



# Estimates Committee G

2008

## Report to the Legislative Assembly

### INTRODUCTION

On 1 May 2008, in accordance with Standing Order 167(3), the Legislative Assembly appointed Estimates Committee G. It ordered the committee to investigate and report on the proposed expenditure contained in the Appropriation Bill 2008 for organisational units within the portfolios of the:

- Minister for Primary Industries and Fisheries; and
- Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland.

The Appropriation Bill authorises the Treasurer to pay an identified amount (the vote amount) from the consolidated fund for departments for the financial year starting 1 July 2008 (clause 2(1)). The bill provides for the amount paid to a department to include the amount already authorised by section 3 of the Appropriation Act 2007 to be paid for the financial year starting 1 July 2008 (clause 2(3)).

For each department, clause 2(2) and schedule 2 of the bill provide that the vote amount:

- is appropriated for the financial year for the department for application to its departmental outputs, equity adjustment and administered items as stated; and
- includes amounts for departmental outputs, equity adjustment and administered items delivered by the department in the financial year starting 1 July 2007 but for which the department has not been paid in that financial year.

Accordingly, the matter on which the committee reports is whether the proposed expenditures for the two departments be agreed to.

### COMMITTEE EXAMINATION OF PROPOSED EXPENDITURE

Estimates Committee G provided each Minister with twenty questions on notice and received responses to these questions.

On 24 July 2008, the committee conducted a public hearing to take oral evidence from the Minister for Primary Industries and Fisheries and the Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland. A Hansard transcript of the committee's hearing can be accessed at:

[www.parliament.qld.gov.au/Hansard/](http://www.parliament.qld.gov.au/Hansard/)

The committee has considered the estimates referred to it by examining information contained in:

- the Appropriation Bill 2008;
- the Queensland Government 2008-2009 State Budget Papers (see: [www.budget.qld.gov.au](http://www.budget.qld.gov.au));
- answers to pre-hearing questions on notice;
- oral evidence taken at the hearing;
- documents tabled at the hearing;
- answers to questions taken on notice at the hearing.

### REPORT OF COMMITTEE

This report sets out the committee's findings on the proposed expenditure contained in the Appropriation Bill for organisational units within the two relevant portfolios. Each portfolio is considered below.

An additional volume of information tabled with the report contains:

- answers to questions on notice received from the respective ministers prior to the hearing and after the hearing; and
- minutes of committee meetings.

### MINISTER FOR PRIMARY INDUSTRIES AND FISHERIES

Schedule 1 to the bill would authorise the Treasurer to make the following payment to the Department of Primary Industries and Fisheries:

Department	Budget 2007-2008 \$'000	Est. Actual 2007-2008 \$'000	Vote 2008-2009 \$'000
Department of Primary Industries and Fisheries	292 264	314 689	289 041

Schedule 2 provides further:

Department	Budget 2007–2008 \$'000	Est. Actual 2007–2008 \$'000	Budget 2008–2009 \$'000
Department of Primary Industries and Fisheries			
Controlled Items			
Departmental Outputs	248 306	264 384	264 085
Equity Adjustment	14 369	8 143	900
Administered Items	29 589	42 162	24 056
<u>Vote</u>	<u>292 264</u>	<u>314 689</u>	<u>289 041</u>

The Queensland Government 2008-2009 State Budget Papers (Service Delivery Statements, 3-3 to 3-4) provide an overview of the department:

*The Department of Primary Industries and Fisheries (DPIF) is an economic development agency that aims for the accelerated and sustainable growth of Queensland's industries...*

*The primary industries sector faces critical challenges to ongoing prosperity and these challenges shape how the Department will invest State funding of \$259.6 million in 2008-09 including:*

- *climate change and variability, including the need for effective drought policies*
- *changing terms of trade and competition from low cost producers for global market share*
- *secure access to—and efficient use of—water*
- *consumer demand for safe, healthy and ethically-produced food*
- *skills and labour shortages from competition and an ageing workforce*
- *competition for crops between food, fodder and biofuel industries*
- *access to new and existing markets and trade development*
- *increasing biosecurity risks*
- *national and state priorities for R&D, biosecurity, and fisheries management and the development of economic opportunities for Indigenous communities...*

*In support of this, DPIF will be implementing an Enhanced Service Delivery (ESD) plan to deliver on the Government's priority to improve service delivery. The plan includes:*

- *strengthening and expanding workforce skilling and training to meet industry needs*
- *modernising service delivery*
- *capitalising on R&D potential to foster world class innovation.*

The budget papers state further (Service Delivery Statements, 3-6):

*The Department has three outputs: industry development, biosecurity and fisheries. These outputs implement Queensland Government policy on primary industries and biosecurity. Outputs align to the Government Outcomes and are influenced by national strategies and initiatives.*

In respect of 2008-2009 highlights, the budget papers (Service Delivery Statements, 3-4 to 3-5) indicate:

*In 2008-09, DPIF has budgeted for total expenses of \$342.4 million, including a Queensland Government investment of \$259.6 million...*

*In 2008-09, the Department will invest in R&D, trade and export, extension and biosecurity services to accelerate growth in economically important primary industries. These industries include beef, fruit and vegetable, lifestyle horticulture, sugarcane, forestry, fish and seafood. The investment will be guided by the Department's strategies for R&D, food and agribusiness export, fisheries, biosecurity and corporate development.*

The committee's examination of the proposed expenditure for the portfolio included examination by way of questions on notice and questions without notice at the hearing on 24 July 2008. The matters examined in this way are outlined below. Further detail is contained in the additional information volume.

In addition, the committee notes the Minister's advice that, in answer to a question without notice at the hearing, his statement at the top of page 27 of the transcript should have been:

*The relocation of Sustainable Fisheries staff to Bribie Island and the Ecosciences Precinct is part of a major government project whereby the Departments of Primary Industries and Fisheries; Natural Resources and Water; Mines and Energy; the Environmental Protection Agency; Queensland Health and CSIRO researchers will co-locate at new science precincts at Boggo Road by mid 2011 and Coopers Plains during mid 2010.*

### Questions on notice

Matters examined included:

- Queensland's participation in the national research and development framework for agriculture;
- benefits to primary producers, particularly in the tropical sciences area, from the department's research and development program for 2008-2009;
- reforms to reinvigorate Queensland Agricultural Colleges;
- modernisation of service delivery and extension;
- whether the fuel subsidy might be made available to the commercial fishing sector;
- fisheries supply chain issues, including steps being taken to assist the Queensland seafood industry to market Queensland seafood;
- funds received for services provided in the fishing industry;
- improvement of biosecurity in Queensland;
- the outbreak of Equine Influenza in 2007 and subsequent improvements in emergency response and preparedness;
- programs to support the Queensland beef industry and its producers;
- assistance to the primary industries sector to prepare for a National Emissions Trading Scheme;
- fuel costs for, respectively, Primary Industries and Fisheries;
- hardwood plantation forestry –
  - the purchase of freehold land for establishment; and
  - private investment in;
- domestic consumption of fish and prawns – importation compared to sourcing from Queensland;
- timber – local production compared to importation;
- a review conducted prior to implementation of an Enhanced Service Delivery (ESD) plan;
- establishment of centres of excellence; and
- retention of research centres.

### Questions without notice

Matters examined included:

- outbreaks of Hendra virus and emergency response and preparedness;
- mitigation permits for the control of flying foxes;

- research and development –
  - development of an ecoscience precinct and access by primary producers to technical innovation;
  - upgrading of research facilities to enhance livestock industries;
  - a proposed collaborative research and development alliance between the department and James Cook University;
  - development of research capacity in north Queensland to support the primary industries sector;
  - the Atherton Tableland as a focal point for research, consultation, whether a reduction in centres and facilities might result and the acquisition of the Australian Agricultural College Corporation; and
  - the national framework and areas of research in which Queensland is likely to take a lead role;
- modernisation of service delivery –
  - a Fresh Approach initiative plan and how it would be funded;
  - the cost of a review and consultation undertaken;
  - facility closures; and
  - support of industry profitability and growth;
- equine influenza –
  - emergency response and preparedness;
  - the Emergency Animal Disease Response Agreement and federal government reimbursement; and
  - destruction of the vaccine;
- the National Red Imported Fire Ant Eradication Program and its success;
- agribusiness clients –
  - biosecurity services provided; and
  - adaptation of extension services to meet needs;
- the Biosecurity Queensland workforce – location and existing vacancies;
- implementation of the 1999 SEQ Regional Forest Agreement and compensation to the timber industry;
- fees for property and brand registration;
- assistance to the beef industry provided by FutureBeef;
- progress in an accelerated breeding program for smut-resistant sugarcane;
- Queensland Rural Adjustment Authority –
  - assistance to drought-affected businesses;
  - special disaster flood assistance;

- federal government allocations and the funding of a deficit; and
- climate related assistance programs;
- measures to ensure the future of the sorghum industry;
- establishment of hardwood sawlog plantations and whether by public tendering or by Forestry Plantations Queensland;
- supply arrangements under an agreement between Forestry Plantation Queensland and Hyne Timber and the Laminex Group;
- development of a strategic plan for commercial and recreational fishing;
- a structural adjustment package regarding the Moreton Bay Marine Park zoning and fair compensation for the fishing industry of Moreton Bay;
- consultation advisory mechanisms for the development and review of fisheries policy and legislation;
- a Property Management Systems Initiative and profitability and sustainability in intensive farming systems;
- integration of science capacity in fisheries and aquaculture and collaboration with other agencies;
- support for the development of the organics industry;
- support for cane farmers to develop sustainable farming enterprises;
- fish stocks –
  - improvement in knowledge of status; and
  - freshwater fish restocking through the Stocked Impoundment Permit Scheme;
- key scientific data or reports on which climate change programs are based;
- measurement and reporting of departmental carbon emissions;
- adverse impacts of primary production on south-east Queensland waterways;
- new solutions regarding the impact of ticks and tick fever on the cattle industry;
- National Livestock Identification System tag losses in cattle; and
- the profitability and viability of the fishing industry.

**MINISTER FOR NATURAL RESOURCES AND WATER AND  
MINISTER ASSISTING THE PREMIER IN NORTH  
QUEENSLAND**

Schedule 1 to the bill would authorise the Treasurer to make the following payment to the Department of Natural Resources and Water:

Department	Budget 2007–2008 \$'000	Est. Actual 2007–2008 \$'000	Vote 2008–2009 \$'000
Department of Natural Resources and Water	505 184	542 545	482 761

Schedule 2 provides further:

Department	Budget 2007–2008 \$'000	Est. Actual 2007–2008 \$'000	Budget 2008–2009 \$'000
Department of Natural Resources and Water			
<i>Controlled Items</i>			
Departmental Outputs	487 709	573 893	426 981
Equity Adjustment	104	5 911	2 727
<i>Administered Items</i>	17 371	(37 259)	53 053
<u>Vote</u>	<u>505 184</u>	<u>542 545</u>	<u>482 761</u>

The Queensland Government 2008-2009 State Budget Papers (Service Delivery Statements, 2-232) provide an overview of the department:

*The Department of Natural Resources and Water manages Queensland's natural resources for today and tomorrow, through legislation, policies and processes, associated programs, supporting science, information and service delivery...*

*Of particular importance in 2008-09 will be a continued focus on enhancing the department's service delivery. Good service delivery is a cornerstone of all aspects of the department's business and strategies are being implemented to enhance and support this focus.*

The budget papers state further (Service Delivery Statements, 2-235):

*The department provides two outputs: Water and Catchment Services and Land and Vegetation Services.*

In respect of 2008-2009 highlights, the budget papers (Service Delivery Statements, 2-233) identify:

- improved land management in Indigenous communities;
- land acquisitions for future water infrastructure;
- implementation of *Cape York Peninsula Heritage Act 2007* land dealings;
- maintenance of administered non-commercial water assets;
- ongoing assessment of applications under the vegetation management framework;
- an environmental offsets exchange facility;
- bilateral agreements; and
- waterwise rebate and education schemes.

The committee's examination of the proposed expenditure for the portfolio included examination by way of questions on notice and questions without notice at the hearing on 24 July 2008. The matters examined in this way are outlined below. Further detail is contained in the additional information volume.

#### Questions on notice

Matters examined included:

- benefits expected for Indigenous communities, landholders and the environment as a result of the *Cape York Peninsula Heritage Act*;
- vegetation management –
  - implementation of a framework;
  - benefits to landholders from Property Management Assessable Vegetation; and
  - Regional Vegetation Management Codes;
- implementation of a vegetation management framework;
- assistance provided to Queensland's natural resource management bodies;
- security of titles information;
- land valuations in rural and urban areas, including their impact on rural rents;
- the State Rural Leasehold Land Strategy (Delbessie Agreement);

- the Waterwise Rebate and Education Scheme and changes to the Home Waterwise Rebate Scheme;
- a decrease in departmental funding of approximately \$40M in 2008-2009 compared to 2007-2008;
- capital grant payments for dam spillway upgrades;
- studies and business cases regarding regional water infrastructure projects;
- review of the department's service delivery;
- administration of major non-commercial water infrastructure assets;
- contracted-out projects undertaken by the department and associated agencies valued over \$100 000 not subject to the competitive tendering process;
- state land rental revenue; and
- regulation of the recycled water supply.

#### Questions without notice

Matters examined included:

- the vegetation management framework –
  - a Crime and Misconduct Commission report regarding a state government officer and subsequent action by the department;
  - improvements in practices to assist landholders seeking better management; and
  - legal challenges to assessments;
- land valuations –
  - processes and practices to ensure fairness;
  - numbers of objections; and
  - influence on the setting of rates by local governments;
- retention of stock routes for the use of travelling stock;
- Wild Rivers legislation –
  - attainment of targets in 2007-2008 and targets for 2008-2009; and
  - consultation with stakeholder groups and declarations during 2007-2008 and 2008-2009;
- recycled water –
  - monitoring and reporting mechanisms provided by the *Water Supply (Safety and Reliability) Act 2007*;
  - timeliness of notification and reporting of water quality breaches; and
  - meeting water quality standards;
- the Delbessie Agreement –
  - its aim, basis and possible advantages to landholders over existing lease arrangements; and

- time taken to complete standard lease renewals;
- assistance provided to rural leaseholders to overcome potential significant increases in rental prices due to an increase in the value of leasehold land;
- water resource plans –
  - shortfalls in the 2007-2008 program and likely achievements in 2008-2009;
  - the Baffle Creek water resource plan;
  - compensation for licence holders losing entitlements;
  - legal costs, in particular, in relation to the Barron Draft Water Resource Amendment Plan;
  - progress on the Nullinga Dam project on the Walsh River;
  - environmental flow releases under the Bucca Weir strategy;
  - regional water supply strategies;
  - progress with Burdekin Stage 2;
  - completion of Water to Bowen; and
  - acquisition of properties, expenditure for, and progress on Nathan Dam;
- water evaporation by coal seam gas companies;
- funding for water research;
- the availability of the Waterwise Rebate and Education Scheme to farmers and rural people;
- use of Sunwater profits to plan for and ensure secure, quality water supplies for the long term;
- benefits from the National Water Initiative;
- benefits of water metering and metering projects in the Bowen area;
- the Irrigators Fixed Water Charges Rebate Scheme;
- groundwater –
  - difficulties in processing; and
  - a moratorium on the area B groundwater;
- the sustainable allocation of water, water loss in the MDIA channel network and distribution of surface water to irrigators;
- workforce matters regarding improved land management and fire control in Indigenous communities, as well as the use of Indigenous rangers to control prickly acacia along rivers in north Queensland and the Gulf;
- water monitoring networks helping protect the Great Barrier Reef;
- climate change –

- efficiency measures in place to reduce the departmental carbon footprint and water usage;
- incorporation of predictions into resource planning;
- activities influenced by future emissions trading schemes; and
- greenhouse gas emissions produced by the department in 2007-2008 and the estimate for 2008-2009;
- research into cloud seeding; and
- departmental licences for MapInfo software.

#### **COMMITTEE RECOMMENDATION**

The committee has investigated the proposed expenditure contained in the Appropriation Bill 2008 for organisational units within the portfolios of the:

- Minister for Primary Industries and Fisheries; and
- Minister for Natural Resources and Water and Minister Assisting the Premier in North Queensland.

The committee recommends that the proposed expenditure for the portfolios be agreed to by the Legislative Assembly without amendment.



Ms Kate Jones

Chair

August 2008

**ESTIMATES COMMITTEE G**  
**MEMBERSHIP**



Ms Kate Jones MP (Chair)  
Member for Ashgrove



Mr Mike Horan MP (Deputy Chair)  
Member for Toowoomba South



Hon Ken Hayward MP  
Member for Kallangar



Mr Ray Hopper MP  
Member for Darling Downs



Ms Rosa Lee Long MP  
Member for Tablelands



Mr Pat Purcell MP  
Member for Bulimba



Mrs Carryn Sullivan MP  
Member for Pumicestone

**SECRETARIAT**

Mrs Julie Copley (Research Director)  
Mr Alistair MacLennan (Research Officer)  
Ms Tamara Vitale (Executive Assistant)

# **Estimates Committee G**

**2008**

## **Statement of Reservations**

**Mr Ray Hopper MP  
Member for Darling Downs**

## **Statement of Reservations**

**Mr Mike Horan MP  
Member for Toowoomba South**



**Ms Kate Jones MP**  
**Chair – Estimates Committee G**  
**Parliament House**  
**Brisbane Qld 4000**

Dear Ms Jones

We refer to the draft report for Estimates Committee G and submit a statement of reservations on the report and some general comments on the process of Estimates Committees hearings.

This year has once again shown major deficiencies in the Estimates Committee process that has limited the effective scrutiny of the expenditures of Government Departments and agencies. The following general reservations are held with regards to the Estimates Committee Process:

Regarding the portfolios scrutinised by the Committee, the following reservations are raised:

- The overall Estimates process has failed to allow for any real analysis of the expenditures detailed in the Queensland Budget Statements.
- The limited time available to scrutinise each of the portfolios and agencies outlined in session timetables fails to ensure adequate analysis of each portfolios expenditure.
- Reservations are held with regards to the limited number of Questions on Notice allowed for each portfolio, which limit the ability to examine in depth all areas of the allocated budget items.
- The failure of Estimates Committees to allow direct questioning of Senior Public Service Administrators.
- Receiving responses to Questions on Notice less than 24 hours prior to the actual commencement of Committee hearings greatly inhibits the capacity to further research the completeness and accuracy of answers provided.
- In addition to limited time provided for questions, the avoidance tactics of Ministers who reply to questions in such a way as to evade the issue being scrutinised was a consistent theme throughout the hearings. Despite numerous follow up questions, Ministers either avoided answering questions or simply read prepared briefing notes on subjects not related to the issues raised in the questions.
- The structured nature of the Committee proceedings into blocks of questions with set times from Government and Non-Government Members prevent Members being able to follow a line of questioning in a logical and consistent manner to finality.
- The integrity of the Estimates Committee process is grossly compromised due to amendments made to the Criminal Code Act 1899 (Qld) in June 2006, which abolished the crime of knowingly providing false evidence to the Legislative Assembly or a committee.

Sincerely,



**Ray Hopper MP**

**Ms Kate Jones MP**

**Chair – Estimates Committee G**

**Parliament House**

**Brisbane Qld 4000**

Dear Ms Jones

We refer to the draft report for Estimates Committee G. Attached is a statement of reservations on the report.

Yours faithfully,

**Mike Horan MP**

## STATEMENT OF RESERVATIONS

With regards to the Redlands Hendra virus outbreak, the Minister was asked why the important Situation Report was not provided to veterinarians until the 9<sup>th</sup> of July, two days after the site was quarantined. The Minister gave no reason for this delay.

Questioning revealed that a vet had to be brought from Maryborough down to the Gold Coast to do blood tests on horses at the Redlands site. Whilst the Opposition recognizes that vets have to be used from all areas during biosecurity crises, we express concern that a vet had to be brought so far in this case. Years of budget and staff cuts under the Beattie Bligh Government have obviously left the Department of Primary Industries & Fisheries with minimum staff.

Questioning by the Opposition exposed the fact that the Minister for Primary Industries & Fisheries has been directly responsible for the cessation of mitigation permits for the control of flying foxes on valuable fruit farms. As a result of decisions by the Minister that the shooting of flying foxes is inhumane, the Minister for Sustainability has had no option but to stop any further mitigation permits for the control of flying foxes.

Whilst the Opposition recognizes the importance of mitigation of flying foxes to save fruit crops destined for human consumption, the outbreaks of Hendra virus at Redlands and Cannonvale and the acknowledged link of flying foxes to Hendra virus provides further evidence of the need for mitigation permits in particular circumstances. As the Minister responsible for the fruit industry and the horse industry, consideration should be given to the special needs that can occur when fruit bat colonies invade particular areas.

Questioning on early action in the Equine Influenza crisis by the Opposition revealed that Queensland had received an email about the possibility of EI at Eastern Creek Quarantine Centre on Wednesday the 22<sup>nd</sup> of August. At 6.30am on Saturday the 25<sup>th</sup> of August it was confirmed to the Department.

Despite this and despite a question at last year's Estimates about the Department's preparedness for a standstill, a number of horses were allowed to leave a major horse event at Morgan Park in Warwick.

As a result, EI spread to properties in Rosewood, Kenmore Hills, Brookfield and Tamborine, and from these places to Brisbane and the Gold Coast.

The Opposition believes there needs to be a devolution of responsibility for early action to prevent such a spread.

The Minister was asked whether stock inspectors or biosecurity officers were placed on the border crossings at the time of the EI outbreak. The answer revealed this did not happen and has exposed a real weakness in prevention and compliance.

When questioned about the costs of EI to Queensland, the Minister advised that the total costs were \$41.9 million, with \$38.8 million eligible under the national cost sharing agreement and \$3.1 million which is not contestable and to be paid by the Queensland Government (from the DPI&F base funding). However the Minister said the total direct cost to Queensland is \$6.946 million. Whilst this amount includes the \$3.1 million paid by DPI&F, there was no explanation of what the remaining balance of \$3.846 million represented.

Questioning about new discoveries of fire ant nests revealed that there were 5 nests found in areas outside the fire ant restricted area, 12 within the fire ant restricted area but not in the treatment area, and 4 within the fire ant restricted area and within the treatment area. The fire ant nests have been found as far west as Purga, Rosewood and Amberley.

The Minister revealed that it cost the Department \$179,000 to engage Jan Taylor & Associates Australia to report on the DPI&F's service delivery.

This report noted that the DPI&F was no longer close to its traditional client base and therefore out of touch with the needs of clients.

This \$179,000 has been spent telling the Department what everybody involved with Primary Industries, Forestry and Fishing have known since the budget cuts and staff cuts commenced early in the Beattie Bligh Government. The Opposition is concerned that the Government has to spend so much money and time to address something that has been so obvious to everybody. These funds could have been better spent in frontline services.

The Opposition questioned the Minister with regards to the charging for property registration and for registered brands. The Minister admitted that Treasury had provided the Department with supplementary funding in lieu of charging for this year. Questioning revealed this amount is \$2.1 million, indicating that the Government had intended to charge for property and brand registration, but had no doubt been stalled by industry concern. The Minister was unable to give any guarantee that charges for property registration and brands registration would not be introduced after 2008-09.

The Minister was questioned about the \$44.6 million provided over seven years for the establishment of hardwood sawlog plantations and whether there was a public tender for the contracts to establish these hardwood plantations. It was revealed that there was no tender process, but rather a government led assessment process which decided that Forests Plantation Queensland could deliver at a cheaper price, so they chose themselves.

The Minister was asked whether he, as the Minister responsible for commercial and recreational fishing, would endeavour to get fair compensation for the fishing industry of Moreton Bay through the structural adjustment package managed by the EPA. The Minister was advised that \$40 million was required just to buy out half the fishing in Moreton Bay, and more for those who work in the area outside the Bay and associated industries. It was obvious from the Minister's answer that the Minister is not prepared to seek more than the \$17 million that has been put forward by the EPA.

Questioning on the administrative fee charged by the Department for managing the Commonwealth and State funded Exceptional Circumstances scheme revealed \$750 per application is received from the Commonwealth.

The Premier advised at Estimates that every agency was required to develop a system of measuring and reporting on the amount of carbon emitted by that agency. The Minister was asked what were the carbon emissions from the DPI&F for 2007-08 and was unable to provide the answer.



**Mike Horan**

**Shadow Minister for Primary Industries & Fisheries**

**Shadow Minister for Sport & Racing**