

## THURSDAY, 24 JULY 2008

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### ESTIMATES COMMITTEE G—PRIMARY INDUSTRIES AND FISHERIES

#### Estimates Committee G Members

Ms KJ Jones (Chair)  
Hon. KW Hayward  
Mr RG Hopper  
Mr MJ Horan  
Ms RT Lee Long  
Mr PD Purcell  
Mrs CE Sullivan

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#### In Attendance

Hon. TS Mulherin, Minister for Primary Industries and Fisheries  
**Department of Primary Industries and Fisheries**  
Mr R Setter, Director-General (Acting)  
Mr B Turner, Executive Director, Strategic Policy  
Mr M Richards, General Manager, Finance and Asset Management  
Dr R Glanville, Chief Biosecurity Officer (Acting), Biosecurity Queensland  
Dr W Hoey, Chief Executive, Forestry Plantations Queensland  
Mr J Skinner, Deputy Director-General, Enhanced Service Delivery  
Mr I Yarroll, General Manager, Resource Management  
Mr J Gillespie, Assistant Director-General (Acting), Corporate Capability  
Mr C Holden, Chief Executive Officer, Queensland Rural Adjustment Authority  
Prof. B Woods, Executive Director, Innovation and Biosecurity Investment

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#### Committee met at 9 am

**CHAIR:** Good morning everyone. I declare the hearing of Estimates Committee G open. On behalf of the committee I welcome to the hearing the minister, departmental officers, officers of statutory bodies and members of the public. I am Kate Jones, the member for Ashgrove and chair of the committee. Mr Mike Horan is the member for Toowoomba South and deputy chair of the committee. The other committee members are: the Hon. Ken Hayward MP, the member for Kallangur; Mr Ray Hopper MP, the member for Darling Downs; Ms Rosa Lee Long MP, the member for Tablelands; Mr Pat Purcell MP, the member for Bulimba; and Mrs Carryn Sullivan MP, the member for Pumicestone.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2008 for organisational units within the portfolio areas of the Minister for Primary Industries and Fisheries and the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland. The committee will examine the portfolio areas in that order. The committee will adjourn proceedings for the following periods of time: morning tea from 10.45 am to 11.15 am, lunch from 1 pm to 2 pm and afternoon tea from 3.45 pm to 4.15 pm.

The committee's proceedings are lawful proceedings and are subject to the standing rules and orders of the Queensland parliament. Members of the public are welcome to observe the proceedings but may not participate otherwise. All present are asked to turn off their mobile phones or turn them to silent mode. In accordance with standing order 206, any person admitted to this hearing may be excluded at the discretion of the chair or by order of the committee.

The committee has resolved that the media may take television footage without sound and photos during the opening statements by the chair and by the minister and for a short period at the commencement of each changeover in departments. The committee has also resolved that the proceedings of the hearing will be broadcast by the Parliamentary Service via the Parliamentary Service's web site and receivers throughout the parliamentary precinct.

I remind members of the committee and the minister that under the standing orders the time limit for questions is one minute. Answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound the end of each time limit. An extension of time may be given with the consent of the questioner. A double chime will sound two minutes after an extension of time has been given.

Standing orders require that at least half the time available for questions at today's hearing be allocated to non-government members. Any time expended when the committee deliberates in private is to be equally apportioned between government and non-government members. Government members and non-government members will take turns asking questions, generally in blocks lasting around 20 minutes, commencing with non-government members.

The committee has resolved that non-committee members be given leave to attend to ask questions during the hearing today. However, we are advised at this stage that no non-committee members will be attending the hearing. To assist Hansard, officers are asked to provide their names and positions prior to responding to a question referred to them by the minister. I declare open for examination the proposed expenditure for organisational units within the portfolio of the Minister for Primary Industries and Fisheries. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, under standing order 177 you are able to make an opening statement of no longer than five minutes.

**Mr MULHERIN:** Thank you, Madam Chair. I would like to thank my parliamentary colleagues who form Estimates Committee G for the opportunity to address them this morning and to answer questions they may have regarding the Primary Industries and Fisheries Service Delivery Statements. The Bligh government places great importance on the biosecurity of our primary industries and fisheries. This was reflected in the lead-up to the 2006 election when this government made a commitment to establish a single biosecurity agency to ensure that Queensland is best prepared to deal with exotic pests and diseases.

The establishment of Biosecurity Queensland, under the auspices of the Department of Primary Industries and Fisheries, saw the consolidation of all biosecurity matters currently exercised by the Department of Primary Industries and Fisheries, the Department of Natural Resources and Water and the Environmental Protection Agency. Biosecurity Queensland already has more than proven its worth. Biosecurity Queensland was the lead agency in the battle against equine influenza, a battle won so emphatically that by this Christmas Australia will be recognised worldwide as one of the very few countries in which this disease has been eradicated.

Today I am announcing another step in ensuring Queensland Biosecurity's strategic future. The Department of Primary Industries and Fisheries wants all Queenslanders to have a say on how to better protect the state from pests, diseases and invasive species. Today I am launching the Queensland Biosecurity discussion paper. I am encouraging all stakeholders to put forward their views on this important issue. Submissions will be considered in the development of a landmark biosecurity strategy for Queensland, planned to be finalised next year.

Queensland's agricultural sector is worth around \$12.5 billion per year. Approximately half, some \$6 billion of this production, is exported overseas. Without strong biosecurity, Queensland and Australia risks losing access to these critical markets which are vital to the Queensland economy. This is a risk we cannot afford to take. Biosecurity is important to everyone—not just farmers and exporters. Biosecurity has the potential to impact on all our lives. It can relate to the safety of our food, the welfare of animals, controlling weeds in our backyard and protecting ecosystems and the world famous flora and fauna that is crucial to much of our tourism industry. It is absolutely crucial to safeguarding our reputation as a clean and green food supplier of internationally acclaimed products.

At this very time we can see the impact that an exotic animal disease can sometimes have on human health with the confirmation of the rare Hendra virus in Brisbane and north Queensland. Our biosecurity experts responded quickly to those outbreaks and are working with the clinics directly involved as well as Queensland Health and the horse industry to deal with the current problem and learn more about this virus.

The Department of Primary Industries and Fisheries has been delivering biosecurity services for more than 150 years and now, as the movement of people and goods in and out of Queensland continues to grow, we all need to work together to ensure we can respond to the ever-increasing risks. The biosecurity expertise in the Department of Primary Industries and Fisheries has earned international recognition and respect for many of the successful programs operated by our staff in Queensland. But we are not going to rest on our laurels. We are determined to provide the best possible service now and into the future.

This discussion paper is an opportunity for all stakeholders, industry groups and individuals to put their views and ideas forward on how to ensure that Queensland has world-leading biosecurity systems. I encourage everyone to have their say. The discussion paper 'Queensland Biosecurity' is available from the DPIF web site on [www.dpi.qld.gov.au](http://www.dpi.qld.gov.au) or by calling 132523. Submissions close on 30 September 2008.

This discussion paper is yet another example of the Bligh government securing Queensland's future. Planning for and managing growth while maintaining our great lifestyle is a challenge the Department of Primary Industries and Fisheries and one which Biosecurity Queensland has fully embraced.

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

**Mr HORAN:** I refer to the recent outbreak of Hendra virus at Redlands and Proserpine and the previous positive case at Peachester in 2006 which eventually was the subject of the Perkins report on the investigation into the DPI's handling of that matter. With regard to the Redlands outbreak where DPI quarantined the site on 7 July, why was no situation report provided to vets until 9 July? Are these situation reports provided to the Australian Veterinary Association or are they sent directly to all vets registered with the veterinary board and DPI Queensland?

**Mr MULHERIN:** I thank the honourable member for the question. The handling of the two recent clusters of Hendra virus infection in horses highlights the preparedness of Biosecurity Queensland officers to promptly respond to emergency disease situations, including animal diseases that are a risk to humans. On the morning of Monday, 7 July 2008 the Chief Veterinary Officer was contacted by the principal of a large veterinary equine practice and advised of an unusual disease event involving horses. At the time, equine herpes virus was suspected to be involved.

Biosecurity Queensland officers moved promptly to contact the practice. A specialist veterinary pathologist and a field veterinarian assessed the disease situation and provided advice on appropriate samples to collect. Given the unknown nature of the disease situation, the practice was placed into quarantine under the Stock Act 1915 on the afternoon of Monday, 7 July. With Hendra virus a differential diagnosis in the case assessment, appropriate samples were forwarded to Queensland Health's laboratory on the afternoon of Monday, 7 July. Additional samples submitted by the practice were also assessed by the pathologists at the biosecurity science laboratory who immediately forwarded them to the Australian Animal Health Laboratory in Geelong for confirmatory Hendra virus testing.

Queensland Health advised on the morning of Tuesday, 8 July that the results of the horse sample they had tested were positive for Hendra virus. These were confirmed in the afternoon of the same day. Biosecurity Queensland officers acted immediately on the presumptive results to advise the practice of appropriate personal protection equipment to use and provide expert advice and assistance in the decontamination procedures. This included dispatch of a specialist emergency response trailer from Biosecurity Queensland's control centre. These trailers have only recently been acquired especially for situations such as this.

Biosecurity Queensland and Queensland Health work closely to assess the human health risk associated with the disease outbreak. Testing of all at-risk people at the clinic was organised and undertaken by Queensland Health staff on Wednesday, 9 July. Similarly, testing of all horses at the clinic was organised and undertaken by Biosecurity Queensland veterinarians. An expert veterinary epidemiologist team was assigned to undertake a complete investigation on the disease outbreak and assess the causes of the event. The results of this complex investigation are not yet finalised. With high levels of media coverage of the event, notification of Hendra cases increased to the DPI business information centre and emergency disease hotline.

**Mr HORAN:** The situation report of 9 July referred to four horses, three of which were confirmed positive to Hendra virus and died or were euthanased. I now refer to three horses that died at the site previously—a mare on 8 June, a gelding on 17 June and a stallion on 24 June. Why were these horses not included in the situation report? Why did this report not contain details of previous horses that died and could be considered as suspect cases because they died of neurological conditions at the same venue?

**Mr MULHERIN:** I thank the honourable member for the question. We were notified on Monday, 7 July and responded to the situation. I will call on the department's Chief Veterinary Officer, Dr Ron Glanville, to go through the operational aspects following the notification and what testing and tracing has been done in this case.

**Dr Glanville:** The outbreak at Redlands has been subject to very detailed epidemiological analysis. I turn to the situation report to which you refer. Early in the piece it was not appropriate to speculate on those particular horses. They certainly have been subject to detailed analysis. It is still unclear as to whether those horses were actual cases of Hendra virus. Our current thinking is that they probably were not. We cannot rule them out completely but the most likely scenario is that the horse that died on 26 June was the index case.

**Mr HORAN:** Was the what?

**Dr Glanville:** I call the first case the index case. That is a horse that had been in a paddock—

**Mr HORAN:** Sorry, but that one was not the one I was referring to. That was one of the four.

**Dr Glanville:** That is right. There were three horses that died prior to that and our experts looking at this situation cannot rule out the earlier ones as being possible Hendra cases, but their current feeling is that they are most likely not Hendra cases.

**Mr HORAN:** Thank you. Minister, with regard to these three horses I just referred to, the first one—the mare—came from a property where thousands of bats are in the vicinity and it died at the facility at Redlands after the rapid onset of symptoms. The second horse—the gelding—had been successfully treated at the facility for a previous condition. It returned home, became ill and was returned to the site, where it died on 17 June. The third horse—the stallion—had been at the site for 18 days and had been successfully treated for a condition. It returned home, became unwell and was returned to the clinic and died in a short space of time—I think approximately 36 hours. Your department has known about these horses and the properties that they come from. Why has it taken your department up to eight days to get vets to test horses and companion horses on the properties from which these three dead horses came and why haven't any of these properties been quarantined?

**Mr MULHERIN:** I thank the honourable member for the question. As I said, we were notified on Monday, 7 July and we acted immediately. I will call on Dr Ron Glanville to detail the operational procedures that have followed since the notification and the tracing that we have done to date.

**Dr Glanville:** We have been in contact with all owners of horses who have had horses at the Redlands vet clinic since the beginning of June and have gone through a process of contacting those owners and assessing the status of those horses—the health of those horses. Obviously those three horses to which you refer were of interest, and we contacted the owners of those horses very early on to determine whether there were any other horses on those properties that were sick. In terms of actually testing those horses, early testing of those horses in terms of determining their disease situation is not critical. In fact, you are better off waiting at least 14 days from contact for them to be able to develop antibodies. But all of those horses either have been tested or are currently being tested. There are around 55 horses that have been at the Redlands vet clinic that are being tested back on their home properties now.

**Mr MULHERIN:** I just want to add that I express great confidence in the way that Biosecurity Queensland has handled this matter and is dealing with the science process in that we are operating under the national AusVet plan. Another example of Biosecurity Queensland's ability to deal with these types of incursions was our effectiveness with equine influenza.

**CHAIR:** Just before calling the member for Toowoomba South, I remind you that all questions are limited to one minute.

**Mr HORAN:** Thank you, Madam Chair. Minister, with regard to horses that have tested positive on the north Queensland site, can you confirm that a horse died two weeks earlier at that particular site? Can you advise whether the properties of origin of that horse or the three that have tested positive have had blood tests on companion horses and have those properties been placed under quarantine, including that one that died earlier?

**Mr MULHERIN:** This is the Cannonvale episode?

**Mr HORAN:** Yes.

**Mr MULHERIN:** I am advised that the veterinary practitioner from the Mackay-Whitsunday region based in Cannonvale contacted Biosecurity Queensland in relation to a horse and we immediately dispatched a vet to assist that veterinary practitioner. Tests were taken and it was confirmed positive to Hendra virus. My advice from the department is that we have followed all of the protocols, but I will call again on Dr Ron Glanville to provide a detailed explanation of the procedures that we have put in place in dealing with that matter at Cannonvale and the tracings that we have done to date.

**Dr Glanville:** The situation with that property is that they were resident horses on the property and we are not aware of any movements on or off the property, so the situation there was much simpler in terms of disease control. You are correct that there was one horse that died about a week prior to the horse that we initially diagnosed as positive. That carcass was not available to test, but it is most likely a case. One horse has died since then on the same property—a horse that was closely associated—and we have only just received results that it was also a positive Hendra virus.

**Mr MULHERIN:** I think that the vet put the first death down to a possible snakebite.

**Dr Glanville:** That is correct.

**Mr MULHERIN:** That is why no contact was made with the department until the death of the second horse.

**Dr Glanville:** Just to complete the answer to your question, the remaining horses there have already been tested but they will be retested. The normal procedure is to test the horses at the time. Those results are always inconclusive because the animal may still be in the incubation period so we test the horses two weeks later, and that is still to happen with those horses.

**Mr HORAN:** They have been quarantined?

**Dr Glanville:** They are all under quarantine.

**Mr HORAN:** Minister, why was it necessary for you to bring a vet from Maryborough all the way down to the Gold Coast to do blood tests on horses that had been at the Redlands site? Are you short of veterinary staff or do you not have vets in the area of the Gold Coast or Brisbane?

**Mr MULHERIN:** We have a number of vets that are strategically located across the state. In 2007-08 there are veterinary positions located in 14 regional locations within Biosecurity Queensland, making up a total of 52 substantially appointed veterinarians working for Biosecurity Queensland. In 2006-07 there were 53 veterinary positions located across 13 regional centres, including 16 appointed veterinarians plus a graduate working in the field and 22 in laboratories. Six veterinarians are in key policy positions while five veterinarians fill strategic leadership roles such as the Chief Veterinary Officer and deputy chief of Biosecurity Queensland. When it comes to operational matters, we respond in the appropriate way. I will call on Dr Ron Glanville to give you advice on the operational aspects of the Redlands case.

**Dr Glanville:** In relation to the south-east region, which is handling the operations of this case, we have veterinarians based at Ipswich, Yeerongpilly, Caboolture, Nambour and Maryborough and we have used all of those veterinarians at some stage or other in this case. It has mainly been handled by the veterinarians at Yeerongpilly, but when there are particular activities to happen—for example, testing a vast number of horses—we often bring people from other areas. We do have one veterinarian that we have not used on this because that is a female veterinarian who is currently pregnant, so we did not think that it was appropriate to use that veterinarian.

**Mr HORAN:** Minister, the department of sustainability is unable to provide mitigation permits for the control of flying foxes on valuable fruit farms because you, on the advice of your AWAC committee, have deemed it inhumane. Therefore, as a consequence, it is not able to provide those mitigation permits. As the minister responsible for primary industries, did you take any other advice from QFF or its member organisations or AgForce or from the horticultural experts within your department before making this decision which has resulted in economic damage and potential animal and human risks on these farms?

**Mr MULHERIN:** Flying foxes are a native animal. Permits for shooting flying foxes falls within the portfolio responsibilities of the Minister for Sustainability, Climate Change and Innovation through the Environmental Protection Agency. The Environmental Protection Agency may grant a mitigation permit under the Nature Conservation Act 1992 for dispersing flying foxes deemed to be an urban nuisance or responsible for orchard damage. Following requests from the Minister for Sustainability, Climate Change and Innovation, the Department of Primary Industries and Fisheries Animal Welfare Advisory Committee was asked to consider the welfare implications of the shooting of flying foxes for food crop protection. The committee provided advice to me that the shooting of flying foxes to control predation in the fruit crop industry is inhumane because of the high likelihood that small flying animals shot at night would be injured rather than killed. The committee's recommendations were forwarded to the Hon. Andrew McNamara for his consideration.

On 15 May 2008 Minister McNamara issued a media statement announcing that from 1 September 2008 no further damage mitigation permits would be granted authorising the shooting of flying foxes for fruit crop protection. In addition, in the lead-up to the September off-season for fruit growing, no interim damage mitigation permits would be granted up to 1 September. The EPA legislation did not allow for a phase-in period. In making its decision, the committee consulted with industry, Growcom and the Australian Lychee Growers Association. Non-lethal deterrent methods will now need to be adopted across the fruit-growing industry for the coming fruit season onwards. In this regard, the Department of Primary Industries and Fisheries and the Environmental Protection Agency are continuing to work with representatives from the fruit-growing industry to make necessary changes to ensure the viability of fruit growers under the non-lethal flying fox management regime. The Department of Primary Industries and Fisheries has contributed \$50,000 to support non-lethal alternatives for flying fox control, of which \$25,000 has been used to purchase pyrotechnics. In making its decisions, the committee considered submissions from wildlife experts, veterinarians familiar with the impacts of shooting on flying foxes and the orchard industry. I have mentioned that that included Growcom and the Australian Lychee Growers Association.

**Mr HORAN:** Thank you. Minister, farmers know that you can deter flying fox roostings by limited mitigation against the scout flying foxes with very little damage to the bulk of the colony. In view of the lethal danger of flying fox excretions, particularly during breeding time, to horses and to humans and in the interests of sound biosecurity, are you now prepared to reverse your decision or revisit your decision which effectively stops the mitigation of flying fox colonies?

**Mr MULHERIN:** As I responded to your previous question, the request came from the Minister for Sustainability, Climate Change and Innovation, the Hon. Andrew McNamara. The Animal Welfare Advisory Committee is an advisory committee that has been established to give advice to me as the Minister for Primary Industries and Fisheries, the minister responsible for animal welfare. Under this advice, any minister can request the AWAC committee to look at issues that concern their portfolios. The report was forwarded to Minister McNamara. As I said in the previous response, Minister McNamara's legislation does not allow a phase-in period so that is why the decision was made to terminate these mitigation permits. I would refer your question back to the minister for the environment, the Hon. Andrew McNamara. It is his legislation that forced this decision.

**Mr HORAN:** It is your decision that—

**Mr MULHERIN:** No, it was a report that was requested by the Hon. Andrew McNamara, the Minister for Sustainability, Climate Change and Innovation. It is his legislation that resulted in this decision. He had no room to move on this. Minister McNamara has met with growers in the Bundaberg region, and both departments will continue to work with industry to ensure the profitability of that industry.

**Mr HORAN:** Minister, in other words, are you saying that even though biosecurity for humans and horses is at extreme risk from these flying foxes you are not prepared to revisit that original decision which actually predetermines what Minister McNamara will have to do? In view of what has happened at Redlands, Proserpine, Peachester, Hendra and Mackay, you are not prepared to revisit that decision to see if this biosecurity risk can be mitigated in a better and more effective way?

**Mr MULHERIN:** As I said, the Animal Welfare Advisory Committee is a committee that is used by the government to take advice on welfare issues. The committee is made up of industry and welfare experts, including leading veterinarians. In relation to the biosecurity arrangements, I will call on Dr Ron Glanville to explain to you that the risk with Hendra virus is low but, as I have indicated earlier, Minister McNamara's department and my department will be working together closely to look at how we can assist the horticultural industry to deal with the issues concerning flying foxes following the decision by Minister McNamara. I will call on Dr Ron Glanville to provide advice about the risks associated with bats and the Hendra virus.

**Dr Glanville:** I think it is important to realise that the issues to do with damage to fruit crops and the issues to do with the Hendra virus are quite different issues. We know that fruit bats carry the Hendra virus. That is the mechanism by which horses get it. This is still a very rare event. We have had only 11 incidents of this since 1994. The focus of our work is not so much to find ways to get rid of flying foxes—I think you would have to agree that it is just not practical to use the shooting of flying foxes as a way of mitigating against outbreaks of the Hendra virus—the focus of our research is more about finding out more about the mechanisms through which horses contract the Hendra virus from flying foxes and then coming up with strategies to minimise the risks to horses through that mechanism.

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

**Mr HAYWARD:** Minister, I refer to page 3-4, paragraph 4, dot point 3 of the Service Delivery Statements. How will the development of the ecoscience precinct and other projects assist Queensland primary producers?

**Mr MULHERIN:** I thank the honourable member for the question. Queensland's primary producers are facing unprecedented challenges due to a range of external factors, including climate change, increasing competition for scarce water resources, increasing threats from exotic pests and diseases and increasing competition for skilled labour. To maintain and improve profitability in such an uncertain environment it requires that primary producers have access to technical innovation that will enable them to improve productivity and overcome production constraints.

The ecoscience precinct and other innovative research infrastructure projects being implemented by the department will ensure that Queensland maintains its position as a leader in world-class science and continues to attract and retain world-class scientists. These facilities are built on the concept of collaboration and will integrate Queensland's science effort. They will include world-class facilities for research into plant and animal production as well as disease and pest control. For example, the ecoscience precinct will bring DPIF together with Queensland's other major researchers to tackle climate change, protect our natural resources and environment and grow our farming, minerals, forestry, marine and tourism industries so that they are competitive and sustainable.

This integrated research effort, comprising almost 1,000 scientists and support staff, will position Queensland as a global leader in finding the balance between developing strong industries, lowering the impact on our natural environment and enhancing our quality of life. Through collaborative science

between DPIF and other agencies, the research outcomes will support sustainable futures for Queensland's community. They will provide a better understanding of how to manage our aquatic and terrestrial ecosystems; enhance the sustainability and the international competitiveness of our agricultural, forestry, fisheries, mining and tourism industries; improve the quality of life for Queenslanders; and better predict the impacts of climate change and population growth on our natural resources, industries and communities. Queensland's primary producers can be reassured that their efforts to increase their profitability will be supported by world-class research, which will give them a competitive edge.

**Mrs SULLIVAN:** I also refer to page 3-4 of the Service Delivery Statements, paragraph 4, dot point 1. With the need for Queensland's livestock industries to improve productivity to maintain global competitive advantage and also the ever-increasing threat of bioagents, what is the DPI doing to upgrade its research facilities to enhance Queensland's livestock industries?

**Mr MULHERIN:** Queensland's livestock industries are worth billions of dollars. My department is embarking on a major revitalisation of its research facilities that will change the way the DPIF operates, giving it world-class research facilities to deliver excellent science and industry development outcomes for its highly prized livestock industries.

Much of this revitalisation is being done in collaboration with other Queensland research agencies and universities. One example is the new Centre for Advanced Animal Science, which is being built as a joint project with the University of Queensland at the Gatton campus. DPIF's large animal research will be relocated from suburban Yeerongpilly to CAAS as part of this initiative by the end of 2008. CAAS will be a new world-class biosecurity facility strategically located at the University of Queensland's main agricultural and veterinary campus about one hour from Brisbane and 30 minutes from the Department of Primary Industries and Fisheries' major biosecurity diagnostic laboratories at Toowoomba.

Multidisciplinary scientists working at CAAS will undertake research to improve livestock productivity, maintain Queensland's capacity to respond to animal disease incursions, increase industry profitability and maintain market access for Queensland livestock products. Research undertaken at CAAS will be particularly important in addressing the ever-present threat to bioagents and the potential to compromise our biosecurity in the livestock industry.

CAAS will be flexible in design so that it can be configured to accommodate a wide range of contemporary and future research to maximise the potential of Queensland's livestock production industries. This will include research into animal nutrition, metabolism and growth, reproductive biology, biotechnology, adaptation and stress physiology. There will be a standard laboratory, high-containment rooms and animal production facilities for research into animal production and diseases. In addition, the facility will support research, training and extension to underpin the sustainable management of agricultural and natural systems and the promotion of animal health and welfare.

Stage 1 of CAAS is completed. I had the pleasure of opening the facilities last year. Stage 2, which includes high-security facilities, should be completed by August 2008. The department has contributed a total of \$11.8 million to the \$32.9 million cost for CAAS. The Smart State Research Facilities Fund has contributed \$9.5 million and the University of Queensland has contributed \$11.7 million.

**Mr PURCELL:** I refer again to page 3-4 of the Service Delivery Statements, paragraph 4, dot point 3. What are the opportunities and benefits of the proposed collaborative research and development alliance between the Department of Primary Industries and Fisheries and James Cook University?

**Mr MULHERIN:** I thank the honourable member for the question. The Department of Primary Industries and Fisheries and James Cook University are developing a significant strategic alliance in research and development through coinvestment in key areas of mutual capability and capacity. The initial focus is on potential synergies in tropical aquaculture and fisheries R&D, biosecurity science and R&D focused on tropical beef and crop production. The objectives are to harness additional scientific input and leadership; improve capacity to attract and retain outstanding scientific staff; foster intellectual and practical collaboration between scientists to maximise the integration of research disciplines in solving multidisciplinary research problems; provide high-quality training in tropical agricultural science and related disciplines for people working in and servicing primary industries; and to realise the economies of scale in future costly laboratory infrastructure investments. The alliance will provide a more effective critical mass of expertise to deliver innovation that adds value to the rate of increase in productivity and business competitiveness for agribusinesses. It will also provide opportunities to support the development of new bioindustries, particularly in north Queensland.

There are a range of benefits that will accrue to both the department and the university through coinvestment in compatible areas of business activity. Most importantly, these benefits will provide a focus for collaboration to enhance the development of regional north Queensland. The anticipated benefits from the alliance include better coordination of R&D capacity and capability, with improved competitiveness and flexibility of investment, including opportunities for the consolidation of the

research effort. The alliance is expected to gain access to additional Australian Research Council and institutional grant funding and to develop the capacity to tap into additional sources of government and industry funding for research and development.

Departmental scientists will have the opportunity to gain adjunct university positions and co-supervise postgraduate research students. The strengthened scientific capacity will lead to additional postgraduate higher degree enrolments in relevant fields of research and generate additional scientific publications and citations to attract and develop high-profile, internationally renowned scientific interest and leadership. Increased scientific output will provide additional opportunities for innovation by agrifood and fibre businesses and align the government's vision for further economic development in tropical north Queensland, increasing the credibility of both the department and James Cook University as influential institutions in tropical science and innovation both in the region and internationally.

**Mr HAYWARD:** Minister, following on from your last answer, I again refer to page 3-4, dot point 3, of the Service Delivery Statements. I know my question has a particular interest and focus for you. I ask: what progress is being made in developing research capacity in north Queensland to support the primary industries sector?

**Mr MULHERIN:** I thank the member for the question. The Department of Primary Industries and Fisheries is the largest single provider of R&D for primary industries in Queensland and it is taking a fresh approach to bolster its R&D services for the future. The key component of future DPI research will be the establishment of centres of R&D excellence which will address the need to deliver high-quality science and create scientific critical mass to capitalise on the multidisciplinary skills that are required to address complex research problems. These centres of excellence will be based on developing more comprehensive collaboration with other R&D providers, with a focus on research priorities for Queensland that reflect the national primary industries research and development framework that was agreed to and which is currently being further developed by the Commonwealth, the states and rural industry research corporations.

In relation to north Queensland, the department is negotiating with James Cook University to develop a significant strategic alliance in R&D based on the imperatives of science quality, critical mass and collaboration, which I have already mentioned. Several key business areas, including tropical aquaculture and fisheries R&D, biosecurity science and R&D focused on tropical beef and crop production have been identified. Business cases are being developed to define the scope and nature of the collaboration between the department and JCU in these areas.

A formal collaborative agreement will be established when these details are finalised. This partnership with the regional university located in the state's northern tropics will improve Queensland's ability to attract and retain high-calibre scientific staff working in areas of science related to primary industries in north Queensland. This should harness additional scientific input and leadership in tropical research. It will also foster the intellectual and practical collaboration between scientists to maximise the integration of research disciplines in solving multidisciplinary research problems.

Associations with the university will increase the capacity and opportunity to provide high-quality training in tropical agricultural science and related disciplines for people seeking careers in primary industries and make it possible to realise economies of scale in any future investment in costly laboratory infrastructure. Consolidation of resources around the strategic alliance with James Cook University will enable both organisations to co-invest more effectively in R&D which will underpin the development and growth of food and fibre agribusinesses in tropical Queensland and provide opportunities for co-location and integration of staff to enhance the collaborative research effort.

**Mrs SULLIVAN:** I have a further question related to north Queensland. I know the member for Tablelands will be very interested in your answer. I again refer to page 3-4 of the Service Delivery Statements. The Atherton Tableland has been put forward as a focal point for the DPIF research. What are the plans for this region?

**Mr MULHERIN:** I thank the honourable member. As you rightly point out, the member for Tablelands has a great interest in this and I recently had the pleasure to meet with her briefly to outline our plans. North Queensland has the potential to become the nation's agribusiness powerhouse due largely to water availability and security and tropical innovation prospects such as molecular biopharming, agritourism, value-added food processing and novel tropical products. In order to capitalise on these trends, a fresh approach is required to ensure that investment priorities benefit industry and provide them with the necessary tools to make the most of these opportunities.

To this end, the department has already signed a statement of intent with James Cook University to establish a tropical science collaboration between our two organisations. This collaboration will provide the basis of a new centre of excellence in R&D in north Queensland focusing on tropical agriculture, aquaculture and biosecurity. By working together we believe we can continue to attract and gain outstanding scientific staff to north Queensland and maximise the integration of research disciplines to support industry growth.



However, as I mentioned in my address to CEDA, the Committee for the Economic Development of Australia, on 24 June 2008, the creation of this centre of excellence requires some tough decisions about existing research facilities located on the Atherton Tableland. Excluding our Mareeba office, the department has, since the acquisition of the Australian Agricultural College Corporation site, four facilities on the Atherton Tableland of varying degrees of under-utilisation, age and fitness for purpose. These include Kairi, Walkamin and Southedge research stations.

All of these ageing facilities are within a 50-kilometre radius of each other. By replacing these with new a purpose-built facility we will be able to capitalise on the uniqueness of the tablelands and its potential for economic growth. The fresh approach for the tablelands will actually provide a net gain for north Queensland. While the location of the new facility has yet to be determined, I have announced that an independent review will take place to determine the location, which could be on an existing site or a greenfield site. Proceeds generated through the sale of the site will be reinvested into the establishment of the new site on the tablelands. I stress that this new facility will be a facility owned by the department of primary industries and research currently underway at the other facilities will continue until a new facility is built.

**Mr PURCELL:** I refer again to page 3-4 of your department's Service Delivery Statements. How does the Fresh Approach initiative plan to modernise service delivery?

**Mr MULHERIN:** I thank the honourable member for Bulimba. It is time to take a fresh approach to how we support primary industries to drive profitability from the farm gate to the plate. This includes tailoring and advancing our service delivery to better meet the needs of Queensland in areas such as supply chain analysis, investment attraction and client relationship management. This fresh approach to service delivery will involve networking services across Queensland by establishing strategically located agribusiness smart service centres. Each centre will provide a critical mass of people including industry development, biosecurity, fisheries and trade officers, farm financial counsellors et cetera—basically a one-stop shop for the sector. Advancements in IT and communication tools will enable DPIF to achieve the right mix of traditional service delivery methods and more targeted modern approaches with strong industry relationships and personal contact remaining priorities.

The department has already launched two mobile offices in March 2008. These mobile offices are equipped with IT tools that enable our clients to have greater access to our services. In addition to this, I launched the new DPIF mobile service centre on 24 June 2008. This mobile centre, supported by our regional extension officers, will travel throughout Queensland to participate at field days and other agricultural events. Modernising service delivery will allow us to concentrate our resources and infrastructure where they are needed, avoid duplication and provide tailored services which clients need in a way that is simple, efficient and cost-effective for both staff and clients.

**CHAIR:** The time for questions by government members has expired. I call the member for Toowoomba South.

**Mr HORAN:** In August last year when EI broke out, on the Wednesday of the week that it actually happened your department received an email at the quarantine centre about the possibility of EI. At 6.30 am on the Saturday morning it was confirmed to your department. I did ask at the last estimates about preparedness for a standstill. You said they were well prepared. What alerts were put out and when were they put out after the department got that email on the Wednesday? If you knew at 6.30 am on the Saturday, why was the department not able to make a decision to shut the gates at Morgan Park resulting in horses taking the illness to Tamborine, the Gold Coast and so on?

**CHAIR:** I remind the member that under standing order 180 you cannot make a speech. You have to ask a question.

**Mr HORAN:** Finally, the third part—

**CHAIR:** You cannot ask part questions.

**Mr HORAN:** When did you have stock inspectors on the border crossing?

**Mr MULHERIN:** Madam Chair, do I get nine minutes to answer the three questions?

**CHAIR:** I think we will take one question at a time.

**Mr HORAN:** I will take the border crossing one back; just the other part, because there is a bit of detail in that.

**CHAIR:** Minister, do you understand the question?

**Mr MULHERIN:** Yes. For a start, I would like to draw the honourable member's attention to a media statement that he issued on 11 June referring to horse owners and equine influenza. I quote from the media release—

The outbreak wasn't the fault of these people. It was the fault of the quarantine system, which is controlled by the Federal Government.

In other words, his federal colleagues, the previous coalition government, were to blame. He cannot now, especially with the weight of evidence to the contrary—including that given at the Callinan inquiry—attempt to cast the blame elsewhere. The facts are very clear.

The first notification Queensland received that equine influenza was present outside the Eastern Creek Animal Quarantine Station was on Saturday morning, 25 August 2007. I remember it so well. I turned 50 on the 24th. I got the call about 6.30 in the morning. The first detected case of equine influenza in Queensland was in horses competing at an equestrian event at Morgan Park near Warwick later that same day. These horses had originated from New South Wales and arrived at Warwick on 24 August 2007. One of those horses showed mild respiratory signs on the Friday evening. A private veterinarian saw the horse, but no practical concerns were raised. Three of the horses had competed at an equestrian event at Maitland in the Hunter Valley the previous weekend, on 17 to 19 August. A number of horses were transported out of Morgan Park on Saturday, 25 August prior to the declaration of quarantine. These movements subsequently resulted in the spread of EI to properties at Mount Forbes south of Rosewood, Kenmore Hills, Brookfield and Tamborine.

The suspicion of the presence of EI at Morgan Park was reported and a DPIF veterinarian from Toowoomba was dispatched at 12.45 pm, immediately travelling to Morgan Park to assess the situation and sample horses for EI. The specimens were immediately transported to the department's animal laboratory at Yeerongpilly where staff had been called in to conduct testing for EI. Morgan Park was quarantined by the department late in the afternoon of Saturday the 25th as a precautionary measure due to the presence of EI at the equestrian centre in Sydney. This was despite veterinary advice from departmental vets and private vets that the symptoms seen at Morgan Park were unlikely to be EI. At this time it was not known that EI had been present at the Maitland event. Confirmation of an infection of EI was obtained the following morning, Sunday 26 August.

**CHAIR:** Your time has expired.

**Mr HORAN:** The other part of that question was: did you put stock inspectors or biosecurity officers on the border crossings? There have been many reports of horses that crossed the border at different locations throughout the ensuing days. Did you put inspectors on the border crossings and, if so, when were they placed on those border crossings, which border crossings were they and were they there 24 hours a day?

**Mr MULHERIN:** As I said, the confirmation of the infection of EI was not obtained until the following morning, Sunday 26 August. A standstill was implemented for all horses in Queensland by notice published at 11.30 am on Sunday, 26 August which took effect from midnight on Saturday 25 August. This was a critical factor in halting the further spread of EI out of south-east Queensland. There was a national voluntary standstill in place prior to the publication of the notice. I now call on the Chief Veterinary Officer, Dr Ron Glanville, to elaborate in relation to the operational aspects of the control and what we did in relation to equine influenza.

**Dr Glanville:** In relation to movement controls, they were enforced by not only DPIF officers. Especially in the early phases, where DPIF was primarily concerned with the disease control aspects, we had very good cooperation from Queensland police and Queensland Transport. This was a national standstill. There were people at all sorts of locations monitoring horse movements. We did not specifically have biosecurity inspectors on the border, but we certainly had excellent cooperation from Queensland police in terms of monitoring movements of animals.

**Mr HORAN:** The Emergency Animal Disease Response Agreement for EI required a 10 per cent contribution from the federal government, 10 per cent from state governments and 80 per cent from the horse industry. The federal government has absolved the horse industry of this 80 per cent requirement. SDS 3-4 states that the Queensland government has an estimated cost of \$40 million of the total state and federal government cost of approximately \$108 million. As a result of the decision by the federal government to absolve the horse industry of its contribution requirement, how much will the federal government be reimbursing the Queensland government?

**Mr MULHERIN:** As you rightly pointed out, under the cost sharing agreement, which was never signed off by all industry, 80 per cent was to be apportioned to industry with 50 per cent of the remaining 20 per cent to be picked up by the Commonwealth government and the rest to be shared on a pro rata basis with the remaining states and territories. The national management group representing the cost sharing partners approved the budget to eradicate EI in Australia at \$108 million. Queensland's contribution under the Emergency Animal Disease Response Agreement is 3.56 per cent, which is \$3.846 million. The \$108 million cost to eradicate EI does not include the \$20 million assistance package put up by the Queensland government.

The total costs incurred to eradicate EI in Queensland have been estimated at \$41.9 million. This amount includes the \$38.8 million that has been deemed eligible for the national cost sharing under the EADRA and costs of \$3.1 million which are not contestable. The total direct cost to Queensland is \$6.946 million. The cost of \$6.946 million has been provided by Queensland Treasury to the department through a \$3.846 million specific payment under the EADRA criteria and, as stated in the 2007-08 MPS, the balance of \$3.1 million is from the department's annual base funding.

**Mr HORAN:** Minister, I refer to your department's decision for Queensland vets to return the EI vaccine to the department for destruction. How many doses were destroyed and what was the value of that vaccine? Is there any reason why this vaccine was not kept until at least its use-by date in case of any further flare up?

**Mr MULHERIN:** I will give an overview of the vaccination scheme and I will ask Ron Glanville to speak in relation to the destruction of the vaccines. On 23 December the National Management Group agreed to the use of strategic vaccination as part of the overall national containment and eradication strategy. The vaccination scheme consisted of up to three vaccine doses. The subsidised first round of vaccinations commenced on Saturday, 29 September and ceased on 7 March 2008. The subsidised second round of vaccinations ceased on 20 March 2008. The third round was available on a user-pays basis.

Over 68,000 horses were vaccinated in the first and second rounds. The strategy consisted of a 10-kilometre wide vaccination buffer being established towards the outside of the restricted area. This was referred to as the outer vaccination buffer zone. This buffer zone is a surrounding barrier to contain the virus within the red restricted zone. When it became clear that the biosecurity measures and contributing factors such as weather had slowed down the spread of the disease, the second inner vaccination buffer zone was established approximately 30 to 60 kilometres from the outer zone towards the infection clusters. This buffer was implemented to close in the surrounding barrier on infected horse clusters. Supplementary strategic vaccination zones were implemented which further confined the cluster of infected horse populations, dividing the red zone into three sections. The vaccination was also used strategically in areas of low horse densities and around infections in the red zone.

Overall, I think most people were happy with the way we dealt with it. We used a genetically modified product which had strict permit conditions on its use and we had to comply with that. Our processes were audited by the Office of the Gene Technology Regulator. I will ask Dr Glanville to respond to the issue you raised in relation to the destruction of vaccinations. I would imagine that this is to do with the approval processes of the gene regulator.

**Dr Glanville:** Under the conditions of the emergency permit, the vaccine had to be returned to DPI from private practices, but in fact most of the vaccine has not been destroyed. The only vaccine destroyed would be vaccine where we cannot guarantee where it has been kept and its viability. But 26,000 doses have been returned to Sydney. They are now held in a national vaccine bank and will be held there until the expiry date of the vaccine in case of future need.

**Mr HORAN:** Minister, on page 3-4 you refer to the National Red Imported Fire Ant Eradication Program. Twelve residents of south-east Queensland have found previously unknown fire ant nests. Most of the areas where they have been found have been under the eradication program since 2001. Can you detail which suburbs these 12 nests have been found in and can you detail what regime of inspection and treatment has applied to these properties since 2001 during the treatment period and after the conclusion of the three- to four-year treatment period?

**Mr MULHERIN:** I thank the honourable member for the question. As you rightly pointed out, we are working under a national program. The national fire ant eradication program has been undertaken in south-east Queensland and also Gladstone. I believe it has been successful in reducing the fire ant infestation. This financial year in the south-east fire ant infestations have been detected only in 131 parcels out of an approximate 190,000 parcels within the restricted area, and in Gladstone 2008-09 will see the end of its required work program.

The program has now finished treatment and surveillance programs of approximately 60,000 hectares in south-east Queensland and all work in Gladstone will end in 2008-09. The fire ant program has received \$10.9 million in national funding, with Queensland contributing 9.4 per cent. Under the national program there was a recommendation made by an independent review to have Deloitte's review the program. They made a recommendation that for further strategic mapping we put up a rewards system. I understand that 27 people have identified fire ant nests and they have received \$500 for their efforts. This assists us in determining whether we have contained it and eradicated it in those areas. I call on Dr Ron Glanville to provide further information in relation to the \$13,500 that we have already paid out.

**Dr Glanville:** Specifically, what information are you wanting?

**Mr HORAN:** I want to know the names of the suburbs, the inspection regimes for when those suburbs were under treatment for the three- to four-year program and following that three- to four-year program what inspection or treatment has been undertaken. I am happy to take that on notice.

**Mr MULHERIN:** We will get you that information after morning tea. As I said, there were 27 rewards totalling \$13,500. During the running of the scheme, 2,196 suspect ant reports were made compared with 234 the previous year.

**Mr HORAN:** Thank you for providing that on notice. Minister, I refer to the Jan Taylor and Associates Australia report, which said that DPI is no longer close to its traditional client base and therefore out of touch with the needs of clients. This review has followed years of budget cuts and staff cuts and numerous internal reports and reviews. Can you please provide this committee with the cost of that Jan Taylor and Associates Australia report?

**Mr MULHERIN:** I thank the honourable member for the question. I was out at Goondiwindi not long after the last state election working with a focus group of departmental people, along with industry and local government, across the subregional area that includes Goondiwindi, and that whole issue about how do governments fund different portfolios came up. It is interesting that the discussion evolved around commitments that either parties give around election time.

One of the people raised the issue that you have raised in relation to funding. One of the people there—I think he was the head of the irrigators group—said, ‘Hold on. We’ve just had an election. What were the local issues we were raising in our community?’ They went on about health, education and transport infrastructure. Not one of them mentioned primary industries. He then proposed the question: what were the issues that were being debated at a state level? They were the same issues of course. He then proposed the third question: how does government get its moral mandate to allocate taxpayers’ money? Of course the conclusion was that it is through these election processes that both political parties put up what their commitments will be in the following three-year term and that is how the money is allocated. He also raised the issue of who were the leaders at the time of the last election. They were the former Premier, Peter Beattie, and the current leader of the coalition, Lawrence Springborg. Sure, we all want additional money for our departments but those priorities are determined through the election process.

I did a number of these engagements—I call them learning circles—with industry and my department at Goondiwindi, Kingaroy, Biloela, Mount Isa and Cairns. Overall, people thought we were performing reasonably well. I kept getting mixed signals. So that is why I asked the department to engage an independent consultant to look at how we go about our business. We engaged Jan Taylor and Associates, who conducted over 400 interviews with big and small agribusiness, peak bodies, the banks and departmental staff. That has been the basis for the project behind the enhanced service delivery. I would like to give you a copy of the report. I am advised that the cost was \$175,000. As I said, her look into the department was quite extensive. But we are very transparent, and I would like to give you a copy of the report for your perusal.

**CHAIR:** The time allocated for questions by non-government members has expired.

**Mr HAYWARD:** Minister, going to the issue of service delivery—again I refer to page 3-4, dot point 2, of the Service Delivery Statements—why did you feel that a fresh approach was necessary?

**Mr MULHERIN:** The bright outlook for Queensland primary industries emerging from global trends is driving my vision for Queensland agriculture. I believe it has the potential by 2020 to reach value to the economy in the vicinity of \$34 billion from the farm gate to the plate. However, the Queensland primary industries sector is currently confronting a number of significant risks and challenges which have the potential to adversely affect the sector.

Due to trade reform and the mining boom, there is an agricultural skills shortage. There is also significant decline in student numbers studying agricultural science. We need to make primary industries an attractive career option against other better paying areas. There is an increase in global demand for food and fibre commodities. For the last five to eight years the demand for food basics such as grain has exceeded supply. Climate change has meant that primary industries has to adapt to significant changes in water availability, changed pest and disease distribution and shifting growing conditions for different plants and animals. Also due to climate change water resources are becoming more scarce in the south but remain abundant in the north, which presents a wide range of opportunities for beef and tropical fruit and vegetable industries.

Meeting these challenges and opportunities requires a fresh approach, one that requires building skills, growing investment and innovation to become world leaders in research and driving profitability from the farm gate to the plate. To this end I have already announced a plan that includes: combining the skills and capabilities of our research centres and the Australian Agricultural College Corporation in order to upgrade skills across the sector and to promote the agricultural sector as a first choice career option for young Queenslanders; the establishment of centres of excellence regionally by partnering with collaborators in new state-of-the-art facilities in order to provide the right environment to grow world-class skills, science and innovation; and redesigning how we do business in order to provide services more efficiently and effectively across the entire supply chain by taking full advantage of new and emerging technologies.

As I stated on 24 June in my address to CEDA, if we are going to succeed in making Queensland the knowledge capital of Australia and ensure that primary industries play a key role in the program by driving agricultural science revolution, we have to make some tough decisions now. That is why I have initiated the fresh approach—to rethink how we invest now for the future of Queensland’s primary industries.

**CHAIR:** Before calling the member for Pumicestone, standing order 183 provides that a minister may table a document with the leave of the committee. So for formal proceedings, is leave granted?

Leave granted.

**Mr MULHERIN:** My apologies, Madam Chair.

**CHAIR:** We thought it was just a gift.

**Mr HORAN:** I thought it was a gift to me and I was going to have to declare the \$175,000 in my pecuniary interests!

**Mr MULHERIN:** Mike and I have a good relationship so we try to brief him as much as possible and I wanted to give him the copy of the report. We have not caught up since the last session of parliament.

**CHAIR:** He is very grateful. We will move on.

**Mrs SULLIVAN:** I refer to page 3-4 of the Service Delivery Statements again. With reference to the fresh approach initiative, how much consultation was involved in this?

**Mr MULHERIN:** I thank the honourable member for the question. There has been considerable consultation with industry, peak bodies, science collaborators, the agribanks and departmental staff. That is why I engaged Jan Taylor and Associates to conduct a review of the department's service delivery. The aim of this process was to assess the current service delivery environment and identify how we could better meet client needs.

As I said earlier, Jan Taylor and Associates consulted over 400 stakeholders statewide, including the small and medium to large agribusinesses, the banking sector, financial institutions and the agripolitical organisations like QFF, AgForce, Growcom et cetera. The results from Jan Taylor and Associates found that industry wanted change to ensure that services enable them to meet the challenges of the 21st century. Above all, everybody agreed that the existing service delivery problems can be fixed and that we need to work collaboratively to address these challenges.

On 23 and 24 April, the DPI senior executive team held a two-day executive forum titled 'Positioning DPIF: Enhanced service delivery' where we engaged with key stakeholders on the new framework. More than 25 stakeholders from industry, peak bodies and other government agencies were engaged to inform why change was necessary and to discuss the proposal. The enhanced service delivery framework was positively received by participants at this forum. Stakeholders appreciated that the drivers for change were compelling, that the consequences of not changing were potentially problematic and that a fresh approach was needed to position the department for a positive future. They also endorsed the open and transparent process and the opportunity for early, purposeful engagement. DPIF senior leaders have also actively consulted staff about the fresh approach over the past three months and will continue to do so in order to support staff career development, employment and training.

I have since announced my vision at the CEDA launch in Townsville on 24 June. I have conducted a listening tour in north Queensland and visited affected sites on the Tablelands, including the ag college. I am really committed to stakeholder consultation and transparency, and I will continue to do this as we progress this important reform.

**Mr PURCELL:** Minister, I refer again to your Service Delivery Statements. I know that you and particularly people at this table here know it is a very exciting time for DPIF in Queensland and Australia at the moment. What is the future of Biosecurity Queensland within the Department of Primary Industries and Fisheries' plan for a fresh approach to doing business?

**Mr MULHERIN:** I thank the honourable member for the question. Like the rest of DPIF, Biosecurity Queensland is taking a fresh approach to its biosecurity services to agribusinesses, local governments and the community. Biosecurity is a significant issue for Queensland and impacts on our primary industries, our natural environment, biological diversity and our way of life. Biosecurity Queensland is developing a biosecurity strategy which will help position the agency to deal with a diverse range of agricultural and environmental pest and disease risks that face Queensland.

Starting from a position of 'biosecurity is everyone's business', an important component of this strategy will be how to strengthen the capability and capacity of Biosecurity Queensland to deliver biosecurity services across the state, particularly in regional Queensland. Resources will need to be aligned to areas of greatest biosecurity risk, taking into account geographical location, industry profile and pest and disease risk. Resources will also need to be networked to ensure that biosecurity efforts can be quickly and effectively mobilised, especially in an emergency situation. We saw that recently with EI.

As such, over the next few years BQ will be working with relevant stakeholders to: create a critical mass of biosecurity expertise in key regional areas; look for opportunities to form partnerships with key research bodies to improve our science capability, particularly in north Queensland; provide better services through more mobile biosecurity officers using more productive tools based on the latest technology; improve our call centre and web site to ensure clients are able to quickly access the best information to suit their needs and to conduct transactions online; and establish a community engagement function with Biosecurity Queensland to better interact with clients, gather on-ground biosecurity intelligence and mobilise resources, particularly during an emergency response.

Biosecurity priorities and risks have changed dramatically over the past 15 years—from dealing largely with endemic pests and diseases that threaten productivity to significant exotic pests and diseases that threaten trade, the environment or our way of life. A fresh approach to biosecurity services is essential to ensure we are providing contemporary services as part of a 21st century, modern biosecurity system.

**Mr HAYWARD:** Minister, my question is about Queensland priorities in research. Again, I refer to page 3-4, paragraph 5 of the Service Delivery Statements. Given Queensland's commitment to the national research and development framework for primary industries, in what areas of research is Queensland likely to take a lead role?

**Mr MULHERIN:** I thank the honourable member for the question. Before I answer, I want to confirm to the deputy chair that the Jan Taylor report cost \$179,952 excluding GST. Can you repeat your question please?

**Mr HAYWARD:** Given Queensland's commitment to the national research and development framework for primary industries, in what area of research is Queensland likely to take a lead role?

**Mr MULHERIN:** The objective of the national R&D framework is to achieve much more effective coordination of research, development and extension to ensure that available funding is applied to best effect nationally. Such coordination will avoid unnecessary duplication and assist in delivering research results to industry. We will be taking a lead role in industries that are critical to the future of Queensland's primary industries. Since Queensland has a largely tropical and subtropical climate, we will be placing a strong focus on tropical and subtropical crops and production systems, while leaving much of the temperate climate production research to the southern states. In the latter case, the department will develop mechanisms to support the transfer of research to Queensland based businesses.

The criteria for deciding on priority areas of R&D for Queensland include: R&D supporting tropical industries; R&D where Queensland holds the major share of the industry in Australia; industries and cross sectoral issues that are regionally specific to Queensland and require a Queensland response; and R&D where we are or aspire to be nationally or internationally competitive. Queensland is currently taking a lead role in facilitating the development of the national R&D strategies for the beef and sugar industries, which are examples of major industries where we will be taking a leadership role in the national context.

Areas of R&D that are of major strategic importance to Queensland include the following. Beef is a large national industry with 45.3 per cent of the beef cattle herd located in Queensland and it is Queensland's largest agricultural export. Sugar makes up about 95 per cent of the national production. Summer grains and pulses are important components of the broadacre farming systems of Queensland, with specific regional importance. Also, Queensland has an important place nationally in both tropical and subtropical horticulture. Tropical forestry, climate change adaptation and modelling and predictive systems are some of the other areas where we will take the lead.

**Mrs SULLIVAN:** Minister, the reference is page 3-4, paragraph 4, dot point 2 of the agency's Service Delivery Statements. How is the department adapting extension services to the need of modern agribusiness clients?

**Mr MULHERIN:** The department's clear alignment as an economic development agency has seen products and services delivered by the department undergo evaluation and refocus. This has included the very important extension services provided by this department. The department is adapting extension services to clearly focus on enhancing the growth of profitable agribusinesses. This is achieved through a clear focus on the drivers of profitability and growth in enterprises and supply chains and capitalising on opportunities through innovation.

Extension services are being adapted by strategic targeting of these services to specific economic trade and supply chain outcomes. The Asian Markets for Horticulture Initiative is an example where analysis has identified critical points in the supply chain where action can result in significant growth. Strategically targeted projects have then been developed and resourced with the right skills both from the department and through partnerships. Following the success of the Asian Markets for Horticulture Initiative, experienced departmental extension officers have developed the Future Beef initiative which will support projects across the beef supply chain where opportunities for significant growth are identified.

While the department has a wealth of experience in extension practice, it has always placed a high priority on staff development. A great deal of effort has been put into the identification of opportunities for skills and knowledge development which will enhance the adaptation of extension. A series of supply chain workshops have been rolled out across the state and already approximately 100 departmental officers who deliver extension services have taken advantage of this training.

A crucial success factor in adapting extension services is partnerships and collaboration. Successful extension initiatives involve teams that bring together professionals from a wide range of disciplines. In initiatives such as the Asian Markets for Horticulture Initiative, the department is

partnering and collaborating with people and organisations including private providers that are able to contribute expertise that complements that of the department. The department is also committed to enhancing the provisions of these services through modern delivery mechanisms made possible through advances in technology. In order to take the greatest advantage of this technology, the department has resourced the e-extension project. This project will determine the most appropriate application of this technology to enhance the department's extension service delivery. We are finding that more and more people want to access information 24/7, so e-extension and web conferencing will be another aspect to our extension service.

**Mr PURCELL:** Continuing on from the previous two questions asked by my colleagues and in reference to the department's Service Delivery Statements, how does the department plan to fund the enhanced service delivery plan?

**Mr MULHERIN:** During my keynote address to industry and the business community in Townsville on 24 June I outlined Fresh Approach. Fresh Approach can position primary industries, as I said earlier, by 2020 to be worth \$34 billion from the farm gate to the plate, which is about three times today's value of \$12.47 billion. When I refer to \$34 billion it is in today's dollars.

Fresh Approach is based around three pillars: building skills for the future, delivering innovative research partnerships which grow investment, and driving profitability from the farm gate to the plate. Fresh Approach seeks to fundamentally reshape and rebuild the department's regional service delivery capacity based on a clear vision of reinvesting.

Fresh Approach will be funded using the existing resources of the department. When it takes \$34 million to turn on the lights and open the doors, we need to evaluate where efficiencies can be made. We operate over 184 locations across the state, so it costs \$34 million before we even turn on the lights. The reinvestment will not happen overnight; it will happen over time, with consultation—I stress consultation—with our industry stakeholders and staff. Changes to all areas of the department will result from incorporating Fresh Approach into the everyday business. Many staff will be working on these issues as a priority with their everyday work to move the department forward. This will be done in consultation with our partners, AgForce and QFF.

**CHAIR:** We actually have 14 minutes left of the morning session. I propose that we split that time evenly between non-government and government members, starting with non-government members. I call the member for Toowoomba South.

**Mr HORAN:** With regard to page 3-7 of the SDS where it refers to staffing, can you detail—I am happy to put some of this on notice if it is necessary—

**Mr MULHERIN:** Thanks for your cooperation!

**Mr HORAN:** Can you detail where the positions for stock inspectors or, as they are now called, biosecurity officers—stock inspectors who are specialising in animal issues—are located and what vacancies there are? Can you also confirm that there is no full-time inspector at the DPIF Longreach office, that they have three full-time inspector positions vacant and that there are no stock inspectors at Cunnamulla, Quilpie, Blackall, Winton and Charleville and vacancies at Hughenden, Julia Creek, Cloncurry and Mount Isa?

**CHAIR:** Minister, before you answer I want to clarify that there is to be only one question per question. Are you comfortable with that question, Minister?

**Mr MULHERIN:** I will try to answer it and if we need to provide more details we will provide them to the member. The Department of Primary Industries and Fisheries plays a unique role in government through blending the Smart State sciences and expertise with the government's priorities through the vision of profitable primary industries in Queensland. This is made possible through the department's ability to align its functions, resources and operational arrangements to ensure staff deliver its business in the most effective and efficient way possible.

In 2007-08 there were 122 core permanent positions in inspectorial appointments. These included veterinary officers, technical officers in pest and weed and pest animal deliverables, and staff involved in long-term response activity. In addition to the core permanents, Biosecurity also retains up to 20 additional casual inspectors. Biosecurity Queensland regional operations are carried out by inspectors appointed under a number of administrative instruments designed to deliver consumer confidence in managing the risks across animal welfare, chemical use, animal biosecurity and plant biosecurity. The number of inspectors has remained relatively static for a number of years.

The Biosecurity Queensland workforce is continually assessed with respect to negotiated deliverables. We made a number of new appointments to Mackay, Roma, Nambour, Caboolture and Brisbane. It is currently in the process of appointing officers to South Johnstone, Charleville, Emerald, Longreach, Mackay and the Sunshine Coast. The distribution of inspectors, including work in the response program, is in excess of 45 locations across the state. Shifting demographics and strategic alignment of inspectors have produced a more contemporary workforce that provides broader

inspectorial services than that, for example, of 1980, when the intake for stock inspectors was for specific programs such as brucellosis and tuberculosis. Therefore, it would be inappropriate to compare current numbers with numbers of that era.

We have an impressive mix of gender and experience in the inspectorate, as evidenced in locations such as Emerald, Rockhampton, Mount Isa, Cloncurry, Toowoomba and Nambour. The appointment of base-grade inspectors allows for on-the-job training and mentoring by experienced inspectors. We also have the third-party staff. As for the particular centres, after the morning break we will give you details about our issues with recruitment and retention in some of those areas.

**Mr HORAN:** Thanks, Minister. With regard to Forestry, the government undertook to plant 20,000 hectares of trees by 2024 under the 1999 SEQ Regional Forest Agreement or pay compensation to the timber industry. Can you advise how many hectares of sawlogs have been established so far in accordance with the agreement? Is this on time to give a yearly supply? What is the compensation that has to be paid if it falls short?

**Mr MULHERIN:** Forestry Plantations Queensland has the strategic objective of expanding our exotic pine and hardwood plantation. In terms of funding for this expansion, Forestry Plantations Queensland retained earnings from funding available under the Western Hardwoods Plan.

Forestry Plantations Queensland has successfully acquired 420 hectares adjacent to its major Fraser Coast plantation near Gympie as well as 2,900 productive hectares in the central Queensland exotic plantation near Yeppoon. In addition to land for exotic pine plantation expansion, FPQ has also purchased 673 hectares and entered into land rental or joint venture arrangements in regard to an additional 760 hectares of productive land in the Burnett region for hardwood plantations in 2007-08 with a further 700 hectares under negotiation for purchase.

North Queensland has been placed on hold pending further assessment of end-market opportunities that may support ongoing investment in plantation estate. An amount of \$11.5 million is budgeted to secure a further 3,000 hectares of land for exotic plantations in 2008-09, whilst it is anticipated \$7 million will be required for land purchase and rentals for a further 1,907 hectares of hardwood plantations under the Western Hardwoods Plan. I will ask the CEO of FPQ to elaborate further. I call on Dr Warren Hoey.

**Dr Hoey:** The minister has provided you with a fair bit of detail, so if I can just come to your question—

**Mr HORAN:** I am just interested in the hardwood under SEQ.

**Dr Hoey:** Out of the 20,000, we are just under 10,000 hectares in total. So we have almost completed the first 10,000-hectare component. The second 10,000-hectare component comes in two stages. I think the minister has announced confirmation of funding being available for FPQ to complete the remainder. That should take place through till about 2015 or 2016 and we are on schedule.

**CHAIR:** Thank you. The time allocated for non-government questions has expired. I call the member for Kallangur.

**Mr HAYWARD:** Minister, I refer to page 3-4, dot point 1 of the Service Delivery Statements, and I ask: with regard to your announcements about enhanced service delivery, what guarantees will you give for projects being undertaken in facilities that may no longer exist?

**Mr MULHERIN:** As has been outlined in my announcements of enhanced service delivery, the department is committed to capitalising on its R&D potential by establishing a world-class network of science centres of excellence across Queensland. The department has already commenced establishment of that network, which will be undertaken in collaboration with research partners and universities, by initiating the ecoscience precinct at Boggo Road and the health science precinct at Coopers Plains. Work on these precincts is already underway. The department will also be extending its network of science centres of excellence to its regional areas. While the details of these other facilities have not yet been finalised, they are expected to include centres for tropical biosecurity and innovation, tropical aquaculture and fisheries, plant science, periurban agriculture and subtropical horticulture.

Clearly, this process of reinvigorating and refocusing the research efforts of the department will result in some of our outdated facilities being closed. I appreciate that these changes will impact on research projects currently being undertaken on those facilities that may close. Over the past few months, officers of my department have been involved in a consultative process with staff, industry stakeholders and our research partners to explain the new direction of the department and to discuss the impacts of any decision the department will make regarding research facilities. Particular emphasis has been placed on identifying the impacts of any research facility closures on R&D projects.

Many of the projects being undertaken by the department cover a three-year period and, therefore, activities on facilities being closed will generally be gradually phased out over this period. Where a facility is closed prior to a project being completed—it will only be closed after we build a new facility; it is about reinvesting through disinvestment through the sale of the sites—every effort will be made to relocate the project to an alternative site. For plant gene pools or tree plantations, arrangements are being considered to propagate new trees or to transfer existing trees in order to



maintain the valuable genetic material the department has access to. The reinvigoration of research facilities is being undertaken in conjunction with a refocus on the department's research programs towards the high-priority areas identified for Queensland under the national R&D framework.

**Mrs SULLIVAN:** Following on from my previous question, Minister, I refer again to page 3-4, paragraph 1 of the Service Delivery Statements. How does the department plan to use extension services to drive profitability from the farm gate to the plate?

**Mr MULHERIN:** One of the pillars Fresh Approach is built on is driving profitability from the farm gate to the plate. To do this, I will ensure the department's products and services are modern and relevant and will support industry to drive growth. I am placing considerable emphasis on tools used by the department to deliver these services. One of the critical tools is the delivery of innovative extension services. A fresh approach to extension services will focus on enhancing profitable agribusiness sectors and industries and addressing impediments to growth. As I have already indicated, the success with the Asian Markets for Horticulture Initiative, an initiative that successfully facilitated the first direct shipment of mangoes to China, benefited from this fresh approach to clearly identify and focus on the critical points in the supply chain.

Utilising a whole-of-supply-chain approach allows increased economic value to be created. The Fresh Approach extension will strategically target resources to identify critical points in the supply chain that can deliver accelerated growth. Following the success of the Asian Markets for Horticulture Initiative, experienced departmental extension officers have developed now the FutureBeef initiative, which will support projects across the beef supply chain at points where opportunities for significant growth are identified.

The department is also committed to enhancing the provision of these innovative new services through modern delivery mechanisms. The department will take advantage of the latest advances in technology to deliver training and knowledge to industry. In order to take greatest advantage of this technology the department has internally resourced the extension project. This project will determine the most appropriate application of this technology to enhance the department's extension service delivery. This will see the establishment of new web services and mobile office vehicles across the state and further development of online web services such as e-extension training portals and tools that integrate service delivery and technology, providing more flexible access to information for clients.

As another step in this fresh approach to extension, 110 officers across the state have been trained in supply-chain workshops. I think this has led to greater understanding of how to work across the whole supply chain to ensure we accelerate growth in this sector. Just before we break for morning tea, I ask the member for Toowoomba South for a list of the centres he asked about. We will then give him a response after the morning tea break.

**CHAIR:** Thank you, Minister. The committee will now adjourn for morning tea. At 11.15 we will resume our examination of the proposed expenditure for the Department of Primary Industries and Fisheries.

#### **Proceedings suspended from 10.46 am to 11.15 am**

**CHAIR:** The Estimates Committee G hearing is resumed. The committee will resume its examination of the proposed expenditure by the Department of Primary Industries and Fisheries. The committee's examination of estimates for this portfolio will continue until 1 pm. The question before the committee is that the proposed expenditure be agreed to. The first period of questioning is allocated to non-government members. I call the member for Tablelands.

**Ms LEE LONG:** I refer to page 3-20 of the Service Delivery Statements and the intention to charge fees for property and brand registrations. Is there still an intention to introduce fees for property and brand registrations? If so, how much will they be and when will they be introduced?

**Mr MULHERIN:** I thank the honourable member for the question. The budget papers have no provision for the introduction for new property registration and brand fees. While foreshadowed in a previous budget, the government has no intention to introduce property and brand fees this financial year. Supplementary biosecurity funding has been provided to the department to compensate for the introduction of the new fees not proceeding. The department administers the brands registration system through the Brands Act 1915 and the Brands Regulation 1998. The system predominantly provides a statutory basis for stock owners to permanently identify their livestock at their property.

The agricultural property system is a register of properties as required under the Stock Act 1915 and the Stock Identification Regulation 2005. The agricultural property system is a key biosecurity tool and underpins the entire livestock traceability system. The agricultural property system provides the basis for confirming the place of production of healthy animals and of infected or contaminated animals in the case of a disease outbreak.

**Ms LEE LONG:** Page 3-20 of the Service Delivery Statements refers to the Queensland Crop Development Facility at Redlands, the Centre for Advanced Animal Science at Gatton and the agricultural research centre at Bribie Island. Is there an intention to centralise much of Queensland's research and development into these centres—the JCU centres in north and far-north Queensland and other interstate centres—at the expense of other rural areas across the state?

**Mr MULHERIN:** First of all, we have a national framework for R&D which I have outlined in previous responses. Queensland will play a key role and a leading role in that. You are probably aware of our investment in the ecoscience precinct at Boggo Road which will bring together scientists from across different government agencies as well as scientists from CSIRO, the University of Queensland, QUT, the centre for food and health at Coopers Plains, the Crop Development Facility at Redlands and the Centre for Advanced Animal Science at Gatton. This is significant investment by the state in new infrastructure to ensure that we maintain that leading edge.

Coming from a regional area like you, I believe that what we need is investment in new facilities throughout the regions. This is what Fresh Approach is about. We are working with industry—that is, agripeaks and the medium to large agribusinesses—and the education system to identify where we should put that investment. Whilst I was up at the CEDA luncheon I spoke about the tablelands. We have ageing facilities there. The idea is to build a brand-new facility on the tablelands which will incorporate the three research stations and the agricultural college. We are good at applied research there and we will link that into extension and delivery through training. The partnership with the agricultural college is crucial in that. What I see as a vision is a series of centres of excellence which bring together researchers from the universities, CSIRO and the department of primary industries linking back into the applied research stations such as the one on the tablelands. They will all be connected. When you are trying to attract scientists we find that they want peer support.

You know how important the maize breeding program on the tablelands is to the dairy industry up on the tablelands. We scouted all around the world to find a plant breeder to replace a retired person. We found someone in South Africa who willingly took up the position but he wanted to be where the other scientists were at Hermitage. He is in charge of that maize program on the tablelands. He visits the area but he has peer support. All our facilities will be linked together under this fresh approach. The facilities on the tablelands will be owned by the department. If universities like JCU and QUT want to come and co-locate there we would also welcome that. I stress that the ownership and management of those facilities will be done by the department.

**Ms LEE LONG:** There is going to be a big reduction in research centres and facilities on the tablelands. There are three research stations at the moment and that will shrink down to one. We have the DPI building in Peter Street in Mareeba. Page 3-20 of the Service Delivery Statements also refers to the valuation of the sale of the DPI facility at Peter Street, Mareeba to another government department. Will this sale have any impact whatsoever on DPI activities now conducted from the Peter Street location? Will this sale impact on service delivery?

**Mr MULHERIN:** The Mareeba office is a business centre. There will be no change to the Mareeba office. The staff who are located there will still be there. What we are looking at on the tablelands are three research stations and bringing them together into a new facility. The old facilities will continue to operate until that new facility is built. It will be through that disinvestment that we will raise the funds to provide the new infrastructure.

When I was up on the tablelands I met with about 10 different people representing the diverse range of agricultural activities on the tablelands and explained the process. What we will have is a steering committee comprising representatives from QFF, AgForce, the Australian Agricultural College and DPI. We will have an independent panel to engage with DPI staff, who are one set of stakeholders. As importantly, stakeholders that are involved in agriculture and local government will be consulted in determining the final site. They will determine whether it will be a greenfield site or an existing site. This is not about reduction. This is about ensuring that we can seize the opportunities that will come to north Queensland, particularly the tablelands. I will ask John Skinner, the deputy director-general who is leading this project, to make some further comments.

**Mr Skinner:** Specifically in relation to Peter Street, it has become a Public Works site run by the Department of Public Works. In essence, all these sites, whilst at various times they may be a particular departmental site, are government sites. What it means is that Public Works will now take responsibility for that site. On that site we have a range of government departments. As part of them taking responsibility for the site they are undertaking refurbishment of the site.

Our activities will remain on that site. We will benefit, as will other departments, from the refurbishment of the site. Staff will get upgraded facilities. That is the arrangement for us along with Natural Resources, the Environmental Protection Agency and the Australian Quarantine and Inspection Service. We will not have to worry so much about running the site because Public Works will look after the site as such.

**Ms LEE LONG:** You say that you are going to consult widely with the QFF and AgForce amongst others. Is there going to be much local input into this because QFF and AgForce probably do not have a huge presence on the tablelands?

**Mr MULHERIN:** When I say QFF, QFF is a federation that represents organisations such as Growcom, Cotton Australia and QDO. QDO will be one of the major stakeholders consulted. We are doing a lot of consultation with them currently about enhancing our service delivery and capability up there.

Whilst I was up there I also met with the newly elected mayor, a former mines and energy minister, Tom Gilmore. We will consult with not only local government and you but also all the different industry stakeholders. I met with people who self-seed. They had issues and I assured them that we will be able to continue to work with them in the development of their industry. I will ask the deputy director-general, John Skinner, to outline that a bit further.

**Mr Skinner:** The consultation process will be quite extensive in the tablelands. Obviously key stakeholders will be involved. As the minister outlined, when he was up there recently he met with the seeds industry. They do not have a seed industry body to speak for them but they tend to be sufficiently organised that they have a number of spokespersons.

What we will be assessing is clearly not simply those who may be part of what you call the peak industry groups. There are obviously others up there who clearly have a point of view that they would like to convey to the independent consultants. The process as to how that should take place is being designed at the moment. It will start mid to late August. Obviously, you as the local member, the mayor, other key industry producers on the tablelands and a range of people who clearly have an interest in the matter will be part of the consultation process. The consultants will make sure that they engage these people. Those who have expertise in research and staff of the department will come forward. The objective is that there is an opportunity for as many people as possible to have an input into the process.

**Mr MULHERIN:** We would also like to engage with people who might want to invest up there in new types of industries—bioindustries that are over the horizon but will bring economic and social prosperity to the tablelands and other parts of north Queensland.

**Ms LEE LONG:** Thank you for that. You have acquired the agricultural college at Mareeba. Has there been any monetary cost to DPI in association with that or has that just been a crossover from the education department to you?

**Mr MULHERIN:** As from 1 July the Australian Agricultural College Corporation became, under a machinery-of-government change, part of the department of primary industries. With regard to the Mareeba facilities, I met with the head of campus and staff when I visited the tablelands. The facility was built in 1957. When you look at putting some money into painting and reroofing, it would cost probably about \$1.2 million. That was why we made the decision that we would like to integrate that on to the new research facility sites. In relation to the machinery-of-government changes of the corporation coming under the portfolio of the department of primary industries, I will ask the Acting Director-General, Rob Setter, who heads up the corporation to provide more detailed information in relation to the asset transfers.

**Mr Setter:** There is no cost to the department in the transfer. It is a machinery-of-government change, so all assets come across as the corporation to the portfolio—not into the department but into the portfolio. There is an arrangement with DETA around recurrent funding to continue for three years on current levels while we investigate the corporation model and determine if there are smarter and better ways by which we can deliver better outcomes for skilling across the state. The intent is very much for the department to use our significant corporate services to help position the organisation, so we are supporting in a range of HR functions and others that obviously are required to keep the organisation going forward. The corporation is negotiating with the department about how we can make better use of some facilities. There are memorandums of understanding being signed around where the department might have access to some locations or assets of the corporation and vice versa. Once we have reviewed the corporation model, we will make a determination of where costs and benefits are and, consistent with the FA&A Act, keep separate books as required. In answer to your question, there has been no direct or significant cost. It comes across as an entity and will be managed separately although under the one CEO position.

**Ms LEE LONG:** Thank you. Minister, do you envisage that all DPI staff from the Peter Street facility will eventually relocate out to the agricultural college site?

**Mr MULHERIN:** No.

**Ms LEE LONG:** They will stay at Peter Street?

**Mr MULHERIN:** They will stay in the Mareeba business centre. What is on the table in the tablelands is that, with regard to the agricultural college at Mareeba, Walkamin, Kairi and Southedge, through the use of an independent consultant we will work out where it is best to locate these new facilities that will incorporate the three research stations and the agricultural college on to one site.

**Ms LEE LONG:** Thank you for that. Minister, will the new primary training facility at the agricultural college be a single campus with various locations to cater for the variety of field training requirements—for example, agriculture in some and pastoral in others? Will it follow the land grant option where individual farmers are co-opted into the training network?

**Mr MULHERIN:** The purpose of developing the partnership between the Australian Agricultural College Corporation and the department is the synergies that we can offer each other's organisation. The department is very good in the area of applied research, and it is about delivering that extension

and the training for adaptation of the new technologies which will then assist in reducing input costs and driving profitability in the sector. We will work with the Australian Agricultural College Corporation on how we develop innovative ways of reaching out and delivering that training. The deans of agriculture, for example, identified that in six years time we will need 36 per cent more agricultural scientists than we currently have. The deans of agriculture said that there is a lack of undergraduates coming in. For example, at UQ I think there are only 12 doing agricultural science in the first year when it has the capacity to train 120 and JCU I think is down to five. The real aim of pulling all of this together is that we develop a partnership with Education Queensland to develop an agribusiness syllabus that will attract not only non-academic kids but also technicians working on farm and across the supply sector. The academic kids will go into the bioagricultural research area which will assist the sector to meet the challenges of climate change, adaptation and keep us competitively global. We see the agricultural colleges playing that important role, but it is also important to keep upskilling the people who are currently in the sector. Life is about lifelong learning and we believe this partnership between the agricultural college and ourselves will deliver results so that we will have the skilled people to take this industry forward well into the 21st century. Mr Skinner, would you like to comment further?

**CHAIR:** You only have 10 seconds.

**Mr Skinner:** I suppose the key points are that the site has not yet been determined.

**CHAIR:** That is actually the end of time for non-government questions. I call the member for Bulimba.

**Mr PURCELL:** Minister, I return to your Service Delivery Statements at page 3-4 paragraph 6. How will FutureBeef assist in the profitability and sustainability of Queensland's largest primary industry, the beef industry?

**Mr MULHERIN:** FutureBeef represents the department's commitment to the beef industry for development and extension activities to accelerate the adoption of best practice management and new technologies. It is the next tool in the Department of Primary Industries and Fisheries arsenal to further grow the state's \$3.7 billion beef industry. FutureBeef will focus on developing whole-of-business management and market orientation for beef businesses. It will also provide support to enterprises to improve adaptability and management of risk. FutureBeef is an essential part of the department's investment in the beef industry providing targeted, flexible and adaptive services that address the whole supply chain from property to market.

Assisted by regionally located extension offices, the department will focus on improving productivity and profitability through the integration of available and new technologies. There is a strong market demand for quality beef, both from the domestic and export markets, and there are opportunities to grow these markets through improved growth, reproductive performance and lower age of turn-off for the Queensland herd enabling early sale. There will be a concerted effort to grow the industry through addressing the whole-of-supply chain rather than focusing efforts on individual sectors of the industry. Because the Queensland beef industry supports a very strong meat processing sector which competes in the global market, it is critical that the department understands the key issues affecting the processing industry as well. Beef cattle production is a major agricultural activity in all regions serviced by the department and coordinated across the state. A coordinated effort across the state will maximise the potential of the industry and achieve efficiencies for the department while the adoption of an accelerated uptake by producers will maximise return on the department's beef research.

FutureBeef will also target exactly what the name applies—the future of the industry. Targeted packages aimed at youth will prepare the next generation to become the state's future leading producers and industry leaders. Their extension products will be largely based on modernised and e-learning techniques. The success of the new-look package will be based on transforming research to reality. Once our researchers have finalised their research, we will conduct on-property demonstrations of the outcomes as this is the best way to illustrate not only what research means on the ground but also, and sometimes more importantly, what it means to the bottom line of their businesses. This will play an important role in maximising the profitability and sustainability of the beef industry and position it for the future.

**Mr HAYWARD:** Minister, I refer to page 3-10 of the Service Delivery Statements in terms of group H with regard to control of and response to pests. I want to follow on from a question that was asked earlier by the shadow minister, Mr Horan, and I ask: what is being done to maximise the chances of achieving successful eradication of fire ants in Queensland?

**Mr MULHERIN:** Australia is the first country to come close to eradicating fire ants. Our success to date has been achieved through a combination of smart science, operational efficiency and the participation of a well-informed community that actively looks for and reports suspect ants. We are now dealing with the tail of the infestation and there are only low levels of fire ant infestations remaining. We know from experience that we can kill the ants and the major focus of the eradication program is now finding any remaining infestations before it can spawn new colonies. The recent Fire Ant Reward Scheme was run to find any previously undetected colonies. Odour detection dogs are also being used

to search for fire ant colonies. The dogs are trained to specifically find red imported fire ants and are able to find colonies before their mounds become visible. With this level of sensitivity, we can find fire ant colonies before they have a chance of spawning new colonies.

The program is also investing in DNA analysis that will enable the source of the colony to be determined. If a colony is found that is not related to a nearby infestation, then additional efforts can be put into finding the source. This will allow better use of program resources and will allow a more targeted surveillance to be undertaken. Finally, our scientists are working with other Australian scientists on modelling that will identify if there are any gaps in the surveillance that has been undertaken to date. This will allow for targeted surveillance to be undertaken in high-risk sites and results in greater confidence that there are no colonies that remain undetected. All of these innovative projects are increasing the chances of achieving eradication of this pest, which must be achieved if we are to protect the Queensland economy and the unique environment and way of life.

**Mrs SULLIVAN:** Minister, I refer to page 3-5 at paragraph 5 dot point 2 of the Service Delivery Statements. What progress has been made with the accelerated breeding program for new sugarcane smut-resistant varieties to assist the sugar industry?

**Mr MULHERIN:** The department has contracted BSES to ramp up efforts to develop smut-resistant varieties. To allow BSES to expand its capacity and develop more smut-resistant varieties with high yield, high sugar content and other desirable characteristics, a new photoperiod house has been constructed. A photoperiod house is a breeding facility which allows control of the time of flowering in the sugarcane plant. This facility will allow more crosses to be made and hence reduce the time before new varieties are released. Large areas of sugar cane have been converted to smut-resistant varieties. Sugar cane is grown by replanting part of a mature cane stalk which is cut into lengths of about 40 centimetres called setts. BSES has been able to provide smut-resistant setts which are then planted by machines which drop them into furrows, add fertiliser and cover them with soil.

BSES has used three major initiatives to have sufficient planting materials available. These are coordinating the introduction of 1,700 tonnes of planting material of resistant varieties in 2006, producing a further 60 tonnes of setts in September 2007 and producing 24,000 seedlings through tissue culture for planting in 2008 which will allow setts from mature plants to be available in 2009. As sugar cane is only replanted on average once every three to four or even five years, whole-of-industry conversion to smut-resistant varieties will take some time. However, initial uptake by industry of the new varieties has been encouraging. A good example of grower adoption is in the Isis region where the percentage of planting of smut-susceptible varieties has been reduced from 80 per cent to 53 per cent in two years. The adoption of smut-resistant varieties will have a significant, positive effect on the industry and will hasten the industry's recovery from the effects of smut on yield and profit.

**Mr PURCELL:** I refer to page 3-30, dot point 2 of the Service Delivery Statements, and I ask: what level of assistance has been provided by QRAA this year to Queensland's drought-affected businesses?

**Mr MULHERIN:** QRAA estimated a record \$150 million in drought related assistance to Queensland primary producers and small businesses in 2007-08. This estimate represents a new record level of drought assistance of 43 per cent above that approved by QRAA in 2006-07. The majority—\$135 million—was estimated for approvals for interest subsidies under the Commonwealth and state funded Exceptional Circumstances (Interest Subsidy) scheme to primary producers and small businesses. An amount of \$15.5 million in assistance was estimated as rebates through the state government funded Drought Rate Rebate Scheme and Irrigators Fixed Water Charge Rebate Scheme to primary production businesses. In May 2007, QRAA estimated \$4.6 million in assistance for drought carry-on and drought recovery loans through the state government's emergency assistance scheme for primary production businesses. While this record level of assistance is a clear indication of the continued severe impact of the drought in Queensland in 2007-08, it demonstrates the commitment of this government in supporting the rural and regional sector in times of need.

The flood rains received in early 2008, whilst doing a lot of damage in some areas, will provide some certainty for producers this calendar year and the next calendar year and should reduce the level of need for continued drought assistance in 2008-09. As a consequence of those rains, demand did not meet expectation. As at 30 June 2008, a total of \$118.6 million was approved under the various drought related programs. The actual level of drought assistance for 2007-08 is 13 per cent above that approved by QRAA in 2006-07. The majority, \$106.3 million, has been approved as interest subsidies under the Commonwealth and state funded Exceptional Circumstances (Interest Subsidy) scheme to approximately 3,000 primary production and small businesses. An amount of \$7.3 million in assistance has been approved as rebates through the state government Drought Rate Rebate Scheme and the Irrigators Fixed Water Charges Rebate Scheme to around 3,000 primary production businesses. An amount of \$4.7 million in assistance has been approved as drought carry-on and drought recovery loans through the state government's emergency assistance scheme to approximately 70 primary production businesses.

Eighteen exceptional circumstances declared areas expired on 15 June 2008. As seasonal conditions have not improved sufficiently to allow a return to more typical management practices, five of those ECs have been extended by the Commonwealth government for a further 12 months. These areas are located in the Darling Downs, the Burnett and south-west Queensland regions. Small businesses in those areas will also be eligible to apply for this support. Other declarations in the far west—Waggamba, Duaringa, Bauhinia and Mount Morgan—are scheduled to expire on 15 June 2009. The level of need for continued drought assistance in 2008-09 will be subsequently reduced. Overall, QRAA made a very significant financial contribution to primary producers and small businesses throughout the state.

**Mr HAYWARD:** I want to stay with QRAA, if I can, and focus particularly on—

**Mr MULHERIN:** Excuse me, just before I take a question from the member for Kallangur, I would like to table two tables in response to an earlier question on biosecurity inspectors which I took on notice. Table 1 refers to specific locations, which were asked about in a question by the deputy chair and member for Toowoomba South. Table 2 lists all biosecurity offices by location across Queensland. So with your permission I seek leave to table this and give them to the honourable member.

Leave granted.

**Mr HAYWARD:** As I said, I was going to stay with QRAA, if I could, and focus on special disaster flood assistance. I refer to page 3-30, dot point 5 of the Service Delivery Statements. I ask: how effective has QRAA been in delivering emergency and ongoing assistance to primary producers and small businesses?

**Mr MULHERIN:** QRAA administers a diverse range of government financial assistance programs for primary producers and small businesses. QRAA has continued to provide a high level of financial assistance during the 2007-08 period, with total applications assessed increasing by 61 per cent from the 2006-07 period. During 2007-08, QRAA again met key performance indicators, acquiring two new financial support programs—the Queensland Commercial Horse Small Business Emergency Assistance Scheme and the Special Disaster Flood Assistance Scheme for primary producers and small businesses. Through the calibre of QRAA's staff and an understanding of the issues facing rural and regional Queensland, it was effectively able to reach those most requiring these assistance programs.

To reinforce QRAA's commitment to rural and regional Queensland, three new client liaison offices were opened in Longreach, Rockhampton and Bundaberg in November 2007, totalling QRAA's regional representation to eight offices. These regions were selected on the basis of current application numbers from producers and small business operators in these areas as well as comments received from primary producers and industry representatives and to provide the strategic placement of QRAA regional offices. Their response to emergency situations should be commended. Recently, the special disaster flood assistance package, which was implemented to assist those impacted by the monsoonal floods that occurred in January and February, was administered in a timely manner, with QRAA able to commence the assessment of applications within seven days of the announcement of the scheme. This timely manner was not only evident in the administration of the Special Disaster Flood Assistance Scheme but also extended across all of QRAA's recently acquired programs.

QRAA received its first applications for support under the Drought Rate Rebate Scheme only five days after the regulation had been gazetted and was able to assess applications and provide payments in an extremely short time frame. QRAA responded to support those primary producers and small businesses most in need from the recent flooding by relocating client liaison officers within 48 hours to those key regional centres that were most impacted by the disaster. They travelled with the Department of Communities' flood recovery team to the worst-hit areas of south-west Queensland, including Charleville, Wyandra, Cunnamulla and Emerald, meeting with flood-affected producers and small businesses as well as local banks, accountants and solicitors to increase the awareness of QRAA's flood assistance.

The coordination and efforts that occurred with other government departments during the flood period included coordination with the Department of Communities, the Department of Tourism, Regional Development and Industry and the Department of Primary Industries and Fisheries. Financial counsellors greatly assisted those who needed access to government funding urgently. QRAA regularly consults with industry organisations when developing new programs.

**Mrs SULLIVAN:** My question to the minister relates to sorghum production. I refer you to page 3-4, the last paragraph of the Service Delivery Statements. 2008 was a record year for sorghum production. What is the Department of Primary Industries and Fisheries doing to ensure the future of the sorghum industry?

**Mr MULHERIN:** Thank you for that question. During the break over a cup of tea I had a discussion with the member for Darling Downs about the sorghum crop on the downs. The record sorghum crop in Queensland this year is not just good news for our grain producers. Our valuable livestock industries depend on reliable supplies of feed grain such as sorghum. The emerging biofuels sector in Queensland also seeks sorghum to make renewable fuels.

Queensland's successful sorghum industry rides on the back of the innovative science and breeding undertaken by the Department of Primary Industries and Fisheries. Almost every grain of sorghum produced in Australia can be at least partly traced to an elite germ plasm developed under the department's world-class program. Over the past six years alone, commercial seed companies have licensed over 510 elite sorghum lines from DPIF. These new lines will deliver benefits to industry over at least the next 10 years. DPIF's sorghum is desired by industry, because it incorporates unique value-adding traits. For example, stay-green sorghum, bred by DPIF, produces greater grain yields and larger grains with fewer crop losses from lodging and drought. The department's scientists and their international collaborators are working hard to clone the genes responsible for stay-green, with the aim of improving the drought tolerance of other cereal crops. Sophisticated techniques are also being used to identify the functions of other specific genes in sorghum and their impact on important traits. This will make it easier to identify gene variance that can be used to produce plant or grain with novel properties, such as improved digestibility.

The department's sorghum team is also integrating genetic, agronomic and management solutions to further expand the sorghum industry in Queensland and to improve the reliability of feed grain supply. This year's crop may be the best that many growers have seen. Queensland grain has even found its way to Adelaide, Melbourne and Tasmania. Smart science by the department's sorghum team will continue to grow the industry in Queensland and provide the feed and biofuels to keep the smile on everyone's face.

**CHAIR:** That is the end of the allocated time for government questions. We now return to the time allocated for questions by non-government members. I call the member for Toowoomba South.

**Mr HORAN:** In answer to a previous question from the member for Tablelands regarding charging for property registration and registered brands, you said that Treasury provided you with supplementary funding in lieu of charging for this year. Can you advise this committee the amount of that supplementary funding? Does that supplementary funding mean that this is only a temporary arrangement, or can you give us an ironclad guarantee that there will be no charge for property or brand registrations in the future?

**Mr MULHERIN:** The funding that has been given to the department by Treasury to supplement the output funding is \$2.1 million. As I indicated to the member for Tablelands, it had been foreshadowed in previous budgets, but not in this budget. We will just deal with those matters as we progress our biosecurity strategy. The consultation paper is out there. I cannot give any guarantee what the situation will be in 12 months, two years, 10 years, or whatever. The current position is that we have been provided supplementary funding in the 2008-09 budget.

**Mr HORAN:** The government has approved \$44.6 million over seven years for the establishment of hardwood sawlog plantations and DPIF is charged with managing this funding. Can you advise this committee if this money, which is for the planting of these hardwood trees and plantations, will go to public tender so that we can maximise the value to the taxpayers or will it be granted only to Forestry Plantations Queensland?

**Mr MULHERIN:** As you rightly pointed out, the government has allocated funding through the department to give to FPQ for the expansion of the state's hardwood plantation. It was announced by the Premier on 14 December that we would expand the sawlog plantation to 20,000 hectares in south-east Queensland as part of the government's Western Hardwoods Plan. The Premier's announcement represented an additional 10,000 hectares of plantation, building on the previous government's commitment to establish 5,000 hectares of hardwood sawlog plantation under the South East Queensland Forest Agreement and a 5,000 hectare hardwood plantation initiative by the former DPI Forestry, now FPQ Queensland.

A Queensland government grant of \$10 million has already been provided to FPQ to help finance the establishment of an initial 1,800 hectares of the additional 10,000 hectares. The FPQ has also recently been requested to deliver the remaining 8,200 hectares of the Queensland government's sawlog plantation resource. The government has committed a further \$44.6 million to expend over a seven-year period to establish the remaining 8,200 hectares of the 20,000 hectare plantation estate.

Arrangements are currently being established between my department and FPQ for the administration of these funds. Once established the new 20,000 hectare plantation resource will provide a secure and sustainable resource supply. I understand, and I will seek further advice from the CEO of FPQ, Dr Warren Hoey, that an independent consultant, Deloitte, was engaged to see who could best deliver the government's policy. It acknowledged that FPQ had the expertise to deal with that to ensure that we had a secure and sustainable resource supply into the future.

**Dr Hoey:** The minister has given most of the information. If I can just emphasise that I think your question was focused on whether it is going to go elsewhere and did we undertake a comprehensive assessment in assessing who ought to deliver that.

**Mr HORAN:** No, will it be tendered?

**Dr Hoey:** For the purpose of clarity, I repeat that a comprehensive assessment process led by the former Department of State Development in consultation with the Department of Primary Industries and Fisheries, the Department of the Premier and Cabinet and Queensland Treasury with input from Deloitte and URS was undertaken to determine whether the additional 10,000 hectares could be delivered efficiently by the private sector. The cost for us delivering it was about half of what the private sector could deliver it for so we were chosen.

**Mr HORAN:** Minister, within your forestry budget has any provision been made by FPQ for possible damages arising from the promise of resource by the Deputy Premier which was in a letter to two of the biggest customers, Hyne Timber and Laminex Industries? They then spent some \$20 million expenditure in capital upgrading of their plants. Have you made any allowance for possible damages that may arise from a contractual dispute as a result of that resource being pulled?

**Mr MULHERIN:** In April 2006 the Cabinet Budget Review Committee authorised the negotiation of agreement with Hyne & Son and the Laminex Group to facilitate the expansion of the plantation based industries in the Gympie-Maryborough area. In 2006 the former DG of the Department of the Premier and Cabinet set out details of an offer in a letter to Hyne and Laminex. The offer included extensions to the existing long- and short-time supply log sale agreement in exchange for investment in a new processing capacity at the Hyne and Laminex facilities at Tuan and Gympie respectively and the creation of additional jobs. Both companies accepted the former DG's proposal.

In December 2006 Forestry Plantation Queensland was instructed to implement an agreement based on the director-general's letter of offer. Forestry Plantation Queensland subsequently confirmed acceptance by both Hyne and Laminex that a detailed agreement would be effected through a heads of agreement which would then allow amendments to the scheduled existing log sale agreement subject to satisfactory completion of the performance targets.

FPQ provided draft heads of agreements to both Hyne and Laminex in March 2007. Negotiations between FPQ, Hyne and Laminex stalled in November 2007 over differences in expected outcomes between the parties. In June 2008 the Cabinet Budget Review Committee endorsed that Forestry Plantation Queensland cease negotiations around the 2006 concessions and commence commercial negotiations with Hyne and Laminex for supply arrangements consistent with exotic pine sawlog allocation policy endorsed by cabinet in December 2000. Hyne and Laminex have both been advised of this decision and have indicated they will seek to negotiate extensions or new supply arrangements directly with FPQ. I will ask Dr Hoey to provide any additional input if he so desires.

**Dr Hoey:** I think the honourable member is referring to what is known as the heads of agreement. The minister has outlined its current state of play. Both Hyne and Laminex have been notified verbally by us of the cabinet decision and they are currently looking at their situation. In the meantime we have been negotiating with Hyne—Laminex have not taken up the offer as yet—to look at their long-term contracts. As you know, we operate with 10-plus five-year contracts and we were in the process anyway of negotiating the next five-year contract for Hyne and we have done so with them. These are commercial matters, as I am sure the honourable member would appreciate, so any compensation would not be in DPIF's budget because we are a commercial unit. FPQ is a corporation.

**Mr HORAN:** Minister, do you have a strategic plan for recreational and commercial fishing. If so, what fishing groups have you consulted in the development of this plan and could you advise the committee how many times your Dialogue for Action group has met during 2007-08?

**Mr MULHERIN:** The department is currently developing a strategic plan. We are acutely aware, as is the rest of the community, of the situation with the commercial sector at the moment. There was a Dialogue for Action with the department very recently where we were looking at what we can do to assist the commercial sector maintain its profitability. The sector, that is the QSIA, the Queensland Seafood Industry Association, the organisation representing commercial fishermen, and the Queensland Seafood Marketing Organisation, met with the department. A number of issues were raised. The department is currently working through these with the industry. One of the things that we are looking at is that whole supply chain analysis from the fishing boat to the plate. We have engaged a consultant. This has been done in partnership with QSIA and the Seafood Marketing Organisation. We are also looking at changes to management arrangements to reduce the input controls that are impeding business. This will provide greater flexibility and certainty without compromising the ecosystems upon which the fishery industry depends and will assist with the training and development of crews for trawlers so that operators can have skilled workers who are committed to the industry. Also, as I said, we will examine the supply chain. The package will look at short to medium to longer term actions which I believe will be beneficial to the industry.

As far as engagement is concerned, we had a fisheries policy dialogue on 20 November 2007 and we had the Rural Skills, Training and Labour Strategy on 7 February. More recently the seafood industry was involved in another dialogue based around carbon trading. I think it is a bit cute at times that when the industry is in tough times you say that we are doing nothing. We are constantly working with industry to ensure its commercial viability as well as engaging with the likes of SunFish.



**Mr HORAN:** Minister, a structural adjustment package of some \$70 million has been announced by the government through the EPA regarding the Moreton Bay Marine Park zoning. As you are the minister responsible for the fishing industry, both commercial and recreational, what will you do to get fair compensation for the fishing industry of Moreton Bay which has estimated that \$40 million would be required just to buy out half the fishermen in Moreton Bay—that is, those who work the inshore, not allowing for those who work the outside and the associated industries? Will you be taking any action to get some compensation justice for those you are responsible for?

**Mr MULHERIN:** The Marine Parks (Moreton Bay) Zoning Plan 1997 expires in September 2008 and must be reviewed before this date. The Environmental Protection Agency is responsible for this review, which commenced on 23 February 2007. My department and the Environmental Protection Agency have worked closely through the development of the proposal and will continue to do so throughout the full development phase to ensure that conservation and fisheries objectives within a re-zoned Moreton Bay Marine Park are aligned. My department is providing a range of data to the Environmental Protection Agency, including fisheries catch and effort data and vessel monitoring systems data. This will allow the Environmental Protection Agency to identify key fishing areas and associated impacts from any proposed marine park re-zoning. My department has no major concerns about the sustainability of fish stocks in the Moreton Bay Marine Park. However, there are some individual species, such as snapper, that my department will continue to monitor and develop new management arrangements for to ensure their sustainability not only in the Moreton Bay Marine Park but in wider south-east Queensland. Given that many fish species move in and out of Moreton Bay, my department will continue to monitor and manage fisheries holistically rather than spatially in a particular area. While stakeholders have worked with the Environmental Protection Agency to minimise impacts from the introduction of new zoning arrangements, there will undoubtedly still be some impacts.

To offset these impacts on commercial fishermen, as you pointed out, a \$14 million structural adjustment scheme will be implemented with the new zoning plans. My department is working with the Environmental Protection Agency to ensure that the structural adjustment scheme is based on the most up-to-date and relevant information, the offsets and the impacts on recreational fishers. The amount of \$1 million has been set aside to create artificial reefs within the Moreton Bay Marine Park. These reefs will not only provide an environment for fish aggregation but also a habitat for fish to spend part of their lifecycle within. This in turn will provide areas for good recreational fishing. The EPA determined the \$14 million based on DPIF data that was provided in the green zones.

**Mr HORAN:** I refer to the consultation advisory mechanisms used to develop and review fisheries policy and legislation—SDS 3-11. Can you explain why the government completely disregarded the fishing industry associations in the development of draft legislation for fishing capacity in Queensland's line, crab, beam trawl and eel fisheries recently and what consultation should have been carried out?

**Mr MULHERIN:** You are referring to the inshore fishery?

**Mr HORAN:** The recently developed draft legislation for fishing capacity in the line, crab, beam trawl and eel fisheries.

**Mr MULHERIN:** I think that the consultation you are referring to relates to inshore fisheries and the development of the fisheries management plan for the east coast inshore fisheries which runs from Cape York to the New South Wales-Queensland border. In the past we have normally put out regulatory impact statements. I asked the department when I became minister to go out and consult with industry at a number of port meetings, I think there were about 45 in total, where we sought the views of both recreational and commercial fishers and other interested parties. I think we saw over 2,000 people in that process, but I probably need to check that for sure. I will ask Ian Yarroll shortly to make some comments in relation to that. We received feedback from that. We then put out a form asking people to rank what they considered to be the issues that needed to be addressed. I think we received something like 1,700 responses. That formed the basis of the regulatory impact statement which was put out for consultation. That period has now closed. During that time the department has met with the different stakeholders. We have the advisory committee consisting of stakeholders and the department as well as scientific members looking at all those issues and they will be making a recommendation to me on the management plan which I will then take to cabinet later on in the year.

As far as consultation is concerned, I have met with Sunfish, QSIA and the marine conservation group in relation to Moreton Bay and also the inshore fishery. But I call on Mr Ian Yarroll from Fisheries in DPIF to provide further information.

**Mr Yarroll:** The minister has advised most of the detail in regard to the consultation process for the inshore finfish fishery. Additional consultation occurred post the RIS process. Additional specific management working groups were formed—six of those were formed—with stakeholders to discuss detailed issues that came up as part of the consultation process.

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

**Mr PURCELL:** Minister, I refer to the second heading on page 3-5 of the agency's Service Delivery Statements regarding sustainable resource use. How are the recently announced PMSI projects helping to improve profitability and sustainability in intensive farming systems?

**Mr MULHERIN:** The Department of Primary Industries and Fisheries and I are committed to improving the productivity and sustainability of primary industries in partnership with industry and natural resources management organisations. There are currently 10 property management systems officers working with industry and regional NRM bodies across the state to promote the use of property management systems. Negotiations are underway with AgForce beef on their proposal which incorporates a further six officers. The Property Management Systems Initiative is a key initiative under Blueprint for the Bush and is contributing to the Queensland government meeting its commitments under the farm management systems memorandum of understanding with the Queensland Farmers Federation.

Projects that focus on improved profitability and sustainability have been encouraged. The twin goals of profitability and sustainability will assist landholders to improve bottom line outcomes and demonstrate that they have the systems in place to produce food and fibre in line with community expectations. Through the initiative, the departmental officers are delegated to provide technical support and advice to accelerate the development and adoption of property management systems and related initiatives on-farm. For example, an officer is working with the cut flower and turf sectors to develop a comprehensive property management system for the sector, building on existing programs developed by other sectors.

Through the department's partnership with the Queensland Dairyfarmers Organisation, we already have 70 per cent of dairy farmers in close proximity to Rockhampton involved in the Dairying Better 'n' Better for Tomorrow program, which involves using a self-assessment tool to help identify their on-farm natural resource management priorities and to benchmark their current farm practices. There has been strong interest from the horticultural and forestry sectors of northern Queensland, particularly in relation to water use efficiency. There has also been interest in progressing to the highest levels of certification, signalling a willingness to make significant business improvements.

Engagement of cane growers in the Isis area has been increasing. Recent workshops on farm management systems matters relating to safety and chemical application have had up to 110 growers in attendance. The nine Property Management Systems Initiative projects approved to date represent a good mix across the extensive and intensive primary industries and regional natural resource management groups. The emphasis my department has placed on the importance of partnerships is realising results, with partnerships bringing additional expertise and resources to the projects.

The current round of projects will continue to be delivered and as these projects come up for evaluation in the normal course of events, generally during 2009-10, their contribution or other options will be considered. There will be a review of the overall initiative during 2008-09. This review will consider the outcomes achieved and opportunities for future management arrangements.

**Mrs SULLIVAN:** Minister, I refer to paragraph 4, dot point 1-2 on page 3-4 of the Service Delivery Statements. Fisheries and aquaculture are major industries for Queensland. I want to take this opportunity to thank you for your recent visit to the Bribie Island Aquaculture Research Centre in my electorate. How is DPIF better integrating its science capacity in these areas and improving collaboration with other agencies working in similar areas?

**Mr MULHERIN:** I thank the member for Pumicestone. It was a great day when we went there. The scientists there are doing tremendous work on closed system aquaculture. My department's sustainable fisheries research program currently located in Deception Bay will relocate to the Bribie Island Research Centre by 2009 and to the new ecoscience precinct planned for construction completion at Boggo Road by 2011. This will better integrate our fisheries and aquaculture science capacity within the department and allow us to improve collaboration with other science agencies. To achieve this more integrated direction, the site has been rebadged the Bribie Island Research Centre from the previous site name of Bribie Island Aquaculture Research Centre.

The amount of \$5 million will be spent on relocating sustainable fisheries staff to the Bribie Island Research Centre to provide a world-class facility for combined fisheries and aquaculture research with more efficient and integrated infrastructure. This will include upgrading existing sea and freshwater tank system research capability to provide world-class facilities for our fisheries scientists. Also, some sustainable fisheries staff will relocate to the new ecoscience precinct to better collaborate with the CSIRO marine resource researchers who are expected to relocate from CSIRO's Cleveland facilities to the ecoscience precinct. The Deception Bay facility will be decommissioned at that time.

CSIRO has commenced discussions with DPIF to relocate their technical capacity from Cleveland to the Bribie Island Research Centre to maximise the collaboration and to support DPIF and CSIRO fisheries scientists to be based at the ecoscience precinct. Research undertaken at these new facilities will help maintain the long-term sustainability of Queensland's critical recreational and production fisheries resources. The relocation of sustainable fisheries staff to Bribie Island and the ecoscience precinct is part of a major government project whereby DNR; EPA; Queensland Health; Mines and Energy; and Tourism, Regional Development and Industry are co-located with researchers from CSIRO, QUT and UQ.

Whilst I was at Bribie Island I looked at the work they were doing on the domestication of the black tiger prawn. It is interesting how science is these days. The department has a world-class geneticist working on that project. I asked a question out of left field: is there any link with the research on the prawn with the Brain Institute at Queensland University? It turns out that the scientist who is working on the research of the black tiger prawn is also working on Alzheimer's research. So she is working across two areas. It is multidisciplinary and it is amazing when you find research in one area applies to other areas.

**Mr HORAN:** Eat more prawns.

**Mr MULHERIN:** Yes, eat more prawns.

**Mr HAYWARD:** Minister, I refer to paragraph 4 on page 3-3 of the Service Delivery Statements. As part of the department's strategic direction to develop strengths and expand horizons in the food and agribusiness sector, how is your department helping to develop the organics industry?

**Mr MULHERIN:** The Department of Primary Industries and Fisheries is committed to supporting the development of the organics industry. Industry sources estimate that this industry is growing around 30 to 50 per cent per annum and worth approximately \$500 million nationally. Its potential for future growth is enormous.

Last year I met with representatives from the organics industry and was very impressed with what they told me about opportunities for growth. I could see that DPIF could help bring the industry together to sort through a number of problems that might be limiting its growth potential. In October 2007, I asked my then director-general to convene a dialogue for action forum to allow key industry members to raise their concerns. This process, which I participated in, was invaluable as it allowed the senior leaders of my department to hear firsthand the issues and also gave them an opportunity to help identify strategies to move forward.

At the departmental forum I committed to raising the industry's key issues with my ministerial colleagues at the Primary Industries Ministerial Council. They enthusiastically received this advice and are keen to develop and expand the industry nationally. As a result of these discussions, a working group comprising the Australian government, Queensland and other state jurisdictions is now advancing the issues. The department will also be looking at ways to work with the organics industry to improve the sharing of existing mainstream agricultural knowledge that has application to the organics industry. This will include information about soil health, integrated pest management techniques and post harvest treatments.

**Mr PURCELL:** Minister, I refer to page 3-6 and the first paragraph of the agency's Service Delivery Statements. What practical steps is the department taking to support cane farmers to develop sustainable farming enterprises? We have heard what the department is doing in relation to smut.

**Mr MULHERIN:** The department, in partnership with the Australian government, the regional NRM bodies and industry are working with north Queensland cane growers to establish farming enterprises that showcase how to implement environmentally sound management practices without having to compromise profitability. Building upon the department's existing FutureCane initiative and other work undertaken by the BSES, CSIRO, regional natural resource management bodies and industries, the model farms project is a concept whereby existing commercial farming enterprises in the Wet Tropics and lower Burdekin are to be progressively transformed into examples of contemporary best practice. The project is about taking what we know and implementing it on working commercial farms. Other producers can then see firsthand what improved management practices look like in practice and how they can be applied to their farms.

Given the debate around the downstream effects of agricultural production and the sustained health of the Great Barrier Reef, the project is focused on the key rural diffuse pollutants of concern; namely, sediments, nutrients and agricultural chemicals. The project aims to demonstrate the very practical way that both environmental and economically beneficial outcomes can be achieved. Core elements of the sugar production systems that are being targeted include farm planning, input and eco-efficiencies, source controls, conveyance and transmission processes, and pollutant treatment and discharge.

The project will be operating for a minimum of three years, supported by the \$600,000 grant from the Australian government. Throughout the life of the project, the department will be enlisting the expertise of growers and relevant stakeholders within each region to help guide the development, implementation and monitoring of the project. The model farms project will form a significant part with a tailored regional service delivery program servicing the sugar sector. Also included are FutureCane, property management systems, precision agriculture, land-water management planning and allied sustainable production initiatives. It is anticipated that all sugar cane growing districts will experience a rapid uptake and adoption of contemporary best management practices leading to improvements in profitability and water quality leaving farms and entering the Great Barrier Reef.

**Mr HAYWARD:** Minister, on a different theme, I refer to paragraph 6 on page 3-6 of the Service Delivery Statements. Can you advise what steps are being taken to improve our knowledge of the status of fish stocks?

**Mr MULHERIN:** The department is continuing to review and improve methods employed to evaluate the status of Queensland fish stocks. This knowledge is critical to ensuring that our fisheries are being managed sustainably and that economic returns are maximised. A comprehensive program of fishery monitoring through compulsory daily commercial fishery logbooks and voluntary recreational fisher diaries has been in place in Queensland for many years, providing information about fishery catch, commercial and recreational fishing efforts and the value of commercial fisheries harvest.

Since 1999, major commercial and recreational fish resources have been monitored by my department through annual scientific monitoring surveys and sampling of fish from recreational anglers and commercial fishers. Bycatch in major commercial fisheries is also monitored by departmental at-sea observers through a voluntary program to ensure that the potential impacts of fishing on the broader ecosystem are understood. The effectiveness of recent initiatives by the fishing industry to reduce bycatch through reduction devices and improved fishing practices can also be demonstrated.

Trends in catches and fishing effort obtained from these monitoring programs are reported through annual status reports for all major fisheries. Summary reports on scientific monitoring are also produced on a regular basis. These reports are available for the public through the Department of Primary Industries and Fisheries' internet site. Information on fish population, age and size structure, and independent measures of juvenile and adult abundance are included in stock assessments provided to fishery managers.

My department implemented a three-year rolling program of regular stock assessments to ensure that the best available scientific information on fish stock status is incorporated in a timely manner in management decision making. Departmental fisheries monitoring programs provide an appropriate mix of fishery dependent and independent monitoring to produce comprehensive and timely information on the status of Queensland's fish stocks. Together with regular stock assessments, these ensure that Queensland's fish stocks are managed on a sustainable basis.

**Mrs SULLIVAN:** Minister, I want to talk about the Stocked Impoundment Permit Scheme. I refer to page 3-11, Group L, entitled 'Management of fisheries resources and fish habitats'. Can the minister provide details of the level of success that is being experienced in the freshwater fish restocking program through the Stocked Impoundment Permit Scheme?

**Mr MULHERIN:** The Stocked Impoundment Permit Scheme currently operates at 30 dams and was introduced to support the development of freshwater recreational fisheries throughout regional Queensland. Most freshwater fish cannot reproduce in dams; therefore, there is a need to regularly stock these dams with native fish. The Stocked Impoundment Permit Scheme has proved to be very effective and has raised over \$3.5 million to improve the quality of freshwater recreational fishing since its introduction in July 2000. The funding is distributed to community based fish stocking groups and is provided for the purchase of fingerlings for stocking dams associated with the scheme as well as other activities aimed at enhancing the local fisheries. To date, funding from the scheme has resulted in the release of more than 9.5 million native fish into 30 dams throughout Queensland. The 2007-08 allocation of over \$495,000 was distributed to stocking groups in May this year.

The Stocked Impoundment Permit Scheme provides access to quality recreational fishing opportunities for rural communities throughout Queensland which has resulted in the development of supporting tourist infrastructure and has provided economic benefits to local regions. Recently, I was at Richmond and the council there decided to create a dam in the town and that has generated an amount of economic activity. The member for Kallangur was there also. I think we saw about 40 grey nomads and Mayor John Wharton told me they had been there for weeks. What brings them there is not only the dinosaurs but the fact that it is a great place to camp and fish. This is one of the great things the department does to assist regional economies.

A recent economic study including two impoundments on the permit scheme demonstrated how much this program contributes to local economies. The recreational values of the two impoundments covered by the study were \$1.1 million for the Bjelke-Petersen Dam and \$3.2 million for the Boondooma Dam. Annual financial summaries, including a breakdown of the number of species of fish that are put into each dam as a result of the funding scheme, are available from my department's web site. It is a great program to create economic activity within those smaller regional areas where we have dams.

**CHAIR:** There are approximately 24 minutes remaining in the session so we will divide the time evenly between government and non-government members. We will start with non-government members and I call the member for Toowoomba South.

**Mr HORAN:** My question refers to QRAA. How much federal government drought subsidy was allocated through QRAA during the year? What was the charge by QRAA to administer this scheme? Could you advise how the deficit of \$10.5 million has come about and how it will be managed?

**Mr MULHERIN:** QRAA estimated a record \$151 million in drought related assistance to Queensland's primary producers and small businesses in 2007-08. The majority, \$135 million, was estimated for approvals for interest subsidies under the Commonwealth and state funded exceptional circumstances interest subsidy scheme for primary production and small businesses. In relation to the operational matters of QRAA, I will ask the CEO, Mr Colin Holden, to provide further details on your question.

**Mr Holden:** In terms of the funding provided under the Commonwealth's interest subsidy program, the actual funding provided through to the end of June was \$106.3 million. The contribution from the Commonwealth in that respect is 90 per cent and 10 per cent of that is the state's contribution. There are contractual arrangements in place between us and the Commonwealth with respect to the costs of administration. In that regard, we receive \$750 per application from the Commonwealth for the administration of those particular programs.

With respect to the other matter that you raised regarding the operating deficit of \$10.5 million, that is more a timing issue that we experienced because of demand in our programs. We will receive funding from the Commonwealth, for example, based on our anticipated demand under the program, and depending on how that demand factors out will determine what our end-of-year result is. In this particular instance, that deficit of \$10.5 million will be funded through cash resources that we had from additional funding we had received in the prior year for these programs.

**Mr HORAN:** Minister, in SDS 3-30 it states that QRAA will inform Queensland's primary producers and small businesses of climate related assistance programs. Can you provide the committee with details of these programs and the processes by which they will inform producers and businesses of the programs?

**Mr MULHERIN:** QRAA provides a number of programs from state based drought relief schemes to the Commonwealth's exceptional circumstances schemes. In addition to that, there are a number of new programs that QRAA will be engaged with, and I call on Mr Colin Holden to provide further advice on that.

**Mr Holden:** As the honourable member would be aware, there is quite a bit of discussion in respect to climate change at both Commonwealth and state level. What QRAA will be doing is, once those policies have been announced and they come into some form of assistance program, assuming that is the case, we would have a responsibility to ensure that primary producers are well aware of what those particular programs are and how they can go about accessing them. We do that in a number of ways—through our regional client liaison officers, of which we have eight now strategically placed across the state; through a newsletter that we put out on a quarterly basis; and just through our general discussions and the likes with industry and producers on their own. So there are a number of mechanisms we will utilise to get that message out.

**Mr MULHERIN:** As you know, Mike, the Commonwealth has embarked on a review of drought policy linking it to climate change and adaptation and how we best position industry. In addition to that, Peter Kenny is heading up the social impacts of that. The Productivity Commission is looking at the effectiveness of the current drought policy, and CSIRO and the Bureau of Meteorology are doing some additional work that will all be considered by a ministerial council. The Commonwealth's focus is to prepare farmers for climate change with adaptation and mitigation. Future programs will probably be around those sorts of things but that will be determined in the longer term as we work through the policy issues.

**Mr HORAN:** Minister, what key scientific data or reports does DPIF base its climate change programs upon? Do these reports or data indicate that carbon emissions are producing global warming? Does the data you rely on show that the world's temperature has increased or decreased since 2001?

**Mr MULHERIN:** There are a number of reports that have influenced government policy at both a state and a federal level. We have had the Garnaut, the Stern, advice from CSIRO, the Bureau of Meteorology—all of those things have helped shape the development of climate change policies that have been embraced at a national level by both sides of politics. They may differ about the implementation but if you go out into the wider community I do not think you have many climate change sceptics out there. There may be a few, but the majority of people believe that the impacts that carbon has had on the atmosphere have certainly impacted the climate. We see already the impacts with prolonged droughts and all of that.

The Department of Primary Industries and Fisheries invests in a range of research and development projects to assist Queensland farmers in mitigating against greenhouse gas emissions as well as adapting production systems to a more variable climate. Animal emissions contribute significantly to Queensland's greenhouse gas emissions. The department is targeting the production of methane from cattle in an effort to reduce greenhouse gas production.

Scientists are exploring ways to cut the amount of methane produced by cattle and sheep through the use of feed additives, by understanding the genetics of microorganisms that produce methane in the rumen, by reducing the portion of these microorganisms in an animal's digestive system and by potentially modifying the chemical pathways within the rumen and then using micro-organisms that do not produce methane. If three-quarters of the methane generated could be channelled into animal product instead of to the loss of the atmosphere, 10 per cent of Queensland's greenhouse emissions could be reduced and an additional \$150 million worth of production could be generated by Queensland producers. I would like to now call on Professor Beth Woods who heads up Innovation and Biosecurity Investment to speak about some of the national things that are happening in relation to research and how this research is based.

**Prof. Woods:** Thank you, Minister. Within the national scale, most of the work is actually led by CSIRO and the Bureau of Meteorology. That is the basis of the work which is informing climate change research for primary industries. At the state level, as a result of the machinery-of-government changes which took place in the previous year, this is located in the Queensland Climate Change Centre of Excellence in Minister McNamara's department.

**Mr HORAN:** SDS 3-3 states that the primary industries sector faces critical changes such as climate change. The Premier advised at estimates last week that every agency is required to develop a system of measuring and reporting on the amount of carbon emitted by that agency. Has your department been able to achieve this? What are the carbon emissions from the Department of Primary Industries and Fisheries for 2007-08?

**Mr MULHERIN:** The department is carrying out the Premier's instruction. I call on Jim Gillespie to outline what progress is being made in relation to the Premier's policy.

**Mr Gillespie:** Thank you, Minister. The Department of Primary Industries and Fisheries in particular at this time in relation to greenhouse gas emissions is working on a proposed ClimateSmart implementation plan to reduce our motor vehicle carbon emissions by 17 per cent by 2010. This plan is being implemented as part of a whole-of-government strategy to achieve a minimum 15 per cent reduction by 2010.

Through consultation with operational staff, my department has managed to exceed the target set in the Queensland government's ClimateSmart Action Plan. The vehicle fleet mix of each business group of DPIF has been reviewed, and replacement vehicles are being nominated according to greenhouse gas ratings. The key concern was ensuring that safety was not compromised and that DPIF continued to achieve operational and maintenance efficiencies with these new vehicles.

Through the plan the department will be not only reducing its footprint on the environment but also securing financial savings through more efficient vehicles. The plan is to further reduce our CO<sub>2</sub> emissions by aiming for a 25 per cent reduction by 2012 and then a 50 per cent reduction by 2017. As many in the room would be aware, car makers are producing new models in coming years with better greenhouse gas ratings. Further savings on vehicle emissions are expected. Replacing petrol engine vehicles with diesels is in many cases one of the simplest ways we can reduce our greenhouse gas emissions.

Another ClimateSmart initiative we are undertaking will include reducing energy consumption in our buildings across the state and for them to become carbon neutral by 2020. As part of this program the department is also looking at the installation of intelligent lighting to assist in energy reduction and improved energy efficiency. We have also engaged independent external experts to undertake energy audits and provide recommendations for savings in energy consumption at 10 of our major facilities. We will subsequently commit all of these facilities to a strategy of energy reduction. In addition, we have a working group to drive the project rollout over the coming financial year.

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

**Mr HORAN:** Madam Chair, can I just make the observation that we have not had that question answered. I asked whether they were measuring the amount of carbon emissions, as the Premier said, and what was the amount of emission, not about all of the savings. The Premier said that each agency—

**CHAIR:** Excuse me, Deputy Chair. The minister can answer the question any way he wants to. I feel that they have answered the question. I am calling the member for Bulimba.

**Mr PURCELL:** Minister, I refer to page 3-6 of the Service Delivery Statements. How does the Department of Primary Industries and Fisheries minimise the adverse impacts of primary production on south-east Queensland waterways?

**Mr MULHERIN:** The Department of Primary Industries and Fisheries is providing a new extension service assisting farmers to reduce the impact of primary production on the health of waterways in south-east Queensland. The department's work is part of the Queensland government's \$20 million investment in the South East Queensland Healthy Waterways Strategy 2007-2012, which is funding new initiatives to improve water quality outcomes in south-east Queensland.

The work my department is leading is a \$1.7 million project over four years to deliver coordinated extension services and improve the uptake of best management practices in priority catchments of south-east Queensland. As part of this project, four new extension positions will be created to roll out the department's FarmFLOW project to the Lockyer, Bremer, Logan and Pumicestone catchments. Their focus will be on enhancing the sustainability and profitability of the grazing and horticultural enterprises in these localities. In 2008-09 my department will have \$700,000 in new funding added to its budget to drive the south-east Queensland coordinated extension network. These four new positions include one property management systems initiative officer, and all four officers will be able to draw on a network of senior extension officers from various commodity groups for technical advice and mentoring.

In delivering this project DPIF will be working side by side with SEQ Catchments and the Healthy Waterways Partnership to deliver a combined package of projects targeting rural diffuse pollution worth approximately \$8 million over four years. Importantly, I will be honouring the Queensland government's commitment in our MOU with the Queensland Farmers Federation on the development and delivery of industry led farm management systems. Over the next three years, approximately \$500,000 in this project will be made available to industry groups and other service providers to deliver property management systems training and extension packages to small groups of producers. Through this targeted extension service DPIF aims to assist meeting the goals of the SEQ Healthy Waterways Strategy by improving uptake of best management practice by 30 per cent in priority areas.

Importantly, as an economic development agency we will be assessing the costs and benefits of adopting these practices. The budget includes funds in the FarmFLOW project for an agricultural economist to evaluate trials and demonstrations of recommended practices and to develop decision support tools for use by producers. Our new extension officers will assist producer networks to find and implement win-win solutions to meet the land and water management expectations of the community and the business imperatives of their enterprises.

**Mr HAYWARD:** Minister, I refer to page 3-6, paragraph 1 of the Service Delivery Statements, and I ask: what is your department doing to minimise the impact of ticks and tick fever on Queensland's cattle industry?

**Mr MULHERIN:** I thank the honourable member for the question. Advances in genomics provide tools which can be employed in the development of new solutions for endemic and economically significant diseases and pests such as cattle ticks. Ticks can also carry organisms which cause fatal diseases such as tick fever. My department is leading a \$3 million tick vaccine research program and coordinating a team which incorporates input from scientists at the US Department of Agriculture, Murdoch University's Centre for Comparative Genomics and the University of Queensland's School of Veterinary Science.

It has been estimated that a new vaccine for ticks will provide a benefit to Queensland worth \$98 million per annum, with a further potential of \$US100 million per annum in export revenue. The rising resistance to pesticides used to manage ticks and the lack of an effective vaccine have driven the investment into this research program. There are no new pesticides, and ticks are quickly adapting to all available chemicals. Queensland's export cattle industry is at risk, with tick management costing industry approximately \$175 million per year.

To date, using a genomics approach the department's scientists and collaborators have identified a number of potential tick vaccine candidates. These candidates, or tick vaccine antigens, were selected from tick genome sequences using computer algorithms by studying the mechanisms by which ticks attach to and feed on cattle. The vaccine candidate discovery phase is continuing, with the compilation of new data to confirm a list of candidates that will progress on to the next phase of selection.

Trials conducted using cattle breeds naturally resistant and susceptible to ticks have provided a necessary tool kit for subsequent vaccine antigen screening. Understanding how cattle become immune or resistant to the tick is critical for the development of a successful vaccine. From this trial data, the team has established a novel laboratory tool for screening potential tick vaccine candidates. Following a laboratory screen, a select number of tick vaccine antigens will progress to animal screening proof-of-concept trials in 2010.

Interestingly, on this research project we have one of the world's leading experts in this field. We recruited him from, of all places, Cuba. He is part of this team. That just shows the internationalisation of science and how the department is able to attract these world experts to Queensland, which is great for our primary producers.

**Mrs SULLIVAN:** Minister, while we are discussing the cattle industry, I refer you to page 3-10, group H, point 3 of the Service Delivery Statements. What is the department doing in response to the high rate of National Livestock Identification System tag losses in cattle in Queensland?

**Mr MULHERIN:** My department has recently received reports of the high loss rates for NLIS cattle tags in Queensland. These reports have been received directly from affected producers and also through representations by the AgForce executive directly to me. My department takes such reports seriously.

The NLIS is a cornerstone to an effective national biosecurity system and provides rapid and accurate identification and traceability of individual cattle in the event of an emergency animal disease such as foot-and-mouth or BSE. Any problems that could impact adversely on the integrity of the NLIS require investigation and follow-up.

Investigation by departmental officers into the reported high rate of NLIS tag loss indicates that both tag application errors and product failures are involved. A major education effort, in partnership with industry, has been directed at ensuring owners are aware of the best application practice for NLIS tags. Despite this, incorrect positioning of tags still occurs. The education campaign will continue.

Investigations also reveal that the quality of the plastic formulation used in tag manufacture was well below specification. At time of production the manufacturers were not aware of the change in properties of the tag. This led to product failure in one particular type of tag supplied by the manufacturer. Upon identification of the problem the manufacturer took steps to replace the faulty product and to compensate producers who purchased the tag. This is a good outcome, and I continue to urge producers concerned about high tag losses to contact the manufacturer in the first instance.

The performance of the tag manufacturers is closely monitored and the issue of tag loss rates is monitored through a high-level national committee. It is worth noting that many of the reported high tag losses are associated with cattle that were tagged in 2006, when they were first marked. It is still early in the time frame of NLIS to make definitive comments about the true loss rate of NLIS devices. However, with all the systems checks in place to identify and record rates of tag loss, I am confident that the integrity of NLIS is under constant scrutiny and review.

**Mr PURCELL:** Minister, I want to turn to the issue of fishing. The Brisbane River is one of the boundaries of my electorate. It is very easy to get out to Moreton Bay from Bulimba. I refer to page 3-6, paragraph 6 of the Service Delivery Statements. I think in my area there is something like 18 to 20 processing factories for fish—a very important part of my electorate. I think we all know people who work in the fishing industry in our part of the world. Simon Turner, a neighbour of mine, is still involved in fishing. Can the minister advise what DPIF is doing to create a better, more profitable and growing future for fishing in Queensland?

**CHAIR:** Minister, you have one minute to answer.

**Mr MULHERIN:** The profitability and viability of the Queensland fishing industry, including recreational and commercial fishing and aquaculture, is vital to the economic and social wellbeing of the state. As such, my department has been developing a fisheries strategy that will provide a renewed direction for managing fisheries into the future. The strategy aims to ensure we derive the optimum economic, environmental and social benefits from the sector. It has been developed in conjunction with stakeholders around three fundamental fisheries platforms: habitat protection, harvest management and maximising value.

Habitat protection, based on the principles of ecology and science for the long-term protection of the habitat, is a focus of the strategy as it is essential for maintaining a sustainable fishery. Harvest management must also be undertaken sustainably. However, my department will shift its focus to concentrate more efforts on achieving profitable harvest and aquaculture. Socioeconomic and regional development aspects will also be more strongly developed. Then we are looking at managing the harvest with comanagement with industry.

I have here information requested by the deputy chair, the member for Toowoomba South, in relation to recent fire ant detections. I took this question on notice. I seek leave of the committee to table it.

Leave granted.

**CHAIR:** That concludes the examination of the estimates for the portfolios of the Minister for Primary Industries and Fisheries. I would like to take this opportunity to thank the minister for his time, and I thank the staff and officers for their time this morning as well.

**Mr HORAN:** On behalf of myself, the member for Darling Downs and the member for Tablelands, Minister, I would like to thank you and your staff for the work and effort that has gone into this estimates hearing.

**Mr MULHERIN:** Thanks. I would also like to thank the chair and deputy chair and other members of the estimates committee for the way they have conducted proceedings this morning. I would also like to acknowledge the great work done by my departmental officers in preparing for estimates. I suppose we all get to know more about our own organisation. It requires a lot of effort, but I think it is worthwhile. It is one of the checks and balances that we have in our democracy to have the estimates scrutinised.

I would also like to pay tribute to my staff for the assistance they have provided me in preparation for estimates. I would also like to thank David Potter. I am not singling out David individually, but David's wife has a job in Melbourne so he will be leaving my office. He has been a great mate and a great confidante and has given me sound advice since I became minister. David, I really appreciate your efforts.

To Hansard and all the parliamentary attendants, I thank you for your support in making this process work. It is not easy but, once again, thank you.

**CHAIR:** The transcript of this part of the estimates hearing will be available on the Hansard web site in approximately two hours from now. The committee will adjourn for lunch and will resume at 2 pm. At that time the committee will examine the proposed expenditure of organisational units within the portfolios of the Minister for Natural Resources and Water and the Minister Assisting the Premier in North Queensland.

**Proceedings suspended from 1.01 pm to 2.00 pm**



## ESTIMATES COMMITTEE G—NATURAL RESOURCES AND WATER

### In Attendance

Hon. CA Wallace, Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland

#### Department of Natural Resources and Water

Mr S Spencer, Director-General

Ms D Best, Deputy Director-General, Water and Catchment Division

Mr C Robson, Assistant Director-General, Land and Vegetation Division

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**CHAIR:** Good afternoon and welcome to the hearing of Estimates Committee G. On behalf of the committee I welcome to the hearing the minister, departmental officers, officers of statutory bodies and members of the public. I am Kate Jones, the member for Ashgrove and chair of the committee. Mr Mike Horan is the member for Toowoomba South and deputy chair of the committee. The other committee members are: the Hon. Ken Hayward MP, the member for Kallangur; Mr Ray Hopper MP, the member for Darling Downs; Ms Rosa Lee Long MP, the member for Tablelands; Mr Pat Purcell MP, the member for Bulimba; and Mrs Carryn Sullivan MP, the member for Pumicestone.

The committee will examine the proposed expenditure contained in the Appropriation Bill 2008 for the organisational units within the portfolio area of the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland. The committee will adjourn proceedings for afternoon tea from 3.45 pm to 4.15 pm.

The committee's proceedings are lawful proceedings and are subject to the standing rules and orders of the Queensland parliament. Members of the public are welcome to observe the proceedings but may not participate otherwise. All present are asked to turn off their mobile phones or turn them to silent mode. In accordance with standing order 206, any person admitted to this hearing may be excluded at the discretion of the chair or by order of the committee.

The committee has resolved that the media may take television footage without sound and photographs during the opening statements by the chair and by the minister, and for a short period at the commencement of each changeover in departments. The committee has also resolved that the proceedings of the hearing will be broadcast by the Parliamentary Service via the Parliamentary Service's web site and receivers throughout the parliamentary precinct.

I remind members of the committee and the minister that under the standing orders the time limit for questions is one minute. Answers are to be no longer than three minutes. A single chime will give a 15-second warning and a double chime will sound the end of each time limit. An extension of time may be given with the consent of the questioner. A double chime will sound two minutes after an extension of time has been given.

Standing orders require that at least half the time available for questions at today's hearing be allocated to non-government members. Any time expended when the committee deliberates in private is to be equally apportioned between government and non-government members. Government members and non-government members will take turns asking questions, generally in blocks lasting around 20 minutes, commencing with non-government members.

The committee has resolved that non-committee members be given leave to attend to ask questions during the hearing today. However, we are advised at this stage that no non-committee members will be attending the hearing this afternoon. To assist Hansard, officers are asked to provide their names and positions prior to responding to a question referred to them by the minister.

I declare open for examination the proposed expenditure for the organisational units within the portfolio of the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, under standing order 177 you are able to make an opening statement of no longer than five minutes. I call the minister.

**Mr WALLACE:** I thank committee members for their attendance today. The Bligh government is planning for the future in natural resources and water. We are planning for and carefully managing very rapid growth. We are dealing with a complex range of issues including long-term water security, leasehold arrangements for Indigenous land, the declaration of wild rivers and vegetation management.

The 2008-09 budget allocation for my department is \$560.7 million. This comprises \$320 million for water and catchment services and \$240.7 million for land and vegetation. This funding will allow a continuation of the comprehensive and efficient water, vegetation, land and related management practices with which we drive this department.

As an example of the important work done by the Bligh government, this morning I released recommendations on the future of the state's 72,000 kilometre stock routes. Drought and rising fuel prices mean that the stock route network is at its busiest since the 1960s. I have made only one decisions about the stock route's future: the Bligh government will not sell or lease it in part or in whole. Everything else is up for discussion. The public has until 31 August to comment on this review of a Queensland icon. We are the only state in Australia that maintains our stock route network to that extent.

Also today I announced a review of up to 20,000 parcels of unallocated state land throughout Queensland or about 1.3 million hectares of vacant land. I want to make the best possible use of this land, especially larger landholdings near regional towns and cities. With around 1,800 more people moving to Queensland each week we need more land for housing, commercial, industrial and environmental purposes. This major study is already looking at land in Townsville, Bowen, Gladstone and Mount Isa. This is a very graphic example of the Bligh government working and looking over the horizon and planning for our state's future.

The Bligh government is also securing our water future. The work underway on water resource plans and resource operation plans is world class. These plans and work on regional water supply strategies are securing long-term water supplies for entitlement holders and the environment. The introduction of recycled water into water supply systems and regulation of that water supply will be key areas of work for 2008-09 and beyond. We are implementing the Delbessie Agreement to deliver enhanced security of tenure, assessments of land condition and the introduction of land management agreements for state rural leasehold land.

Another key area will be implementing the Cape York Peninsula Heritage Act which protects high conservation areas in the region as well as helping Indigenous people realise their economic aspirations. We are also implementing 99-year homeownership leases. This will also encourage commercial interest in Aboriginal communities by creating 99-year commercial leases.

Web based technologies are being introduced to ensure clients can easily access our products. An example is the ability for irrigators and the wider community to access timely information on stream flow data. Data from our network of 400 stream flow monitoring stations is now available online and has been accessed more than 235,000 times since it was launched in January this year.

Last but not least, I thank the 3,000-plus staff within my department for dealing with these issues to ensure where practicable a successful outcome for all parties. The portfolio of Natural Resources and Water is at the forefront when it comes to building the future of Queensland today. We provide top-class planning and services that maintain both our economic impetus and a lifestyle that is the envy of the world.

Before we start questions can I introduce my Director-General, Mr Scott Spencer, Ms Debbie Best, Deputy Director-General Water Catchment Services and Mr Chris Robson, Assistant Director-General Land and Vegetation Division.

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

**Mr HOPPER:** I refer to the vegetation management framework and the case of Ashley McKay. During estimates last year I was assured that the matter was being reviewed by an independent investigator who would look into the allegations that several state government officers gave false and fabricated evidence and were biased in their investigations into the case. To the best of my knowledge, although Mr McKay received a one-page letter from the CMC in November stating there was insufficient evidence to support a disciplinary charge of official misconduct or any criminal prosecution of the six people in question and noting that the department of justice was considering disciplinary action in relation to its two officers, Mr McKay has yet to receive a copy of the final report. Will you provide that report to Mr McKay and this committee?

**Mr WALLACE:** I will outline some facts concerning the case of Mr McKay. His name has been brought up previously at both estimates and in parliament. In February this year, during the debate on the Vegetation Management Amendment Bill, accusations including misconduct were again raised concerning officers of my department in respect of the prosecution of Mr McKay for unlawful tree clearing. Not only did some members wrongly link the case to the Vegetation Management Act and wrongly link Mr McKay's successful appeal with the behaviour of government officers but they also repeated allegations of falsifying evidence and distorting the truth despite the findings of the Crime and Misconduct Commission and an independent investigation.

Let me share the facts with the committee. In 2000 Mr McKay was prosecuted by the department for unlawful tree clearing. These prosecutions concerned alleged offences under the Forestry Act and the Land Act on his grazing homestead perpetual leases. They were not offences under the Vegetation Management Act. The prosecution of this matter resulted in protracted litigation including appeals. Mr McKay pleaded guilty to the additional charge of clearing on a road reserve. The central issue at trial and the subsequent appeals was the interpretation of the technical language of the tree clearing permits and whether or not the permits held by Mr McKay permitted the felling of cypress pine trees in the manner that he had cleared them.

In the first instance the magistrate found Mr McKay guilty on two counts of unlawfully clearing trees on or near his property at Torres Park. In 2004 Mr McKay appealed the decision of the magistrate to the District Court. On 28 October 2005 Justice Wilson set aside the decision of the Magistrates Court premised on the uncertainty of the language of the permits. Accordingly, Mr McKay was found not guilty on two counts of clearing commercial pine trees on the leases and the state was required to pay costs.

On the additional charge of clearing on a road reserve to which Mr McKay pleaded guilty, Justice Wilson found that the appropriate fine was \$10,000. Importantly, Mr McKay's appeal was not upheld on the basis that departmental staff conducted a biased investigation or fabricated evidence, nor did the court make any findings on this point. The department did not appeal the decision to the District Court.

Mr McKay sought to have a permanent stay of proceedings on the basis of allegations of abuse of process by those officers involved in the prosecution. In 2002 the Court of Appeal, after reviewing orders made in the Magistrates Court and District Court, unanimously held that there were no findings of improper purpose, internal oppression or objective injustice associated with a prosecution that would have provided the basis for granting Mr McKay's application for a permanent stay in proceedings.

In June 2006 Mr McKay's allegations were referred by the director-general to the CMC for investigation. In February 2007 the CMC referred some of the allegations back to the department which engaged an independent investigator, the Consultancy Bureau, to conduct an independent investigation into the allegations.

**Mr HOPPER:** We know the findings of that case. Do you find the way those staff acted acceptable?

**Mr WALLACE:** I will continue. In February 2007 the CMC referred some allegations back to the department which engaged an independent investigator, the Consultancy Bureau, to conduct an independent investigation into the allegations. To ensure transparency the Consultancy Bureau provided its final report to the CMC on 27 September 2007. The CMC, after reviewing the report, determined that they considered that the independent investigation commissioned by my department was reasonable and adequately conducted and there was insufficient evidence to support a disciplinary charge of official misconduct by my departmental officers.

In accordance with the Crime and Misconduct Act 2001, the director-general wrote to Mr McKay informing him of the investigation. Mr McKay has since lodged an application under the Freedom of Information Act for access to documents relating to my department's prosecution of Mr McKay and subsequent investigations into his allegations of official misconduct against departmental officials. I am advised that this application has been decided and has been the subject of internal review which was finalised on 4 June 2008. Furthermore, I understand the documents released to Mr McKay are now available for him to inspect upon payment of the processing charge. Mr McKay has also written to the department regarding the outcome of the investigation. The director-general wrote to Mr McKay on 20 May 2008 responding to the issues raised in that letter. Director-General, would you like to add anything to that particular response?

**Mr Spencer:** Thank you, Minister. In terms of the release of the report, the report, as the minister said, was provided via the CMC to me. I went through the report with my director of legal services and my director of internal audit. Fundamentally, the outcome of that review was that there was no basis for me to take any action against staff. The issue about the release of the report is somewhat vexed. I faced a situation where none of the staff involved, to my knowledge at least, have been named publicly so I have to protect their privacy. So that is No. 1. The other advice I received was that the best way to release that information would be via a statutory process given the nature of the allegations involved. That has subsequently been proven to be correct because, in terms of the FOI processes, we have had a number of objections to the release of information for reasons best known to the applicants. The issue I face is that certainly the report would be available under FOI. My understanding is it would be, but that is a question for the FOI decision maker. But if I were to release those reports, I would place the department and probably myself in a situation where I could be faced with a defamation action.

**Mr HOPPER:** Thank you very much. Minister, you can read all day, but you still did not answer my question. Do you find the way that those staff acted acceptable? I ask you once again.

**Mr WALLACE:** My departmental staff report directly to my director-general. There have been a number of investigations conducted into this particular case. None have found to be wanting. Director-General, have you anything to add in terms of the actions of the staff?

**Mr Spencer:** Minister, as you said, both the courts found that there was no action required and nor did the independent inquiry, and I deliberately went to an independent inquiry. The CMC referred it back to me to investigate. I thought that was inappropriate in the circumstances. The independent inquiry indicated to me that there was no basis on which I could take that action.

**CHAIR:** I call the member for Darling Downs but I warn him that you are not allowed to ask repetitive questions. So I think you should ask a new question this time.

**Mr HOPPER:** Minister, I refer to government question on notice No. 7 referring to land valuations. Minister, on 18 June in the Longreach Court House the matter of the Boonamerrie valuation was referred to. In this case the valuer who had prepared the valuation had never even been to the property aggregation. Minister, is this what you consider acceptable practice?

**Mr WALLACE:** Just for the background of the committee which I am sure the committee would be interested in, this year we issued over 1.04 million valuations in the state of Queensland. Of that, we had an objection rate of 0.58 per cent—that is, around 6,000 objections out of over one million valuations issued. It goes to show that we have a very robust valuation system within the state of Queensland. We take our valuation methodology very seriously using the unimproved method of valuation and it shows that there is general acceptance of the valuation system in the state of Queensland. If I can put it into perspective, off the top of my head last year we issued fewer valuations but we had an objection rate of 0.59 per cent. So the numbers have actually come down of people who are objecting to their valuations.

In the current economic climate where we have land valuations increasing, we will increasingly have people having higher land valuations. That makes sense, because our method of valuation follows the market lead. Valuations are carried out across the state by my valuers. It is correct to say that we do not get to every property, but we use the movements within the market to determine that. Occasionally if someone objects to their valuation they have rights to take their appeal further. We try to work with them in the first instance within my department to listen to their case, but of course everyone has the right to appeal to a further court. In that particular instance which the member for Darling Downs has mentioned, the person who took the matter to court was successful, and that is their right. However, as I mentioned, we have issued over one million land valuations in the state of Queensland this year with a 0.58 per cent objection rate. That means that 99.4 per cent of people were happy with their land valuation in the state of Queensland. But anyone has the right to appeal. Anyone has the right to seek redress, and we will continue to issue to the best of our ability using market valuations.

**Mr HOPPER:** Minister, I am not sure that all of those people were actually happy. They were just the ones who did not actually object. While on this subject, how do the numbers of objections to valuations compare with the amount received last year?

**Mr WALLACE:** As I said, in terms of numbers we actually had a reduction in people objecting to their valuations, and indeed those figures have come down somewhat from previous years. As I said, we have had 6,100 objections received this year—that is 0.58 per cent of the total number of valuations issued—and that is down from 0.59 per cent last year and indeed 1.64 per cent in 2006. We have more than halved the number of objections received in terms of our valuations. That is not bad in a climate where you have rapidly increasing property prices and rapidly increasing land values. Just pointing out some of the methodology that we use to calculate our land values, my department of course uses the unimproved valuation of land for property which is the amount that the property could be expected to sell for without improvements such as houses, fences and earthworks. The valuations do take into account access to services such as reticulated water, sewerage, electricity and roads. The value also has regard to the present use of the land, its designation under a planning scheme and its highest and best use.

Landowners have 45 days from the date of issue of new valuations in which to lodge an objection with the department if they disagree with the amount of the valuation. As I said, this year approximately 6,000 objections were received by 1 May. The comparative low number of objections coincides with initiatives by my department to provide increased information to landholders through the web which has been very successful, a call centre, a brochure included with the information notice and a media campaign. So we are being up-front with people saying that there have been increases in land values in most shires. Some did record neutral land values, but most shires and cities had an increase.

Importantly, the web information consisted of a suburb-by-suburb breakdown of new valuation comparisons as well as some indicative sales which my department considers supportive of the valuation applied. The call centre provided detailed information to landowners from how their valuation was calculated through to how to lodge an objection. The call centre received approximately 8,500 calls. The suburb and local government information web site relating to residential land sales initiated last year received more than 90,000 hits during this year's objection period. So obviously Queenslanders were taking advantage of that web site and jumping on it to see how their values had gone up or down or moved sideways and learning of their rights to appeal et cetera. Also, a new objection kit provided information on the valuation process.

**Mr HOPPER:** Minister, I note from your opening remarks that our stock routes will not be sold—and we certainly appreciate those remarks—but, Minister, will you avail yourself of the opportunity here and now to guarantee that our stock routes will remain for the use of travelling stock from moving stock from property to property and from property to market?

**Mr WALLACE:** Yes, I was pleased this morning to release the report on stock routes. That report, which has been drawn together through experts from the industry including representatives from AgForce, the LGAQ, the travelling stock association and the protection boards, is going to be a very important discussion document. I put that document out there through our web site and we will certainly get it out on the ground to relevant parties until 31 August. I want to hear from as many people as possible on how they think we should manage our stock routes in Queensland. Some of the recommendations are that we of course continue our stock routes for travelling stock, be they fast travel or slow travel. One of the other recommendations was that we introduce a system of, if you like, grazing agreements each year where we may have inactive stock routes. The committee has suggested we divide our stock routes, and we have about 72,000 kilometres of stock routes in Queensland worth, conservatively, about \$780 million if it went to the open market. We believe through the committee that the stock routes may need to be divided into active and inactive areas within the stock route.

One of the suggestions of the committee was that we have annual grazing agreements on some of the inactive areas to ensure that those areas are grazed and do not go to rack and ruin so that we are able to maintain those areas. Importantly, the committee has suggested that the responsibility and return on those particular grazing agreements go back to local government, which is shouldering a larger and larger burden when it comes to managing our stock routes. The latest figures I have is that, of the around 40,000 stock which used the stock routes last year, local governments were only able to recoup around four per cent of the charges that they had to outlay on stock routes. That has meant that other ratepayers in the area have had to pick up the maintenance costs and other costs for managing our stock routes.

Indeed, where we come to some of the border regions we have seen extensive herds from New South Wales travelling across into Queensland using our stock routes because our fees are much lower than, for instance, commercial agistment charges in New South Wales which can be up to \$5 per head per week. Our agistment charges and usage charges on our stock routes are much lower than those commercial rates. I am pretty keen to see the feedback from the rural community. We have had some very good people involved in the committee to give me some recommendations, but I am putting that out there to the community in order to get some feedback by 31 August. I am going to then go through that to see what the people in regional Queensland have to say. But, while I am here, we will be looking after the long paddock and preserving our stock routes in Queensland.

**Mr HOPPER:** Minister, you brought into the House the wild rivers legislation—and you know my stand on that—and, in so doing, your 2007-08 targets were not reached. In fact, of a target of 13 to be progressed within time frames zero were achieved and of a targeted seven to be completed within time frames again zero were achieved. Will you please detail why these targets were not reached and also list separately the river systems targeted for wild rivers declarations in 2007-08 and those targeted for 2008-09?

**Mr WALLACE:** I was a little disappointed to read some comments from the member for Darling Downs this morning. We do know that one of their first acts should they win government would be to get rid of wild rivers. I think that will be a step backwards, but I was disappointed to read his comments that you could not have grazing in wild river areas. That is actually incorrect and I think the member for Darling Downs should correct the record. He should publicly state that that was incorrect. I think he is misleading the public, especially the good folk in Cape York Peninsula, about that. So I would suggest that he does that.

The Wild Rivers Act 2005 is groundbreaking legislation and something which I am very proud of and I know everyone on our side of the House is. It is intended for the purpose of preserving the natural values of rivers that have almost all of their natural values intact. There are six declared wild rivers areas in Queensland. Last year the Bligh government made a commitment to the communities of Cape York that appropriate consultation would take place before any wild rivers on the cape are declared. That is why we have delayed the process somewhat, and I make no apologies for being out there consulting the people on the cape. I make no apologies whatsoever. Departmental officials have been meeting with peak bodies, key stakeholders and communities to provide factual information about wild rivers and gathering information about people's future aspirations. The department has been engaging with Indigenous communities on Cape York through the traditional owners and holding discussions with representative bodies such as the Cape York Land Council and Balkanu Aboriginal development corporation. The government had planned to complete seven new wild river declarations this year and has started investigations into a further six basins. Following consultation, the government has reviewed the program and developed a time line that will enable greater participation.

**Mr HAYWARD:** Minister, I refer to page 2-232 of the SDS relating to the provision of recycled water to our water supply system. I know that there are people in the community who are unlikely to accept any system utilising recycled water, but do the monitoring and reporting mechanisms contained in the Water Supply (Safety and Reliability) Act contain the necessary safeguards our community deserves?

**Mr WALLACE:** I thank the honourable member for the question. The recycled water scheme providers and the scheme manager are responsible for meeting the recycled water quality criteria. The provider must use a risk based system for managing the production and supply of recyclable water, which is documented in a recycled water management plan. This plan includes the results and changes made as a result of the validation of the scheme. Validation is undertaken to prove the scheme can produce recycled water at the quality required on a consistent basis.

The recycled water management plan must be approved by the regulator and the regulator may place additional conditions on the plan. In fact, my director-general will be the regulator. Regular audits undertaken by an independent third party will ensure that providers comply with the recycled water management plan and any conditions applied by the regulator. The regular audit report must be made publicly available by the recycled water provider. These independent audits are in addition to the reviews of the recycled water management plan. Recycled water providers must undertake regular reviews of their recycled water management plans and their own internal audits. The outcomes of the plan reviews, together with the summary of findings and recommendations from the audit reports, must be made publicly available in an annual report by the provider. Recycled water providers must report any noncompliance with water quality criteria to the regulator immediately so that appropriate action can be taken.

For schemes augmenting drinking water supplies, if there has been a noncompliance with the recycled water quality criteria, the provider must undertake an assessment of the risk to public health from the quality of the recycled water. This assessment must be undertaken by the provider in conjunction with the regulator. On the basis of that assessment, an action plan must be developed by the provider to ensure appropriate management of the risk and the action plan must be approved by the regulator.

The annual report made publicly available by the recycled water providers must also include a summary of any instances where the provider has not complied with the water quality criteria. Section 14 of the Water Supply (Safety and Reliability) Act provides that the regulator may make an annual report on a range of matters, including the recycled and drinking water regulatory arrangements. The regulator intends to prepare and publish an annual report. This provision is very similar to a former provision—section 519 in the Water Act—which provides that the regulator may prepare annual reports on certain water infrastructure regulatory matters. Annual reports have been prepared under this provision and the latest one is contained in appendix 8 of the Department of Natural Resources and Water 2006-07 annual report. Such reports have been prepared every year since the Water Act commenced in 2000.

**Mrs SULLIVAN:** Good afternoon, Minister. With reference to page 2-232 of the Service Delivery Statements, which refers to the Delbessie Agreement signed in December 2007—and which you mentioned in your opening statement—can you outline the basis of this agreement and possible advantages to landholders of the agreement over existing lease arrangements?

**Mr WALLACE:** I thank the member for Pumicestone. That is a very good question. The Delbessie Agreement is a major land management initiative by the Bligh government. In partnership with rural lessees, it ensures that natural resources are managed sustainably and profitable primary production is safeguarded over the long term. In December 2007, the Delbessie Agreement was signed by the Bligh government, AgForce and the Australian Rainforest Conservation Society. Delbessie is a property just outside of Hughenden, which we visited.

This agreement links the duration of the lease term with the land condition. Lessees who protect the natural resources and environmental values critical to the land's long-term viability and allow Indigenous access will be rewarded with more secure tenure. This is about certainty. It about looking at the long term. This government is looking over the horizon and solving the problems of tomorrow. The Delbessie Agreement applies to rural leases and affects approximately 1,800 leases, which covers land leased for agriculture, grazing or pastoral purposes for a term of 20 years or more and covers no less than 100 hectares.

Since 1986, it has been standard practice to offer 30-year terms on the renewal of extended leases and for all new rural leasehold leases. This policy continues to apply unless the pastoral lease is subject to the recent amendments made under the Land Act in support of the Delbessie Agreement. Over the next five years some 56 per cent of the pastoral leases that are affected by the agreement will be eligible for renewal. This figure includes leases that are or will be 80 per cent or more through their term.

The implementation of the agreement provides a prime opportunity to progressively review the terms and conditions under which leases were issued. Terms of 30, 40 or 50 years will now be available but will be linked to the condition of the resource, the protection of significant environmental values and the granting of Indigenous use and access. These initiatives provide many benefits for landholders. The Delbessie Agreement delivers the security of tenure much sought by lessees, providing a clear way of securing a long-term lease.

When I speak to people on the land—in fact, I was out there the other week speaking to people on the land—lessees were looking at this very closely, because this gives them certainty in the future. It will allow them up to 50-year leases on the land. They can plan a future. They can plan generational change. This is really good news for people on the land.

**Mr PURCELL:** Can I take you to page 2-223 of the Service Delivery Statements where you refer to—and I am going back to water recycling again—the introduction of recycled water into the water supply system, something I believe, and I think most people in the community believe, has been needed for some time. We have to ensure that our water supply is there well into the future. Can you explain how the Bligh government will provide a safe water supply system which includes the provision of purified recycled water?

**Mr WALLACE:** I thank the member for Bulimba. That is a very good question. Like you, I think most people in the community believe that recycled water, especially in south-east Queensland, is the way to go. We have to secure water—

**Mr PURCELL:** I do not think there is too much water on this planet that has not been recycled a lot of times.

**Mr WALLACE:** That is right. All the water that is here now was here at the time of the dinosaurs. So it has been through a few places. Water quality criteria for recycled water, which augments our drinking water supplies, is set by Queensland Health and the Public Health Regulation 2005, which reflects the water quality standards in the *Australian Guidelines for Water Recycling*. 'Managing Health and Environmental Risks' is the section in that particular guideline. The augmentation of drinking water supplies requires storage in an aquifer, lake, watercourse or wetland, or a dam or a watercourse. The regulator also specifies additional water quality criteria.

It is the responsibility of the recycled water scheme providers and the overall scheme manager to meet the water quality criteria. There are a number of mechanisms to ensure that the provider meets the water quality criteria. A risk based system for managing the production and supply of water is documented by the providers in a recycled water management plan. Before supplying recycled water for augmenting drinking water supplies, a provider must seek the regulator's approval of the recycled water management plan and validation program that ensures the scheme will be able to consistently produce the quality of water required. In addition, approval of drinking water quality management plans are required for the receiving water storage, for example, the dam—Wivenhoe Dam is an instance in south-east Queensland—and the drinking water treatment plant sourcing water from the storage.

Recycled water will not be approved for release to the receiving water storage until the robustness and reliability of the plant can be demonstrated by the delivery of consistent high-quality water. Once recycled water supply commences, intensive long-term ongoing monitoring and testing against the water quality criteria is required. The final treated water will be monitored for quality by real-time online instruments and by comprehensive laboratory analysis. Additionally, providers will be required to regularly review the adequacy of their plans and conduct their own audits of these plans.

Regular audits will also be undertaken by an independent third party to ensure that providers comply with the recycled water management plan and any conditions applied by the regulator. The regulator can also undertake spot audits. Noncompliance with the water quality criteria must be notified to the regulator immediately. The regulator, the providers and the scheme manager will undertake an assessment of the risks to public health. The purpose of this assessment is for the scheme to formulate an active plan for the regulator's approval to ensure the appropriate management of the risk.

**Mr HAYWARD:** Minister, I refer to page 2-237 of the Service Delivery Statements and the increase of land prices on leasehold land annual rentals and instalments. I ask: with respect to rentals for category 1 leaseholders, can you advise the committee how the government is assisting these rural leaseholders to overcome potential significant increases in rental prices as a result of the increase in the value of leasehold land?

**Mr WALLACE:** I thank the member for Kallangur. As I outlined earlier when we were talking about valuations, valuations have gone up across not only the urban areas of Queensland but also rural properties. The strong cattle market at the moment is certainly driving up a lot of those property prices in Queensland.

As members would know, almost 65 per cent of Queensland is leased to rural leaseholders. This land is owned by the people of Queensland and must be well managed in a fair and balanced way. After extensive consultation with AgForce, I announced new rental arrangements for the rural sector in May last year. Due to recent large land valuation increases in rural areas, the government has introduced

arrangements that protect rural leaseholders from undue rent increases. The arrangements recognise the vulnerability of rural leases to the combined effects of prolonged drought and large valuation increases.

Grazing and agriculture—or category 1 rentals—will be capped at 20 per cent until 2017. This arrangement commenced last year and will again be applied for the 2008-09 year and every year until 2017. It is important to note that the capping of rental increases comes on top of a low rental base due to the government's previous rent freeze. This freeze saved leaseholders approximately \$30 million in rent payments. It is also important to note that if the former system had continued, landholders would have been facing massive rent increases of up to 5,000 per cent. The average increases would have been around 400 per cent—a big impost on those good people.

From 2008-09, the expected rental revenue from category 1 leases will be increased by approximately \$2 million, or 17 per cent, which is within that 20 per cent cap. This increase is a reflection of the increase in land valuations for this category of lease. The Bligh government's 10-year commitment provides all grazing and agricultural leaseholders with rental certainty and this delivers on a key outcome that was sought by AgForce on behalf of rural lessees and is proof of the Bligh government's long-term vision of seeing over the horizon and planning for our future. The government is also improving its rural rental arrangements by introducing five-year averaging of the unimproved rental valuations to take effect from 2009.

Additionally, as committee members are no doubt aware, the government will also be extending the 20 per cent capping in 2008-09 to rental for sporting clubs and charities to also protect these organisations from undue rental increases in recognition of the strong community benefits that they provide. I do not think anyone would begrudge me capping the rents for those charities—scouts, the local cricket club, whatever charity it is that rents their land from the state of Queensland.

**Mrs SULLIVAN:** I refer to page 2-238 of the Service Delivery Statements where it is stated that in 2007-08 you intended to progress or amend eight water resource plans and achieved five, and with the resource operations plans you intended to progress or amend 12 but achieved four. I understand that even with this reduced number of water resource plans and resource operation plans progressed or amended your department has completed a vast amount of work related to water planning across Queensland—a process of great importance to the Bligh government as we strive for future water security. Can you explain what caused this shortfall to this ambitious original program? Do you believe that this year's program is achievable?

**Mr WALLACE:** I thank the member for Pumicestone. That is a very good question. During the past year, the Department of Natural Resources and Water has made significant progress in developing and implementing water resource plans, which are referred to as WRPs. My department spent nearly \$4.1 million in 2007-08 on developing, completing, amending and reviewing WRPs. An additional \$3.4 million was spent on hydrological modelling and environmental flow assessments for WRPs during this time. To date, 20 of the 23 scheduled water resource plan areas, or 87 per cent, have been finalised and released.

These plans cover some 1.57 million square kilometres or 91.2 per cent of Queensland's land area. A high vacancy, or around 20 per cent of vacancies for people with those skills, staff turnover rates and a lack of suitably skilled applicants to fill these vacancies, together with the need to redirect resources to address required actions of the previous national plan for water security and other emerging COAG water reform initiatives has impacted, unfortunately, on the delivery of the scheduled plans. This has also played a part in the delaying of the release of a number of plans including the Pioneer Valley WRP groundwater amendment and the Burdekin, Gulf and Mitchell WRPs. These same impacts have also affected the department's work on delivering the scheduled resource operation plans for a number of areas.

Notwithstanding these constraints, I will now detail some of the work undertaken in the last 12 months. A notice of intent to amend the Logan WRP to include the Southern Moreton Bay islands was announced in July 2007. The draft Pioneer Valley WRP amendment to include the groundwater resources of the Pioneer Valley was released on 9 July 2008. I travelled to Mackay to release that with my colleague the member for Mackay. An amendment to the Barron WRP was released for community review and submission in June 2008. During 2007-08 WRPs were finalised for the Burdekin, Gulf and Mitchell plan areas. Amendments were also finalised for the Burnett WRP to include the Bundaberg groundwater and Mary WRP to include the Upper Tinana Creek water supply scheme.

The Baffle Creek WRP is now well advanced on developing the draft plan. The notice of intent to review the Fitzroy WRP was announced on 6 June and the review of the Cooper Creek was announced on 11 June. We have to carry out those reviews every 10 years which is why I announced those particular reviews. I am sure that you will acknowledge the significant progress that has been made on implementing Queensland water planning framework, the most robust framework in Australia. I believe my department will continue working incredibly hard to complete this admittedly ambitious program of water planning.



**Mr HAYWARD:** I know that you and the Premier have ruled out the construction of an instream dam in the Baffle Creek Basin. Does that decision also apply to the application to construct two dams by Tom and Robert Gorton in the Mullet and Possum Creek area of the basin or is the decision on their application going to be decided under the proposed Baffle Creek Basin water resource plan?

**Mr WALLACE:** In response to the member, that decision has no impact on applications made by Tom and Robert Gorton to build dams in the Baffle Creek Basin. A Baffle Creek Basin moratorium was published by a former minister on 16 July 2004. The purpose of the moratorium is to protect natural ecosystems and existing water entitlements during the preparation of the Baffle Creek water resource plan. The moratorium is a normal part of the water resource planning process and the department is undertaking that across the state. It underpins the integrity of this planning process by maintaining the status quo of water resource development until a plan is finalised.

There are 11 outstanding licence applications in the Baffle Creek Basin plan area that the moratorium prevents the department from making a decision on. Of these, four were lodged by Thomas and Robert Gorton for two proposed dams, as you said, on Mullet and Possum Creeks. The Gortons' applications sought to take over 90 per cent of the mean annual flow of Mullet Creek and over 50 per cent of the mean annual flow of Possum Creek. This is in a basin which has largely been undisturbed and has significant environmental values. The department has acted according to its statutory obligations under the Water Act through the course of its dealings with the Gortons' applications. The original applications were rejected due to their potential adverse impacts on the downstream aquatic environments. As I said, one system on Mullet Creek would have taken 90 per cent of the mean annual flow, the other on Possum Creek would have taken 50 per cent of the mean annual flow. The Gortons then appealed, which is their right.

The development of the draft Baffle Creek Basin water resource plan is well advanced, with the social, economic, environmental and hydrological studies almost complete. The draft water resource plan is scheduled to be released for public comment later this year. The department welcomes input from the Gortons as well as other water licence holders and interested parties. The answer to the member's question is that when the plan is completed in 2009 it will identify whether or not there is additional water available for further consumptive use within the plan area. Once this is determined, the Gortons and other licence applications can be dealt with by my department.

**CHAIR:** The time for government questions has expired. We will now return to non-government questions. I call the member for Darling Downs.

**Mr HOPPER:** I refer to the response you gave to the question by the member for Kallangur outlining the monitoring and reporting requirements for recycled water quality breaches. You said that the breaches must be reported via the water provider's annual reports so it is possible that the public may not know for some time that their health was at risk. We have use-by dates on food for health reasons, so why does your government seem intent on denying Queenslanders knowledge of health risks from water in an equally timely manner? We are dealing with human sewage here—

**CHAIR:** This is your opportunity to ask questions, not make speeches. You have asked a question and I will get the minister to answer it.

**Mr HOPPER:** I am asking a question.

**CHAIR:** You asked your question. Minister, would you answer the question, please?

**Mr HOPPER:** There was a fair bit more to that question.

**Mr WALLACE:** The recycled water scheme providers and scheme manager are responsible for meeting the required recycled water criteria. The provider must use a risk based approach for managing the production and supply of recycled water which is documented in a recycled water management plan. This plan includes the results and changes made as a result of the validation of the scheme. Validation is undertaken to prove the scheme can produce recycled water at the quality required on a consistent basis. The recycled water management plan must be approved by the regulator and the regulator may place additional conditions on the plan. Regular audits undertaken by an independent third party will ensure that providers comply with the recycled water management plan and any conditions applied by the regulator.

The regular audit report must be made publicly available by the recycled water provider. These audits are separate to reviews of the recycled water management plan. Recycled water providers must undertake regular reviews of their recycled water management plan and their own internal audits. The outcome of the plan reviews, together with a summary of findings and recommendations from the audit reports, must be made publicly available in an annual report by the provider. Recycled water providers must report any noncompliance with water quality criteria to the regulator immediately so that appropriate action can be taken.

For schemes augmenting drinking water supplies, if there has been a noncompliance with the recycled water quality criteria the provider must undertake an assessment of risk to public health from the quality of the recycled water. This assessment must be undertaken by the provider in conjunction with the regulator. On the basis of that assessment an action plan must be developed by the provider to ensure appropriate management of the risk and the action plan must be approved by the regulator.

The annual report made publicly available by the recycled water providers must also include a summary of any instances where the provider has not complied with the water quality criteria. Section 14 of the Water Supply (Safety and Reliability) Act provides that the regulator may make an annual report on a range of matters including the recycled and drinking water regulatory arrangement. The regulator intends to prepare and publish an annual report. The provision is very similar to the former provision, section 519 of the Water Act 2000, which provided that the regulator may prepare annual reports on certain water infrastructure regulatory matters. Annual reports have been prepared under this provision and the latest one is contained in appendix 8 of the 2006-07 annual report of the Department of Natural Resources and Water. Such reports have been prepared every year since the Water Act commenced in 2000. Director-general, would you like to add anything in terms of the department of health's involvement in any concern?

**Mr Spencer:** We put together the process in conjunction with the department of health. Of course, they set the standards under the Health Act and the health regulations. Should there be an incident it will be the responsibility of Health, as it is now, to make that public and deal with it.

**Mr HOPPER:** Minister, we spoke about the Delbessie Agreement. In response to an editorial and article in the *North Queensland Register* on 29 May 2008 which claimed it could take up to nine years for a lease to be renewed under the agreement, you stated it was expected that lease renewals would only take from one to two years. How does your argument stack up against legal opinion sought by the newspaper which stated that all standard lease renewals currently take three to five years to complete and if the state requires the consent of native title parties to an increase in the term of the tenure, then this will require an Indigenous land use agreement which will double the time it currently takes?

**Mr WALLACE:** I thank the honourable member for the question. I was very disappointed in some of the reporting in some of the rural press in terms of the Delbessie Agreement. That is why I wrote the letter. Indeed, I spoke to one of the legal representatives at an Indigenous land handover at Coen a couple of weeks ago. That particular legal representative told me that he was misquoted and apologised to me directly. I think that the rural press owes it to those people affected who will benefit from the Delbessie Agreement to report the facts correctly. I was very, very disappointed in some of that reporting. An article headed 'EPA's big say in leases' and accompanying editorial entitled 'Landed with a minefield' appeared in the *North Queensland Register* on 29 May 2008, making a number of erroneous statements regarding the Delbessie Agreement and labelling it as one of the biggest land grabs the EPA has ever staged.

On 5 June, in a further article titled 'Lease laws under fire', the *North Queensland Register* cited the 'Month in Review' report of reputable valuations firm Herron Todd White that carries a similar erroneous theme to the *North Queensland Register* articles regarding Delbessie. The Herron Todd White and *North Queensland Register* critiques appear to have been influenced by the views of the guest presenter at a Herron Todd White seminar on rural leasing held in Townsville. Unfortunately, these critiques failed to fully acknowledge the guest presenter's opening statement where he qualified his advice with—

Many of the issues I raise are an opinion only and may eventuate to a different outcome than I suggest. Put more simply, I might be wrong.

He was wrong, and I am cranky. Subsequent articles were wrong. As many people look to Herron Todd White as a reliable source of investment advice, I need to clarify and correct the erroneous statements made.

The Queensland government is committed to world-class management of the state's leasehold land and that is why I launched the Delbessie Agreement with AgForce and the Australian Rainforest Conservation Society last December. This agreement rewards leaseholders who look after their land with longer leases of up to 50 years based on land condition, environmental values and Indigenous access. The previous maximum lease term, as I have mentioned, was 30 years. Delbessie will not erode mortgage securities as suggested; in fact, quite the contrary. It will propel a generation of land managers towards achieving best practice sustainable land management techniques that will improve the overall quality and viability of the state's rural leasehold estate while protecting the integrity of the natural resources and providing future surety to leaseholders and their investors.

Claims that the Environmental Protection Agency would need to give consent for lease renewals are incorrect. While the views of the EPA have long been required as part of the lease renewal process, the consent of the EPA for a lease renewal is not required. It will be the exception rather than the rule that properties or parts of properties will be set aside for future conservation purposes and for those exceptions—

**Mr HOPPER:** You have no doubt been advised of the thousands of megalitres of water being evaporated by coal seam gas companies and the sludge that is being left behind. You are the minister for water. What plans do you have in place to deal with this environmental catastrophe?

**Mr WALLACE:** I was very, very pleased recently, when the Commonwealth announced its package for the Murray-Darling, that we were able to get a commitment from the Commonwealth to work with us on this issue. We have \$5 million in funds from the Commonwealth as part of that package.

The coal seam gas industry is booming in Queensland. Domestic consumption is driven by the government's greenhouse gas policies and the liquefied natural gas industry is emerging to capitalise on export markets. Four proponents have publicly announced intentions to establish LNG gas plants in Gladstone based on the liquefaction of coal seam gas. I am advised that if all projects come to fruition Queensland would have an export of liquefied natural gas industry of about 9.5 million tonnes per annum.

As the member for Darling Downs announced to the committee, a by-product of coal seam gas production is variable quantities of associated water produced by dewatering coal seam to release gas. Quality of coal seam gas water varies greatly. However, it is most typically saline. In 2006-07 around 9.5 gegalitres of coal seam gas water was produced in Queensland. Recent gas production estimates, which do not include proposed LNG gas developments, indicate an annual average of 24 to 25 gegalitres in the Surat Basin for the next 25 years. In some instances coal seam gas water is used for feedlotting stock and in cold washing where there is a variety of applications and processes to allow water quality variations. The towns of Dalby, Miles and Chinchilla are considering the use of treated coal seam gas water to augment town water supplies. Most commonly, however, coal seam gas water is disposed of, as the member said, in evaporation ponds.

Coal seam gas water is regulated by the Petroleum and Gas (Production and Safety) Act 2004, the Environmental Protection Act 1994, the Water Act 2000 and the Water Supply (Safety and Reliability) Act 2008. Coal seam gas water is specifically excluded from the definition of waste water and therefore the definition of recycled water in the Water Supply (Safety and Reliability) Act 2008. However, if coal seam gas water is used for drinking water, service providers involved in its transmission, treatment or reticulation must prepare drinking water quality management plans. Landholders, local governments and community groups have expressed concern regarding groundwater and landscape impacts of coal seam gas extraction and coal seam gas water disposal methods. The production of large volumes of coal seam gas water of poor quality was identified as a major environmental concern in studies assessing potential impacts of the proposed liquefied gas industry.

As the quantities of coal seam gas water increase with increasing levels of coal seam gas production, producers are likely to have to apply a combination of water management options to dispose of coal seam gas water. Various government agencies, including my department, are working together and intend involving industry in an attempt to address this difficult and complex issue. My director-general has been involved in a number of discussions interdepartmentally about the use of that water. I think it is an emerging industry and we will tackle it.

**Mr HOPPER:** Minister, with regard to the water resource plans, is there any compensation for licence holders going into a water resource plan who actually lose entitlement?

**Mr WALLACE:** We draw up water resource plans for systems across the state. As I said in my earlier address, we have covered around 92 per cent of Queensland in terms of water resource plans. Those plans are required under our commitments to the National Water Initiative. As part of that water resource planning process, we develop resource operations plans, which are able to, if you like, effectively distribute the amount of water that we have available for human consumptive use. Of course in Queensland we are very proud of the fact that our environmental flows do come first before that human consumptive use.

In developing that mechanism to, if you like, divide the amount of water between allocation holders, we undertake a number of tasks—one of those being the formation of a local committee that gives me advice on how those allocations should take place and how much those allocations are. Traditionally in Queensland we have had area based licensing for water allocations in Queensland. For instance, Mr Hopper, if you had a traditional licence you might have had a licence to irrigate four hectares of land. We are now converting that particular area based licence into a volumetric amount. So, for instance, for your four hectares you can be allocated eight megalitres per hectare, so your allocation would be 32 megalitres.

On your question about loss of entitlement, I take some direction from my director-general. We tend to recognise those area allocations.

**Mr Spencer:** Yes. To date, to the best of my recollection of the plans that we have issued, I do not believe that we have actually reduced any allocations. There are some plans where we have indicated that we will not allow the full allocation to be used because of the state of the resource. The act actually provides for compensation once the ROP is in place and during the course of the plan but not at the time of what we might call the initialisation of the plan. The new Commonwealth legislation provides for the Commonwealth to take some of those compensation provisions on in the Murray-Darling after 2014. But the process to date has not led to any, to the best of my recollection—and Ms Best might be able to comment—removal of those.

**Mr HOPPER:** Minister, that was the best answer you have given yet. You are twice as good when you do not read.

**Mr WALLACE:** Why are you reading the question, member for Darling Downs? Why don't you just ask a question off the top of your head?

**Mr HOPPER:** Can you tell us whether funding for water research has been pulled back by your department? Can you tell us what funding is in place for water research projects?

**Mr WALLACE:** We carry out a variety of research across the state. Hydrological modelling of course is very important when we are drawing up our water resource plans and our resource operations plans. Of particular interest in terms of research was this year's large rainfall events across regional Queensland. We had the major flooding especially in the Fitzroy system, which members will recall, where Emerald received a major deluge and Rockhampton was just spared from the heights of the Fitzroy. We have monitoring stations in that system and in other systems across Queensland to help us research system flows. One of the important pieces of data we took from that particular event was the amount of sediment that was released from the Fitzroy catchment into the Great Barrier Reef lagoon, for instance. So our research is very wide and has a number of facets—not only regional research but also research of urban water sources.

The Queensland government committed at the last election to address urban water issues and boost research and development through the establishment of the \$50 million south-east Queensland Urban Water Security Research Alliance. Initiatives include research into evaporation reduction, greywater and waste water treatment and use, stormwater harvesting and aquifer storage and recovery. This alliance is one of the world's largest urban water research initiatives. It is a partnership between the Queensland government, CSIRO, the University of Queensland and Griffith University. The program will bring research capacity to south-east Queensland tailored to tackling the existing and anticipated future risks, assumptions and uncertainties that we are facing to ensure the provision of a safe and secure water supply. The alliance is funded from a Queensland government investment of \$5 million cash each year for five years which is matched in kind by alliance partners. They are private companies, so I have to give them a pat on the back for playing a role in this water research alliance.

The 11 projects the alliance is researching are grouped into three themes. The first theme titled 'Closing the Loop' is established to research safe production, storage and delivery of purified recycled water, stormwater and decentralised water systems. The second theme titled 'Informed Decision Making' is established to research the social behaviour and acceptance by residents of decentralised water systems. The third theme titled 'Managing our Future Water Supply' is established to examine issues of climate change, life cycle analyses, water information management and integrated monitoring, water loss reduction and enhanced water quality treatment. These three themes will examine fundamental issues necessary to deliver the region's water needs. I can say that we are getting a lot of people not only within Australia but also internationally looking at what we are doing here in Queensland in water research.

**Mr HOPPER:** Minister, I refer to the WaterWise rebate and education scheme. What opportunities are there for farmers and rural people to be able to take advantage of government rebates on water tanks? The member for Lockyer has contacted your office 14 times trying to get an answer to this. Could you please give the committee an answer today?

**Mr WALLACE:** I thank the honourable member for the question. Yes, I was aware that the member for Lockyer had contacted my office. I have actually signed a letter to the member for Lockyer on that subject. Should Australia Post be delivering, he will of course get that.

In 2007 the government announced changes to the rainwater tank component of the home and garden WaterWise rebate scheme. These changes introduced a new rebate of \$1,500 for the purchase and internal connection of tanks and replaced the previous \$1,000 for stand-alone tanks. My department developed new terms and conditions for the new policy on the basis that the new \$1,500 rebate would apply to the purchase of a new tank and the internal connection of that tank to either a cold water laundry tap or a toilet suite.

The policy intent of the new rebate was to provide a higher level of rebate of \$1,500 as an incentive for householders to purchase and internally connect the new tank. Ms Best, if I am correct, if I am a householder in Brisbane or a householder in the electorate of Lockyer, I still get the same amount of rebate, assuming I have not claimed a rebate previously for a tank? That is correct. We are looking after the people of south-east Queensland and the people right across Queensland when it comes to provision of water tanks and other water-saving devices.

We have passed the \$260 million figure when it comes to rebates for Queenslanders. That is good news for Queenslanders, and I am told that this has been the most successful rebate scheme in Queensland's history. We have helped hundreds of thousands of Queenslanders literally with saving water—be it for a shower rose, be it for a water tank, be it for a dual-flush toilet, be it for greywater systems. This has been a really great success and something which as minister I am very proud of. The government has committed extra funding in this budget for the Home WaterWise Rebate Scheme. I expect those applications to continue rolling in.

**CHAIR:** That concludes our time for this session of non-government questions. We will return to government questions.

**Mrs SULLIVAN:** Minister, I refer you to page 2-235 of the Service Delivery Statements and to the issue of valuations, which you have touched on in a couple of answers to questions today. Minister, we all know that the strength of Queensland's economy is one of the reasons why Queensland is such a great place to live. As property prices increase, particularly in the regional growth areas, can you please detail what process is in place to ensure that the Queensland valuation process is and remains fair?

**Mr WALLACE:** I thank the member for Pumicestone. Land values are the cornerstone of our economy. We have seen what has happened in the United States with the meltdown of the economy where house prices are falling. We do not want that to happen in Queensland. We want our land prices to remain strong so that we keep our economy functioning. The Valuation of Land Act 1944 requires that the Department of Natural Resources and Water undertake annual valuations. Valuations of all local governments are done at least once every five years. In some instances we do not value every year; it might be every couple of years.

Last year my department, as I said earlier, made approximately 1.04 million new valuations in 59 local government areas across Queensland. These valuations which were posted out to landholders in March 2008 were a snapshot of unimproved land values as of 1 October last year based on changes in the local property market and reflected former local government boundaries. The chief executive of the Department of Natural Resources and Water has yet to determine which local governments will be valued in 2008-09. This will be based on a number of factors including but not limited to market surveys currently being completed and the length of time since the last valuation. When this information is finalised and a decision made, advice will be provided to each local government on which local governments will have a statutory re-valuation done in 2008-09.

Any valuation of rural lands will reflect the movement in the market identified by sales of similar land used for a rural purpose. These valuations will reflect the movement in the market since the last valuation of the local government area. Some local governments re-valued last year had not been valued for several years and increases in the value of farming lands were supported by sales evidence. It should be noted that the farming lands category is different to the rural residential land category.

Property owners who do not agree with the valuation of their property may lodge an objection within 45 days of the date of issue of the valuation notice. A further right of appeal exists to the Land Court of Queensland if the owner wishes to contest the decision on the objection. Property owners have 42 days from the date of issue of the decision to appeal to the Land Court. The Blich government through Queensland's valuation process ensures that the true fair market value of land is provided for all Queenslanders no matter where they live.

**Mr PURCELL:** I would like to comment that we have already got from the Parliamentary Reporting Service this morning's proceedings in our hands—hot off the press. What a service! I do not think anywhere in the world you would get a service like that. What a great service. I congratulate Hansard for the great service they give us.

Minister, I refer you to page 2-232 of the Service Delivery Statements where you state, 'Planning for and ensuring secure, quality water supplies for the long term ...' Does this also apply to work carried out by SunWater? As they are a commercial operation, I presume they generate a profit. Minister, I would like to know what happens to the profit from SunWater, if there is one?

**Mr WALLACE:** That is very good question from the member for Bulimba. Queensland's rural water price path has been that the profit generated from irrigation water sales is limited. SunWater does, however, make a profit from urban and industrial water sales and from the consultancy and facilities management work it provides to external clients. A portion of this profit is retained by SunWater and, like all corporations, a portion is paid to shareholders by way of dividends. Profits retained by SunWater have been used in the past to part fund commercial investments. An example is the recent Burdekin to Moranbah pipeline and extensions to the Eungella pipeline to support continued growth in Queensland's coalmining industry.

SunWater is currently investigating a range of potential capital investments that will also generate profits. The Water for Bowen project to bring water from the Burdekin to the Bowen region provides an example of a current investigation project being jointly funded by SunWater, the government and foundation customers. SunWater dividend payments made to shareholders are typically reinvested into water industry initiatives which aim to achieve community and environmental benefits across regional Queensland. Examples of recently completed dividend reinvestment projects include a new fishway at Claude Wharton Weir on the Burnett River to enable fish movement past the weir to reconnect with riverine habitats throughout the Burnett catchment, and an upgrade for the Bjelke-Petersen Dam spillway to ensure the safe passage of extreme flood events, better mitigating community risks.

SunWater is currently undertaking a range of dividend reinvestment projects that are nearing completion. These projects include the trial in the Mareeba-Dimbulah scheme to determine the feasibility of constructing channel fluming from a flexible plastic lining material which helps reduce water losses and chemical usage in a cost-effective manner. SunWater is also developing an online climate forecasting tool to assist its customers with water management planning.

During 2008-09 SunWater will also upgrade an existing fishway at Dumbleton Weir on the Pioneer River at a cost of \$470,000 and commence a new fishway on the Bowen River Weir. Both projects will improve fish movement and reduce the environmental impact of critical water infrastructure. Through dividend reinvestments, SunWater is able to address critical community and environmental issues without compromising its commercial objectives.

**Mr HAYWARD:** Minister, page 2-235 of the Service Delivery Statements refers to the state vegetation management framework. Can you advise of the practical ways in which your department has looked at improving its practices to assist landholders who are seeking better management of the vegetation on their land?

**Mr WALLACE:** Thank you. It is a very good question. As part of the Blueprint for the Bush initiative, the state government committed to review the administration of the implementation of the Vegetation Management Act. The purpose of this review is to provide a clear understanding of how the act is operating and identify ways in which the delivery of operational services could be improved.

Importantly, I should stress, this review is not about the act itself, it is not about policy change; it is about how the government can improve how the legislation works on the ground. We did this by listening to the views of the users and the landholders. A reference group was established by the government to assist in identifying administrative issues being experienced with the act's implementation. The process for undertaking the review was developed in conjunction with this group which comprised members of AgForce, the Queensland Farmers Federation, the Local Government Association of Queensland, the Urban Development Institute and the Queensland Conservation Council. An online survey was conducted, as well as face-to-face interviews, telephone interviews and a one-day workshop involving key stakeholders.

To ensure as wide media coverage as possible, I personally issued a press release on 19 December. This press release was run widely across the state by several regional newspapers and radio, including 4KZ in Innisfail, ABC Cairns, ABC Wide Bay, ABC Southern Downs and ABC Mackay, the *Queensland Country Life*, *Rural Weekly* north Queensland, the *Stanthorpe Border Post*, the *Gympie Times* and the *Fraser Coast Chronicle*. Several associations also provided details of this survey to their members in newsletters to encourage their members to lodge submissions. I am advised that we received around 156 responses, which was quite good feedback. I would like to say that the feedback covered a range of topics, with many interesting and potentially useful ideas.

At the outset, I have stated that this review is not about the purpose of the act but how the act is implemented. Consideration will, however, be given to suggested changes to the act that would improve the effectiveness and delivery of the policy and objectives to the act. We are about doing the practical business of the act in a better way. I will make a further announcement following consideration of recommendations received in the review in due course. I am always out there listening to the people of rural and regional Queensland, talking to them about their concerns. That is my job—to listen to their concerns—and this feedback will be very, very useful in our way forward.

**Mrs SULLIVAN:** Minister, I refer to page 2-232 of the Service Delivery Statements where you advise of the cooperative work carried out between your department and the Commonwealth government on a range of water related issues. I note particularly that one of the issues covered by this work has been the critical reform agenda of the National Water Initiative, which I believe includes a national pricing structure for rural water charges. If this is the case, can you inform us as to what benefits, apart from a clear national pricing structure, the Queensland community can expect to receive from this work?

**Mr WALLACE:** The Queensland government is a signatory to the 2004 Intergovernmental Agreement on a National Water Initiative, the NWI, which builds on the initial 1994 COAG water reform framework. The NWI commits Queensland to specific actions to increase the productivity and efficiency of Australia's water use and ultimately provides greater certainty to water users, investors and the environment. The focus of the NWI has been on the key areas of water access entitlements and planning frameworks, water markets and trading, best practice water pricing, integrated management of water for environmental and other public benefit purposes, water resource accounting, urban water reform, knowledge and capacity building, and community partnerships and adjustment.

In meeting the state's commitments under the NWI, my department has undertaken catchment based water resource planning, with these plans now covering over 90 per cent of Queensland. The Queensland water resource planning process also recognises best practice planning, which also enables water trading by converting existing water entitlements to tradable water allocations. To date, Queensland has created more than 8,200 tradable water allocations totalling some 1.6 million megalitres in 10 plan areas. Those tradable allocations have a value of around \$2 billion.

Overall, Queensland is progressing well in meeting its NWI commitments in accordance with its state implementation plan. This has been confirmed by the National Water Commission's first biennial assessment of progress of the NWI released in October 2007. While confirming the NWI as the blueprint

for national water reform, the National Water Commission's first biennial assessment concluded that more needs to be done to expand and accelerate national reform in key areas, particularly in response to increasing climate variability and to climate change.

In December 2007, the Council of Australian Governments established the Working Group on Climate Change and Water chaired by Senator Penny Wong to develop a forward work program of water reform for consideration by COAG in October this year. Queensland will continue to work cooperatively with the Commonwealth and other jurisdictions to ensure that the interests of Queensland stakeholders are taken into full account. Senator Wong has been a breath of fresh air in that federal government. It is good to speak to a federal minister who has the interests of Queensland at heart. She is working very closely with our government and—

**Mrs SULLIVAN:** Cooperation.

**Mr WALLACE:** Yes, it is very important there is cooperation. For too long, governments have been fighting with each other. I think it is great that we are cooperating with the federal government on these initiatives.

**Mr PURCELL:** Minister, I go back to your Service Delivery Statements at page 2-233 and the assessment of applications under the Vegetation Management Act. With the very high number of assessments that are being made under that act, as you said earlier, can the minister detail the circumstances in which these assessments may be challenged in the court system?

**Mr WALLACE:** My department is responsible for administering important natural resource legislation to protect native vegetation while at the same time allowing for sustainable development. From time to time, my department can be engaged in several types of court appeals related to the protection of native vegetation. One relates to appeals to a higher court against decisions of the Magistrates Court in relation to the prosecution of unlawful clearing. A second type of appeal is made against decisions about development applications to clear native vegetation. These are made to the Planning and Environment Court. A third type of appeal can occur when a landholder disputes a compliance notice issued by my department in relation to the rehabilitation of unlawful clearing. These are made to the Magistrates Court.

My department is also involved in court appeals against its development application decisions. In the last 12-month period, I am advised the department has assessed approximately 2,000 development applications as either a concurrence agency or assessment manager. Of those, my department has participated in 53 appeals—an appeal rate of approximately three per cent, which is quite low. Most of these appeals are against conditions set by the local authority. Usually my department participates in these appeals to ensure that the relevant conditions imposed by my department are maintained. Only 11 of the 53 appeals have been against the decision or conditions imposed by my department; 11 appeals out of 2,000 represents only 0.55 per cent. I am advised that my department's decisions and conditions are not appealed in more than 99.4 per cent of cases. Five of these 11 have been settled through negotiations between the parties resulting in orders by consent. The remaining six appeals are currently before the court. There are other appeals that arise from the issuing of compliance notices. Several are currently before the courts. There have been no successful appeals against the issue of a vegetation compliance notice in the last 12-month period.

**Mr HAYWARD:** Minister, I refer to page 2-238 of the Service Delivery Statements for your department. I note that Natural Resources and Water has completed meter projects in six areas and that you intend to undertake metering projects in a further five areas this year. Will one of those metering projects be in the Bowen area, because I understand that issues have been raised by irrigators in the area that they have an extra expense for new meters when they already have meters installed? Also, a number of water users have expressed doubts as to the benefits of water metering, as well as the costs involved. Minister, are these claims correct?

**Mr WALLACE:** It was quite a long and detailed question and I will be happy to answer it. Yes, new meters are being installed in the Bowen water management area. The local Bowen Water Advisory Group has been actively involved in the rollout of this meter project. Local irrigator representatives have provided good advice to the department on the best local approaches to informing all irrigators in the area about the metering project. This includes the decision to roll out the area in five sections so that the contractor can maximise his efficiencies and so the disruptions to growers and the costs can be minimised.

Dealing with the Water Advisory Group has also allowed many site workplace health and safety issues to be addressed prior to the start of the rollout process. There are some 438 existing meters in the Bowen water management area. These are generally old, propeller actuated meters installed in the early 1980s. They are nearing the end of their useful life and generally are unsuited to handling the iron bacteria and other water quality problems in the area. The need for new meters is driven by the emerging national policy for non-urban metering and the Queensland government's water metering extractions policy established in 2005.

The primary purpose of the national and state metering policies is to have reliable, credible and practical metering in place that supports sustainable water resource management. Good meters are vital in protecting the access rights of individuals and in ensuring environmental outcomes are achieved. In the Bowen area, water service charges are expected to be in the range of \$400 to \$500 per year, depending on the meter size. In addition to the annual meter service charge, some irrigators will have to modify their works as well so that a meter can be installed safely. This may cost an average of about \$1,000. It is important to note that this is a one-off cost.

However, for most entitlement holders, the cost of having accurate and credible metering is far outweighed by the benefits to be gained. The main benefit of metering is that it protects an individual's water entitlements, enhancing their security by ensuring one entitlement holder's access is not reduced by the unauthorised take of another user. This enhanced security is essential to protecting landholder investments in entitlements and infrastructure. It is also essential for any future water trading to be introduced in the Bowen area.

Those Bowen irrigators are very, very good water users. I was pleased earlier this year to announce that they had 100 per cent allocations after quite a good wet season. They are very good managers of their groundwater resource and they need a pat on the back. I know there are some concerns about these meters but, wherever we roll out meters, it is to protect those water users' entitlements and to make sure there is water there for the future.

**CHAIR:** There are 14 minutes remaining in this session before we break for afternoon tea. I will divide the 14 minutes evenly between government and non-government members, starting with the non-government members. I call the member for Darling Downs.

**Mr HOPPER:** Minister, can you please explain why your government is withdrawing its modest \$16 million in drought rebates on fixed water charges and rates introduced just two years ago by Premier Bligh when she was Treasurer? This will mean irrigators will again face the prospect of paying the government for water they will not receive. Minister, do you think this is fair? I am talking about the part A water charges.

**Mr WALLACE:** There was never a \$16 million commitment. I think you have got that wrong. The other thing you have got wrong is that no irrigator pays for water they do not receive. It is just like your comments on wild rivers this morning. I think you owe an apology to the people out there that you are misleading.

The Irrigators Fixed Water Charges Rebate Scheme was introduced in March 2007 to assist in addressing the effects of prolonged drought on irrigators. The rebate scheme's intent was to assist small and medium sized irrigators to cope with the effects of drought. In particular, it was designed to direct assistance to those irrigators who have suffered the most from drought. The rebate can provide up to 100 per cent of fixed water charges on 2006-07 and 2007-08 water bills, depending on the current and past low water availability. To the end of June this year the rebate scheme has approved 3,431 rebates, resulting in payments to 1,118 irrigators. Rebate payouts are made each billing period, usually every quarter.

The rebate scheme has functioned very well and to date there have been no appeals on eligibility decisions made by QRAA. Fortunately, the rain event in recent months across Queensland has increased the water storage levels in various areas, and announced allocations in many areas are now above 50 per cent. The scheme is set up so that if in 2007-08 there is an announced allocation of 50 per cent or greater in an area then the rebate discontinues for the area.

As at 1 July there were six schemes with a 20 per cent or less allocation. Those schemes are the Lower and Central Lockyer, Barker Barambah, Three Moon Creek, Upper Condamine, Upper Burnett and the Claude Wharton part. The Bligh government has approved the extension of the part A rebate scheme for 12 months for these six schemes. The rebate scheme has been widely advertised by the department and promoted by the Queensland Farmers Federation.

Unfortunately, by the end of June 2008 only 30 per cent of eligible irrigators had applied for the rebate. If irrigators have any suggestions, they should make contact with us. Whilst I thought there would be a greater rate of applications from irrigators, you cannot force people to apply for these things. We do offer the service. Irrigators are eligible to apply for rebates on water bills issued to 30 June. However, it is important to note that QRAA will be accepting applications until 31 December 2008. I would encourage all irrigators who have had low water availability between 1 July 2006 and 30 June this year and who have not yet done so to apply before 31 December. Again, I suggest that we do not continue this myth that irrigators are paying for water that they do not receive. That is incorrect.

**Mr HOPPER:** Thank you, Minister. I refer again to recycled water. Earlier we heard all of the explanations and the whole process of what is set in place in relation to notification. If there is an actual breach—a failure in recycled water—what time limit will you give to let the public know that they have been exposed to a risk factor? If they are drinking recycled water and there is a breach, when will you notify the public? Will it be immediately? Will it be within 24 hours? Or will you wait for the annual report? The public must know if there has been a failure. Can you please give the committee a guarantee on the exact time they will know—not when the water is turned off, when they will know.



**CHAIR:** I think you have the question there.

**Mr WALLACE:** I certainly did, Madam Chair. It is important to stress here that no-one is going to be drinking recycled water directly. So you are not going to have the pipe from the western corridor recycling scheme running to your house or running into the potable water supply. Water from the western corridor recycling scheme will go into Wivenhoe Dam. We have a seven-barrier approach to recycled water—one of the most robust schemes in the world when it comes to recycled water. Dare I say it, I think we would be a world leader when it comes to the robustness of that scheme.

**Mr HOPPER:** When will they know, Minister?

**CHAIR:** Order! Member for Darling Downs. I call the minister.

**Mr WALLACE:** One of the most robust schemes in the world. So that seven-barrier approach will deliver some of the safest water in the world once it goes into Wivenhoe Dam. It sits in that dam, is taken into the water treatment plant and treated with old water and is then put into our drinking water supplies. If there were a risk to water, be it in that scheme or in any scheme across Queensland, the department of health would issue a warning, as it does occasionally across the state. Cyclone Larry, which destroyed Innisfail and surrounds—Mr Purcell was up there; he would know that there were several—

**Mr PURCELL:** We brought every bit of bottled water in Queensland and New South Wales.

**Mr WALLACE:** I have been through a couple of cyclones and I have been through a couple of bore water alerts, I can tell you that much. So the department of health does step in if there is a concern with drinking water, be it through the Wivenhoe scheme—

**Mr HOPPER:** Is it an immediate guarantee, Minister?

**CHAIR:** I warn the member. There are to be no interjections.

**Mr HOPPER:** Madam Chair, the member for Bulimba just spoke to the minister.

**CHAIR:** He is not asking the minister another question. You have already asked the question; the minister is answering the question. He has 46 seconds remaining.

**Mr HOPPER:** Gee, you are being tough.

**Mr WALLACE:** The department of health takes its role very seriously. I am not the health minister, but I am sure I could verbal the health minister—not that he likes that very much—when I say that the department of health would step in immediately if there was a concern with public health anywhere in this state where there was a need to take action in terms of water supply. Indeed, last week there were some concerns with a sewage spill which may have impacted on a drinking water supply. Of course, Health took the lead in that regard, as it does with health issues right across the state. Residents of south-east Queensland can rest knowing that the department of health will issue those warnings when they are needed.

**CHAIR:** Thank you. That ends that session of non-government questions. We now have seven minutes of government questions. I call the member for Pumicestone.

**Mrs SULLIVAN:** Minister, for the benefit of this committee could I ask for a further clarification on the Delbessie Agreement? The agreement has been the subject of some recent what I believe to be misleading media reports which have reported that the process is a land grab for the protected estate of the Environmental Protection Agency and that the lease renewal period will take up to 10 years. Can you reiterate the aim of the Delbessie Agreement? Is it to lock up good agricultural land for environmental objectives?

**Mr WALLACE:** Thank you, member for Pumicestone. That is a very, very good question. As I said earlier, I am pretty cranky about some of these reports that are getting around which are totally inaccurate. I think these people really need to wake up to themselves and stop peddling these myths.

An article published in *Queensland Country Life* of 3 July 2008 made a number of incorrect statements regarding my department's current and future capabilities in relation to processing rural lease renewals. The *Country Life* reported that a lack of staff and resources will cause major delays in processing rural lease renewals over the next five years. In fact, it goes as far as to suggest that my department employs only three people to deal with what it claims to be thousands of rural leases that will need to be renewed over the next five years.

An article headed 'EPA's big say in leases' and accompanying editorial entitled 'Land with a minefield', as I mentioned earlier, also appeared in the *North Queensland Register*, making a number of erroneous statements regarding the Delbessie Agreement and labelling it as one of the biggest land grabs the EPA has ever staged.

On 5 June 2008, as I mentioned earlier, in a further article entitled 'Lease laws under fire', the *North Queensland Register* cited the *Month in review* report of reputable valuations firm Herron Todd White which carries a similar erroneous theme to the *North Queensland Register* articles regarding Delbessie. The Herron Todd White and *North Queensland Register* critiques appear to have been influenced by the views of a guest presenter at a seminar on rural leasing held in Townsville. He was wrong and the subsequent articles were wrong.

As many people look to Herron Todd White as a reliable source of investment advice, I need to clarify and correct this erroneous statement. The Queensland government is committed to world-class management of the state's leasehold land, and this is why it launched the Delbessie Agreement with AgForce and the Rainforest Conservation Society last December.

Claims that the Environmental Protection Agency would need to give consent to lease renewals are incorrect. While the views of the EPA have long been required as part of the lease renewal process, the consent of the EPA for lease renewal is not required. I also advise that there were claims that only three staff have been employed to do this job and that renewals would take up to 10 years to finalise. Poppycock! Absolute poppycock! Again, this is incorrect. A specialist team of 13 officers with extensive natural resource management and field assessment experience has been recruited across the state and are ready for the on-ground implementation phase. These officers are supported by more than 130 staff located in my department's regional offices across the state who administer state land dealings including rural lease renewals. Further support is provided by Natural Resources scientists, land planners, valuers, geographic information systems officers, surveyors and vegetation management officers. Thank you for that question. I hope we will get those sections of the rural press to actually report on the truth of Delbessie.

**Mr PURCELL:** I want to ask about an issue that I know a number of people in the community will have an interest in, as do I and people at this table. It is referred to in the Service Delivery Statements at page 2-234. It is very easy for your department to assess water that runs down a creek, a river or a watercourse because you can see it and in a lot of cases you can measure it and evaluate it. I am aware also that you have plans dealing with groundwater, which must be a lot more difficult. I know that some people in my electorate have had trouble with groundwater. With this in mind, Minister, are you able to identify any areas where your department has encountered difficulties in the processing of groundwater?

**Mr WALLACE:** Thank you, member for Bulimba. It is a good question. As you said, groundwater can sometimes be difficult to measure. When we think of water we often think of surface water—rivers, lakes, streams et cetera. When you are dealing with one of our most precious resources, all water planning processes bring with them certain difficulties. One of those groundwater problems has been on the Atherton Tableland. Following completion of the Barron water resource plan in 2002 there was a considerable increase in the number of irrigation bores drilled within management area B. That is an area we have defined on the Atherton Tableland. This proliferation of new bores threatened to deplete groundwater supplies and flows in the surrounding spring-fed streams.

On 14 February 2006 the then minister published a moratorium notice under the Water Act for management area B. The effect of the moratorium was to allow the chief executive to deal only with those water licence applications that had been lodged prior to the moratorium and where an approved bore had been completed. In 2006 the chief executive issued decisions in relation to the water licence applications that could be dealt with under the moratorium. Five landholders subsequently lodged appeals with the Land Court against the decision relating to the water licences that they had been granted. While I would prefer that this had not occurred, taking legal action is a right available to all members of the community. Of these five appeals, one case has been heard by the Land Court and the court has dismissed the appeal. Three further cases are set down for hearing by the court later this year. The fifth case is the subject of ongoing discussions between my department and the landholders involved. It would be inappropriate for me to comment further in relation to these appeals whilst they remain before the court. The moratorium will continue to apply until the Barron water resource plan amendment is finalised.

That interaction between groundwater and surface water is very, very important. We have to take all water into account when we do the water balance, member for Bulimba, be it surface water or groundwater. As I mentioned in my speech, an excess take of those groundwater resources can affect stream flows, can impact on other water users in the area and of course can impact on the environment. What you take out can have an impact on those stream flows. So we take our planning very, very seriously.

**CHAIR:** Thank you, Minister, and thank you, everyone. The committee will now adjourn for a short break and will resume at 4.15, continuing with the estimates for the portfolios of the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland.

**Proceedings suspended from 3.42 pm to 4.15 pm**

**CHAIR:** We will resume the hearing of Estimates Committee G. The question before the committee is that the proposed expenditure be agreed to. I call the member for Tablelands.

**Ms LEE LONG:** Page 2-32 of the SDS refers to the water resource planning process. Can you tell me how much your department has spent in the 2007-08 financial year on court costs and associated legal expenses relating to the water resource planning process and in particular in relation to the Barron draft water resource amendment plan?

**Mr WALLACE:** As I said before the break, we carry out our water planning activities in a very serious manner in Queensland. That is to ensure that we protect our precious water resources across the state. Be it a water resource in the Barron, a water resource in the Burdekin or a water resource on the border rivers, we need to protect those particular resources. That is why we have water resource plans and resource operation plans.

It is the right of any individual who believes that we have not made the correct decision to appeal that decision. I will uphold that right as long as I am the minister. We are forced oftentimes to defend our decisions in court where those individuals disagree with the decisions we have made. One of the areas where we have had a number of discussions and some court action is in the Atherton area with the Barron River ROP. A couple of landholders have taken us to court. I wish that that did not happen but that is their right.

Five appeals have been lodged in the Land Court regarding water licences for groundwater in management area B of the Atherton subartesian area. The department is currently in the process of finalising a settlement with one of the appellants. One of the remaining appeals has been heard. That appeal was dismissed. A hearing date for the other three appeals has not yet been determined. We are still in the process of expending money on legal costs to defend our water planning actions on the Barron.

The Land Court has indicated that it will not make a decision on the first appeal until all cases have been heard. However, this is being contested by the first appellant. The three other appellants who have sought a concurrent hearing have indicated their intention to seek a six to eight month adjournment so they can have their expert witnesses perform further assessments. That entails us also having expert witnesses which adds to our costs.

In one of the previous hearings they had some very well qualified silks involved which meant that we as a government, to protect the interests of all water holders and the state of Queensland, had to have similar legal counsel. It is expected that the court is unlikely to be able to finalise these appeals much before the end of 2008. My department is confident of being able to defend its position in relation to the four outstanding appeals. Three of the four appeals are seeking entitlements of in excess of 700 megalitres per annum.

**Ms LEE LONG:** You mentioned five irrigators who are in that situation but I believe there were around 12 who had actually spent sums of between \$30,000 and \$300,000 in this process. Do you believe that your department took reasonable action by declaring an unexpected moratorium on the area B groundwater? These people who spent that amount of money and were in the process of applying for allocations are now left high and dry and out of pocket. I would expect that they should be at least compensated.

**Mr WALLACE:** I should point out that not all 12 applicants decided to take on the legal appeals. So that is why they were not mentioned in my earlier response about court costs et cetera. But the water resource plan for the Barron Basin seeks to secure groundwater supplies and protect existing water entitlements across the Atherton subartesian area which includes the area known as management area B, which is where the applications came from.

A moratorium notice has been in effect for management area B since February 2006. This notice prevents the department from accepting or dealing with new groundwater licence applications or applications associated with increasing the licence take. In general, this notice prevents landowners from constructing new bores. The notice is necessary to ensure that the current process to amend the plan to more vigorously manage area B is not undermined by water related development. We do that across the state. This is not unique to the Barron. We do this across the state where we undertake water planning.

The notice provides for landowners who already had physically commenced bore construction when the notice was published to complete their bores, provided that they firstly informed the department about the continuing construction. Last year we announced a moratorium on new suburban bores in parts of Brisbane. The same provision was made for persons who had started bore work. What has happened in certain parts of Brisbane has happened in the Barron.

Secondly, landowners who had not physically started bore construction but had a pre-existing contract or sufficient written evidence of prior intentions to construct works as defined under the Water Act were allowed to complete the bores by 16 May 2006. The Water Act allows for a landowner eligible to complete works under the moratorium notice to apply to me the minister for an extension of time to complete those works but only if completion was not possible due to unforeseen changed circumstances beyond the reasonable control of the landowner. Some 11 landowners in area B made applications for an extension of time to complete their bores.

In accordance with the act, I referred all these applications to a moratorium referral panel. It is an independent expert community panel established under the act to make recommendations about applications for an extension to the completion date. They are local people on the panel who provide advice through the department to me. I have met with that panel previously.

After due consideration of the referral panel's recommendations, it was determined that 10 of the 11 applicants were ineligible because they did not meet the primary criteria to be commencing or continuing work under the notice. The remaining application was rejected on the basis that the provisions of the notice do not allow retrospective authorisation of work carried out in contravention of the moratorium. This instance demonstrates the value of having an independent referral panel.

**Ms LEE LONG:** Page 2-32 also refers to the planning for and ensuring secure water for the long term. What progress has been made on the Nullinga Dam project on the Walsh River? How much of the \$6 million feasibility study has been completed? How much has been spent?

**Mr WALLACE:** Can I thank the honourable member for the question. As part of our planning across Queensland for future water supplies my department is conducting a number of regional water supply strategies. This is looking for the first time ever at the next 50 years of water development across Queensland. One of the first areas where we commenced that study was in far-north Queensland—the tablelands and Cairns area. I released the draft of that study along with the Premier last year. The Nullinga Dam was identified as a possible future water resource for the people of far-north Queensland.

The state government announced in October 2006 that the state would investigate the feasibility of constructing a dam at Nullinga on the Walsh River, which is in the member's electorate. SunWater has been appointed to prepare a preliminary business case under the statewide water policy regional water infrastructure projects program of works to confirm the viability of Nullinga as the next major new water supply for the region. We take our water planning very seriously, especially when it comes to new dams.

The Nullinga site is located 23 kilometres south south-east of Mareeba and 800 metres upstream of the channel road crossing on the Walsh River. The project would provide capacity to expand irrigation in the western sectors of the Mareeba-Dimbulah water supply scheme and further downstream along the Walsh River. By relieving the demand on Tinaroo Falls Dam for agriculture, the project would provide by substitution a long-term future water supply for Cairns which would have the capacity to pay for the new water infrastructure when it was required.

A report by Hyder Consulting in 2000 concluded that the construction of Nullinga Dam would have few adverse environmental impacts and those that occur could easily be managed with adequate planning and monitoring. The studies currently undertaken by my department will provide a more in-depth investigation of environmental and cultural heritage factors to complement these earlier works and determine whether there are any fatal flaws associated with the construction and operation of Nullinga Dam.

Additionally, studies by the proponents, SunWater, including engineering, geotechnical, hydrology, financial and economic assessments—which are scheduled to commence in 2008-09—will enable the development of a preliminary business case. Should the studies identify no fatal flaws to development of the dam and the preliminary business case is positive, the site will be secured under voluntary purchase and long-term lease arrangements until such time as the storage is required. We actually go into the market, talk to the landholders affected and see whether they wish us to purchase their properties.

Studies have been concluded relating to environmental and cultural heritage matters. These reports will be provided to the proponent to assist in finalisation of the preliminary business case. The environmental study was undertaken over wet and dry seasons to better understand the native fauna movement with the seasons both for aquatic as well as terrestrial fauna.

**Ms LEE LONG:** Pages 2-234 and 2-249 refer to the sustainable allocation of water and also to SunWater. A very significant amount of water, in excess of 40,000 megalitres annually, is lost in the MDIA channel network to leakage, evaporation and excess overflow yet you have refused to distribute 4,000 megalitres of surface water to irrigators below the dam in favour of Cairns city even though Cairns is on the extremely wet coastal plain and has alternative sources of water available. How can you justify this? What are you doing to contain these huge losses? Will you return this 4,000 megalitres to where it belongs?

**Mr WALLACE:** I thank the honourable member for the question. As I mentioned earlier, there was a question from the government members about SunWater and its profits and dividends. I mentioned that it has been carrying out a number of schemes looking at putting plastic into the channels in the Mareeba-Dimbulah irrigation area to see whether we can reduce leakage et cetera. We will continue to carry out those particular investigations to see how successful we are in reducing leakage. That is going to be an important area to try to get more water back into the system. An area the Commonwealth is looking at in terms of Murray-Darling funding is how we can reduce evaporation and leakage et cetera.

Water users supplied from Tinaroo Falls Dam enjoy a very high reliability and secure access to water supplies. As at 17 July the dam is 88 per cent full. The announced allocation for irrigators in the area is 89 per cent. I know a lot of irrigators across the state would like to be in the same circumstance.

This reliability and security is underpinned by the Barron water resource plan and the corresponding resource operation plan. Under the security and certainty delivered by these plans, water users have seen the capital value of their water allocations double in the last two years—that is, since the plans were finalised. We have this water sharing in place for the security of both the users on the tablelands and other users across the system.

The Barron resource operation plan contains stringent rules governing the release of water from Tinaroo Falls Dam. These rules are designed to protect the reliability of the water supply for irrigators and other water users associated with Tinaroo Falls Dam as well as providing for other legitimate water requirements downstream of Tinaroo Falls Dam. The dam's operating rules recognise longstanding obligations associated with the supply of water to Stanwell's hydroelectric power station. The operating rules also ensure the environmental flows to maintain river health in the Barron River below the dam. The fact that some water is released past the dam is a reality and should be viewed as water that is vital in providing water to the hydroelectric power station and maintaining the health of the Barron River. Irrigators, as one of the legitimate water users, need to understand that the dam also caters for the water needs of other sectors of the community.

I understand that some water users in the Barron downstream of Tinaroo Falls Dam experience problems with their pumping equipment when large releases are made from the dam. I have asked my department to consider possible changes to the resources operation plan that could minimise any impacts of releases from Tinaroo Falls Dam on downstream pump sites. However, in considering this possibility, my department's chief executive will need to balance the concerns expressed by water users against the need for water to be released to supply the Barron Falls hydroelectric power station at Kuranda and to meet other water requirements downstream of the dam.

**Ms LEE LONG:** Minister, page 2-233 of the Service Delivery Statements refers to the section relating to improved land management in Indigenous communities. Many Indigenous people would welcome real jobs as fire control officers and for pest, animal and weed management on state land. There are only 10 such positions north of Bowen which imposes impossible workloads on those staff and is insufficient for the vast areas for which they are responsible. Minister, will you increase the number of staff assigned to these tasks and provide better opportunities for Indigenous people to undertake these jobs?

**Mr WALLACE:** I thank the honourable member for the question. We take our pest management responsibilities very seriously in terms of the management of state land within the Department of Natural Resources and Water. Indeed, I regularly release press releases advising communities of burns on state lands so that we can keep down our loads and keep down the pests and weeds on that state land et cetera, and that is a very important role which my department plays in managing state land. We try to be a good landowner and a good neighbour. The fact that a lot of this land is bordering national parks and bordering other land users means that we do work with other departments that have custodianship of that land and other landowners are looking after it.

The other point of your question was the employment of Indigenous people, and I agree that we should be employing Indigenous people wherever possible. We are actually doing that in terms of our wild river rangers who actually work with landowners, communities and other traditional owners to protect and promote our state's wild river systems. We have employed the first 20 wild river rangers and my Department of Natural Resources and Water now has finished contracting all 20, so we have them out in the field. A rigorous evaluation of the first phase of those wild river rangers, who will be looking after wild rivers and our natural assets, will be completed early next year. At that time the Queensland government will consider long-term funding options for up to 80 additional wild river rangers—that is, Indigenous people working on that land looking after country. The evaluation will assess both the suitability of the community development model being used and the enduring benefits for success of the wild rivers initiative and the local Indigenous communities. The rangers work program is diverse. It includes visitor management, photography and data collection of local species and habitats, recording traditional stories, and managing weeds, feral animals, fire and other threats to river systems.

So we have Indigenous people working on that land to manage those risks that you have identified. For example, recently the rangers at Pormpuraaw were spraying weeds and surveying estuarine crocodile nests. I saw a couple of big crocs the other week when I was out fishing, so you have to be careful, especially when crocodiles are nesting. In the gulf they were rehabilitating a small lagoon that is significant to the community.

**Mr HOPPER:** They should have used you as bait.

**Mr WALLACE:** I do not think the croc would eat me, Ray. The skills these rangers develop will be passed on to the next generation and will ensure the cape and gulf's unique ecologies are better managed and preserved. Being locally employed, these Indigenous rangers already have close links with the traditional owners of the country they will be caring for. The program provides protection for the world-class natural values of Cape York and the Gulf Country.

**Ms LEE LONG:** Minister, on the same subject, at present there are only 10 positions north of Bowen, particularly related to fire control. I understand that these could be reduced to eight, with the monetary savings spent on middle management. Will you ensure that this does not occur as we need more positions created, because these workers rarely spend a night at home now?

**CHAIR:** Minister, you have about 1½ minutes.

**Mr WALLACE:** That sounds like my job: very rarely spending a night at home, but that is what we are here for. The Department of Natural Resources and Water is responsible for managing risks on unallocated state land and other land under its control such as freehold land and reserves where my department is trustee. These risks include but are not limited to wildfire, declared pests, overgrown allotments, overhanging tree branches and unauthorised dumping of rubbish, and that happens too regularly. I was on some state land the other day and car bodies et cetera build up. We have to be very careful to keep that under control. Work is prioritised and undertaken using a risk assessment approach, with works to address the highest risks undertaken first.

For the 2007-08 financial year, my department's north region budgeted approximately \$1.893 million for high-risk work. The region actually spent more than its budget—\$2.073 million. So we are actually going above our funding in that northern region on pests and weed management on our properties. The figure included a large project costing approximately \$740,000 at Mount Isa to stabilise a rock wall from private development that encroached onto unallocated state land without authorisation. The total spending by the north region represents a substantial investment by the department in managing land under its control to reduce risks to the public and ensure that the land is available for future generations. My department utilises a highly trained team of internal staff to undertake these works, as well as engaging local councils and other contractors to undertake work for the department as required. My department also conducts work in conjunction with other agencies as part of a coordinated approach to address the various issues.

**CHAIR:** Thank you, Minister. That concludes that session of non-government questions. We will have 20 minutes of government questions, and I call the member for Pumicestone.

**Mrs SULLIVAN:** Minister, regarding planning for and ensuring secure quality water supplies for the long term—an issue which this government takes very seriously—earlier this year there was some criticism of you by the opposition and some members of Bundaberg Fruit and Vegetable Growers regarding environmental flow releases under the Bucca Weir strategy, with some calling these releases a waste of water. Minister, are these environmental flow releases a waste of water or an attempt to mimic as closely as possible the natural system of flows in the river as recognition of the importance of water for the environment in the overall management of the system?

**Mr WALLACE:** That is a very astute observation by the member, because that is exactly what the environmental releases do: they mimic the natural flows of the river. Let me assure everyone that water that is released to protect the environment is not wasted. I do not think the environment is a waste. I do not. I do not think fish in that river are a waste either. I think having healthy fish habitats is not a waste. These water releases are absolutely necessary to ensure that our rivers are maintained in a healthy condition both now and into the future. The Burnett resource operation plan was developed to provide sustainable water supplies for the region but also to protect the share of available water that is needed to maintain the health of important ecosystems. The plan was established after an exhaustive planning and consultation process. Indeed, irrigators in the Bundaberg region were extensively consulted as part of the development of the water sharing rules for the Kolan River subscheme and at the time supported the plan's provisions. I repeat that: and at the time supported the plan's provisions.

Under the plan, environmental flows are to be released from January to the end of April when certain preset trigger conditions are met. These arrangements were designed on the basis of expert scientific advice which sought to protect the health of the Kolan River declared fish habitat area. Although there were some very large flows down the Kolan River in February this year, follow-up flows were necessary to assist fish breeding and the growth of juvenile fish in the Kolan River declared fish habitat area. I will repeat that because it is a very important sentence: although there were some very large flows down the Kolan River in February this year, follow-up flows were necessary to assist fish breeding and the growth of juvenile fish in the Kolan River declared fish habitat area.

About five per cent of the water then stored in the Kolan River subscheme was released during March and April to ensure environmental health of the river and fisheries. This is in accordance with the flow rules in the Burnett resource operation plan. The releases ceased on 30 April. These Kolan River releases do not affect Bundaberg's water supply, which comes from the Burnett River storages of Paradise Dam, Ned Churchwood Weir and Ben Anderson Barrage. Most of the water supplied from the Kolan River subscheme is used for irrigation purposes. I think the health of that river is important. I think that future fish breeding in that river is important, and I greatly welcomed the support I had from commercial fishers in that area after that release. They know that these releases are important for the health of the fishery, the health of that river and for their future. My old grandad used to say, 'Drought on land, drought at sea.' That is exactly what happens when we do not have those flows for that fish breeding, and I will stand by those environmental flows on the Kolan and I will stand by those fishermen.

**Mr PURCELL:** Minister, I go back to your Service Delivery Statements where your department addresses issues of reef health. Your department outlines water monitoring networks helping protect the Great Barrier Reef. Can you expand on that?

**Mr WALLACE:** Thank you, member for Bulimba. In fact, I touched on this earlier when I was talking about the Fitzroy and the monitoring that we are talking about there with that very large flow event. The reef plan targets to diffuse sources of river pollution from land management with the goal of halting and reversing the decline of water quality entering the reef within 10 years. That water quality has a large impact on the reef and what happens there in the future. My department directly leads a broad range of reef plan strategies such as planning for natural resource management, extension tools to aid self-management, research, and information sharing and monitoring evaluation. Other key stakeholders involved in the reef plan are community based regional natural resource management bodies, local government, industry groups and other Queensland and Commonwealth agencies. So we have a multipronged approach to the reef plan.

In support of the reef plan, my department has achieved better than satisfactory performance for all 12 actions for which it has lead responsibility. My department's catchment programs business groups track progress of all reef plan actions with departmental responsibilities and overall reef plan performance is then assessed by the reef intergovernmental operations committee, or the IOC. The IOC consists of members from the Queensland and Australian governments and is the lead to oversee the implementation of the reef plan and provide strategic direction. A few examples of our work during 2007-08 to support the reef plan strategies identified above include working closely with regional natural resource management bodies in the development of best management practices for water quality improvement and implementation of catchment scale management targets to reduce the impact of run-off water quality entering the Great Barrier Reef lagoon.

A lot of those local groups are really working very hard in some of the upper catchments in terms of revegetation and reforestation to reduce sediment run-off when it does rain. That is important to stabilise those banks so we do not have some of those big sediment run-offs that we have been experiencing. My department is also building a user-friendly computer based tool called SafeGauge to help farmers balance productivity against the risk of pesticide and fertiliser run-off. SafeGauge is now available for managing the risk of pesticide run-off from sugarcane farms, with the expanded SafeGuard tool for fertiliser run-off available late this year. A lot of canefarmers I know, especially in the Burdekin, are very keen fishermen. They go to the reef and use the reef regularly. They know the impacts that they can have on the reef if they are not careful with their fertiliser and pesticide use. This is a useful tool for them to carry out those activities.

**Mr PURCELL:** It would also save them money.

**Mr WALLACE:** I saves them money as well. It means less fertiliser and less pesticide. In addition, my department's catchment monitoring and modelling activities have been critical to support reporting on the effectiveness of collective reef plan actions and have been used by regional NRM bodies for water quality target setting.

**Mr HAYWARD:** I refer the minister to page 2-238 of his Service Delivery Statements and point out that he has aimed to progress 13 wild river declarations during the past financial year. Can the minister assure the committee that the nomination process for any new wild rivers on the Cape York Peninsula will be carried out in consultation with all stakeholder groups, particularly the Indigenous communities, and what is the intended number of wild river basins to be declared this financial year?

**Mr WALLACE:** Thank you, member for Kallangur, for that question. The Wild Rivers Act is groundbreaking legislation with the purpose of preserving the natural values of rivers that have all or almost all of their natural values intact. There are six wild river areas in Queensland. Last year the government made a commitment to the communities of Cape York that appropriate consultation would take place before any rivers on the cape are declared. Departmental officers have been meeting with peak bodies, key stakeholders and communities to provide factual information about wild rivers and gathering information about people's future aspirations.

My department has been engaging with Indigenous communities on the cape through the traditional owners and in holding discussions with representative bodies, such as the Cape York Land Council and Balkanu Cape York Development Corporation. So we are speaking to the Indigenous people up on the cape.

The government had planned to complete seven new wild river declarations this year and had started investigations into a further six basins. Following further consultation, however, the government reviewed the program and developed a time line that will enable greater participation for Indigenous communities, pastoral leaseholders and others in the declaration process. So we want to involve as many people as possible on the cape, especially those Indigenous communities which you mentioned, member for Kallangur.

This new time line was developed in consultation with the Cape York Land Council, the Balkanu Cape York Development Corporation, the Queensland Resources Council, AgForce, the Wilderness Society and the Australian Conservation Foundation. The new program will see the identified wild river

areas on Cape York Peninsula dealt with by 2010. Three areas have been nominated as wild river areas: the Stuart, the Lockhart, and the Archer River basins—and advertisements started appearing yesterday in local newspapers in the area regarding those particular nominations and asking for feedback—with a further two basins to be nominated by the end of this year.

The Wild Rivers Act allows landholders to submit property development plans. If approved, these plans will allow certain sustainable development to occur where it could not otherwise be permitted under a wild river declaration. The department has produced a fact sheet about property development plans to assist landholders to understand the information that is required for a property development plan, how it is assessed and how it can be used to amend a wild river declaration.

So we are certainly up there consulting very, very widely on the cape, especially with those Indigenous bodies. As I said earlier, I make no apologies for doing that, member for Kallangur—for talking to the affected parties up there, making sure we get the correct information out, not some of the hogwash that has been peddled by certain people about wild rivers.

**Mrs SULLIVAN:** Page 2-35 of the Service Delivery Statements refers to valuations. The Valuation of Land Act 1944 requires the Department of Natural Resources and Water to undertake valuations that are a reflection of market trends for all local governments at least once every five years. I am also aware that it is well known that the Office of State Revenue and local governments rely on this data. Recent media reports have stated that increases in valuations are leading to local councils increasing rates. Can you outline for the committee how influential these valuations are in the setting of rates?

**Mr WALLACE:** I thank the member for Pumicestone for that question. The Bligh government is securing Queensland's future through a strong, reliable valuation service. However, may I start by pointing out that the statement in the member's question is correct: the statutory valuations performed by my Department of Natural Resources and Water are used to assist in the calculation and levying of rates, land tax and state land rentals and for the Commonwealth Grants Commission. All Queensland property values are currently assessed on the unimproved basis. This basis is the amount the property could be expected to sell for without improvements, such as houses, fences and earthworks. This valuation also takes into account access to local services, such as reticulated water, sewerage, electricity and roads. The value also considers the present use of the land, its designation under the relevant planning schemes and its highest and best use. The Valuation of Land Act requires that the department undertake an annual valuation of all local authorities across Queensland once every five years. Valuations, when they were sent out to landholders earlier this year—in March—were a picture in time of the unimproved land values as at 1 October 2007.

I would like to take this opportunity to point out that whilst valuations have increased in different areas across Queensland, a valuation increase does not automatically mean that rates as levied by local governments will increase. I will repeat that: a valuation increase does not automatically mean that rates as levied by local governments will increase. Rates are based on the services that a particular local council intends to provide. Councils have wide-ranging powers under the Local Government Act 1993 to cap, minimise or average the rates they charge landholders. It is up to the council. In fact, a rate freeze is even possible. I stress that the amount levied for rates by a particular individual council is a decision for that particular council. Finally, it should be noted that, as I mentioned earlier, the 2008 valuation was generally well received across the state, as evidenced by 99.42 per cent of the issued valuations being accepted without objection. That is a good result in anyone's language.

**Mr HAYWARD:** Minister, page 2-32 of the Service Delivery Statements mentions climate change and the fact that it continues to be an important issue for the Department of Natural Resources and Water. What efficiency measures are in place to reduce your department's carbon footprint and water usage?

**Mr WALLACE:** I thank the member for Kallangur. That is a very pertinent question in the current environment—dare I say the current climate—where it is widely recognised that we are suffering the effects of climate change not only in Queensland but right across the globe, and it is a very, very serious problem. The Bligh government is tackling climate change and the Department of Natural Resources and Water is adopting a proactive approach, identifying and implementing a range of water as well as energy-efficient initiatives at its leased and owned facilities right across the state.

Within the south-east Queensland water restriction areas all department owned premises comply with the water restriction requirements. My department has taken the initiative to progressively retrofit all owned premises across the state with water-efficient fixtures and fittings, not just those in premises that are in the south-east Queensland water restriction area. My department is also strongly committed to using water-efficiency measures and reducing consumption. It can demonstrate this by a staggering 55 per cent reduction in water usage at its laboratory and office facilities in Indooroopilly since 2005-06. NRW will continue to monitor its water usage to ensure water use efficiencies are achieved.

In April, 2007, it was announced that Queensland would play its part in meeting a national greenhouse gas emissions reduction target of 60 per cent by 2050. The Queensland government's *ClimateSmart 2050 Queensland climate change strategy 2007: a low-carbon future* was released in June 2007. As a result of this announcement, a commitment was given on 3 June 2007 for all



Queensland government office buildings to be carbon neutral by 2020. Mandatory minimum targets and time frames for reducing energy consumption are established for all government buildings and are currently set at five per cent by 2010 and 20 per cent by 2015. My department has developed a strategic energy management plan, which is aligned with a whole-of-government strategic energy efficiency policy for Queensland government buildings, to assist in meeting its energy reduction target.

My department has recently undertaken a lighting retro fit at owned premises at Toowoomba, resulting in an expected approximate reduction of eight per cent in energy consumption. My department has developed an energy management standard to assist staff in achieving energy conservation. All of these initiatives assist in reducing my department's carbon footprint.

The Bligh government is ensuring that Queensland is at the front line of tackling climate change, is committed to the efficient use of our precious water and energy resources and is planning for our state's future. We take our obligations within the Department of Natural Resources and Water very, very seriously. I know my director-general would agree with me that we engender in our staff the importance of reducing our carbon footprint wherever possible and ensure that our water use certainly is very efficient. That 55 per cent reduction that we saw at Indooroopilly, I think, is a good example of that.

**Mrs SULLIVAN:** I have a further question in relation to regional water supply strategies. I know that in the development of regional water supply strategies your department looks at all the present sources of water in a particular region, but when looking at the possible water use for 50 years in the future does the department take into account possible new infrastructure such as dams, weirs and pipelines? If so, does it mean that all of the dams, weirs and pipelines will have to be built during those 50 years?

**Mr WALLACE:** I thank the member. That is quite a good question, and it is a pleasure to respond to it. The Bligh government is utilising regional water supply strategies as a major tool in providing a secure water future for Queensland. I have already touched on the regional water supply strategy for far-north Queensland, but we are also undertaking planning in north Queensland, Mackay and the Whitsundays, the central, Wide Bay and Burnett regions, as well as north-west Queensland. I was in Mount Isa a couple of weeks ago to announce the start of that particular study.

These strategies aim to provide a plan to meet all regional water needs over the next 50 years. Regional water supply strategies are adaptive processes. That means as newer and better data is obtained they are adapted to respond to changing needs and conditions. These strategies will identify options for rural towns, many of which have limited storage capacity, to ensure the provision of water during prolonged dry periods as well as strategies to secure and protect vital water supplies for agricultural and rural industries.

The Department of Natural Resources and Water is working with local governments, industry and other agencies to finalise the regional water supply strategies outside south-east Queensland. Rural water demands for agriculture predominate, with usually up to 80 per cent of water used by the agricultural sector. It is essential for rural towns that depend on agriculture that the water supply for this purpose is as secure as possible. Regional water supply strategies contain both short and long-term initiatives to reduce demand on existing supplies, increase the supply as necessary and better manage the operation of existing water supplies. That includes recommendations for the judicious use of water restrictions, loss and pressure reduction, recycled water substitution for industry, the trading of water entitlements, rural water efficiency, the creation of new surface water and supplies and developing groundwater aquifers.

The Central Queensland Regional Water Supply Strategy was released on 16 December 2006. The draft Far North Queensland Regional Water Supply Strategy was released on 25 September 2007 and provides short, medium and long-term strategies to secure water supplies for that region. During 2007-08, regional water supply strategies for Mackay, the Whitsundays, Wide Bay, the Burnett and north Queensland have progressed. For each of these strategies, investigations of further water demands have been undertaken.

**CHAIR:** That concludes the time for government questions. The committee has decided that we will aggregate the time remaining for government and non-government questions. That means we will have 32 minutes of non-government questions. I call the member for Darling Downs.

**Mr HOPPER:** Earlier you said that rangers based at Pomppuraaw were spraying weeds, along with other land management activities. Will these 25 Indigenous rangers also control the prickly 'arcadia' along the rivers in north Queensland and the gulf?

**Mr WALLACE:** I have never heard of prickly 'arcadia'. I have heard of prickly acacia.

**Mr HOPPER:** Prickly acacia, sorry.

**Mr WALLACE:** No, that is fine. I am just making sure that we have the right weed. Yes, we will carry out the destruction of prickly acacia where we have the resources and where we have the people on the ground to destroy that particular weed. These wild river rangers have been greatly welcomed across the far north in those Indigenous communities.

But, of course, one of the great problems in ridding our state of weeds is the vast area of our state and the fact that a lot of the area of the state can be difficult to get to and that it is expensive to eradicate those particular weeds. I would hope our wild river rangers can do what they can on the ground and, of course, our staff on the ground across the regions where we have state land can do what they can. But we are not going to get to every weed or every outbreak on our state land. Indeed, a little-known fact that I learned when I became lands minister is that I am reportedly the third largest landowner in the world in terms of being a landlord of state land.

**CHAIR:** Impressive.

**Mr WALLACE:** After the Russian and Chinese governments is the state of Queensland. That just gives you an idea of the magnitude of land that the state has under its control—120 million hectares of land. It is a very, very big land area.

Where we have pests and weeds on our land, we try to get rid of them. We also work closely with those natural resource management bodies in regional Queensland to help eradicate prickly acacia, Siam weed, or other weeds not only on state land but also on private land. I really have to congratulate a lot of those natural resource management bodies for doing that. Indeed, I was pleased to announce in the budget that we have continued funding for them from the state of Queensland—\$17.2 million off the top of my head—for our natural resource management bodies. They do great work out there in terms of pest reduction, as I said, not only on our state land but also on private lands across the state.

But wherever we go, unfortunately, because of these noxious species that have been introduced, we will have outbreaks. We cannot get to every corner of the state, but we try to do our best to keep those outbreaks down—be it outbreaks of prickly acacia, Siam weed, or other weeds that may infest our state lands, which it is important that we preserve. As I said earlier, we also work very closely with the EPA and the DPI, which has responsibility for biosecurity and pest and weed management across the state to carry out eradication where possible. I would envisage where those wild rivers rangers come across prickly acacia they do that. For the 2007-08 financial year my department expended \$4.228 million on the management of state land.

**Mr HOPPER:** You are getting better as we go.

**Mr WALLACE:** So are you, Ray.

**Mr HOPPER:** How is your department incorporating climate change predictions into resource planning?

**Mr WALLACE:** Good question from the member for Darling Downs. Congratulations on doing that. I did not even see you reading that one, Ray, so that is good. We are actually working with a number of agencies, especially the CSIRO, on climate prediction. CSIRO has actually carried out a rather large study on the Murray-Darling basin. In terms of our Queensland rivers, we understand there will be some impacts with climate change. Those impacts are variable and can be hard to measure. But I can tell you that those impacts will be far less than the impacts in southern Australia in the Murray River basin and the impacts of climate change there. We are working with groups such as the CSIRO on climate change and its impacts on water resources, using that in our planning. Our regional water supply strategies are also trying to use climate change indicativeness in the planning process.

If I can hark back to that CSIRO sustainable yields study which, of course, was carried out across the whole Murray-Darling basin, it was a little bit unsettling I think for some of the southern states, especially South Australia which is at the end of the chain. In Queensland we are very thorough, very upfront with our water planning. We are sometimes criticised for having environmental flows with our water planning. Environmental flows come first. We are the only state that does that which is why we do not get into the mess that some other jurisdictions do. Before water is taken for human and consumptive use, we have those environmental flows in place. We are working with groups such as CSIRO. CSIRO reports for the Warrego, Paroo and Border Rivers in terms of climate change. Ms Best, do you have anything that you would like to add in terms of our water planning and climate change?

**Ms Best:** Yes. As the minister referred earlier, water resource plans have to be reviewed every 10 years. We are looking very carefully at how we can make sure that we take on board climate change in terms of the review of any water resource plan. Looking at new information and the sustainable yield reports that the minister also referred to before will be critical. The minister did say that the sustainable yield reports by CSIRO were done for the Murray-Darling basin. The COAG agreement certainly is looking at northern Australia and there will be a number of studies there and they will play a critical role in looking at the reviews of our water resource plans because we think that is a very important area that we need to look at.

**Mr HOPPER:** The SDS refers to future emissions trading schemes influencing many of the department's activities. Could you just explain to the committee what those activities might be?

**Mr WALLACE:** Of course, we all have a carbon footprint, whether it be the electricity use that my department engenders or the electricity use that we engender at home. The emissions trading scheme will, of course, have a vital impact on all of our future lives. I think that it is quite rightly so that the trading

scheme comes into place. I congratulate Kevin Rudd and Penny Wong for doing this. The previous government would never do it. They would not step into the breach when it came to emissions trading. As a government we congratulate Kevin Rudd and Penny Wong.

The emissions trading scheme will have an impact on my department in relation to things like energy use where, of course, we are a buyer of electricity. My Director-General may be able to supply a figure of how much electricity our department uses in a year. Of course, there will be an impact on that because energy prices will rise to meet that particular trading scheme. Some of our electricity costs will rise to meet those schemes. Going to a particular area of my department, my NRW Forest Products acknowledges the capacity of native forest, for instance, to act as net carbon sinks and the need to minimise greenhouse gas emissions and carbon is value identified and risk assessed in its forest management system plan.

Management practices maintain current levels of carbon capture and the Queensland government's policy of no-permit no-forest clearing and active wildlife preventative activities significantly contribute to carbon retention in native forests. So we are working through our native forests to capture some of that carbon that goes into the atmosphere. A range of Forest Products management practices support carbon retention and balance in state owned native forest. For example, FP manages timber production in accordance with the Environmental Protection Agency's Code of Practice for Native Forest Timber Production on State Lands 2007 and forest operations are subject to audit against this code by the EPA. The maintenance of this productive capacity of no permit no forest delivered through the application of this code provides a high level of confidence. In terms of our power use and greenhouse gas emissions I might ask my Director-General to give you an update.

**Mr Spencer:** We engaged an independent consultant to look at our carbon footprint. Energy Decisions did that work and benchmarked in 2006-07 19,807 tonnes compared with 20,118 in 2005-06. So we have actually reduced our carbon footprint already and we will continue to do so.

**Mr HOPPER:** I will give you another question on that. I refer to the whole-of-government strategy. Can you please advise of the total amount of greenhouse gas emissions that were produced by the department in 2007-08 and the estimate of greenhouse gas emissions for the 2008-09 financial year?

**Mr WALLACE:** The Department of Natural Resources and Water is adopting a proactive approach in identifying and implementing a range of energy efficiency initiatives at its owned and leased facilities and vehicle fleet across the state aimed at reducing greenhouse gas emissions. My department has developed a strategic energy management plan which is aligned to the whole-of-government strategic energy efficiency policy for Queensland government buildings to assist in meeting its energy reduction targets. That plan has been lodged with the Department of Public Works for recording on the Built Environment Materials Information Register.

The goals and strategies outlined in NRW's strategic energy efficiency program in June 2007 have led to energy efficient practices in the workplace such as switching off computers, monitors and lighting when not in use. That is an important step that we all can take, be it in the office or at home. A change in future office design and refurbishment will allow easy access to power points and light switches and the purchase of accredited green energy aligned to contestable energy contracts.

My department has recently undertaken a retrofit on its premises in Toowoomba. This retrofit is expected to reduce energy consumption by around eight per cent. A departmental energy management standard has been developed to assist staff in achieving energy conservation in the workplace.

My department manages a vehicle fleet consisting of 444 Q-Fleet leased vehicles and 34 departmentally owned vehicles. That excludes motorbikes, forklifts, tractors and other heavy plant. From 1 January 2008 the Q-Fleet ClimateSmart Action Plan applied to all vehicles leased or procured by Q-Fleet and the vehicle selection is now leased on emissions ratings as outlined in the Green Vehicle Guide as opposed to the previous emphasis on the number of vehicle cylinders. Indeed, at home I bought one of those turbo diesel four-cylinders. I have gone down from the six. We are doing our bit at home as well. To ensure greenhouse gas emission targets are met Q-Fleet now apply the Green Vehicle Guide greenhouse ratings developed by the Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government rather than the previous practice of focusing on the number of cylinders. Ratings range from one to 10 based on the vehicle's CO<sub>2</sub> emissions. The higher the rating the lower the CO<sub>2</sub> emissions. The Queensland government has adopted a minimum Green Vehicle Guide of 5.5 for passenger vehicles and 3.5 for light commercial vehicles. My department has taken this initiative a step further by implementing a Green Vehicle Guide rating of six or better for passenger vehicles and 4.5 or better for light commercial vehicles. NRW has also implemented mandatory criteria for the lease of commercial vehicles outlining that they must be diesel powered vehicles rather than petrol. As well as my department's strict policies for leasing and procuring passenger and commercial vehicles, NRW is serious about the manner in which these vehicles are utilised by enforcing strict limits on home garaging and private usage unless there are specific service delivery requirements aligned to the vehicle. Since the introduction of the Q-Fleet—

**Mr HOPPER:** Very well covered. The only thing you did not mention was methane. Can the minister provide details on exactly what is happening with Burdekin stage two?

**Mr WALLACE:** Good question from the member and one right up my alley. I appreciate that question. The Hawke Labor government in the Eighties really deserves a pat on the back.

**Mr HOPPER:** Like all the dams we built. Exactly.

**Mr WALLACE:** Let us go to some of the dams you built. The Cania Dam near Monto, a beautiful location, has never been filled in 25 years. It was completed in 1982 and the spillway has never been tested. The Neil Turner Weir near Mitchell, which was completed in 1984 and was filled with sand soon after, has provided a paltry 21 megalitres per year on average for the community. Wuruma Dam near Eidsvold was built in 1968 but has failed to deal with climate variability. In the last 10 years it has not got up to a quarter full. The Lockyer Valley is another area where the decision to build dams was made after poor data or poor analysis. The interaction between the groundwater use and the stream flow was overlooked in the decisions to build storages in the Eighties. We now have the Bill Gunn Dam which is only a puddle hole at full capacity of 6,940 megalitres but has not been over 38 per cent in the last 10 years. Lake Clarendon spends most of its time empty and Atkinson Dam has failed to provide security to local irrigators. They are some of your dams.

**Mr HOPPER:** Talk about Wolffdene.

**Mr WALLACE:** The Burdekin Falls Dam, built by the Hawke Labor government, is the most reliable dam in Queensland. It is a great testament to the Labor government and former member for Herbert, Ted Lindsay, who promised that.

**Mr HOPPER:** Stage 2.

**Mr WALLACE:** Thank you, member for Darling Downs, I will go to stage 2 because it is a hobbyhorse of mine. SunWater is currently developing a business case for the raising of the Burdekin Falls Dam as part of the significant program of Queensland regional water project investigations planned for 2007-08. As Queensland's largest, Burdekin Falls Dam is one of the most reliable water storages in this nation with a total storage capacity of 1,860,000 megalitres. The raising of the dam has been considered by government for some time as the next step forward in capturing the value of the water resources of the Burdekin River catchment. The Burdekin Basin Water Resource Plan 2007 contains provisions for future minor raising of the Burdekin Falls Dam by about two metres. This increase in full supply level will provide an additional storage capacity of about 640,000 megalitres. That is just about, if I am not wrong, the usage in south-east Queensland in a year. There will be an additional 640,000 megalitres from a two metre raising.

Initial capital cost estimates for the project are in the vicinity of about \$100 million. SunWater believes the increase in storage capacity will yield an additional 150,000 megalitres of medium priority water allocations which will provide water supply certainty for the region and create an environment that is attractive for future economic development. Given the proposed industrial development in the region, SunWater also believes that there is potential for the raising of the dam to be fully commercial. However, this will need to be demonstrated through the business case. That is why we are doing the planning; to do it properly. SunWater has committed \$0.5 million in 2007-08 to investigate the commercial business case for raising the Burdekin Falls Dam.

**Mr HOPPER:** When will Water to Bowen be finished?

**Mr WALLACE:** Another good question. I have been in Bowen a number of times to talk to the irrigators and the growers there. They are very keen to see this project proceed, as I am, but as I said earlier, we do our water planning and we do it properly. We do not want to see these dams and these useless water infrastructures that the National Party built. We do not want to see them in Queensland. We are planning properly. The Water for Bowen project is one of those projects that we are planning now and for the future.

As part of an agreed program of works between SunWater and the Department of Infrastructure and Planning, SunWater is well advanced in stage 2 of a feasibility study into a new water supply project to service the Bowen region, including the precinct of Abbot Point. Indeed, Chalco is looking very closely at Abbot Point at the site of its refinery which, as a foundation customer, would be excellent for this particular water project.

The Water for Bowen project would transport water from the Burdekin River southwards along a 130-kilometre route to Bowen. The Bowen region represents a key element of the state government's northern economic triangle. A secure water supply will ensure that the industrial and commercial development potential of the region—

**Mr HOPPER:** When will you finish it?

**Mr WALLACE:**—and Abbot Point are fully realised. The Bowen area produces around \$200 million worth of high-value crops each year. Much of it relies on groundwater for irrigation.

The groundwater system cannot reliably supply the demand, and groundwater resources have unfortunately experienced a significant decline in quantity and quality over the last decade. The area simply needs a secure supplementary water supply in order for farming to continue. A secure water

supply would also attract new developments to the area such as aquaculture, food, processing and medium to heavy industry. Urban development and tourism would also greatly benefit from enhanced water supplies.

The Water for Bowen project has been planned on the basis of demand of around 60,000 megalitres of water per year. The stage 2 project feasibility investigation comprising an environmental impact statement, detailed engineering design and full economic viability analysis is in progress. SunWater and the state government have each contributed \$1.5 million towards the stage 2 study. SunWater has completed a marketing campaign to raise a further \$1.5 million from foundation customers. Unfortunately, there was initially insufficient interest from potential users for the full contribution, but the government stepped in and topped up the contribution to the level required to follow through with the stage 2 process.

It is expected that the stage 2 feasibility study will be completed by July 2009. Outcomes are anticipated to be an improved EIS, engineering design and signed water transport agreements with customers. Subject to EIS and business case approval, SunWater anticipates that project construction will commence in March 2010, with the first water being available by January 2012. This really is a good project for Bowen and for north Queensland. Bowen will be a very important link in our Northern Economic Triangle—Mount Isa, Townsville, Bowen. The Water for Bowen project will be an important initiative for that particular area.

**Mr HOPPER:** Minister, this time last year we were talking about cloud seeding. I asked you this question back then and I ask you again. Minister, how much money has the government invested in cloud seeding research? What form has this research taken and can you detail the preliminary analysis of what the data is showing?

**Mr WALLACE:** That is a poorly researched question from the opposition spokesman. He should know that responsibility for cloud seeding always rested with the Queensland Climate Change Centre of Excellence. Responsibilities for that particular area were transferred to my colleague the minister for environment late last year, so we no longer have responsibility for that. But I know that you have been a sceptic for some time in terms of cloud seeding, that it cannot or will not work. Not that I have been briefed lately because it is the responsibility of my colleague, but I am informed that those investigations are proceeding.

In terms of water supply in Queensland, we are looking at diffuse sources of water right across the state, and of course water recycling is a major component of diffuse sources. Not only do we think that water recycling will be successful in south-east Queensland, but we are looking at other opportunities across the state. Our 50-year plans, our regional water supply strategies across regional Queensland, are looking at those diffuse sources, be they recycled water or other sources. Coal seam gas, which the member touched on earlier, could be a future source of water. As I mentioned earlier, I greatly welcome the \$5 million commitment from Penny Wong and Kevin Rudd to look at coal seam gas water and see how we can put that to further use. A number of townships are already looking at using the reverse osmosis process to use coal seam gas water in their particular facilities. Coal seam gas water is also being used for cattle feedlots.

I have had a number of coal seam gas producers approach me with some very innovative ideas on growing crops and trees using coal seam gas water. Indeed, there may well be a future in a plant called pongamia, which develops a pod which can be harvested for its oil content. So we are using coal seam gas water to grow that pongamia. That may be a future industry to manufacture biodiesel, for instance, which could be a big benefit to the state of Queensland—utilising that coal seam gas water, growing a commercial crop, getting a return and reducing the carbon footprint because pongamia would capture carbon and reduce our need for naturally occurring diesel fuels, for instance. Those particular companies think that they can grow pongamia on land that has been formerly mined which would be a way forward.

**Mr HOPPER:** In relation to Nathan Dam near Taroom, how many properties have been acquired? How much money has been spent? What is the go with Nathan Dam?

**Mr WALLACE:** I thank the honourable member for his question. The Bligh government takes the future of Queensland very, very seriously. That is why we are planning for dams across Queensland, not just in the south-east corner. A future Nathan Dam may be an important part of that process. Indeed, my director-general and I hit the road a couple of weeks ago and we were on the site of the Connors River Dam inland from Mackay talking to affected landowners there. They are good people. They know that they may be forced to move in the future, and that is sad for many of them who have been on their properties for generations. But when we are planning this infrastructure we talk to affected landowners, as in the case of the Nathan Dam, which the member mentioned, or the Connors River Dam, which the director-general and I visited.

The statewide water policy announced by the government on 16 August 2006 included the design and construction of the Nathan Dam to meet urban mining, industrial and rural needs in the northern Surat coalfields, downstream along the Dawson River and elsewhere in the region. The commitment to Nathan Dam is consistent with the Central Queensland Regional Water Supply Strategy, which was

released in December 2006, and reaffirms Nathan Dam as the preferred future supply source for the Dawson-Callide region as well as the potential supply source for the lower Fitzroy during critical water supply periods. As I said earlier, we take our planning very, very seriously. We do not want to have another white elephant on our books that the Nationals left us with in terms of dams.

**Mr HOPPER:** You have not talked about Wolffdene.

**Mr WALLACE:** We take our planning very, very seriously. We do not want a repeat of those dams that I mentioned earlier that simply do not work.

**Mr HOPPER:** What are you drinking now? Where does your water come from now?

**Mr WALLACE:** SunWater has been appointed the project proponent for the purposes of undertaking the necessary investigations and developing a business case for the proposed dam. SunWater has completed the first round of aquatic baseline studies, preliminary flood and yield hydrology studies and concept design of dam arrangement. Preliminary discussions have also taken place with potential customers to assess the likely demands and potential pipeline routes. The size of the dam and characteristics of the water to be supplied, including the volume and reliability, will be refined as part of SunWater's business case development.

The target date for completion of the Nathan Dam feasibility studies is 2011, with construction possibly completed by 2014. My department is undertaking hydrology assessments, compliance checking, voluntary land acquisition and policy development in relation to management issues associated with the proposed Nathan Dam development and its subsequent operation. Since 1998 my department has acquired six of the properties required for the dam at a cost of \$22.5 million. These properties include the Mount Rose property, which was purchased in April this year. The properties have been leased back to the original owners or other lessees until they are required by government. That is an important step.

**Mr HOPPER:** Minister, your department uses software called MapInfo. It seems an excessive waste of money. The department pays for multiple licences for this software instead of obtaining one single licence. Minister, can you confirm that departmental employees have lodged almost 20 submissions with your director-general regarding this issue?

**Mr WALLACE:** I thank the member for Darling Downs for that question. Our mapping in Queensland is some of the best in Australia. Indeed, in the early days my department was called the Department of Mapping and Surveying. The mapping software that we use can be expensive to ensure that it is properly licensed and we take that obligation very, very seriously. I have just learnt today of a council in north Queensland that was operating for five years with unlicensed software. We cannot afford to take that risk at a state government level, neither should that council take such a risk. Fortunately, they have fixed up that particular problem.

We have to make sure that all our software is properly licensed. But at the same time we try to ensure that we reduce costs in our department for those network applications. My department has a large computing network. We take the importance of our computing very, very seriously. Indeed, we are the only jurisdiction in the nation to ensure that all our titling applications are electronically lodged so that they are captured straightaway as they are lodged. That is a very important component in preserving the integrity, if you like, of our operating systems in our state to protect the land values that we all hold dearly, because land values are the foundation of the wealth that we generate in this state. Our operating systems are robust. They are required to be licensed. In terms of the specifics of the member's question, Director-General, you are not aware of the 20 approaches that the member outlined?

**Mr Spencer:** No, Mr Hopper. I am sorry. I am not aware of the 20 applications. As the minister said, obviously we are very careful with our licensing because of our lead role in spatial information. We are absolutely scrupulous in terms of making sure that we do not breach licence agreements. Nothing readily comes to mind in terms of 20. I have just checked with some of my staff who are involved in that area and they have confirmed that they are not aware of it either.

**Mr WALLACE:** Just on spatial information, we are working very closely with a number of overseas agencies on sharing spatial information. The GNSS system, which we employ in Queensland, is world-leading technology. Indeed, our department is collaborating with the Europeans on a major world competition.

**Mr HOPPER:** How many licences does your department operate with? What is the cost of each licence and what would the cost of a corporate licence be?

**Mr WALLACE:** We have many licences—from water licences to system operating licences to other licences that we use within the department. In terms of the numbers that my department would utilise, I do not have those figures to hand, but I will make sure I get back to the honourable member. As the director-general said, we are scrupulous when it comes to licensing, when it comes to ensuring that we have the legal back-up for our computer systems that needs to be in place. There is a real grey area in the country at the moment when it comes to licensing. Oftentimes corporations or governments can find that their licences have expired and they have not renewed them. In expending public moneys on keeping those licences in place, we ensure that to the best of our ability that is done.

Talking about that European Satellite Navigation Competition, which I started to mention earlier, it is an international competition seeking ideas for innovative ways to use the global navigation satellite systems. The Bligh government is currently hosting the inaugural European Satellite Navigation Competition 2008: Australian Challenge. This is the first time the competition has included Australia as a region. It was my pleasure to officially launch the competition in July. The competition is open for entries until the end of this month, and the Australian Challenge regional winner will be announced on 28 October at an awards ceremony which will be held in Munich in Germany. I would encourage local operators—and they would want to make sure that their licences are protected by paying their fees each year—to put forward their innovative ideas and perhaps they will be striding the world stage in Munich with a prize.

**CHAIR:** That concludes the time allocated for non-government questions for the Estimates Committee G public hearing. There being no further government questions, there are no further questions. That concludes the examination of the estimates for the portfolio of the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland. Thank you, Minister, and officers of the department for your attendance here today.

The committee has concluded its consideration of the matters referred to it by the parliament. The transcript of the hearing will be available from Hansard in approximately two hours from now. On behalf of the committee, I also take this opportunity to thank the Hansard officers, the timekeepers, the parliamentary attendants and parliamentary staff for their assistance here today. I declare the Estimates Committee G hearing closed. I invite the minister and non-government members to make a few closing comments.

**Mr HOPPER:** Thank you, Madam Chair. On behalf of the non-government members, I thank you, Minister, and your staff. Hansard and my staff, Di and Evan, thank you very much.

**Mr WALLACE:** I thank committee members for their conduct today. I think it was a very exploratory and well-run committee. Congratulations to you, Madam Chair. I thank the opposition spokesman and opposition staff. I know it can often be a thankless task, but I thank you for your attendance today. Hansard, the timekeepers, my staff and departmental staff, thank you very much. Drive safely if you are driving home, because it is a bit slippery out there.

**Committee adjourned at 5.30 pm**