



ESTIMATES COMMITTEE G

REPORT – 2003

1. INTRODUCTION

Estimates Committee G was appointed on 30 April 2003 to examine and report on the proposed expenditure set out in the Appropriation Bill 2003 for the organisational units within the portfolios of:

- the Minister for Primary Industries and Rural Communities; and
- the Minister for Tourism and Racing and Minister for Fair Trading.

The committee conducted a public hearing on Thursday, 24 July 2003 to take evidence from these Ministers and their officers.

For the purposes of examining the proposed expenditure for the organisational units allocated to it, the committee considered information obtained at the public hearing, in conjunction with:

- budget papers and ministerial portfolio statements;
- written responses provided by Ministers to questions on notice prior to the public hearing; and
- Ministers' written answers to questions taken on notice at the public hearing.

Pursuant to leave granted by the committee, Mr Howard Hobbs MP, the Member for Warrego, asked questions at the committee's public hearing directed to the Minister for Primary Industries and Rural Communities and Mr Mike Horan MP, the Member for Toowoomba South and Mr Jeff Seeney MP, the Member for Callide asked questions at the committee's public hearing directed to the

Minister for Tourism and Racing and Minister for Fair Trading.

The transcript of the committee's public hearing is available on the Hansard web page at:

<http://www.parliament.qld.gov.au/Hansard/>

During the inquiry the committee examined a wide range of issues, including those listed in this report.

For more detail on these issues the committee directs readers to the volume of 'Additional Information' accompanying this report. The volume includes the Ministers' answers to questions on notice asked before or during the public hearing, documents tabled at the hearing, and the minutes of the committee's meetings.

2. DEPARTMENT OF PRIMARY INDUSTRIES AND RURAL COMMUNITIES

Introduction

The total appropriation for the Department of Primary Industries and Rural Communities for 2003-04 is \$252,057 million (2002-03 was \$258.415 million).

The Ministerial Portfolio Summary for the Department provides the following output summary for 2003-04:

Output	Total Cost \$'000
Food and Fibre Science and Innovation	138,216
Market Access and Development	55,117
Rural Community Development	83,366
Fisheries	44,477
Policy Analysis and Industry Development	28,497

Source: State Budget 2003-04, Minister for Primary Industries and Rural Communities, Ministerial Portfolio Statements, page 1-8.

Issues considered by the committee

During the course of its inquiry the committee examined a range of issues, including:

- biosecurity enhancement, particularly in respect of risks from BSE and Foot and Mouth Disease
- research to control pests and diseases
- delivery of surveillance programs, including stock inspection services
- the Northwatch early detection program, including the involvement of and consultation with indigenous communities
- measures to eliminate the capture of marine mammals in shark control devices
- aquaculture research
- commercial production of industrial hemp
- progress with the hardwood plantation plantings to meet commitments under the South-East Queensland Forest Agreement
- Rural Market Development assistance to develop organic industries
- progress in the areas of animal welfare and ethics under *the Animal Care and Protection Act 2001*
- Exercise Minotaur (simulated foot-and-mouth disease outbreak)
- the proposed establishment of a Climate Variability and Drought Co-operative Research Centre
- reduction of off-site impacts of agriculture on the Great Barrier Reef
- issues regarding progress with and staffing for the fire ant eradication program
- the Stocked Impoundment Permit Scheme
- drought assistance measures, including the Drought Carry-On Finance Scheme and the Drought Recovery Loan Scheme
- assistance from the Queensland Rural Adjustment Authority to primary producers including the PIPE subsidised loan scheme
- training subsidies offered through the FarmBis program
- the management plan for the east coast trawl fishery, including compensation and assistance for fishery restructuring
- programs to monitor fish stocks
- research into reduction of methane gas emissions from livestock
- lifestyle horticulture initiatives
- assistance measures for the sugar industry
- pest and disease eradication and control programs
- issues regarding departmental staffing and the impacts of shared services provision of corporate services
- funding for RSPCA refuges
- expenditure on biosecurity programs
- funding for restructuring of the dairy industry

3. DEPARTMENT OF TOURISM, RACING AND FAIR TRADING

Introduction

The 2003-04 appropriation for the Department of Tourism, Racing and Fair Trading is \$83,864 million (2002-03: \$85,316 million).

The Ministerial Portfolio Summary for the Department provides the following output summary for 2003-04:

Output	Total Cost \$'000
Fair Trading Services	33,537
Liquor Industry Services	9,498
Racing Industry Services	13,874

Source: State Budget 2003-04, Minister for Tourism and Racing and Minister for Fair Trading, Ministerial Portfolio Statements, page 1-6.

Issues considered by the committee

During the course of its inquiry the committee examined a range of issues including:

- the Property Agents and Motor Dealers Claim Fund
- public awareness campaigns of the Office of Fair Trading
- consumer education campaigns by the Office of Fair Trading, including the Scam Smart campaign
- role and activities of the Consumer Safety Committee
- prosecutions arising from tampering with odometer readings
- the Thoroughbred Code Training Track Subsidy Scheme
- impacts of changes to thoroughbred racing
- assistance to racing control bodies
- governance reviews of the racing codes
- proprietary racing

- freehold ownership of racecourses through deeds of grant in trust
- the Racing Animal Welfare and Integrity Board
- funding for Regional Tourist Organisations and for convention bureaus
- online holiday tourism marketing strategy and online booking numbers
- assistance to regional airline operators
- initiatives to attract Japanese visitors
- development of ecotourism opportunities
- promotion of drive tourism
- details of tourism marketing funding
- details of liquor licensing prosecutions
- the Responsible Serving of Alcohol program
- enhancing public awareness of public drinking restrictions
- the DATSIP alcohol management program
- campaigns to encourage responsible liquor practices
- initiatives to guard against drink spiking
- departmental fees, charges and other revenue

4. RECOMMENDATION

Estimates Committee G recommends that the proposed expenditures, as stated in the Appropriation Bill 2003, for the organisational units within the portfolios allocated to the committee, be agreed to by the Legislative Assembly without amendment.

5. ACKNOWLEDGMENTS

The committee wishes to thank the Ministers and their departmental officers for their cooperation and assistance throughout the estimates process.

Tim Mulherin MP
Chair

12 August 2003

MEMBERSHIP

Mr Tim Mulherin MP,	Chair,	Member for Mackay
Mr Marc Rowell MP,	Deputy Chair,	Member for Hinchinbrook
Ms Liddy Clark MP,		Member for Clayfield
Mrs Liz Cunningham MP,		Member for Gladstone
Mr Peter Lawlor MP,		Member for Southport
Mr Robert Poole MP,		Member for Gaven
Mrs Joan Sheldon MP,		Member for Caloundra

SECRETARIAT

Mr Stephen Finnimore,	Research Director
Mr Luke Passfield,	Research Officer
Ms Andrea Musch,	Executive Assistant

RESERVATION STATEMENT

DEPARTMENT OF PRIMARY INDUSTRIES

Acknowledging it is the Government's responsibility to apportion expenditure to programs within each portfolio, The Coalition Opposition nevertheless holds reservations with a number of aspects of the 2003/2004 budget for the Department of Primary Industries.

Conduct of Estimates

The objective of the Estimates process is to allow Members of Parliament the opportunity to scrutinise the actions of Executive Government and the Public Service. An important part of this process includes the ability of the Opposition to submit pre-hearing questions on notice to a Minister, appearing as part of a Committee hearing, and to be responded to by their Department. In previous Estimates, these responses to members' questions have been returned at least a couple of days prior to the hearing. It was very disappointing that responses were only provided within 24 hours of this year's hearing, which does not allow sufficient time to follow up on these issues.

If the estimates process is to work effectively and to its original intention, the relevant Minister and Department need to be prepared to respond to questions in a timeframe that allows for important issues to be looked into in further detail by members, rather than using the Standing Orders for Estimates to delay these responses and possibly prevent more rigorous questioning of the Minister on issues within their Department.

Budgetary Position

There has been an overall budget decrease for DPI of \$6.9 million for 2003/2004. This latest cutback is part of an estimated \$188 million that has been cut from DPI since this government came to power. Of as much concern is the reduction in total revenue (estimated) for 2003/04 of about \$15 million for Food and Fibre Sciences and Innovation. Footnote 3 to this expenditure explains that "the state funded component of extension activities in this output has been realigned to the Policy Analysis and Industry Development Output in 2003/04". The Minister's blasé attitude towards funding being transferred from extension services in Food and Fibre Sciences is concerning, given

that this will form the base to having sound and sustainable industries in the future.

The continued withdrawal of DPI services and retreating from this commitment to the sector is viewed with great concern.

Staffing

Although not presented in the 2003/04 State Budget, the Minister under questioning in the hearing revealed, that under the whole-of-government Workforce Renewal Program, the government had given out 87 Voluntary Early Retirement's (VERs) to staff within DPI. A total of 26 of these full-time equivalent staff have been lost from Food and Fibre Sciences and Innovation. The Minister also admitted in the Estimates Hearing that the employment of the 629 staff to the fire ant eradication program is drawing to a close, with the majority of these staff not to be replaced. This admission of the Minister will reveal the real job cuts that have taken place within the Department, as the Minister has continued to inflate the staffing position within DPI by including those employed for the fire ant campaign, which has always had a limited timeframe. The Opposition has estimated that under this Minister, departmental staff has been cut by more than 683. These job cuts have come at time when Queensland has suffered one of the more severe droughts in its history, which should have prompted an increase in extension officers from this government. It is hoped that future budgets will see an increase in permanent, professional jobs for the DPI to rebuild the wealth of experience and knowledge that has been lost in the last five years.

Drought Funding

Through information provided prior to the hearing, it was revealed that the Beattie Government has spent a total of \$7.2 million in funding for drought assistance and recovery, across Exceptional Circumstances (EC) and the various State run schemes. This level of support is disappointing, given that the Commonwealth Government has allocated almost three and a half times that, with \$25 million provided to drought affected farmers over the last two and a half years.

According to this year's MPS, the State Government will invest an additional \$25 million into continuing drought assistance activities. In reply to a pre-hearing question on notice, it was indicated that \$6 million will be budgeted to go to drought affected farmers in 2003/04. When

questioned on what the remaining \$19 million will be spent on, the Minister was unable to provide satisfactory information but indicated that research, administration and the Centre for Climate Applications will also benefit from this increased funding.

There is also no mention in the 2003/04 MPS of the State Government's commitment to a series of proposals that have been put forward by the Federal Government to reform the current EC scheme, maintaining its firm commitment, but seeking greater cooperation and responsibility from the State Government. Given the severity of drought conditions in Queensland, all farming groups have supported the proposed reforms. The Minister's ongoing refusal to support these proposals is irresponsible and indicative of the political posturing which has plagued the current scheme.

The Opposition does not support the Beattie Government's policy position on the EC scheme and views with concern the lack of financial commitment to drought and Exceptional Circumstances relief.

Capital Injection to QRAA

Neither the Minister or the CEO of the Queensland Rural Adjustment Authority (QRAA), Mr Colin Holden, were able to explain why \$10 million, from the Government as an equity injection to finance QRAA schemes, (as identified on page 1-45, Note 34 of the MPS), would not be available until the start of 2005/06 at the earliest as it is recognised as Non-Current funding. Given the Beattie Government has previously used QRAA to prop up the government's bottom line and raise money to cover up its budget cuts to important programs like FarmBis, the Opposition has good reason to be sceptical of how and when this funding will be spent.

Participation in the draft plan for the Great Barrier Reef

In the MPS for 2003/04, there is reference to the DPI's participation in the preparation of the draft Reef Plan to address the impacts of agricultural activities on water quality entering the Great Barrier Reef. When asked during the Estimates Hearing if he could provide the scientific data on all rivers and streams entering the Great Barrier Reef, the Minister failed to provide this information, hiding behind the excuse that it is a whole-of-government initiative that requires a

whole-of-government response to the issue. If the Department is involved in the preparation of a crucial plan, which will impact directly on the farming activities of primary producers, they have a responsibility to provide and explain all of the available information supporting their concerns.

Aquaculture

The MPS refers to the growth in aquaculture, which for 2002/03 did not meet its target of 10%, only achieving growth of 5%. The Minister confirmed that his Department were looking in to these matters, including how to increase the number of aquaculture licences being issued. It is hoped that the additional \$2 million in funding to foster the development of aquaculture in 2003/04 will be directly allocated to research into growing this industry in Queensland, which in 1999 had an estimated value of \$382 million. There is also a great degree of concern in the aquaculture industry that the Great Barrier Reef Marine Park Representative Areas Program (RAP) will impact on the access to brood stock, affecting genetic diversity. Although the public consultation period for the RAP has only recently closed, the Minister needs to reassure the aquaculture industry that he is committed to its future.

Conclusion

There were a number of issues raised during the Estimates Committee hearings for the DPI that were not appropriately clarified during the hearing and for that reason I cannot support the funding allocation as a whole. It is clear that the Minister isn't interested in funding the important research and extension services provided through the Agency of Food and Fibre Sciences and Innovation which are crucial to the future sustainability of primary industries. Rather, the Minister is more concerned in promoting the government's policy through an increase in expenditure to the Policy Analysis and Industry Development output. Confirmation from the Minister that the majority of staff employed for the fire ant eradication program will not be replaced is a threat to the Government's future capacity to provide essential services to regional and rural communities. Given the extraordinary burden being placed on the already under-funded department to provide services to primary industries in this State, I am not confident that the Government will be able to meet these existing challenges.

Marc Rowell MLA
Shadow Minister for Primary Industries
Shadow Minister for Northern Development
Member for Hinchinbrook

8 August 2003

DISSENTING REPORT

ESTIMATES COMMITTEE G - RACING

Submitted by Mr Marc Rowell MP
Shadow Minister for Primary Industries
Shadow Minister for Northern Development
Member for Hinchinbrook

At the Public Hearing of Estimates Committee G held on Thursday 24 July 2003, the Shadow Minister for Racing and Member for Toowoomba South, Mike Horan MP, attended as an Observer and raised a number of issues relating to the racing industry, and I make the following Dissenting Report based upon the issues raised by Mr Horan.

RESPONSE TO QUESTIONS

The opening question to the Minister for Racing was about the Minister's refusal to answer questions both in Parliament and Questions on Notice for the estimates process.

With estimates being about the proper spending of public monies to pay the salaries and support for the Minister, ministerial staff and departmental staff, this questioning has shown that despite the salaries allocated, the Minister has not been able to respond to questions asked in Parliament and on notice during the estimates process.

This clearly indicates an abrogation of responsibility to provide value for money and reasonable effort for the payment of taxpayers' dollars to the Minister.

The Minister said and I quote, "You ask questions in the House. I give you the answer to those questions in the House".

This is an incorrect and misleading statement, as several questions previously asked to the Minister during parliament have not been answered.

These questions relate to:-

Question on Notice Number 609 asked to the Minister for Racing on 1 May 2003 in relation to country race dates.

Question on Notice Number 657 asked to the Minister for Racing on 13 May 2003 in relation to steward numbers.

Question without Notice referred to the Premier on 3 June 2003 in relation to country racing.

In relation to Pre-hearing Questions on Notice submitted in relation to Estimates Committee G:-

The response to Question 2 (Non-Government) noted that any questions in relation to staffing of Queensland Racing should be directed to the Board of Queensland Racing Board.

The response to Question 3 (Non-Government) noted that the allocation of industry funds is a matter for the Queensland Harness Racing Board, not the Government.

The response to Question 9 (Non-Government) noted that any questions in relation to the Queensland Racing Calendar for thoroughbreds should be directed to Queensland Racing.

The response to Question 10 (Non-Government) noted that the allocation of industry funds and the categorisation of clubs was a matter for Queensland Racing, not the Government.

MPS

In questioning 'Output Linkages with Government Priorities' – 'Racing Industry Services', I tabled a copy of the Centre for Australian Financial Institutions Report into the economic and social impacts of local economies of changes to thoroughbred racing in southern Queensland.

This report was prepared by the Centre based at the University of Southern Queensland.

The Minister attacked the report prepared by this institution, which is one of Australia's leading universities. This attack demonstrated that the Minister does not care about job losses and economic losses that will occur from the downgrade of TAB country race meetings in Queensland.

It is also clear, that the outcomes under this section of the MPS listed as, 'a strong diversified economy' and the government priority is stated to be 'more jobs for Queensland – skill and

innovation – the Smart State’ – is nothing more than media spin and propaganda.

The downgrading of jobs and economic loss caused by the cuts to TAB and country racing does not appear to fall within these outcomes.. Further more, it would flow on that the huge cuts (ie 163 meetings) made to non-TAB country races would have a huge social impact on country areas of Queensland in complete contradiction to the output linkages with government priorities.

CUTS TO MEETINGS

Whilst the number and quality of TAB meetings is important to sustain funding to the racing industry through Product Co., the Minister could not explain satisfactorily why there is a reduction of 23 Tuesday meetings in Queensland.

This obviously leaves advantages for other States.

HARNESS RACING

On the subject of harness racing and moves by the Queensland Harness Racing Board to close down harness racing in Toowoomba, the Minister was unable to provide a satisfactory answer. The Minister walked away from any government responsibility, has no interest and does not support this code of racing.

Subsequent decisions by the Queensland Harness Racing Board that relate to harness racing in Toowoomba, have now ripped out the heart and soul of racing on the Darling Downs.

STATUS OF QUEENSLAND RACING

Questioning on the status of Queensland racing showed that racing may be moving to control by company limited by guarantee and further that proprietary racing contracted by private individuals or companies can now occur.

The implications of this are that racing could be taken out of the control of the industry itself and run by a private person or company.

CRIMINAL MISCONDUCT COMMISSION (CMC)

The Minister indicated that the CMC investigation into allegations of conflict of interest within the Queensland Thoroughbred Racing Board had not been concluded.

ALBION PARK

The Minister was unable to give the Committee any information as to whether Albion Park Greyhound Racing Club had been able to make a profit or a loss during the last financial year. Whilst the annual report of the Club is unavailable as yet, it is clear that the Minister does not have any interest in racing in any code. The Minister appeared to have no idea of how that Club had performed financially.

BURRANDOWAN DOWNS PICNIC RACE CLUB

The Minister indicated that the Burrandowan Downs Picnic Race Club had been reallocated its race date for the coming year. Further questioning forced the Minister to admit whilst the race date had been allocated to Burrandowan Downs, the Club would not receive the \$24,000 that other race clubs would be allocated for prize money. Sadly, the Minister noted that as Burrandowan Downs had \$90,000 in the bank, ‘she had every confidence that they will be able to run a very successful meeting with very good prize money again this year’.

If all other race clubs with money in the bank were forced to use these funds for prize money, there would be little or no improvements made to racecourses. This is a callous attitude. If

Burrandowan Downs is treated differently, it may be the only club that is allocated a race date and no prize money by Queensland Racing.

COUNTRY TAB MEETINGS

The Minister was asked about the move by three clubs to operate fifteen TAB race meetings. This would mean that these clubs would still have some TAB race meetings in these country areas to offset the losses that will accrue to trainers and others in the racing industry. These three clubs are Dalby, Gatton and Kilcoy.

The Minister’s reply indicated that Sky Channel requires a club to provide fifteen race meetings. The Minister’s attitude was not supportive to the proposal that the three clubs run the fifteen races as one circuit. It was very disappointing to note the Minister’s comments but typical of a government that has lost interest in Queensland’s third biggest industry – racing.