties. Is that true?

Mr ROBERTSON: The simple fact is that my department recognises the need to review valuations to take into account the impact of vegetation management legislation where it permanently restricts the use to which the land may be put. Any restriction on the future use of land imposed by any level of government which in the purchaser's eyes has an impact on the value of the land must be considered in the valuation. The department issues a written direction to all of its valuation staff each year. The direction requires that land sales impacted by vegetation restrictions be investigated to measure the impact of the legislation in the marketplace for this to be reflected in the valuations of similarly impacted lands.

The direction contains the following guidelines to be applied on a case-by-case basis. Firstly, the valuer is to investigate the restrictions imposed by vegetation-clearing laws over the subject parcel, and this may apply to freehold or state lands. Secondly, the valuer is to investigate comparative sales within a common geographic area that have similar restrictions and comparative sales within a common geographic area that either do not have similar restrictions imposed or are already cleared. Thirdly, as a result of the sales research, the valuer is to determine whether the market recognises any diminution of, enhancement to or other effect on a property which is the subject of vegetation-clearing restrictions.

If it is considered that a diminution to value is warranted and that sales evidence is available, the valuer should refer to relevant case law as a guide. As a result of this direction, the departmental valuers must consider the impacts of vegetation management restrictions on rural properties and must make appropriate allowances where required. Where land-holders have lodged recent objections and raised particular issues relating to vegetation management restrictions on their properties, these will be further investigated and, where necessary, adjustments will be made. It has been found that much of the land where vegetation management restrictions applies is lowly valued and was not recognised as having future development potential, but Nona, who is dissatisfied with the decision on an objection, may have the matter further reviewed by the Land Court.

Mr WALLACE: Minister, you previously mentioned that mulga harvesting for fodder purposes is an important resource to help land-holders in times of drought. What is the government doing to make it easier for farmers to access fodder harvesting and secure their economic sustainability?

Mr ROBERTSON: I thank the member for Thuringowa for the question. The government recognises the importance of fodder harvesting to the grazing industry in dry times. Recent articles in the media have suggested that mulga and other species cannot be accessed for fodder harvesting under the Vegetation Management Act. This is not the case. These inaccurate and often misleading claims help to generate a culture of conflict, and I would like to take this opportunity to dispel some of the misunderstandings. Queensland's vegetation management laws allow land-holders to apply to harvest fodder, and my department's policies ensure that fodder harvesting applications are dealt with as quickly and as efficiently as possible. In fact, over 117,000 hectares, as I mentioned earlier, of mulga have been approved for fodder harvesting during the past 12 months.

In the mulga lands and parts of the southern Brigalow Belt, land-holders who are drought declared and need to access fodder urgently can apply for an expedited fodder permit to harvest mulga mapped disremnant. As I have mentioned, expedited applications are generally assessed between 10 and 20 days, but it could be longer depending on the quality of the application received. I just reiterate: the better the application, the quicker the assessment.

Over 70 expedited applications for fodder harvesting have been received and have been approved by NRM since January 2005. Expedited approval will be given for a maximum of 12 months, and my department urges land-holders to apply for a full fodder harvesting approval once an expedited approval is in place. A recent article in the press claimed that land-holders are waiting for three months rather than the 10 days promised. This is a result of confusion between expedited and fully assessed applications. I can confirm that my department has been working flat out to keep to the lowest possible turnaround time on expedited permits. They are the ones that we give priority to, I think as everyone would expect us to do.

All applications to harvest fodder are assessed against the regional assessment codes which are currently being reviewed by my department. The aim of the review is to finetune the codes and ensure that they are workable, grounded in truth and result in the best outcomes for land-holders, the environment and our economy. To this end, my department commissioned the University of Queensland to undertake research and report on the socioeconomic aspects of fodder harvesting, which, together with public consultation, will help ensure that the codes make it as simple as possible for land-holders to access their fodder species for harvesting while ensuring that those few who do not use fodder harvesting cannot use that as an excuse to clear their property of vegetation. They are striking a

balance, ensuring a fair go for everyone, and that is the report that the member for Thuringowa may recall I have guaranteed will be provided to the Leader of the Opposition.

Mr WALLACE: Minister, the government is reviewing rents on leasehold land. What are the current arrangements and what outcomes does the minister anticipate from the review?

Mr ROBERTSON: The member for Thuringowa may have been made aware that the government charges rent on the use of leasehold land to obtain a fair return for the people of Queensland while taking into account the social and environmental interests of the community. Leasehold activities with features in common are grouped into categories according to land use, with tenure arrangements such as rents being customised accordingly. Currently there are 10 categories of leases. These deal broadly with grazing and agriculture, intensive primary production, residential, commercial, industrial, state development industrial leases, charitable organisations, communication sites, public utilities and government tenures, tourism and sporting and recreation. There are a total of 23,688 leases. Grazing and agricultural leases make up the bulk of the leasehold estates—some 51.4 per cent.

The amount of rent due for annual leases is calculated by multiplying the rental valuation or the unimproved capital valuation by a prescribed rate. In 2004-05, \$38.3 million was received from leasehold land rentals. It is interesting to note that, while grazing and agricultural leases also account for the largest land area—99.2 per cent—and the UCV 63.9 per cent of the leasehold estate, they generate only 25.6 per cent of total leasehold rental revenue. On 34 per cent of grazing and agriculture leases, lessees pay a weekly rent of around about \$1.44. This is equivalent to the minimum amount for the prescribed rate. The highest weekly rent is \$846. Currently the median rental for pastoral holding leases is around about \$26 per week. Nevertheless, following strong representations from AgForce about the impact of rental increases resulting from a recent valuation, I have agreed to hold category 1 rents at last year's level. This will allow our proposed rent review to proceed in a more stable environment and clearly indicates the government listens to the bush and acts when arguments are justified.

I was curious, nevertheless, to read Mr Seeney's response to our announcement yesterday. He called it a sleight of hand in promising to freeze leasehold rents to farmers, saying that it was one of the oldest and most cynical tricks in the book. That old and cynical trick in the book was actually put in place in 1996 by the then National Party government. Mr Hobbs put in section 183A that allowed the minister of the day to provide 12 months of rental leases. But, apart from that bit of hypocrisy, what I was most interested to see was that only four days ago the Leader of the Opposition called on the Beattie government through its Blueprint for the Bush to limit leasehold land rent hikes. We have delivered and then we get this rubbish from Mr Seeney criticising us for doing what Mr Springborg asked us to do.

Mr SEENEY: No, he didn't.

Mr ROBERTSON: This demonstrates once again how lazy and how out of touch this opposition is.

Mr SEENEY: Be honest. You only did it for 12 months.

Mr ROBERTSON: But that is all you can do, because that was your amendment to the Land Act which was put in place by Mr Hobbs in 1996-97 to give the minister of the day the ability to provide rental relief for only 12 months. You are an absolute hypocrite! You do not know the legislation. You are an absolute joke.

Mr SEENEY: You can adjust the rate in the dollar like every local government in Queensland can.

Mrs DESLEY SCOTT: Minister, how much of the remaining 200,000 hectares of land available to be cleared through the government's vegetation ballot process has been allocated to land-holders in each of the designated bioregions of Queensland?

Mr ROBERTSON: As of 11 July this year, the department has allocated some 145,711 hectares under the ballot or 72.8 per cent of the available 200,000 hectares. The department has exceeded its planned milestone of having 50 per cent of the ballot area approved by the end of June this year. Ballot region 1 contains the central Queensland coast and Wet Tropics bioregions and has 2,720 hectares available for allocation. As of yesterday, 1,590 hectares or 58 per cent had been allocated. Ballot region 2, the New England/Tablelands/south-east Queensland bioregion has 2,720 hectares available for allocation. As of yesterday, 270 hectares or nine per cent had been allocated. I will get back to that because that needs some explaining.

Ballot region 3 contains the northern section of the Brigalow Belt and has 27,200 hectares available. As of yesterday, 19,000 hectares or 69.8 per cent had been allocated. Ballot region 4 contains the southern section of the Brigalow Belt and has 25,000 hectares available for allocation. As of yesterday, 11,000 hectares or 45 per cent has been allocated. Ballot region 5 contains the Channel Country, gulf plains and north-west highlands and has 13,610 hectares available. As of yesterday, 13,493 hectares or 99 per cent has been allocated. Ballot region 6 contains the desert uplands, Eindsleigh uplands and Mitchell grass downs. That has 56,630 hectares available. As of yesterday, 31,663 hectares or 56 per cent has been allocated. Ballot region 7 contains the mulga lands bioregion and has 72,110 hectares available. As of yesterday, 68,254 hectares or 96 per cent had been allocated.

The processing of ballot applications in western areas was given priority, as these applications are typically for larger areas and require more lead time to organise contractors and to work in with weather conditions. That is why you see for the south-east corner a relatively low allocation of hectares thus far, because we have been putting additional resources out to the west to provide maximum time for land-holders who do succeed in the ballot to access contractors and get out there and do the work that they are permitted to. That is not such an issue in the south-east where the areas that will be applied for are generally much smaller than what has been applied for out west.

The mulga lands, Channel Country, gulf plains and north-west highlands ballot regions are expected to be finalised by July 2005. By the end of 2005, more than 95 per cent—we hope 100 per cent of the ballot area—is expected to have been issued, with the remaining areas generally associated with the smaller applications from coastal areas which are generally less sensitive to contractor availability and weather conditions for clearing.

CHAIR: The time for government questioning has now expired. The committee will now adjourn for afternoon tea.

Proceedings suspended from 2.25 pm to 2.42 pm

CHAIR: Estimates Committee E is now resumed. The question before the committee is that the proposed expenditure for the portfolio of the Minister for Natural Resources and Mines be agreed to. We will continue. I call on the member for Callide.

Mr SEENEY: Thank you, Mr Chairman. Minister, I refer you to the comments that you made in answer to a government member's questions, I think it was, about the land lease rental decision that you took.

Mr ROBERTSON: Yes.

Mr SEENEY: Minister, why didn't the state government do exactly as every local government in Queensland has done and adjust the rate in the dollar to compensate for the rise in the unimproved capital value to ensure that the state government did not profit from those rises in the unimproved capital value, just as the Premier exhorted local governments not to profit from rises in that unimproved capital value?

Mr ROBERTSON: Because we chose to go down the path of using the National Party's section 183A of the Land Act, which provides the minister of the day with the ability to set the rent at an amount equal to the rent for the previous rental period. We thought that was the appropriate way to go because we have already announced that we are conducting a review of the whole leasehold land rental system. We are required to do that under the Statutory Instruments Act because it has been 10 years since the last review. We thought it more appropriate, given that we had already announced that review was to take place—and is in fact taking place—that the easiest thing to do in the circumstances was to use the National Party's section 183A of the Land Act to provide the relief that we have provided—as, in fact, suggested by Mr Springborg.

Mr SEENEY: Which means that it is short term; for one year only. It does not address it past that point.

Mr ROBERTSON: No, but I have the ability, as the minister, to make a decision. I cannot help what the National Party put in that particular clause. What they put in that clause was the ability of the minister to only make a decision for 12 months. But I have the ability next year, when further shires come in with their valuations, to make a further decision in addition to the decision I have already made to provide relief if that is justified.

We all hope that the drought breaks. We may not see the same increase in valuations next year. A number of things can happen on an annual basis, so I do not close off any avenue at this stage as to what I may do in 12 months time. But the important thing for leaseholders this year is that they will be paying no more than they paid last year, despite the fact that valuations have increased—the median has increased. There has been around about an 85 per cent maximum increase and in some cases there has been a 300 per cent increase. We think that is an appropriate way to go in terms of the current drought.

Mr SEENEY: The relevant point is that that is short term. Do you acknowledge that you could have—as local governments have done—adjusted the rate in the dollar for land rentals?

Mr ROBERTSON: That is why we are conducting the review into leasehold land rentals. That is a review that will be conducted with a process of consultation. Even if we were of a mind to do all of that consultation, in the time that was available to us that would not have been possible. We provided immediate relief while we conduct a much longer review because part of that review will also require us to do a regulatory impact statement, which of course takes quite a deal of time.

In terms of giving immediate relief to leaseholders from the potential significant rental increases, we chose to go down the path we did after we announced that leasehold land review, which will require a regulatory impact statement and consultation with appropriate bodies, because we are not just talking about rural leaseholders; we are talking about leasehold rents right across the 10 categories that exist. We just think that is the better way to go.

Mr SEENEY: Can you confirm that as part of that review into land rentals your department is endeavouring to achieve a commercial rate of return on the unimproved capital value of state land similar to the commercial rate of return that is aimed for on water infrastructure?

Mr ROBERTSON: No, I do not believe that that is the case. What we have said all along is that there should be a requirement for an appropriate return to the people of Queensland for the ability to use Crown land. What that may be will come out of the review. I am not going into the review with any set agenda. My mind is open to what a new system may look like. What I am suggesting, obviously, is that if you are thinking about going out there in the public and saying that this leasehold land rental review will be guaranteed to result in significant increases in rentals across-the-board, you cannot say that because you have no evidence of that.

Mr SEENEY: Will you rule out setting a commercial rate of return on the unimproved capital value of state land?

Mr ROBERTSON: No, I did not say that either.

Mr SEENEY: No, I know you didn't; I am asking you to. Will you rule out setting a commercial rate of return?

Mr ROBERTSON: No, I do not rule anything in or anything out. What I do is set up a review that engages appropriate stakeholders to provide me with advice on which way we should go. Until that review is completed I will not be making any decision.

Mr SEENEY: When would you expect that review to be completed? What is the time line?

Mr ROBERTSON: Within the next 12 months. It could well be that because of the time taken I may have to exercise my mind as to whether we extend the current 12-month amnesty for another 12 months, but we will see how things go.

Mr SEENEY: We will move now to the issue of water and water resources which, as you quite rightly said in your introductory statement—

Mr ROBERTSON: Just before we move on from vegetation management, can I present you with a copy of the *Study of fodder harvesting in mulga regional ecosystems*, the final copy of the report that you sought?

Mr SEENEY: The one you should have sent me in response to my FOI application, but I thank you anyway.

Mr ROBERTSON: Let us close off that debate. There was no suggestion of trying to hide it. There is your final copy. That is the one that I will be reading in the not-too-distant future.

Mr SEENEY: I can understand, Minister, that you would like to close off the subject of whether or not your department breached the FOI legislation, but thank you for the belated delivery of that copy. I will be looking at my options in regard to my FOI application, you can be assured.

Mr ROBERTSON: I am sure you will. We look forward to that.

Mr SEENEY: Can we move now to the subject of water. Last year during estimates I asked you about water planning targets and the completion dates. I note that almost half of your June 2004 targets for the release of draft and final water resource plans and resource operation plans have already been missed for, I think, the third year in a row. Why have there been so many delays in the water planning process? What is your department going to do to ensure that those targets are actually met some day?

Mr ROBERTSON: This is probably the third year you have asked me that question.

Mr SEENEY: But it is an issue every year because every year you set targets and you miss them by miles.

Mr ROBERTSON: I just thought since you asked me the same question three years in a row I probably should give you the same answer three years a row.

Mr SEENEY: You do not believe there is an obligation to meet those targets? Do you think you can put them in the budget and not take any notice of them?

Mr ROBERTSON: The development and finalisation of water resource plans is largely driven by the desire of the community for more information and more engagement. We would, of course, have to respond positively to that request. I can take you to just about any community group or stakeholder group that is engaged in the water resource planning process and ask them the question: did they want further information? Did they want further engagement? The vast majority of them would say, 'Yes, we wanted that,' and that is why it took longer than was anticipated to finalise these plans.

I think it is fair to say, in terms of the statistics that I provided earlier, that we have now finalised quite a few water resource plans as we also start new ones. Nevertheless, as you would appreciate, in this year's budget additional resources are being made available to this section of my department so that we can bring to closure these water resource operations plans quicker than has been the case in the past. That is how we have responded: we have responded by putting extra dollars and extra

resources into this particular area of the department. I think any reasonable assessment of that response would give it a big tick. If you see a problem, then you respond to it by putting in additional resources.

There have been additional resources of \$3.2 million into the completion and implementation of the water planning program; an additional \$2 million into regional water supply strategies; an additional \$800,000 into improving ground water management; an additional \$600,000 into urban demand and alternative water systems; an additional \$1.35 million into ongoing development and implementation of water reform; and \$1.6 million into enhanced water resource efficiency. That gives you an indication of how serious we are about the water resource planning process.

What does concern me in the context of the current drought, and in terms of the ongoing increase in demand for water—whether driven from the irrigation sector or driven through population pressure and ongoing economic development—is that we need to get outcomes on these water resource operations plans to meet the needs of our growing state. That is why we are putting in additional money. In fact, last year—2004-05—the budget was \$10.7 million in this area. This year it is going to be \$15 million.

Mr SEENEY: So we might see some progress before next year?

Mr ROBERTSON: Enhanced progress.

Mr SEENEY: Minister, in terms of the money that is set out in the budget, in the 2004-05 capital statement \$69 million was allocated to SunWater, including \$52.93 million for other water infrastructure and projects, and \$12 million towards water infrastructure backlog and renewals. In 2005-06 there is a marked decrease in the figures in the capital statement.

Mr ROBERTSON: Can you give us a better reference point so we can look it up?

Mr SEENEY: \$27.45 million has been allocated to SunWater, with \$7.2 million for water infrastructure renewals and backlogs, and just \$11.9 million for water infrastructure developments.

CHAIR: Whereabouts is it in the MPS, member for Callide?

Mr SEENEY: It is in the capital statement, Mr Chairman, and I do not have the page number. The question is: why is the amount of money that SunWater is spending on such things as water infrastructure and projects reduced so markedly? I would have thought that given the comments that you quite rightly make about the current situation there would be a need for increased expenditure by SunWater.

Mr Noonan: I think, with respect, that one of the issues in this regard is the timing of the commercial projects that SunWater is dealing with. Some of the things that we are working through and hoping to develop fairly soon are things that are not at the stage of being able to be included in the particular budget papers. An example of that is the major planning exercise we are doing to seek to bring water down to the very rapidly expanding coal areas of the Bowen Basin. SunWater has indicated quite publicly that we are looking at an investment there of somewhere between \$240 million and \$260 million, but because that project is still in a feasibility stage, in the preparation of budget papers that is not included in those capital spends. I think, to some extent, this is a timing issue, and it is an issue of not putting in the papers those things which are still by no means committed but that we are working through. We certainly think the expectation of that coming into place in the next few months is very high, but there are still a lot of signatures to get on the page.

Mr ROBERTSON: So it is not the expenditure. That is typical of the assessment of projects. It is not indicative of a lack of commitment to new infrastructure.

Mr SEENEY: We will look for a bigger lump next year then, shall we?

Mr ROBERTSON: I hope so, too.

Mr SEENEY: In terms of water trading, I note that SunWater is currently involved in selling new water allocations in the Burnett system. Also in the Pioneer Valley, SunWater are selling what they call industrial water. In both situations existing water allocation holders are suffering low annual allocations as compared to their normal allocations. How is it that SunWater can sell new water when existing allocation holders are restricted to zero per cent, in the case of the Pioneer Valley, and less than 100 per cent situations in the Burnett Valley?

Mr Noonan: Let me try and deal with the two particular areas one by one. In the case of the Mackay system, the Pioneer Valley water supply scheme is supplied, as you know, by Teemburra Dam. When that dam was established some nine years ago, or thereabouts, a set of allocations was put in place, which included some high-priority allocations and some medium-priority allocations. It was quite explicit at the time that there would be high priority allocations provided to urban communities that were reliant on that system, that there would be some high-priority allocations provided to some of the industries—in particular sugar mills—and that the government would set aside some 13,000 plus megalitres of high-priority allocation for future industrial development. It is commonly known up there as SunWater's industrial water. Also, 43,000 or so megalitres of water is made available to users within the Pioneer Valley Water Board who are on a medium priority.

There are a couple of different aspects to this. Firstly, the water sharing rules are set out very explicitly. The minister spoke before about the resource operating plan. That plan was established only a matter of weeks ago. Those rules are fairly similar to what they have been over many years. Those rules set out how those determinations are made.

It is certainly regrettable that the calculation—and anybody can do the calculation and come to the same answer—worked out that on 1 July the high-priority allocations would receive 100 per cent and the medium-priority allocations would receive exactly zero. We would all have been a lot happier if that medium-priority allocation had been 10 per cent, 15 per cent, 20 per cent or some such number. Of course, there is water also available to those people through what is now called a stream flow allocation. That is the announced allocation of the storage. When the river flows, there is access for those on the river to get that. So zero is at the beginning of the year. It is certainly not expected to stay at no water available.

The allocations that SunWater holds are allocations the same as every other allocation. Thus, this year we have decided not to try to pick who should receive them and, instead, we have put them to a tender process so that those who want them can put their hands up.

I will talk briefly about the Burnett system. The announced allocations in the Bundaberg area are 100 per cent for medium priority. If you are referring to the upper Burnett, I am not exactly sure what the announced allocations will be for the Mundubbera and Gayndah areas. There has been a recent flow through which has filled those two storages. So it should be a lot better. However, the allocations out of Eidsvold will not take effect until there is water to make them good.

Mr SEENEY: Minister, does the government have a policy of encouraging the intersectoral transfer of water from medium-priority users to high-priority users by selling high-priority industrial water in the Pioneer case? Is there a deliberate policy to boost the amount of high-priority water that is sold, obviously at a much higher cost than medium-priority water, and force agricultural users—for example, in the Pioneer Valley case—to purchase high-priority water?

Mr ROBERTSON: There is nothing deliberate from the government. That is a commercial decision by SunWater, as far as I am aware. Yes. That is how the market works.

Mr SEENEY: So it is not only possible, but it is the only option for the people in the Pioneer Valley at the moment?

Mr ROBERTSON: It is a commercial relationship between water users and SunWater. It is not something that we interfere with.

Mr Noonan: At present, in July of this year the only additional water that people can access in the Pioneer system is to trade some water from high-priority holders. We are not the only high-priority holder but we are the only one that is in the business of making it available. Some others could, but they do not wish to do so.

If I come back in a couple of years time and say to you that I have found other customers for that water, it will not be on the market. It is on the market while it is available and while we do not have a long-term customer, as you may know we have recently signed up some of that to go down to Dalrymple Bay for the expansion of the coal ports. We will pick up other customers over time. However, while we do not have a long-term customer committed, it will be made available where possible.

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

Mr ROBERTSON: Just a moment. Jeff, if you want to pursue that matter with Peter, I am more than happy for you to set up a meeting to discuss those issues.

Mr SEENEY: Thank you.

CHAIR: I call on the member for Thuringowa.

Mr WALLACE: Minister, the MPS highlights the government's \$20 million Smart Exploration Program to capture new geoscience data to assist future investment in mining exploration and development in Queensland. What are the benefits of this investment and when will the program begin in the priority regions identified?

Mr ROBERTSON: The significant benefits for the state and the exploration and mining industry will include the accelerated delivery of geoscience data and information to support and complement the increased level of exploration investment in Queensland. Queensland's share of total Australian mineral exploration has been on the increase in the past few years and is expected to continue to increase during this period of Smart Exploration funding. ABS statistics show an increase in Queensland's share of Australian mineral exploration expenditure from 14.5 per cent in 2001-02 to 15.6 per cent in 2002-03 to 15.8 per cent in 2003-04. In the first nine months of 2004-05, Queensland's share was 16.2 per cent, or \$119.5 million, compared with the 12-month total for 2003-04 of \$125 million. The trend is similar for Queensland's share of total Australian petroleum expenditure—from 8.3 per cent in 2001-02 to 10.1 per cent in 2003-04.

The specific new geoscience data and information that will come from the Smart Exploration Program includes acquisition of new scientific data in the four priority areas of Mount Isa, the Bowen and Surat basins, the Drummond Basin and the Mount Rawdon corridor in south-east Queensland. Other direct benefits to explorers include the acquisition of approximately 1.5 million line kilometres of new airborne geophysical survey data in Mount Isa and the Bowen and Surat basins, a 25 per cent increase in coverage of the state using modern gravity data which measures rock densities to assist with geological map and resource interpretation, an increase in the modern digital geological map coverage to 50 per cent of the state, and all the state's historical seismic data tapes and key geochemical and drill-hole data capture for historical company exploration reports transferred into digital format and made freely available online.

We are determined, through the Smart Exploration Program, to ensure that we invest now in the new generation of mines. Within 10 years we will start seeing some major mines, particularly in the metalliferous sector, begin to close as they exhaust the resource. By making these investments now, it provides a boost to the industry to find that next generation of mines to replace those mines that will become exhausted in the next decade or so. That simply makes good sense and continues the trend of this government to look to the long term to ensure Queensland's future.

Mr WALLACE: Thank you, minister. I will continue with exploration, if that is all right with you. The MPS also states that exploration opportunities for petroleum, coal seam gas and geothermal energy resources will be promoted through calls for tenders for prospective land in order to identify cleaner sources of energy. Can you identify the potential value of these resources and indicate when the competitive tender process will begin?

Mr ROBERTSON: Firstly, it must be stressed that both coal seam gas and geothermal exploration are in their infancy in Queensland with large tracts of the state remaining essentially unexplored for either of these resources. Consequently, we do not know the exact size and location of more than a small fraction of these potential resources. It must also be recognised that even if a resource is identified, the commercial extraction may not be physically or economically possible. Any estimate of the total value of these resources, therefore, is and can only be little more than an educated guess.

Active exploration is the only means by which we can improve our understanding of the location, size and economic potential of these resources. That is why encouragement of exploration is so important and is one of the main factors behind Queensland's \$20 million investment in the Smart Exploration initiative. The current estimates of possible gas resources in Queensland stand at approximately 27,500 petajoules. Commercially demonstrated or probable reserves of gas are currently about 10 per cent of this total, or about 2,500 petajoules. The average price obtained for this gas is about \$2 million per petajoule. As such, the state's probable reserves have an estimated value of approximately \$5 billion. The inclusion of the possible resources would expand this value to in excess of \$50 billion, but not all of this figure would be commercially viable to extract.

At this point in time we know very little about the potential value of the state's geothermal resources. However, thermal contour maps imply that more than five per cent of the state, or roughly 90,000 square kilometres, is probably underlaid by rocks with temperatures in excess of 200 degrees Celsius at reachable depths. Given that each cubic kilometre of such rock can contain approximately 200 petajoules of thermal energy, this equates to a potential resource of up to 18 million petajoules. How much of this resource can be commercially extracted is presently unknown.

Geothermal energy is not currently traded in Australia, so no actual average price can be quoted. However, for geothermal energy to be viable it must be competitive with other energy sources such as coal. On this basis, the nominal value of roughly \$250,000 per petajoule has been estimated. That would give a potential total resource value for geothermal resources somewhere in the range of \$450 billion to \$4.5 trillion.

Thus enabling the appropriate access to ground to prove up these resources is of critical interest to the state and has been the driving force behind the development of new petroleum and geothermal legislation. The competitive tender process for both petroleum and geothermal prospective areas will take place in the latter half of this year, as soon as the appropriate administrative structure under the new legislation is in place.

Mrs DESLEY SCOTT: Minister, page 9 of the MPS mentions the state government's expedited native title procedures, which aim to deliver mining exploration and tenure permits in a timely manner. Could you please advise how many mining exploration and tenure permits were processed in the past 12 months compared to the previous year?

Mr ROBERTSON: The results from the state government's use of the native title expedited procedures have been very pleasing. The procedures have proved to be effective in addressing native title issues, enabling explorers to get on the ground. Over the financial year 2004-05, about 480 exploration permits were granted. Of these, approximately 240 or 50 per cent were granted as a consequence of the expedited procedure, a further 20 per cent being granted under other native title processes. This is a marked increase on the financial year 2003-04, when the expedited procedure was

first implemented. In that year, only 248 exploration permits were granted and only 12, or five per cent, were granted as a consequence of the expedited procedure and a further 55 per cent were granted under other native title processes.

To enable this increase in grants my department has raised the rate at which applications are commenced under this procedure. Over the financial year 2003-04, 178 applications were advertised at a rate of 19 per month since advertising started in October 2003. For the year 2004-05, the monthly advertisement rate has climbed to 34, with a total of 400 applications advertised. Advertisements rates now equal or exceed the average number of exploration permits lodged each month that require a native title process.

On average, exploration permit applications commenced under the expedited procedure require an additional six months processing time. While the department will work hard to reduce this time, six months is considered fairly efficient given the statutory four-month notification period, the possible subsequent negotiations and the administration required to commence and advertise the procedure. About 75 per cent of the exploration permits commenced under the expedited procedure are being granted with native title protection conditions as conditions of tenure. These are the conditions that were negotiated between the Queensland Resources Council and the Queensland Indigenous Working Group to protect the native title rights of Indigenous people during mineral exploration.

The remaining 25 per cent of permits are being granted under agreements since the state government's policy allows native title parties and explorers to negotiate their own agreements if they do not wish to operate under the native title protection conditions. Consequently, some native title groups are lodging objections against the use of the expedited procedure so that they can preserve their procedural rights and negotiate. To date, no objections have been contested in a hearing before the National Native Title Tribunal. Of the 155 objections already resolved, about 80 per cent of those objections were settled by agreement and a further 15 per cent have been withdrawn. In fact, I have signed over 130 agreements over the past year.

The prevalence of negotiations and agreement making, I believe, is a positive result. The implementation of the expedited procedure has created an environment in which industry and Indigenous communities are now much more willing and able to meet and deal with business with only general guidance from the state.

Mrs DESLEY SCOTT: Minister, page 9 of the MPS mentions the department's role in researching the potential impacts of climate change. Can the minister outline the findings of any government research into the possible effects of future climate change on Queensland rainfall patterns?

Mr ROBERTSON: For four years my department has been researching the possible effects of future greenhouse concentrations on Queensland's climate. Our studies into past climate conditions have been central in covering the link between greenhouse gas concentrations, natural variability, ozone depletion and declining rainfall across much of eastern Australia. The results indicate that growing greenhouse gas concentrations and ozone depletion have contributed significantly to Queensland's rainfall decline over the past 20 years.

In collaboration with the CSIRO's Atmospheric Research Division we are researching whether this declining trend will continue. We expect rainfall to continue to decline over the next 70 years. Our modelling experiments suggest that over much of the state annual rainfall may decline by as much as 13 per cent by 2030 compared to conditions in the 1990s. By 2070 the decline may be as much as 40 per cent compared to conditions in the 1990s.

We can also expect to see changes in the variability of rainfall across years, such as longer droughts, as well as within seasons, for example, early and late spring rainfall declines, more severe in the central and north western parts of the state. Research also indicates a change in the frequency of extreme rainfall events. In some areas of the south east a 30 per cent increase in the one in 40 year rainfall event may well occur by 2040. In absolute terms, that is an increase from 700 millimetres to 900 millimetres of rain in 24 hours. This would also mean that heavy rainfall events, such as those experienced on 29 and 30 June, may become more commonplace.

Our collaborative research also shows that Queensland will continue to get hotter with average temperatures up to two degrees warmer by 2030 and up to six degrees warmer by 2070. The rates of evaporation will increase as average Queensland temperatures rise. This could be as much as 18 per cent. My department's climate research is a valuable tool to assist the Queensland government in sustainable natural resource and infrastructure planning.

I would suggest that, if the member for Woodridge wants to know more about this important issue, the various climate research reports are available on my department's web site under the science and research section. I am also of the view that you will be hearing a lot more about the issue of climate change in the years ahead. This is an area that I am very interested in as part of the suite of research projects that are going to ensuring our long-term ecological, economic and social sustainability.

Mrs NITA CUNNINGHAM: Minister, I go back to SunWater. SunWater is currently progressing a number of new water infrastructure projects to service industry and the community. Will you please report progress on all of these projects, including the Gattonvale Off Stream Storage project, the Water for Bowen project and the proposed Bowen to Moranbah pipeline.

Mr ROBERTSON: SunWater has been active in identifying and planning water supply solutions that will meet the current future water needs of a range of industries throughout regional Queensland. In particular, SunWater is addressing current water shortages that are impacting on existing coalmines, townships and irrigators relying on water supplies from the Bowen-Broken water supply scheme in north Queensland. The area has faced successive years of extreme drought and resultant water shortages.

Eungella Dam is the main water storage servicing customers in the Bowen-Broken scheme. The dam is currently storing only 19 per cent of its full capacity, or 21,600 megalitres. To improve the scheme's performance, SunWater is constructing the Gattonvale off stream storage near Collinsville. This is expected to relieve the current critical supply issues for existing customers and to substantially improve the reliability of the scheme in the longer term.

SunWater is also planning additional water supplies for an expected multibillion-dollar coalmining expansion in the northern Bowen Basin, with three new pipelines under investigation. SunWater is investigating a pipeline from the Burdekin River to Moranbah. This was at the request of five mining companies that have underwritten \$5.2 million in design costs.

Other water supply solutions such as the construction of Urannah Dam on the Broken River were investigated. However, no other option would enable the necessary supplies to be secured within the required time frame. A decision to progress the Burdekin-Moranbah pipeline project to construction will be made early this financial year once the major customers have signed firm contracts. That gets back to what the CEO of SunWater was saying earlier in answer to a question from the member for Callide.

If the pipeline proceeds, SunWater plans to incorporate some spare capacity to underpin future development in the area. SunWater is also designing two extensions to the existing Eungella water pipeline through its subsidiary the Eungella Water Pipeline Company. The eastern extension will extend almost 50 kilometres towards Coppabella to service three coalmining customers. The project has been approved by the board of SunWater, subject to shareholding ministers' approval and signed contracts by the customers. The southern extension is still being finalised but will transport water about 70 kilometres south of Moranbah to two coalmines.

Also in north Queensland, SunWater is well advanced on a feasibility study of the viability of establishing a new water supply project for the Bowen region. The Bowen area produces over \$200 million worth of high value crops each year. However, farmers are currently using more water than can be reliably supplied by the groundwater systems which have experienced a significant decline in water quality and quantity over the last decade.

The current concept is to transport water from the Burdekin River south along a 131-kilometre route to Bowen. If the study outcomes are positive, the target date for construction to commence could be as early 2006-07. Availability of a secure supplementary water supply for the Bowen area will also enable new industry developments in aquaculture, food processing, value adding medium to heavy industry, and it will allow tourism and urban growth to proceed in the region.

Mrs NITA CUNNINGHAM: Will you also advise the committee what happens to SunWater profits and whether the government intends for the fourth year running to reinvest its SunWater dividend back into community projects that benefit all water users?

Mr ROBERTSON: Over its first four years of operation SunWater made profits net of revaluations of about \$48 million and paid dividends to government of about \$8 million. Profits retained by SunWater are being used for a variety of purposes. For example, SunWater is funding a continuing backlog program aimed at bringing some old scheme assets up to acceptable standards. Recreation area maintenance is an ongoing expense that is also funded predominantly from profits.

The recently installed fish exclusion screens in the Mareeba irrigation channels were also funded from profits. The screens are stopping nocuous fish such as tilapia from being transferred through the channels into the gulf rivers. New commercial developments have been funded through profits. Examples include the Tinaroo hydro scheme, which generates green power from water releases to customers; the Stag Creek pipeline, which is nearing completion and will minimise system losses in the transfer of water from Awoonga Dam to Callide Dam for use by Callide power stations; and the Gattonvale off stream storage, which will improve short-term and medium-term reliability of water supplies to the northern Bowen Basin, was also partly funded through SunWater's retained profits.

SunWater's dividends have been reinvested by the government into water industry initiatives and several key projects have benefited from this approach. A total channel control trial, a \$1.3 million reinvestment, has been installed in the Nogoia-Mackenzie scheme to test new ways of operating channel systems to minimise losses. The trial is currently under evaluation. If proved successful it may lead to installations in SunWater's other open channel systems throughout Queensland.

The Clare Weir Fishway redevelopment, a \$2.5 million reinvestment, has been completed and was opened in April this year. Clare Weir near Home Hill was identified as a critical barrier to fish passage up and down the Burdekin River. The fishway was installed when the weir was built over 20 years ago. However, at the time the swimming behaviour of our native fish was not well understood. The fishway may well have been suitable for overseas or, in particular, United States fish species, but did not allow many native fish to migrate upstream other than during floods. Redevelopment of this fishway to a fish lock type now caters for local species and is an exciting improvement to the health of the Burdekin River.

In 2003-04, SunWater paid a dividend to government of \$4.2 million. This is again being reinvested into water industry projects that will benefit local communities. It is intended to announce shortly the details of projects that will be funded from this dividend. For 2004-05, SunWater is expected to make a sound operating profit, although the dividend will be small as a result of the accounting treatment of various activities. I want to assure the community that the government will continue to reinvest SunWater dividends into water projects of community benefit.

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

Mr SEENEY: Minister, can I take you back to your little stunt earlier on when you were encouraging people to drink sewerage effluent from Singapore. There is an allocation in the budget of \$243 million for new state water infrastructure in south-east Queensland. What is the earliest possible date that that infrastructure is going to provide new water to the people of south-east Queensland—or should they, too, get used to drinking sewerage effluent?

Mr ROBERTSON: I am sorry to hear that you are so negative about the water from Singapore that I have put on display. It was only two months ago that Mr Springborg, your leader, joined me at a Science in Parliament forum and endorsed the Water Futures project in Toowoomba which is about the indirect potable use of recycled water. I am not too sure if you have yet again demonstrated your disagreement with your own leader. In fact, Mr Horan is also on the record as a fan of the Toowoomba project, as is federal minister Mr Macfarlane.

The Prime Minister this morning even demonstrated his bona fides in terms of his view about the proposed desalination plant in Sydney. He actually encouraged the New South Wales government to go down the path of investigating water recycling options. It appears that everybody is endorsing the study of this as a viable option apart from the member for Callide. I really do not know where that puts him in terms of his ongoing role as Deputy Leader of the Opposition if he stands out from his own leader, his own party, his own shadow cabinet colleagues in his attitude to the indirect potable use of recycled water.

In terms of getting to your particular question—as I have already outlined in answer to an earlier question to a government member, the timing of the infrastructure will be dependent on the outcome of the South East Queensland Regional Water Supply Strategy, which is a combined strategy between the state government—we are putting in \$1.6 million—and local governments in south-east Queensland, which are putting in \$1 million. What I have already said and put on record is that that second stage of the study will be completed by the end of 2006. But we anticipate that before then there will be agreed outcomes as part of that study process.

Our current understanding is that new water supply infrastructure, new water, for Brisbane will be required by around about 2015. Before we completed that first stage of the water supply strategy our understanding was that it would be in 2020. We have brought that forward. We are doing further work on that. The important thing is that once we get the information that allows us to invest with certainty the Treasurer has put aside, as he has said repeatedly, the amount of money necessary for this infrastructure to be built. It is simply a question of firming up, in cooperation with local government in this state, when that infrastructure actually needs to be built.

In the meantime, as I have already outlined, we are getting on with the job in terms of our preferred water storage sites by buying up the land that would be necessary for those sites. I think from memory I said around about 36 per cent for Wyaralong. We are about to stand in the market for possible storages off the Mary and for the Cedar Grove Weir, which would be the first stage of the overall Wyaralong development. That is what we are doing.

Mrs PRATT: First of all, Minister, I would like to apologise for whipping in and out like that. I am on the Palm Island Select Committee. You mentioned that there would be 16,000 meters installed across Queensland over the next six to seven years. You said that there would be a charge to land-holders and an annual meter service charge. What sort of revenue are you expecting to raise from that?

Mr ROBERTSON: Perhaps a point of clarification: we are not seeking to raise revenue as a result of the installation of meters, but we will be looking at recovering our costs.

Mrs PRATT: So you do not expect to make any profit? It would just be the cost of service only?

Mr ROBERTSON: No, that is not our intention.

Mrs PRATT: With regard to the water trading as such, how do you plan to protect the smaller consumers?

Mr ROBERTSON: There is no such thing as a forced sell. If you have an allocation—

Mrs PRATT: That is true, but I currently know people in the area who have bought properties but cannot get a water licence. So if someone lets it go beforehand, how do you protect anyone in the future who might want to buy a property and get a water licence when they are already allocated?

Mr ROBERTSON: That depends on the outcomes of the water resource planning process. For example, in the Condamine-Balonne system, through the water resource planning process we recognise that there is no new water available. If land-holders in that area want to get more water, they will have to enter the trading market and secure water that way. The resource operations plan is currently being developed to allow that to occur in the future.

In the vast majority of water resource plans that have been completed to date, such as for the Fitzroy and the Barron, additional water has been made available. Land-holders, depending where they are in those catchments, may in fact be able to access new water once the resource operations plan has been finalised and that water is brought to market, either by SunWater if you are in a SunWater scheme or by the state. What determines whether land-holders can access new water is the water resource planning framework. In addition to that, even where new water is made available they can still enter the market for water trading. I am trying to remember how many trades we have seen already. I think about 10,000 megalitres of water has already been traded in areas where the resource operations plan has been completed.

Mrs PRATT: Just skipping back to that previous question, you did not actually answer it. I termed it as revenue raising but you said it would be equal to cost. How much would that possibly cost for each meter?

Mr ROBERTSON: For 16,000 new water meters, we estimate that that represents about \$150 million. You can do an average by dividing that.

Mrs PRATT: Yes, I can do that. I am blonde, not dumb. Minister, you would be aware of the class action being pursued by 10,000 sufferers of silicosis.

Mr ROBERTSON: No, I do not believe I am.

Mrs PRATT: There is one.

Mr ROBERTSON: What is silicosis?

Mrs PRATT: Silicosis is a disease that people get from silicon.

Mr ROBERTSON: From silicone implants?

Mrs PRATT: No. I will explain. The Tarong Power Station, for instance, has an open storage facility for waste product from the generation process. A component of that is silicon. It has been touted that silicosis will possibly be the next asbestosis. I think you have probably answered my question. What research or funding has been allocated to ensure that the damage done by silicon to the environment is minimal and that people are not affected? Has the budget allowed for compensation claims incurred by GOCs such as Tarong?

Mr ROBERTSON: You would have to ask the Minister for Energy.

Mrs PRATT: But you are the Minister for the Environment. How will you protect the environment?

Mr ROBERTSON: No, I am not the Minister for the Environment.

Mrs PRATT: Natural resources, I mean.

Mr ROBERTSON: You are talking about electricity GOCs. You would have to ask the Minister for Energy that question.

CHAIR: He is here tomorrow.

Mrs PRATT: But I am not.

Mr ROBERTSON: I will certainly check with my department as to whether there are any issues with respect to that matter that we should have an interest in. I will ensure that I am properly briefed if it is an issue that I have some responsibility over. To date I have not received any information from my department on that particular matter.

Mr SEENEY: I refer you to the issue of the dam safety standards. On page 11 of the MPS you refer to the dam safety regulator and the fact that your department recognises its responsibilities. Are there any plans to charge water users a fee to pay for dam safety upgrades?

Mr ROBERTSON: I can inform you that an announcement on that particular matter will be made in the not-too-distant future. We are finalising some work on what our policy is going to be. You will have to wait for that announcement to be made. I am not in a position to provide you with that information at this point, but an announcement is pending.

Mr SEENEY: On the government's approach to the whole issue, you mean?

Mr ROBERTSON: Yes.

Mr SEENEY: I refer you to the wild rivers issue, which you mentioned earlier in the hearing in response to a government member's question. I appreciate that the legislation is before the House, but the legislation itself does not deal with the declaration of the rivers. One of your output measures estimates that you will declare 10 wild rivers in this year and another 15 in 2005-06. Can you provide the committee with an indication of which rivers you intend to declare in those time spans?

Mr ROBERTSON: No. All that exists to date is the indicative list that was mentioned in our election policy. I have not yet turned my mind to which of those rivers will receive priority. I have been concentrating more on getting the legislation through. That indicative list gives you a fair idea of where we will be turning our attention for that first round.

Mr SEENEY: I refer to another answer that you gave to one of the government members about geothermal exploration permits. What is the reason for the hold-up? When do you expect exploration permits to be issued for those geothermal resources?

Mr ROBERTSON: The hold-up has been in terms of finalising the regulations underpinning the geothermal act. Off the top of my head, they should be in place within the next few months and we will then be able to go out to offer. I will let Mal Cremer answer.

Mr Cremer: Currently, we have legislation in place that will encourage the use of geothermal legislation in this state. However, to make that work in an act we have to have regulations in place. The regulations are currently being developed and they will go through the normal parliamentary process. The regulations and the legislation will then enable any people who want to explore for the potential in certain areas to take out an exploration permit and undertake the significant and fairly expensive drilling to determine whether there is an option in the site that they have chosen to continue doing further development work or, in fact, further exploration.

Mr SEENEY: So it is the regulations that are holding up the issue of the exploration permits?

Mr ROBERTSON: They have to be finalised, yes.

Mr SEENEY: But it was some time ago that the legislation went through the parliament.

Mr ROBERTSON: But it also indicates that this is unique legislation. There are not too many models that we can look to to inform us how to construct regulations to allow us to go forward. I will remind you that this type of energy is quite different from, for example, coal. You can hold coal, you can dig it out, you can mine it, you can process it, you can burn it. Geothermal energy is not quite like that. It does not have form, shape or substance. How you get your mind around that in a regulatory sense is what has been challenging folk in my department.

Mr SEENEY: Another piece of legislation that the parliament dealt with in some haste concerned the Aurukun leases. I appreciate that there is an overlap with the department of state development, but can you give the committee an indication about why there seems to be a lack of progress with the Aurukun leases, given that the decision to revoke the leases at the time was justified by expressions of the need for haste?

Mr ROBERTSON: The legislation that you supported, by the way.

Mr SEENEY: That is right. Absolutely.

Mr ROBERTSON: I remind you about that. You did not seem to complain about the haste back then.

Mr SEENEY: The haste has not happened, that is the point. I think it is a very valid point.

Mr ROBERTSON: If you let me answer, I will be able to inform you. A lot of work has been going on with respect to putting in place the expression of interest process through the department of state development to go out to a worldwide expression of interest for the Aurukun leases. There has been an industry working party working now for a number of months to finalise that process. My department assists that process. In fact, we are ramping up our assistance by the appointment of Geoff Dickie from my department to assist State Development to get that expression of interest process out. There are a lot of issues arising—for example native title—and a range of issues that need to be part of that deal. A lot of work has gone on, but it is principally the responsibility of the minister for state development. We are in there providing whatever assistance we can.

Mr SEENEY: I go back to another answer that you gave regarding the amount of water being traded under the current regime. I hope you will be aware of concerns, especially in the Lower Burnett system, that the water trading regime is too restrictive. I think I asked you last year at the estimates committee hearing about your plans to review the water trading regime and the water trading rules in that particular area. Given the fact that the trading of water is a very new area, has your department progressed its plans to review the rules to restrict water trading?

Mr ROBERTSON: I will ask Scott Spencer to answer that one.

Mr Spencer: We have looked at a number of occasions and run the models. You are referring to the zones?

Mr SEENEY: Yes, the interzonal trading.

Mr Spencer: The difficulty we have faced is that moving between the zones we have run many model runs to see what will happen. The major impact is not on the environment but on individual entitlement holders' reliability. We are trying to protect their reliability. It is very difficult. While we could open the zones up, we have a really great concern that trading will actually impact on the actual entitlement values of the people, and that is likely to be reliability. At this stage we cannot see a way of opening that up.

In New South Wales it is one for one, but that means if all the water is traded from the top of the river to the bottom there would be less water, or certainly it would be less reliable. Given the nature of the entitlement that we have guaranteed through our water allocation register, we have not found a way that we could open it up and guarantee to the people who hold entitlements that their entitlements will be preserved. We have not been able to move at all in that area.

Mr SEENEY: I might make some representations to you in detail rather than deal with that specific issue here, because we are running out of time.

Mr ROBERTSON: Sure.

Mr SEENEY: With regard to the water pricing initiative and the government's intention with water prices, can you give water users in Queensland some indication when this process will be finalised?

Mr ROBERTSON: There is an announcement pending. Just finalising that, we would expect within the next two months would be my target for an announcement.

Mr SEENEY: For a water pricing policy?

Mr ROBERTSON: For a range of announcements, yes.

Mr SEENEY: And that will finalise the whole water pricing initiative? We will get some certainty and security?

Mr ROBERTSON: In terms of those issues put forward in the discussion papers that were put out over the last couple of years, and we have had an industry working group liaising with the department through that process, yes. That will provide certainty at least in terms of some water prices for the next five-year period.

Mr SEENEY: I will wait with bated breath.

Mr ROBERTSON: I am sure you will, but please understand that we will be providing as much certainty as we can within a changing national environment through the most recent round of COAG considerations.

CHAIR: Thank you, Minister. The time for questioning by non-government members has expired. I call on the member for Thuringowa.

Mr WALLACE: Minister, if it is okay I will follow on from the questions of the member for Callide about water pricing. Can you advise the committee what progress is being made by the government and SunWater to determine fair and transparent new water price paths for its customers?

Mr ROBERTSON: Irrigation water price paths for SunWater schemes were originally set in 2000 and many were due for review from 1 July this year. In preparation for this review the government commenced consultation on new price paths in November 2002, when it released the information paper *Talking water reform* and commenced the second stage of consultation with two discussion papers released in December 2003, *Future rural water pricing for SunWater scheme* and *Local management of SunWater schemes*.

A range of policy submissions were received on these papers as well as a joint submission on the price setting process from SunWater and the Queensland Farmers Federation. The government is currently finalising its policy position, as I just indicated, which will include the parameters for new irrigation prices, the process by which prices will be set and related policy matters of dam spillway capacity and water resource charges. Due to the complexity of the pricing review, the government has extended the original price paths to ensure that sufficient time is available to properly cover all of the issues before new charging arrangements are finalised.

SunWater and its customers have established the Statewide Irrigation Pricing Working Group. It is working through the price setting process to enable informed and comprehensive customer consultation of the scheme level later this year. Statewide group tier 1 will establish the framework of scheme level committees and tier 2 will be able to finalise scheme related negotiations. These tier 2 groups are the existing customer councils where they relate to a single scheme as well as other local committees that represent the scheme customer base. The consultation process will involve all customers when the tier 2 negotiations are under way. The price setting process agreed between SunWater and its customers has dealt constructively with the issues of access to data on SunWater costs. It has been arranged to

enable customers to have confidence that the future prices are based on efficient costs while protecting SunWater's commercially sensitive information.

Local users have indicated that they want more involvement in the price setting process—the second phase—after the statewide working group has developed its position for scheme based working groups to deal with local issues such as tariff structures in order to finalise the new pricing arrangements. The government's policy will seek to find an appropriate balance between recognising the past investments of the state and a realistic charging regime. It is hoped that SunWater and its customers will be able to settle new pricing arrangements in a way that provides confidence to the users that the prices are fair and reasonable while providing sufficient funds for SunWater to maintain its appropriate services. The government will maintain an overview of the process to ensure that the outcomes are appropriate and time frames are met.

Mr WALLACE: Thank you, Minister. Minister, you mentioned earlier the Nogoia-Mackenzie irrigation scheme. What progress has been achieved by SunWater with the Nogoia-Mackenzie irrigation scheme channel lining and telemetry project near Emerald?

Mr ROBERTSON: The news is all good. As a key player in the water industry, SunWater recognises the importance of pursuing initiatives that will conserve and make the best use of our valuable water resources. Two such initiatives are being trialled and implemented in the Nogoia-Mackenzie scheme near Emerald. Firstly, a channel lining project is being progressed at the Selma Main Channel. This initiative was launched in response to customer concerns over channel water losses, reinforced by the ongoing drought conditions. Water seepage from the Selma channel has been an ongoing issue. The previous solution was to install an on-farm drainage system to manage the situation. However, a better solution is to stop the leakage from occurring, and several factors have led to this now being a viable solution.

Channel lining materials have reduced in cost and have a longer expected life and the value of water allocations has increased. The channel lining trial conducted in the Selma channel last year showed that seepage could be virtually eliminated using a two millimetre thick plastic lining. Loss allocation of 300 megalitres of water associated with the trial was converted by my department to saleable allocations that can be traded to customers. So that is 300 megalitres in effect of new water—water that was recently being lost. The success of the trial led to the project being extended in 2004-05 to a 22-kilometre section of the channel. The income from trading the saved water is expected to cover project costs. Expenditure of \$800,000 is planned during 2005-06 as part of an ongoing program. Ultimately, the project will save up to 7,500 megalitres of water each year by substantially reducing seepage from the channel.

Secondly, SunWater is investigating new methods of improving water distribution efficiency through a total channel control trial, which is also being conducted in the Selma section of the Nogoia-Mackenzie scheme. The trial is being funded through a \$1.3 million dividend reinvestment by the state government. Total channel control involves the installation of automatic control gates that are managed by computer software via a radio communications network. The controlled system automatically delivers the requested volume of water to irrigation customers precisely when it is required, resulting in reduced system losses associated with outflows, channel leakage and evaporation.

All of the field equipment for the trial has been installed, including regulator gates, radio communication networks and computer controlled systems. Final commissioning is now being undertaken in preparation for the forthcoming irrigation season. Under total channel control, customers will place their water orders either through SunWater online or via telephone using interactive voice response and flow rates will be automatically adjusted to deliver the required amount of water. In addition to reducing channel losses, this system of channel management has the potential to improve the stability of flow on to farms, allowing for improved on-farm water management and water use efficiency. The trial is now under an evaluation process that will run for one to two irrigation seasons. If successful, this technology may be extended to other open channel systems that SunWater owns and operates through Queensland. I think both of those initiatives are proof positive about the benefits of the water reform agenda that is not just being pursued here in Queensland but nationally. If you price your water right, that allows for reinvestment of smart technology ultimately to the benefit of the water users.

Mrs DESLEY SCOTT: Minister, could I ask you to comment on the steps that SunWater is taking to investigate alternative water supplies for western Darling Downs communities like Chinchilla?

Mr ROBERTSON: SunWater is actively investigating alternative water supply systems that have the potential to be applied throughout the western Darling Downs region. Two projects are currently under way, both having commenced in early 2005, and they are both located in close proximity to the township of Chinchilla. One is the coal seam gas water supply feasibility evaluation and the other is an emergency water supply for Chinchilla. Developing the coal seam gas industry represents a potential long-term reliable water source for the region. Water is a by-product of the coal seam gas extraction process. Being quite saline, however, the water is usually stored in ponds for evaporation. The beneficial use of water from coal seam gas production would be a positive outcome for local communities and industry.

SunWater and the Queensland Gas Co. are evaluating the commercial viability of treating and delivering to customers an estimated 3,000 megalitres per year of this water for the next 20 years. SunWater has completed stage 1 of a technical and commercial feasibility study of water recovery treatment and distribution. The study included a preliminary survey of potential customers to estimate likely demand, the range of water quality requirements and the most likely customer locations. Early indications are that already demand for half of the currently available supply may already exist and SunWater is continuing to look for further demand opportunities. A desktop study of appropriate treatment technology has determined that reverse osmosis is the most likely treatment option. SunWater is working closely with the Chinchilla Shire Council on this project as Chinchilla has an immediate need for an improved water supply. Depending on the outcomes of this work, coal seam gas water has the potential to provide an alternative water supply not only to Chinchilla but to new industries in the area.

With respect to the Chinchilla emergency supply, due to the drought-affected state of Chinchilla's town water supply over recent times, an immediate emergency supply is also being developed. SunWater is working with the Chinchilla Shire Council to develop an artesian bore and package water treatment plant. The system will deliver about one megalitre per day of potable water and cost about \$1 million to implement. So SunWater is assisting the council with fast-track project management, technical expertise and coordination to minimise the likelihood of interruptions to the town's water supply for the next 18 months, by which time the coal seam gas water supply could become available.

The pleasing news is that recent rains have resulted in a significant inflow into the Chinchilla weir and the urgency of the emergency supply solution is currently under review. It is hoped that the outcome of these two projects will be a drought-proof water supply for a rural township and a region that is experiencing unprecedented growth due to the Kogan Creek Power Station project and associated coalmine. Possibly, and more importantly, the knowledge gained from undertaking the Chinchilla investigations has the potential to be applied in other regional areas of Queensland. SunWater is taking a collaborative approach working with industry and local government to ensure that growth in the coal seam methane industry will also provide water supply security for local communities and opportunities for regional growth.

Mrs DESLEY SCOTT: Minister, I refer to page 1 of the MPS where it states that state leasehold land will be better managed under a revised strategy to be introduced this financial year. Can you please provide an overview of how a new management approach will benefit land-holders?

Mr ROBERTSON: The Beattie government believes that a sustainable future for Queensland's rural leasehold land is best achieved by linking security of tenure with natural resource management, environmental performance and recognition of Indigenous interests. The State Rural Leasehold Land Strategy has been prepared after four years of extensive consultation within the community, rural industry and government and Indigenous environmental groups, organisations and agencies. It will address a number of key concerns in respect of state leasehold land, the most significant being environmental decline, security of tenure for lessees and opportunities for advancing Indigenous interests.

It importantly provides a policy framework that will achieve the sustainable management and use of rural leasehold land by protecting its environmental, social and economic values and recognising the breadth of community interests in rural leasehold land. I want to take this opportunity to describe the key features of the draft strategy, but before doing so I should point out that we are currently discussing various aspects of the draft with key stakeholders. There are some issues that we are still working through. But for the first time in this state the leased management framework will be performance based and outcome focused as opposed to continuing with the prescriptive style of previous eras. The strategy proposes to introduce individually tailored land management agreements that will record the baseline natural resource condition of every long-term rural leasehold land lease. This will enable property level outcomes to be negotiated between my department and individual land-holders to give lessees every confidence that their grazing and farming activities will comply with their statutory duty of care which goes to environmental, land and cultural heritage.

The agreement will also identify performance measures required to partake in the voluntary lease extension program and it will provide a vehicle to encourage and promote improved grazing land management and the adoption of best management practice. The draft strategy proposes incentives for lessees to enter into conservation agreements and Indigenous land use agreements by providing increased lease terms and the ability to apply for early lease renewal. It also proposes to provide rewards to lessees. For instance, it might be possible to provide longer leases to land-holders who have proactively sought to protect all environmental and Indigenous values in perpetuity and have maintained their holdings in good condition.

It also proposes to improve lessees' access to extended leases where it can be clearly demonstrated that their management practices have resulted in lessees' leases being maintained in good condition. However, the strategy will restrict leases to a set term where leased land is found to be in poor condition. The land management agreement will be the key instrument to tackle the natural

resource issues that have resulted in a poor conditions status being obtained. However, we will recognise the commitment by individual lessees to rectify those problems that become apparent due to lease renewal processes. This will enable current lessees to gain longer leases irrespective of their poor condition assessment by either undertaking an agreed remediation program to progressively bring the land back to good condition or by entering into a conservation agreement or an Indigenous land use agreement.

CHAIR: Thank you, Minister. I call on the member for Bundaberg.

Mr ROBERTSON: I should just say that we still have a way to go to finalise this strategy.

Mrs NITA CUNNINGHAM: Minister, the MPS on page 12 says that the department will become a partner in the new water, invasive animals and cotton catchment communities cooperative research centres. What research will each of these CRCs do?

Mr ROBERTSON: First of all, the eWater Cooperative Research Centre replaces and expands the work undertaken by the CRC for Catchment Hydrology and the CRC for Freshwater Ecology. At \$125 million across seven years, eWater will be Australia's largest CRC. The eWater CRC commences in 2005-06 and will focus on 12 research and development programs. My department will work in eight programs undertaking studies that vary from landscape process and catchment restoration and contaminant dynamics to risk urban systems and design and education and training.

In its inaugural year, the eWater CRC will complete catchment and nitrogen modelling projects for the two CRCs it replaces. My department will be a full partner and the second largest R&D investor in eWater. It will provide \$250,000 cash plus in-kind contribution of five full-time staff annually. We will have a board position, chair the participants' forum and provide a research program leader and a deputy research program leader. My department will also participate in the new invasive animals CRC that replaces the Pest Animal Control CRC. The invasive animals CRC focuses on reducing the environmental, economic and social impacts of foxes, wild dogs, feral pigs, feral cats, rodents, rabbits, carp and other pest fish species.

Projects concentrate on conventional and new biological and other control strategies and also on reducing the risk of disease transfer from invasive animals to livestock and humans. There will be some efforts to facilitate growth in the Australian invasive animal pest control industry through PhD scholarships and in-service training. My department has agreed to an in-kind contribution to the invasive animals CRC of \$1.246 million over seven years, mainly through the equivalent of 1.5 full-time staff. Initially we will participate in the research and development of a new pesticide for the control of wild dogs and foxes and the development of a new delivery system for pesticides to control feral pigs. These projects are aligned with our responsibilities under the land protection act 2002.

My department is also a supporting participant in the Cotton Catchment Communities CRC 2005-06. This CRC facilitates collaborative approaches to industry and regional problems. About one-quarter of CRC's 2005-06 funds will be used to complete Australian cotton CRC projects. My department's projects in the Cotton Catchment Communities CRC focuses on sustainable farming systems, catchments and landscapes. They have an emphasis on water use efficiency, water balance and deep drainage issues. The projects are aligned with the government's water planning agenda, water use efficiency and the Murray-Darling Basin Salinity Management Strategy. Our agreed input is, in kind, the equivalent of 1.5 full-time staff. The CRC and the Cotton Research and Development Corporation will fund operating and travel costs for approved projects.

CHAIR: Thank you, Minister. The time allotted for the consideration of the estimates for the portfolio of the Minister for Natural Resources and Mines has expired. I thank the minister, his staff and departmental staff for their efforts in making this process of democracy run smoothly. I also acknowledge our research director, Ms Deborah Jeffrey, and her assistant, Ms Michelle Benham, timekeepers, Hansard staff, parliamentary attendants and the rest of the committee for making this day run smoothly. I thank the deputy chair for his support throughout the process.

Mr ROBERTSON: Thank you, chair. Thank you, members.

CHAIR: For the information of those attending today, the transcript for this portfolio will be available on the parliamentary web site in approximately two hours. This concludes the committee's consideration of the matters referred to it by the parliament on 10 June 2005.

Committee adjourned at 4.01 pm