



Estimates Committee E

2005

Report to the Legislative Assembly

Introduction

1. Estimates Committee E was appointed by the Legislative Assembly on 11 May 2005 to examine and report on the proposed expenditures contained in the *Appropriation Bill 2005* and the *Appropriation (Parliament) Bill 2005*. In accordance with the sessional orders adopted by the Assembly, all organisational units within the portfolios of the Minister for Primary Industries and Fisheries and the Minister for Natural Resources and Mines were allocated to the committee.
2. A public hearing was held on 12 July 2005 to take oral evidence from the Minister for Primary Industries and Fisheries and the Minister for Natural Resources and Mines. A verbatim transcript of the committee's hearing can be accessed on the Internet at:
<http://www.parliament.qld.gov.au/Hansard/>
3. Prior to the public hearing, the committee put questions on notice to each minister. Responses to all the questions were received.
4. The committee has considered the estimates referred to it by examining information contained in:
 - the Budget papers
 - answers to pre-hearing questions on notice
 - oral evidence taken at the hearing
 - documents tabled at the hearing
 - answers to questions taken on notice at the hearing
5. Answers to questions on notice, questions taken on notice at the hearing and documents tabled at the hearing together with minutes of the committee's meetings are included in a volume of additional information tabled with this report.

Minister for Primary Industries and Fisheries

6. The Department of Primary Industries and Fisheries (DPI&F)'s objective is to be a dynamic, economic development agency focused on delivery of profitable primary industries for Queensland.
7. DPI&F has three departmental outputs: Industry Development, Biosecurity and Fisheries. Industry Development assists Queensland's primary industries to diversify and grow through expanded market access, export and trade opportunities, increased value adding, productivity growth and the development of future growth industries; build on the competitive strength of Queensland's diverse regions; and ensure that Queensland's natural resource bases continues to support profitable primary industries into the future. Biosecurity provides confidence to markets and the community that key biosecurity and animal welfare risks are managed. Fisheries ensures the development of the aquaculture and wild harvest fisheries industries in a way that maximises their economic potential on a sustainable basis.
8. The following table sets out details of the appropriation for 2005-06 compared to the previous financial year.

	2004-05 \$'000	2005-06 \$'000
Departmental Outputs	233,959	216,791
Equity Adjustment	7,957	5,253
Administered Items	19,866	13,772
Vote Total	261,782	235,816

Source: State Budget 2005-06, Minister for Primary Industries & Fisheries Ministerial Portfolio Statement

9. DPI&F estimates it will have a total operating budget in 2005-06 of over \$313 million. The total appropriation provided in the *Appropriation Bill 2005* is \$235.8 million. The remaining sources of revenue are user charges, grants and other contributions, other revenue and gains on sale/revaluation of property, plant and equipment and investments.
10. The estimated expenditure for departmental outputs in 2005-06 compared to estimated actual expenditure for the prior year is detailed in the following table.

Departmental Output	2004-05 Est Actual \$'000	2005-06 Estimate \$'000
Industry Development	200,343	201,236
Biosecurity	91,594	73,979
Fisheries	43,996	37,340
Total	335,933	312,555

Source: State Budget 2005-06, Minister for Primary Industries & Fisheries Ministerial Portfolio Statement

Budget Highlights

11. Key priorities for 2005-06 include:
- Funding to spearhead a horticultural export drive, in partnership with industry, into new Asian markets.
 - Funding for DPI Forestry to plant a further 1000ha of hardwood plantations, and maintain existing plantations, to facilitate the phase out of native forest logging by 2024.
 - Funding for DPI Forestry to establish and re-establish 6554ha of State-owned softwood plantations, and maintain existing plantations, to provide for future timber supplies to Queensland's regionally based timber industry.
 - Funding to support the development of major aquaculture sectors.
 - Development of an Australian Ecosciences Precinct as part of the Boggo Road Gaol redevelopment.

- Expansion of the existing government research facilities at Coopers Plains to develop a Health and Food Science precinct.
- Funding to increase DPI&F's capacity in delivering viticulture advice and technical services to Queensland's developing wine industry.
- Increased funding to provide confidence to markets and the community that key biosecurity and animal welfare risks are managed including: prevention and preparedness for Foot and Mouth disease, Transmissible Spongiform Encephalopathies and Highly Pathogenic Avian Influenza; animal health certification and traceability; contribution to national surveillance programs; and enhancement of DPI&F's Toowoomba Veterinary Laboratory to conduct rapid testing for Bovine Spongiform Encephalopathy.
- Funding for sustainable management of fisheries resources.
- Funding to complete a new office for the Queensland Boating and Fisheries Patrol at Rosslyn Bay.
- Funding to upgrade the Queensland Boating and Fisheries Patrol vessel fleet.
- Funding directed at eradicating the exotic citrus canker disease and fire ants.
- Continuation of funding aimed at achieving sugar industry sustainability.

Issues considered by the committee

12. Issues addressed at the hearing include:
- Proposal to the National Management Group for citrus canker compensation.
 - Emergency Plant Pest Response Deed arrangements.
 - Citrus canker eradication program.
 - Pest risk analysis.
 - Action taken under the *Plant Protection Act 1989*.
 - Implementation of the National Livestock Identification System (NLIS) program.
 - Biosecurity.
 - Encouragement of new entrants and young people to farming.

- Consultation with primary industry stakeholders.
- Assistance to drought effected primary producers.
- Tag subsidy tender.
- Total DPI Budget.
- Staffing levels at DPI offices and research stations.
- Stock inspector vacancies.
- Stock inspectors at cattle sales.
- Care and treatment of animals.
- Management and protection of forestry plantations from wildfires.
- Expansion of forestry plantations in partnership with business.
- Wollemi pine.
- Role of DPI&F in the promotion of sustainability and water management.
- Tick fever vaccines.
- Relocation of staff to the Ecoscience Precinct.
- Changes to the fisheries licensing and fees system.
- Estimation of returns by DPI Forestry.
- Western hardwoods planning process.
- Innovation and productivity in the sugar industry.
- Recreational fishing.
- Queensland Boating and Fisheries Patrol boats.
- Involvement of indigenous people in fisheries and aquaculture.
- Aquaculture industry in Queensland.
- Carrying of bird flu by migratory birds.
- Forestry Agreements.
- Farm Consolidation Loan Scheme for the sugar industry.
- Biosecurity funding.
- Plans for the current ARI site at Yeerongpilly.

- Q-Build's involvement in the Citrus Canker Eradication Program.
- Development of horticulture exports.
- Cooperative Research Centres.

Minister for Natural Resources and Mines

13. The Department of Natural Resources and Mines (NRM) is the lead agency for the sustainable management and development of Queensland's natural resources.
14. The department provides two outputs: Natural Resources Management Services and Mineral and Petroleum Resource Services. The Natural Resource Management Services output provides information on, managed access to and sustainable use of the State's natural resources which include land, water, vegetation, pest management and native title. The Mineral and Petroleum Resources Services output supports the exploration, innovation and sustainable development of Queensland's mineral, petroleum and extractive resources to secure an appropriate economic return to the community.
15. The following table sets out details of the appropriation for 2005-06 compared to the previous financial year.

	2004-05 \$'000	2005-06 \$'000
Departmental Outputs	365,833	448,614
Equity Adjustment	5,890	9,846
Administered Items	237,544	23,607
Vote Total	609,267	482,067

Source: State Budget 2005-06, Minister for Natural Resources & Mines Ministerial Portfolio Statement

16. NRM estimates it will have a total operating budget in 2005-06 of over \$575 million. The total appropriation provided in the Appropriation Bill 2005 is \$482 million. The remaining sources of revenue are user charges, grants and other contributions, other revenue and gains on sale/revaluation of property, plant and equipment and investments.

17. The estimated expenditure for departmental outputs in 2005-06 compared to estimated actual expenditure for the prior year is detailed in the following table.

Departmental Output	2004-05 Est Actual \$'000	2005-06 Estimate \$'000
Natural Resource Management Services	423,184	507,462
Mineral and Petroleum Resource Services	59,726	68,295
Total	482,910	575,757

Source: State Budget 2005-06, Minister for Natural Resources & Mines Ministerial Portfolio Statement

Budget Highlights

18. Key priorities for 2004-05 include:

- Investigations associated with the proposed weirs on the Mary and Logan rivers, new dam at Wyaralong and water storage options on the Mary River.
- Funding for land acquisitions associated with the new water infrastructure.
- Investigation of alternative water supply sources such as desalination, storm water harvesting and wastewater reuse.
- Funding high priority dam safety upgrades and to regulate dam safety.
- Funding to continue water reform and to deliver integrated responses to the increasing pressure on water resources.
- Additional funding for significant repairs to and continued maintenance of non-commercial water assets.
- Additional funding for innovative research to control the cane toad.
- Undertake a range of additional services and activities associated with the introduction of the new vegetation management framework.
- Continue the management strategy being applied to the East Trinity property in Cairns aimed at bringing the acid and metal discharges under control.
- Funding to significantly expand the current bushfire management program for unallocated State land.

- Increase the capacity to investigate and ensure compliance with natural resource management legislation.
- Additional funding to identify and support new opportunities for mineral exploration in Queensland.

Issues considered by the committee

19. Issues addressed at the hearing include:

- External reviews of the vegetation management legislation.
- NRM initiated University of Queensland research on a 'Study of Fodder Harvesting in Mulga Regional Ecosystems'.
- Departmental mechanisms for FOI legislation adherence.
- Effects of vegetation management legislation on various ecosystems.
- Consideration of 'Study of Fodder Harvesting in Mulga Regional Ecosystems' report recommendations.
- Review of various vegetation management codes.
- Financial assistance packages for landholders affected by the new vegetation management laws.
- New dam and weir projects under the South East Queensland Infrastructure Plan and Program.
- Singapore recycled waste water.
- Investigation of alternative water supply sources.
- Research trials involving new types of dam covers to reduce water loss.
- Great Artesian Basin Sustainability initiative.
- Implementation of water reform and developing water resource plans and operations plans.
- Revision of eligibility criteria for the assistance packages to ensure more landholders can take advantage of it.
- Endangered vegetation.
- Use of assistance packages to purchase additional land for farm property build up.
- Penalties applied since the vegetation management legislation was passed.

- Increase in the number of compliance officers.
- Recruitment and training process for compliance officers.
- Anger and resentment towards 'tree police'.
- Harvesting for fodder.
- Illegal clearing investigations.
- Impact of tree-clearing laws on unimproved capital land valuations for rural properties.
- Review of leasehold land rentals.
- Vegetation clearing ballot process.
- Water planning targets and completion dates.
- Water infrastructure and projects spending by SunWater.
- Sale of new water allocations by SunWater.
- Intersectoral transfer of water from medium priority users to high priority users.
- Smart Exploration Program to capture new geoscience data for mining exploration and development.
- Exploration opportunities for petroleum, coal seam gas and geothermal energy resources.
- Mining exploration and tenure permits.
- Possible effects on future climate change on Queensland rainfall patterns.
- Water infrastructure projects being progressed by SunWater.
- SunWater dividend investment.
- Timing of water infrastructure for South East Queensland.
- Revenue from the charge to landholders and the annual meter service charge.
- Water trading.
- Research about effect of silicon on people and the environment.
- Fees for dam safety upgrades.
- Declaration of wild rivers.
- Geothermal exploration permits.
- Progress on Aurukun leases.
- Water pricing initiative and price paths.
- Nogoia-Mackenzie irrigation scheme channel lining and telemetry project near Emerald.

- Investigation of alternative water supplies for western Darling Downs communities.
- Revised strategy for management of state leasehold land.
- Cooperative Research Centres.

Recommendation

20. The committee recommends that the proposed expenditure, as detailed in the *Appropriation Bill 2005* for the organisational units in the portfolios referred to it, be agreed to by the Legislative Assembly without amendment.

Tim Mulherin MP
Chair
August 2005

Committee Members

Mr Tim Mulherin MP (Chair)
Mr Jeff Seeney MP (Deputy Chair)
Hon Mrs Nita Cunningham MP
Mr Mike Horan MP
Mrs Dorothy Pratt MP
Mrs Desley Scott MP
Mr Craig Wallace MP

Secretariat

Ms Deborah Jeffrey (Research Director)
Ms Michelle Benham (Executive Assistant)



Estimates Committee E

2005

Statements of Reservation

Mr Jeff Seeney MP
Mr Mike Horan MP



DEPUTY LEADER OF THE OPPOSITION

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STATEMENT OF RESERVATIONS

ESTIMATES COMMITTEE E

Jeff Seency MP

Deputy Leader of the Opposition

Member for Callide

The process of Estimates Committees hearings on the Ministerial Program Statement for the Department of Natural Resources and Mines highlights yet again the weaknesses in the operations of Estimates Committees as a mechanism for scrutinizing Government Departments.

These weaknesses include:

- The limit on the number of Questions on Notice able to be asked as part of the Estimates process.
- The receipt of replies to Questions on Notice less than 24 hours prior to the actual hearing meeting of the Committee.
- The limited time available for the conduct of hearings for each Department thus limiting the capacity of the Parliament to explore issues of concern to finality.
- The limit on each questioning session generally to 20 minutes, inhibiting the capacity of Committee members to pursue issues of interest to finality.
- The use by Ministers and Government Members of questions to provide a basis for propaganda statements, grandstanding and media stunts (for example, urging committee members to drink recycled water) rather than genuinely exploring issues relating to Departmental expenditures.

In addition to these general comments about the Estimates Committee process the hearings of Estimates Committee E on 12 July 2005 also highlighted the following matters on which the response of the Minister was unsatisfactory:

- The failure of the Beattie Government to ensure \$130 million available to assist landholders affected by vegetation management laws is accessible with only six

applications for enterprise assistance approved in 2004-05 and just \$297,151 paid out to date, despite the Minister telling the Estimates Committee in 2004 he expected \$20 million would be spent on enterprise and exit assistance in 2004-05.

- The failure of the Beattie Government to commit any funding to date through the \$12 million vegetation management incentives program despite telling the Estimates Committee in 2004 that \$2.75 million would be spent in 2004-05.
- The failure of the Minister to justify the employment of 21 new compliance officers at a cost of \$10 million over four years, when prosecutions for alleged vegetation clearing offences have only been pursued in 63 out of 1808 investigations conducted since April 2001.
- The failure of the Beattie Government to finalise the ballot for broadscale clearing and ensure landholders have sufficient time to clear land ahead of the December 2006 deadline.
- The Minister's failure to prevent a blow-out in the completion timeframes for water resource planning throughout Queensland and his refusal to provide a detailed list of target completion dates.
- The Minister's refusal to provide details of grazing leases in state forests and expiry dates for these leases.
- The Minister's failure to properly address concerns about water allocations in the Burnett and Pioneer Valley water systems.

Jeff Seeney MP
Deputy Leader of the Opposition

STATEMENT OF RESERVATIONS

ESTIMATES COMMITTEE E

Mike Horan MP

Shadow Minister for Primary Industries and Fisheries

Member for Toowoomba South

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- The limited time available for the conduct of hearings for each Department thus limiting the capacity of the Parliament to explore issues of concern to finality.
- The limit on each questioning session generally to 20 minutes, inhibiting the capacity of Committee members to pursue issues of interest to finality. Time allowed for only 24 Questions on Notice by the Opposition. Some issues of concern required a number of questions and follow up questions. For example the major issue of Citrus Canker took up 8 of the Oppositions questions.
- The use by Ministers and Government Members of questions to provide a basis for propaganda statements, political grandstanding and media stunts (for example, the Minister for Natural Resources and Mines urging committee members to drink recycled water) rather than genuinely exploring issues relating to Departmental expenditures.

In addition to these general comments about the Estimates Committee process the hearings of Estimates Committee E on 12 July 2005 also highlighted the following matters on which the response of the Minister was unsatisfactory:

- The failure to properly outline why \$345,056 was taken out of a contingency fund for expenditure on promotions.
- The Minister's refusal to provide a detailed breakdown of how \$8.8 million will be spent on biosecurity initiatives in response to an Opposition Question on Notice.
- The failure of the Drought Carry On and Drought Recovery loans schemes, which assisted just three and thirteen applicants respectively, in the 2004-05 financial year.

- The Minister's refusal to provide compensation to Emerald citrus growers being wiped out emotionally and financially through no fault of their own as a result of the citrus canker outbreak and having to destroy non-infected farms after being banned from selling their healthy crops.
- The Minister's refusal to acknowledge the part he and his Department have played in adding to citrus growers' plight by putting up false promises of renewed market access. A Citrus Industry Recovery Scheme was put together by the Minister for media stunt purposes in full knowledge that it wouldn't be supported by other States and Industry resulting - in a cruel hoax on growers with healthy farms.
- The Minister's refusal to provide any financial support to beef producers to assist with the implementation of the National Livestock Identification System, either by way of tag subsidies or bulk tender.
- The Minister's failure to adequately explain why the Department of Primary Industries budget has been continually reduced on a year-to-year basis by the Beattie Government from 381 million in 1997-98 to 313 million in 2005-06.
- The Minister's refusal to provide a breakdown of how many staff are employed in the various DPI offices and research stations.
- The Minister's decision to make only frozen rather than chilled tick fever vaccine available to producers in December and January and his failure to outline what savings the DPI will achieve through this change.
- The Minister's refusal to release a revised fee schedule for commercial fishing licences.
- The Minister's refusal to properly answer questions about the Western Hardwoods plan and to guarantee the future of hundreds of timber workers within the region and also to clear up confusion surrounding the future use of cypress.
- The failure of the Beattie Government's myriad of rural loan schemes such as the Farm Consolidation Loan Scheme, Natural Disaster Relief Arrangements and the Coral Reef Fishery Temporary Assistance Scheme, which only small numbers of primary producers have taken up. The Minister made the amazing admission that the government couldn't help it if producers didn't take up loans - confirming the opposition view that these loans are offered by the government knowing they won't be used and therefore cost government almost nothing.

Mike Horan MP
Shadow Minister for Primary Industries and Fisheries