

FRIDAY, 23 JULY 2004

Estimates Committee G Members

Mr T.S. Mulherin (Chair)
Mr P.A. Hoolihan
Mr M.J. Horan
Mrs D.R. Pratt
Mr J.W. Seeney
Mr K.G. Shine
Mrs C.E. Sullivan

In Attendance

Hon. S. Robertson, Minister for Natural Resources, Mines and Energy
Mr T. Hogan, Director-General
Mr P. Philipson, General Manager, Finance & Asset Management
Mr M. Cremer, Deputy Director-General, Mines
Ms L. Boman, Executive Director, Office of Energy (Acting)
Mr G. Dickie, Executive Director, Native Title and Indigenous Land Services (Acting)
Mr P. Noonan, Chief Executive Officer, SunWater
Mr G. Maddock, Chief Executive Officer, ENERGEX Limited
Mr T. Bellas, Chief Executive Officer, Ergon Energy Corporation Ltd
Mr S. Bartlett, Chief Executive Officer, Powerlink Queensland (Acting)
Mr B. Coulter, Deputy Director-General, Natural Resources Services
Mr S. Spencer, Deputy Director-General, Integrated Resource Management

The committee commenced at 8.32 a.m.

The CHAIR: Welcome. I declare this meeting of Estimates Committee G now open. I am Tim Mulherin, the member for Mackay and chair of Estimates Committee G. My fellow committee members are Paul Hoolihan, the member for Keppel; Mr Kerry Shine, the member for Toowoomba North; Mrs Carryn Sullivan, the member for Pumicestone; Mr Jeff Seeney, the member for Callide; Mr Mike Horan, the member for Toowoomba South; and Mrs Dorothy Pratt, the member for Nanango. The committee will examine the proposed expenditure contained in the Appropriation Bill 2004 for the portfolios of Natural Resources, Mines and Energy and Primary Industries and Fisheries, in that order.

I remind members of the committee and the minister that the time limit for questions is one minute and three minutes for answers. A warning bell will ring once 15 seconds before the end of these limits and twice when the time has expired. I will allow more time for answers if the questioner consents. The sessional orders require that at least half the time for questions at today's hearing is allocated to non-government members. Government members and non-government members of the committee will take turns at asking questions in blocks of equal time.

In relation to media coverage of today's hearing, the committee has resolved that video coverage is allowed only during the opening statements. Please also ensure that mobile phones and pagers are switched off while in the chamber so as to not to disrupt the proceedings, and I will do that now. I ask the departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in the transcript. In the event that those attending today are not aware, I should point out that the proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In that regard I remind members of the public that in accordance with standing order 195 the public may be admitted to, or excluded from, the hearings at the pleasure of the committee.

The first area to be examined is the proposed expenditure for the Natural Resources, Mines and Energy portfolio. The committee will consider the estimates of the organisational units in the following order: mines and native title, natural resources and government-owned corporations. The time allocated is three and a half hours with a 10-minute break at 9.30 and again at 11 a.m.

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

That the proposed expenditure be agreed to.

I welcome the minister and representatives from his department who are in attendance today. Minister, would you like to make a brief introductory statement or do you wish to proceed directly to questioning? If you do wish to make a statement, the committee asks that you limit that statement to five minutes.

Mr ROBERTSON: Chair and members, thank you. Managing our natural resources, our mining industry and the energy needs of such a large and rapidly growing state presents a fundamental challenge. Since our election the Beattie government has shown that we have both the courage and the will to meet those challenges. We have had to make hard decisions in the past, and no doubt there will be more in our future, but those decisions all have one goal in mind—a more sustainable future for Queensland. These appropriations will allow us to implement the commitments we made to the people of Queensland before the last election and to continue the agenda of natural resource management reform that has been a hallmark of the Beattie government's term in office.

We have already legislated to deliver our most important commitment and the most important environmental decision in Queensland's history—to phase out broadscale land clearing by December 2006. The budget fulfils one of the key components of that promise by providing \$150 million over four years to assist land-holders adversely affected by the new arrangements. This \$150 million package is being fully funded by Queensland despite the massive greenhouse benefits being reaped by the whole nation.

Our work on water reform continues, and the recent announcement of the national water initiative has shown that Queensland is at the forefront of water reform. As we continue our existing water resource planning, we also recognise the need to plan for future water supplies. With local governments in south-east, central and north Queensland we are undertaking rigorous water supply planning studies and strategies that involve a real, practical, least-cost approach, not the wish-list approach to water policy we saw in the past. The Drought Water Supply Task Force will build on the success of the group that focused on urban supplies during the worst months of the drought, and our new wild rivers policy will protect our unspoilt waterways from the effects of inappropriate development.

Our mining industry remains the backbone of our economy, and I am proud to say that the Beattie government has eliminated the backlog of frozen exploration permits, and Queensland is again an attractive destination for mining exploration. Mining royalties in the last financial year added \$761 million to the budget bottom line, while increased industry activity meant 320 new jobs—all part of a mining industry with more than \$9 billion worth of exports last year.

2004-05 will be a year to consolidate many of the gains of the past few years with the Petroleum and Gas (Production and Safety) Bill due to be debated in parliament and reviews of other legislation under way. An extra \$4.3 million over three years will further increase safety and security at government explosive stores as part of our commitment to make the mining and explosive industries as risk free as possible.

This is the first budget in which I have had responsibility for energy. Our economy and our communities depend on reliable, affordable sources of energy, which was demonstrated during this year's storm season. If there are problems with our systems we want to know about them, which is why the government established the independent review of our distribution systems—to ensure all Queenslanders continue to have access to reliable power. We are committed to providing Queensland with the most efficient electricity system possible, and affordable, competitively priced electricity for everyone no matter where they live. We will continue to resist the push by federal government iconocrats for the introduction of full retail contestability for electricity for domestic consumers—a move that, as things stand now, could spell disaster for regional and rural Queensland. Our energy policies, including the *Queensland Energy Policy—A Cleaner Energy Strategy* are designed to recognise the challenges inherent in providing energy to such a vast, diverse state. It is a sign of our ongoing commitment to regional Queensland. I look forward to the opportunity to answer questions from all members of the committee on this diverse portfolio.

The effects of the decisions we make now about the stewardship of our mineral, energy, land, vegetation and water resources will be felt for many years to come. The course we are steering under the Beattie government is putting us in a strong position to meet that future and ensure long-term economic, social and environmental sustainability. Thank you.

The CHAIR: Thank you, Minister. The first round of questions is to the non-government members. I call member for Callide, Mr Jeff Seeney.

Mr SEENEY: Thank you, Mr Chairman. Minister, in the output statement on page 24 reference is made to the mining royalties, and you made a reference to it in your opening statement. It is also recorded in other places in the MPS. You will note there is a \$76 million difference between the estimated actual amount of revenue of \$650 million in the 2003-04 estimate of \$726 million. It is a drop

of something approaching 12 per cent. Is that drop in mining royalties an indication of your government's attitude towards the mining industry?

Mr ROBERTSON: I am not too sure what that means.

Mr SEENEY: There is a 12 per cent drop in mining royalties. The only explanation given in the MPS is a note about exchange rates. I am asking you whether or not that drop in mining royalties is, in fact, an indication of the attitude that your government has towards the mining industry.

Mr ROBERTSON: I am not too sure how it is reflective of any attitude by the government. Royalties are set. There were changes put in place a couple of years ago to better reflect the returns expected to this state—to the people of Queensland—from the exploitation of its mineral resources. Changes will inevitably occur on a year by year basis based on prevailing conditions in the mining industry. There has been no reduction in output. In fact, output continues to increase but, as you correctly point out, there have been fluctuating exchange rates. That does have an impact on the amount of dollars we actually recoup through royalties for the sale and export of our minerals.

The revenue estimate in last year's budget of \$726 million was predicated on a United States dollar/Australian dollar exchange rate assumption of 62 cents for 2003-04. The estimate revised down to \$691 million using the United States dollar/Australian dollar exchange rate assumption of 65 cents. As I have mentioned, variations in production volumes, commodity prices and exchange rates all contribute to variations in royalty revenue estimates. The dominant influence on revenue in 2003-04 was the US-Australia dollar exchange rate. The expected average exchange rate for the full year on which the last forecast of \$650 million was compiled is around 71 cents. That royalty estimate for 2004-05 is based on an average US-Australia dollar exchange rate of 75 cents. We can only predict, based on everyone's knowledge, about exchange rates in a forward looking way. If we were to be accurate predictors of the exchange rates in the next 12 months I would not be sitting here, I would be down in Sydney working for the stock exchange.

Mr SEENEY: Minister, I am sure you are aware of the Fraser Institute's annual survey of mining companies in relation to the geological database that is available to them. I will table, for the benefit of the committee, a print-out from their web site which shows that Queensland is the least favourably regarded state in Australia. Are you concerned about the fact that Queensland is rated so low in terms of the geological information in the databases available to exploration companies and the effect that that is having on the Queensland mining industry and the returns to Queenslanders in the form of mining royalties that I asked about in the previous question? I table that print-out.

Mr ROBERTSON: I am not sure that you can actually combine those two issues. That report, which I have not seen and which I would ask to have a look at, is only one of a number of reports that come out from time to time assessing the prospectivity and condition of mining industries around the world. The simple fact of the matter is that over the last number of years we have seen a significant turnaround in exploration in this state. In fact, our proportion of expenditure on exploration has increased to the point that a couple of years ago—and I am just going off memory now—around about 12 per cent of expenditure was spent in Queensland. That is total national expenditure. It has recovered significantly back to around about the level of 19 per cent.

What we have seen over the last couple of years through initiatives that we have put in place, including dealing with the Borbidge backlog of exploration permits, is explorers getting back out on the ground. We are seeing significant increases in exploration expenditure here in Queensland and we are currently in active discussion with the Queensland Resources Council on ways to further improve our exploration performance in this state.

I am very mindful of the importance of a healthy exploration sector in this state for the future of the mining industry. Quite frankly, if we do not have a healthy exploration sector then that may diminish our ability to see the opening of new mines in years to come. That is why we have paid particular attention, not just in this budget but also in previous budgets, to do a number of things designed to get the explorers back on the ground doing what they do best. We have seen a significant increase in the performance of the exploration sector just in dollar value alone—how much is now being spent in Queensland vis-a-vis few years ago. I would only expect that performance to continue to improve.

Mr SEENEY: You would be aware that most of that improvement is due to solving native title issues, which were hampering exploration. The question asked was referring to the geological database—the information that the government makes available to exploration companies. How much money is in this budget this year to correct that obvious problem of Queensland being regarded as the worst state in Queensland and, specifically, is there any money in the budget to carry out the exploration work on the Aurukun deposit that other ministers have talked about in front of these estimates committees?

Mr ROBERTSON: I will answer the second part of your question first: there is no specific amount set aside for Aurukun because at this point in time it has not been determined how much will need to be invested in that work. That has yet to go before CBRC. That work is still being done between my

department and the Department of State Development. Because you do not know how much is going to be required, you cannot obviously put it in a budget before those decisions are taken.

In relation to the first part of your question, there is a total of \$2.3 million in this budget for work on initiatives such as getting better data out to the industry. The initiative that we have put in place this year is to set up a working party with the Queensland Resources Council to actually determine what are the specific needs of industry with respect to the information that they would seek from us. I have also, through the ministerial council on resources, had discussions with Minister Macfarlane over the past 12 months. I know of Minister Macfarlane's commitment to further enhancing the information that can be provided to the mining sector for exploration. I note he did not succeed in what he was seeking out of the federal budget for an enhanced performance on a national basis. I am not critical of that because I think Minister Macfarlane is genuine in his attempts to assist the mining industry. The problem is that there is varied opinion in the industry about what kind of information is most important. That is why we have set up this working party with the Queensland Resources Council to get an accurate view about what information is necessary that allows us to go forward in future budgets seeking additional funding.

Mr SEENEY: It is the industry's fault, not the government's?

Mr ROBERTSON: Not at all. I was not critical of the industry whatsoever. What I was doing was reflecting on a debate that occurs throughout industry about what information is necessary. It is a moving feast. Through technological advancement, at any one particular point in time new products are coming on the market all the time to improve the prospectivity of our landscapes. Quite simply, we need to get an accurate view from industry about what they want.

Mr SEENEY: You are spending \$2 million on that—

Mr ROBERTSON: \$2.3 million.

Mr SEENEY: \$2.3 million on correcting that lag that the state has. How much money are you spending on clean coal technology development? No doubt you are aware of the extensive investment that is being made by the federal government. The only reference I could find in the MPS was something about facilitation. Is there any money being committed by the Queensland government to the development of clean coal technology, given the important part that coal plays in Queensland's economy?

Mr ROBERTSON: We provide \$250,000 to the CRC for Coal in Sustainable Development which is located out at Pullenvale. In relation to the energy statement recently released by the federal government, I have met with Minister Macfarlane and expressed our interest in capturing some of the funding that the federal government has put up in terms of that \$500 million fund.

Mr SEENEY: The question was how much are you spending? That is the answer: \$250,000?

Mr ROBERTSON: That is our contribution, as well as contributions from other departments into that CRC. That work has been going on now for a number of years. That is recurrent funding for that CRC. What we have had in the last month is an announcement by the federal government with respect to their energy statement. There are plenty of views out there as to whether it is a visionary statement or a modest one. I tend to have a view towards the latter; I think it is a modest statement. Nevertheless, there is \$500 million being set aside by the federal government.

I have met with Minister Macfarlane and expressed our interest in securing some of that funding. They seek to leverage funding from the private sector to invest in clean coal technologies. I want to see Queensland be a part of that. My very strong view that I expressed to Minister Macfarlane was that I would like to see a trial geosequestration plant put here in Queensland. At this point in time we cannot get clarity from the federal government as to the rules, if you like, as to how that funding would be made available—the tendering process, et cetera—but we have expressed a very strong view that once we can get that information from the Commonwealth we want to be in there alongside industry and the federal government getting investments here in Queensland. But, again, you cannot put money aside until you know what you are talking about.

What we have been saying in our various energy policies over the last number of years is that we see our coal industry very much continuing its very strong performance in coal exports. We see in the future the need to be able to also market clean coal technologies, not just here in Australia but also internationally. We want Queensland to be at the forefront of that. That is why I am working with Minister Macfarlane, I hope cooperatively, to try to secure that investment here in Queensland.

Mr SEENEY: How do you reconcile those comments with the line in the Queensland energy policy that says that there would be no more coal-fired power stations built in the state? Your comments are in direct contradiction with that line in the Queensland energy policy, are they not?

Mr ROBERTSON: Not at all, because if you read the full section of the energy policy you would note that it says that there will be no more coal-fired power stations unless other circumstances arise. We do not rule it out completely. What we have done through that energy policy is facilitate a significant growth in the coal seam methane industry by setting targets. The 13 per cent gas target and the two per

cent renewables is facilitating and encouraging the coal seam methane industry in this state that is generating both wealth and jobs.

I have just received a note that the policy actually says 'unless there is a demonstrated need'. That is the part you left out in your question, member for Callide. What we have seen over the last number of years is significant growth in the coal seam methane industry. You have also seen the announcement of the construction of Kogan Creek which will be a supercritical coal-fired power station, perhaps the cleanest and most water-efficient coal-fired power station in Australia. That demonstrates, I think, a balanced approach to meeting our growing energy needs in this state.

Mr SEENEY: Let us look at some of the figures in this budget that appear to be money that has been allocated to support the government's energy policy. They are in stark contrast to the amounts of money that you have referred to in the answer to the previous questions about the support that the government is prepared to give to the Queensland mining industry and the coal industry in particular. You put out a press release just after the budget was released saying \$4 million has been allocated to put in place the gas certificate scheme, but there is a lot more money than that in the budget to prop up the Queensland energy policy. There is the \$500 million that is being spent by Enertrade. There is also a figure on page 45 of the MPS in grants and subsidies where the grants and subsidies figures increase from \$52 million to \$230 million. Can you explain that increase? The notes refer to the Townsville Power Station and the uniform tariff but there is no split up. Is it fair to assume that all of that increase is an operating subsidy for the Townsville Power Station? On page 45, grants and subsidies have increased from \$52 million to \$250 million. I am surprised that that was not significant enough for someone to have a—

Mr ROBERTSON: Patience, Jeff, patience. Sorry, I actually cannot find the line.

Mr SEENEY: On page 45 in the 'Statement of Cash Flows', under 'Outflows' grants and subsidies have increased from \$52 million to \$230 million. If you look at the notes, which are 50, 63 and 76, references are made to the uniform electricity tariff, which I doubt has increased by anything like those significant amounts, and amounts have been made available to facilitate the Townsville Power Station. We are talking about \$180-odd million. Surely somebody can explain that.

Mr ROBERTSON: A significant part of that is the CSO payment for the uniform electricity tariffs.

Mr SEENEY: That was incurred in the previous year. There has not been a major change in the amount of money. It would be safe to assume that that is the 52 or somewhere around that figure.

Mr ROBERTSON: That is one component.

Mr SEENEY: It is the increase that I am interested in.

Mr ROBERTSON: I will give you the director-general.

Mr Hogan: Most of the \$52 million is taken up by the grants and subsidies to pay for the uniform tariff, as the minister said, for power and that is a CSO payment.

Mr SEENEY: I understand that. That payment has been around for a long time. It is the increase from that figure to the \$230 million in the 2004-05 estimates. What is the \$180 million increase for? You cannot tell me that there has been a \$180 million increase in the cost of maintaining Queensland's uniform electricity tariff.

Mr ROBERTSON: We will take that on notice for the member for Callide and provide him with a detailed response.

Mr SEENEY: There is a \$180 million increase in the grants and subsidies that you pay and no-one can tell the committee what it is for.

The CHAIR: Member for Callide, the minister said that he will take that on notice.

Mr SEENEY: I do not believe that is acceptable.

The CHAIR: The minister has given an answer and he has indicated to you that he will take it on notice and give you a detailed response.

Mr SEENEY: I will assume, for the sake of the questions I am going to ask, that the notes in the budget are right; that it is an operating subsidy for the Townsville Power Station.

Mr ROBERTSON: I am advised that some of that amount would relate to the Townsville Power Station but by no means would it be all of that figure that you refer to.

Mr SEENEY: How much is your government prepared to put into the implementation of your government's energy policy? Given that the amounts of money that you are prepared to put in to support the Queensland mining industry, which has made such a huge contribution to the state over a long period of time, are almost insignificant, and in this budget we are looking at not just a large capital commitment for the Townsville Power Station but also an ongoing operating subsidy, is there an open cheque to implement the 13 per cent gas-fired electricity requirement in the government's energy policy?

Mr ROBERTSON: Of course not. I reject the analogy that you are trying to make that we are favouring one part of the energy sector above another. The benefits of getting a better mix of energy sources is for the industry as a whole. Even though the federal government is not prepared to commit itself to Kyoto, it nevertheless has a policy of meeting the outcomes as if it has signed up to Kyoto. That requires Australia, not just Queensland, to change the way it generates electricity, among other things.

Mr SEENEY: At what cost?

Mr ROBERTSON: If it does not do this, then the cost will be borne by the coal sector. So, by investing in gas, as we are doing, and encouraging and facilitating new industries such as coal seam methane, the long-term benefit accrues right across the board. Whether or not we sign up for Kyoto is probably irrelevant because at some stage in the future, post 2008, we could well be faced with a situation that Australia accrues penalties for not meeting greenhouse gas reduction outcomes. That is why, not just here in Queensland but Australia wide, investment decisions are being made to get an appropriate mix in place, particularly in the growing energy market, of energy sources that will not offend the outcomes being sought by federal and state governments with respect to greenhouse gas reduction targets.

Mr SEENEY: The question is: how much in total are you spending on that philosophy this year? How much are you prepared to spend? It would appear to me from the figures in the budget that there is an open chequebook. You cannot even tell the committee or the people of Queensland how much you are prepared to spend on this energy policy philosophy that you have.

Mr ROBERTSON: Perhaps I can help you now that I have the information that you originally sought with respect to grants and subsidies and an increase of \$178.2 million. The 2003-04 estimated actual represents part-year transactions only in relation to energy community service obligations. As a result of the inclusion of a full year's transactions and recalculation of the CSO liability, payments for energy CSOs increased by \$170.5 million. Grants in relation to the Townsville Power Station facilitation payments of \$7.7 million are included in 2004-05 for the first time.

Mr SEENEY: If you look at the investment that your department is making in the Townsville Power Station, in an answer to question on notice No. 3 you said that the total cost was \$500 million. How much is the government investing? How much of that is your investment? I direct you to the capital statement that shows Enertrade is investing about \$160 million, which I take it is from the pipeline. This is on page 88 of the capital statement.

Mr ROBERTSON: The figure of \$500 million is the total project cost. That is not just the refit of the Townsville Power Station.

Mr SEENEY: How much is the government investing?

Mr ROBERTSON: The \$500 million project includes CH4's development of the new coal seam gas production field near Moranbah in central Queensland and Enertrade's construction of a 391-kilometre gas pipeline from the gas field to Townsville.

Mr SEENEY: How much is the government putting into it?

The CHAIR: Just let the minister answer the question.

Mr SEENEY: It is a pretty simple question. How much is the government putting into it?

Mr ROBERTSON: I have run out of time.

The CHAIR: The time for non-government members questions has expired. I will let the minister complete the answer, if the member for Callide would stop interjecting.

Mr ROBERTSON: The facilitation payments being made by the state will be \$75 million over five years commencing February 2005.

Mr SEENEY: That is the operating subsidy.

Mr ROBERTSON: That is facilitation payments.

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

Mr SHINE: Minister, on page 1 of the MPS in relation to native title it refers to the government's decision to adopt the Commonwealth's right to negotiate process in dealing with mining and exploration permits. Can you advise whether this decision has had a positive impact on mining exploration in Queensland, bearing in mind that today you have referred to an increase in mining activity in Queensland?

Mr ROBERTSON: Thank you, member for Toowoomba North. On 27 November 2002 the Premier and I announced that Queensland would use the Commonwealth's Native Title Act provision for exploration and mining tenures from April 2003. At estimates last year I predicted this transition to the Commonwealth's native title provisions, including the use of the expedited procedure for exploration permits, would streamline processing and increase exploration activity in Queensland.

I am pleased to report that 542 mining tenures and exploration permits were granted during 2003-04 compared with 466 the previous year. The number of exploration, mining and petroleum tenures currently in force in Queensland is 5,047. The area of Queensland held under mining and petroleum tenure increased during 2003-04 by 2.4 per cent to 42 million hectares. This increase in area and the substantial recent increase in grants is attributed to the increased demand for land for mineral exploration and further native title agreements that have facilitated grants of tenures for both exploration and mining.

Of the 514 applications that remained under the Borbidge backlog, 63 have now been granted, 197 abandoned or rejected and 254 are progressing through a native title process. New applications jumped from 300 in 2002-03 to 450 in 2003-04. I think that reflects on the previous answer that I gave in relation to this to the member for Callide. What we have seen is new applications increase from 300 in 2002-03 to 450 in 2003-04. This shows that increased rate at which the industry is making applications since the government's decision to use the expedited procedure.

Consequently, Queensland has seen increasing exploration expenditure levels in the last two years with exploration expenditure worth \$114 million in 2003-04 compared to \$92.6 million the previous year—an increase of over \$20 million in one year. There has also been a notable increase in the last three years of Queensland's share of the Australian total exploration expenditure, increasing from 12.2 per cent or \$83 million in 2000-01 to 15.6 per cent or \$114 million in 2002-03. These are the actual accurate figures that I was referring to before. So over the last three years the total proportion of expenditure in exploration in Queensland, vis-a-vis Australia, has increased from 12.2 per cent to 15.6 per cent—an increase of over \$30 million in the last three years. These expenditure figures do not include petroleum exploration expenditure in Queensland which has increased by a massive 74 per cent from \$11.3 million to \$19.7 million in the last 12 months alone.

Mr SHINE: On page 1 of the MPS it refers to indigenous land use agreements. How many of Australia's registered ILUAs have been concluded in Queensland and what impact have these agreements had on mining tenure and exploration in Queensland?

Mr ROBERTSON: The Queensland government promotes the use of indigenous land use agreements as a means to grant exploration and mining tenures. The National Native Title Tribunal has registered 130 indigenous land use agreements across Australia. Seventy-eight of these or 60 per cent are in Queensland. The Northern Territory has the next highest proportion at 25 per cent. These statistics are in keeping with the government's clear preference for resolving native title issues through negotiation rather than by adversarial means.

The government initiated two projects to implement agreements that provide explorers and miners with access to land whilst ensuring the protection of native title rights and interests and indigenous cultural heritage. These projects are the small-scale mining project and the statewide model ILUA project. The small-scale mining project addresses native title for small-scale mining and focuses on traditional small-scale mining areas—for example, the opal areas of south-west Queensland, the central Queensland gemfields and the goldmining areas in north Queensland.

Three indigenous land use agreements were registered this year in key small-scale mining areas enabling the grant of up to 400 current mining tenements as well as future applications. Another six small-scale agreements have been finalised and are at various stages of the signing and registration process. They cover gold and tin mining areas in the Mareeba, Georgetown and Croydon regions.

As at June 2004, over 550 exploration and mining tenements have been granted under four small-scale mining agreements. Of particular note is the success of Winton indigenous land use agreement with the Maiawali-Karuwali people in the state's far west. Since the agreement's registration in June 2002, it has allowed the grant of 450 tenements and processing is ongoing. The statewide model ILUA project aimed to implement agreements to facilitate the grant of backlog exploration permits. In keeping with the project's time frames, the project concluded for new negotiations on 30 June 2003. Since that time, a further 14 agreements based on the statewide model ILUA were registered, bringing the total to 18. This enabled the release of a further 170 backlog exploration permit applications for processing. To date, 40 permits have been granted with processing ongoing.

A number of exploration and mining companies have also found that negotiating their own agreements with native title parties is of great benefit to their ongoing operations. These agreements have expedited grants and provided benefits to indigenous groups for significant projects such as the Cracow mine development, the BMA Twin Hills project in the Mount Coolum area, a limestone project north of Cloncurry for a small company William Croydon Pty Ltd, Ausquest's exploration at Drummond basin and Matrix Metals Ltd copper mining projects in the Cloncurry region.

Mr SHINE: You have in your answers referred to the development of mining in Queensland. Could you indicate what other measures the Beattie government is undertaking to facilitate further growth of exploration and sustainable development of mining in Queensland?

Mr ROBERTSON: Through the geological survey of Queensland my department is undertaking a range of strategies designed to encourage exploration in Queensland. These include the collection and

interpretation of new geological, geophysical and geochemical information as well as managing data and information submitted by companies undertaking exploration in Queensland.

Current activities include the acquisition of airborne geophysical data, interpretation of geophysical and satellite images, geological field mapping, mineral occurrence mapping and integration and analysis of data sets using the latest geographic information system software. Airborne geophysical surveys have been conducted over the northern and central Bowen Basin and recently a survey has been flown over the southern Bowen Basin to assist coal and coal seam gas explorers and miners. A petroleum CD of known and frontier petroleum and gas plays in Queensland has been recently produced to assist petroleum and gas explorers. In order to further assist mineral explorers, 80 new digital geological maps and 22 mineral occurrence maps have recently been released.

A key strategy in attracting increased exploration activity is the ready access to geoscientific tenure and resource information via the Internet to assist in making key investment decisions. The Queensland digital exploration report system is a digital document management system to store and distribute the state's 35,000 exploration reports through the department's web site. The QDEX system allows clients to view company reports associated with historical exploration tenure areas. The system has been operational for one and a half years and currently contains one-third of the report collection, with the remainder to be added by mid-2006. The interactive resource and tenure maps application on the department's web site is advancing with new technological developments. The availability of exploration tenure and geoscience information on the Internet allows companies to rapidly recognise parts of Queensland where they may choose to invest additional exploration capital. These exploration companies, many of whom are located overseas, now have the ability to determine the ownership of tenements, allowing an improved communication process to undertake joint venture exploration activities in Queensland.

I am sure if those initiatives, member for Toowoomba North, were brought to the attention of the Fraser Institute it may result in a different interpretation of what is happening here in Queensland and may be of some assistance not just to the Fraser Institute if it cared to become aware of these kinds of initiatives but also for the benefit of the member for Callide.

Mr HOOLIHAN: Morning, Minister. Minister, the MPS says on page 21 that 19 major mining and petroleum projects were facilitated by the Beattie government during 2003-04 resulting in 320 new full-time jobs. Will the minister provide an overview of how many major mining projects are expected to be facilitated in 2004-05 and how many new jobs these projects will create for Queenslanders?

Mr ROBERTSON: Member for Keppel, it is just all happening here in Queensland. In 2004-05 my department will be involved in the facilitation of 17 new mining and petroleum projects in Queensland. Some are anticipated to reach construction stage during the year ahead, resulting in approximately \$450 million of new capital expenditure and more than 700 direct jobs for Queenslanders. These projects include the Curragh North coal deposit 22 kilometres north of Blackwater. Wesfarmers is progressing an environmental impact study on this \$160 million open-cut coal project which will employ about 100 extra people and provide secure long-term thermal coal supplies for the Stanwell Power Station to the year 2025 along with exports of coking coal. Further north in the Bowen Basin near Dysart the Vermont open-cut project is being progressed by Bowen Basin Coal with a view to exporting coking coal for use in steel making. This project, which is currently the subject of an environmental impact study, will employ approximately 150 people at full production.

In the Cloncurry region of north-west Queensland Bolnisi Gold and Universal Resources are proposing an open-cut mine at their Roseby copper resource involving capital expenditure of approximately \$35 million and employing more than 100 people. Also in this area Exco Resources has announced a feasibility study to develop the resources contained at the E1 North deposit in addition to the newly acquired Monakoff and Great Australia deposits. The feasibility study is expected to be completed in late 2004 and the company is targeting June 2005 for production of concentrate containing copper and significant gold and cobalt credits. The White Range copper solvent extraction electrowinning project 30 to 60 kilometres south of Cloncurry is held by Matrix Metals. This \$20 million project is at the feasibility stage, with copper production anticipated in early to mid-2005. It has the potential to create about 50 new jobs.

Near Cooktown Bluestone nominees are preparing for the construction of an underground tin mine producing 3,000 tonnes of tin in concentrate per year over a three-year mine life at the Collingwood tin project. A feasibility study is being completed and an amended environmental authority approved. At the Goondicum ilmenite, feldspar and apatite project in central Queensland, which Jeff would be aware of, Monto Minerals has constructed a \$6 million bulk sampling plant for advanced customer testing of the ilmenite, feldspar and apatite products. The company proposes to commence a bankable feasibility study during 2004. This is a \$55 million project, which I know will be very welcome in Monto should it go ahead. I know that we all wish that particular project every success.

Mr HOOLIHAN: Thank you, Minister. Can you also report on the Queensland mining industry's performance in terms of safety and health and outline any new initiatives to help further improve the industry's record?

Mr ROBERTSON: Statistics show that during 2003-04 the Queensland mining industry has continued to significantly improve its overall safety performance. The number of lost time accidents suffered in the industry for 2003-04 is seven per cent below last year's figures and 58 per cent below those recorded in 1997-98. The severity rate in 2003-04 was 93 days lost per million hours worked. This represents a five per cent improvement from the previous year of 98 days lost per million hours worked and gives an overall improvement from 1997-98 of 53 per cent. The number of days lost through accidents suffered in the industry for 2003-04 is 13 per cent below last year's figures and 52 per cent below those recorded in 1997-98.

We unfortunately suffered one fatality for 2003-04. However, this is an improvement on the preceding four years where there were on average two fatalities per year. Each year I attend the Mining Health and Safety Conference, which is usually held in Townsville. I give them this challenge: to have a fatality-free year. We almost got there last year, but in the coming weeks and months when I attend those conferences I will again be reissuing that challenge to the industry, a challenge which workers, unions and the companies themselves take very seriously.

In a proactive capacity, the government is expanding the coalmine workers health scheme which commenced in 1982. We now focus on early diagnosis and appropriate rehabilitation to ensure that all mineworkers maintain their fitness for duty. As part of this process, a part-time medical specialist was appointed in March 2004 to commence work on implementing the 2003 review of the Health Surveillance Unit. This includes establishing a medical advisory panel to represent all sectors of the industry and the modifying of reporting arrangements to allow specific hazards to be addressed while developing competencies for medical practitioners to deliver occupational health programs. We are currently building the foundations of an activity that will result in the sustainable improvement of the health of more than 20,000 mineworkers in this state.

This proposed new health surveillance process is a significant step forward in the aim to have no disabling injuries in our mines. By using modern electronic information management systems to record occupational health and information and identify hazards, the new Health Surveillance Unit should provide a cost-effective responsive service to industry that addresses current and future needs in health management. In addition to the Health Surveillance Unit, my department has established a tripartite committee with senior mine officials and the CFMEU to develop plans to measure existing exposure levels to diesel particulates, establish maintenance programs based on engine performance and take other appropriate steps to reduce exposure.

Mr HOOLIHAN: Thank you, Minister. Page 19 of the MPS mentions a study addressing the aquifer impacts and economics of water produced as a by-product of coal seam gas operations in the Surat Basin, with the study findings expected in June 2004. Are the results of that study now available?

Mr ROBERTSON: They are. The coal seam gas water management study was completed earlier this month. The study covers a range of complex scientific, engineering and environmental issues in detail and includes an executive summary that puts the findings in everyday language. Because the study is quite technical in parts, I believe that it is essential that leaders in the local communities have a clear understanding of the underlying science, the findings and their implications. To this end, my department will be meeting with local mayors, chief executives and other community leaders from next month to seek their comments on the study. It is a strategically significant study that will help the development of Queensland's emerging coal seam gas industry and could provide a basis for new industries in the Surat region.

The Surat Basin has the potential to become a large-scale energy province due to the unique properties of its coal. There are vast reserves of coal that produce very low emissions relative to thermal coals elsewhere. Deposits well below the surface also contain significant amounts of coal seam gas. Water is co-produced from coal seams with gas extraction. As gas production must be commercially and environmentally sustainable, government gas producers and local communities need to be aware of the impacts on Great Artesian Basin aquifers and the potential beneficial uses of this co-produced water. Private sector interests are currently seeking to develop commercially viable coal seam gas operations around Miles, Chinchilla and Dalby. So far, most of the by-product water produced in these pilot operations is being stored in large storages but could be put to beneficial uses such as for agricultural or industrial purposes.

The department in conjunction with gas companies active in the region and the Commonwealth Department of Industry, Tourism and Resources commissioned the study to identify and quantify the likely impacts of water extraction on the Surat Basin aquifers currently being accessed by the gas companies and to identify, evaluate and cost technical options to manage the co-produced water. On the basis of the evidence available at this relatively early stage, the study concludes that the gas extraction operations do not impact on Great Artesian Basin aquifers. The water is contained in Walloon Coal Measures aquifers which are not connected to the Great Artesian Basin aquifers but which are widely used as water resources in that area. The study also identifies a range of water treatment technologies and management approaches that, if commercially viable, have the potential to support the development of new industries in the region.

The study findings will provide stakeholders with an independent and objective basis for policy development and further applied research in the development of strategies to ensure the long-term sustainability of water resources, a commercially viable coal seam gas industry and value-adding beneficial treatment and use of by-product water. The community can be assured by the range of measures in the new petroleum and gas legislation that we will also help to ensure effective ongoing monitoring and management of the emergent coal seam gas industry and associated water production.

Mr HOOLIHAN: Thank you, Minister. On page 21 the MPS mentions new nationally developed security requirements for the land transport of explosives. What role did Queensland play in their development and what are the benefits to the community?

Mr ROBERTSON: The transport of explosives throughout Australia is controlled under a national code, the Australian Code for the Transport of Explosives by Road and Rail, which was first developed in 1991. Following the dreadful events in New York and Washington in September 2001, I wrote to the Deputy Prime Minister, John Anderson, seeking a national review of guidelines governing the transport of explosives in Australia to ensure that security levels remained appropriate. I am happy to advise that he fully supported my initiative and immediately commenced a review under the auspices of the federal Department of Transport and Regional Services involving all national explosives regulators, including the Department of Defence. This review was conducted by the Explosives Competent Authority subcommittee, which is chaired by the Queensland Chief Inspector of Explosives of my department.

The review highlighted a need for additional security measures, particularly in light of the increased threat level, which was subsequently established as an addendum to the national code, the Australian Explosives Code. Each state and territory jurisdiction is responsible for the implementation of the additional explosives transport security measures in their area. These measures were implemented in Queensland in March this year with full compliance mandatory from 30 June this year. These new arrangements for explosives transport include such things as direct tracking of explosives vehicles anywhere in Australia, duress alarms for early warning of incidents, and security plans to ensure emergent incidents are addressed in an early and uniform manner. All transporters of explosives in Queensland have now been formally advised of these new security requirements through a directive issued by the Chief Inspector of Explosives. While to date Queensland has been relatively free of inappropriate activities involving explosives, this government considers it important to regularly review all security provisions associated with explosives to ensure a continued level of safety for the community as witnessed by appropriations this year for further upgrades of our various security magazines that are around the state, one not too far from your electorate, member for Keppel.

The CHAIR: Thank you, Minister. The committee will now adjourn for 10 minutes. The hearing will resume at 9.40 to continue the examination of the portfolio of Natural Resources, Mines and Energy.

Sitting suspended from 9.28 a.m. to 9.40 a.m.

Mr ROBERTSON: I would just like to clarify very briefly one of the answers that I gave to a question that the member for Callide asked me in the previous section. Getting back to those questions about the differential in the level of payments that you were referring to, why there is such a significant difference is that the previous year's figure is only for the last three months, representing the machinery of government changes. So that figure is only for three months—the last three months of the previous financial year—when Energy and all the figures came into this department. That figure for the current financial year is obviously a 12-month figure; hence the significant differential.

Mr SEENEY: You can answer it on notice and give me the details about the operating subsidy.

Mr ROBERTSON: Yes, absolutely. But that is why there is that big difference.

The CHAIR: Estimates Committee G is now resumed. The question before the committee is—
That the proposed expenditure for the portfolio of the Minister for Natural Resources, Mines and Energy be agreed to.

The first round of questions is from non-government members.

Mr SEENEY: I refer to page 10 of the MPS where the department lists its achievements, including the efficient issuing of titles. Can I refer you to the issue of riparian land titles. Has your department adopted a policy of establishing riparian land titles at the high-bank level?

Mr Spencer: We are currently looking at that very issue. The issue of high bank and low bank has been, as I think you know, a longstanding issue. There is currently work with our surveyors and our water resource people looking at that issue as we speak.

Mr ROBERTSON: Because I am a sucker for punishment, I have agreed to look at that long outstanding issue to try to resolve it. As you know—and we have debated these kinds of issues in various legislative debates in the chamber—I have agreed with the recommendation of my department to actually get in there and try to sort it out. It is not going to be easy. As I said, I am probably a bit of a sucker for punishment to take that one on, but we are going to try to do it.

Mr SEENEY: I take it from what you say that you have not adopted a position on it. Is your department arguing in a court case that the high bank should constitute a property boundary?

Mr ROBERTSON: Are you referring to Maleny?

Mr SEENEY: Yes.

Mr ROBERTSON: I want to be a bit careful—

Mr SEENEY: That is why I did not refer to it directly.

Mr ROBERTSON: That is right. Obviously, that is an issue that is before the court. If we could talk generally, Scott, you may be able to assist.

Mr Spencer: We are attempting to finalise that issue, but certainly our evidence is that the water resource act and the intent of the 1910 act was that issue, yes.

Mr SEENEY: So you believe that the intent of the 1910 act was to set the high bank as the property boundary in that specific case or across the broader application?

Mr Spencer: The evidence, of course, is specific to the case and I need to be very careful about that.

Mr SEENEY: Yes, I understand that.

Mr Spencer: In general, there is an issue. The intent of the 1910 act, we believe, was to allow for the construction of the weirs and dams across Queensland. You can, in fact, have an interpretation that it was for management purposes and that becomes a debate in the courts. So we are effectively trying to put before the minister a proposal to clarify that for once and for all. It is arguable in law.

Mr SEENEY: So the attempt that you mentioned to resolve this issue is based on that assumption—that the 1910 act sets the high bank as the riparian property boundary?

Mr ROBERTSON: I cannot provide an answer to that, because I have only agreed to the review. I am not aware of the full extent of, one, existing provisions and, two, the interpretations and the variety of forms that they have. We are at very early stages, but if Scott can assist you with the historical perspective, then please keep asking.

Mr SEENEY: The fact that the department has argued that position in the particular court case, which I understand we cannot refer to specifically, is that an indication of the approach that you are going to take to this issue of riparian property boundaries across the state?

Mr ROBERTSON: Not from a departmental perspective, not from a ministerial perspective.

Mr SEENEY: Good.

Mr Spencer: And can I say not necessarily because, as you well know, there are a number of issues to be worked through on this issue and we are putting all of those before the minister. We have not yet put a final recommendation to the minister on the issue. The surveyors are in the room. I will not bring them up. But we have yet to put a final position. We are having internal discussions about that issue.

Mr ROBERTSON: We might keep you informed of the progress on this bit of work.

Mr SEENEY: Yes. The clarification I am seeking is that the court case, where you have argued that position, is not going to be used as a precedent setter.

Mr ROBERTSON: We are starting to get into difficult areas.

Mr SEENEY: I know. I understand the difficulties of talking about this issue of the court case. What I am trying to establish is the department's attitude, or the minister's attitude, or the government's attitude towards the concept of establishing the high bank as the riparian property boundary, because it rings the alarm bells when the department goes into a court case—whatever the specifics of that are—and argues that the high bank should be seen as the riparian property boundary in one case at the same time when I know that this minister is embarking on this review. I wish you luck and I offer my every assistance in that. I just want an assurance that that is not the department's preferred method of setting a precedent.

Mr ROBERTSON: No firm, final decision or position has been adopted by my department.

The CHAIR: I think the minister has made the offer to keep you fully briefed on the matter. I think we will move on.

Mr SEENEY: Thank you for your assistance, Mr Chair. Can we move to the issue of vegetation management, which I am sure does not come as any surprise to you. There are a number of mentions in the MPS regarding the government's compensation payments for the vegetation management legislation. You said in answer to the question on notice that there had been no money expended from the \$150 million compensation package, or structural adjustment package, as I know you prefer to refer to it as.

Mr ROBERTSON: More accurately so.

Mr SEENEY: That is in contradiction to what you told the estimates committee last year. I am sure you remember that we had the debate last year about the amounts of money that had already been spent setting up departmental processes.

Mr ROBERTSON: Yes.

Mr SEENEY: Can you give me an assurance that that \$150 million is all going to be available for the purposes that you have indicated?

Mr ROBERTSON: I can give you that assurance. Putting aside the \$150 million, which is for the structural adjustment package defined by those three categories—the 120, the 12 and the eight—in addition to that there is funding in my budget that has been in place now since 1999-2000 to run the vegetation management system. When those significant reforms were first introduced in the 1999 act, there was a Treasury special provided to the department to employ vegetation management officers. That Treasury special continues, including this current financial year, to continue to employ those people and do the activities that we have done traditionally. So the \$150 million is set aside. It is not touched for the purposes of continuing to employ, for example, those vegetation management officers.

Mr SEENEY: I am gratified about that, because it is a different answer from what I understood you to give the committee last year.

Mr ROBERTSON: We are all wiser after 12 months.

Mr SEENEY: We will not go back there. I am gratified that there is going to be \$150 million, which is split up into the 130, the eight and the 12.

Mr ROBERTSON: Yes.

Mr SEENEY: In relation to that \$130 million that is going to be available for the compensation to land-holders, do land-holders have to be part of the ballot process to access that \$130 million, or is it going to be available to people who have been adversely affected by the vegetation management regime since it was introduced in 1999?

Mr ROBERTSON: I will have Scott Spencer answer that.

Mr Spencer: You can access the money directly. You can make a decision as a land-holder now that you are affected and put your application directly to the Queensland Rural Adjustment Authority today. There has been one application so far. I checked this morning. You can wait for the ballot and see whether you are successful. If you are not successful at that stage—in other words, drawn out of the ballot—you can then make an application. Or even if you are in a situation where you are successful in the ballot but, because of the nature of your application you get only a smaller part of what you are after, you can make an application there. So there are three steps where you can make application in the process.

Mr SEENEY: I do remember, though, from the rules that the minister published—or I took it and I ask to seek your confirmation—that land-holders can seek compensation only for not being able to develop ecosystems of concern and not of concern. People who are prevented from developing endangered ecosystems are not eligible for this compensation package.

Mr Spencer: It applies to the new legislation. So that is correct.

Mr SEENEY: The new legislation?

Mr Spencer: That is correct.

Mr SEENEY: So someone who feels aggrieved by the legislation that existed since 1999 is not eligible for the compensation package?

Mr Spencer: Yes.

Mr ROBERTSON: Unless there has been a further impact on that land-holder from the introduction of the 2003-04 legislation.

Mr SEENEY: Right. You would understand, of course, that there are a considerable number of land-holders who were restricted from developing areas of their land that, one, was considered to be endangered ecosystems on the maps and that, two, for a number of other reasons that were given on the permits for ecosystems that were of concern and not of concern. You are confirming for me that those land-holders are not eligible to apply for this assistance?

Mr ROBERTSON: Perhaps I can put it this way. For the restrictions that were put in place prior to the 2003-04 legislation, those restrictions are not compensatable. The restrictions that had been put in place as a result of the 2004 legislation, they carry with them the \$150 million structural adjustment package.

Mr SEENEY: So there is going to be a large number of land-holders who will not be able to access this compensation?

Mr ROBERTSON: That is nothing new, because that is the case. It would be the case even if we had not put the 2004 legislation in, because the pre-existing laws would have defined their ability to clear under those pre-existing guidelines.

Mr SEENEY: That is right. So there is a large number of people, who have been impacted since 1999, who you are denying the right to apply for this compensation?

Mr ROBERTSON: Except to the extent that the additional restrictions applying from the 2004 legislation are compensatable. I do not want to say that word, but yes. So it depends on the—

Mr SEENEY: I understand your position. I do not agree with it, but I understand the position.

Mr ROBERTSON: My director-general just clarified something. The discussion we have had is in relation to the \$130 million, but it does not restrict the kind of people you are talking about from accessing the \$8 million available for best management practice and the \$12 million for the vegetation incentive package. They have the ability to make application for funds coming out of those two packages but not from the bulk of the \$130 million.

Mr SEENEY: I understood that the \$8 million best practice management package was not going directly to land-holders. Are you telling me that it is? Wasn't it to industry organisations?

Mr Spencer: The \$8 million is for land-holders. At the moment we are negotiating with Agforce for it to administer the scheme—similar to what we did with the water use efficiency scheme, where we would sign a contract with Agforce, with milestones within the contract, and it would undertake to deliver it to the land-holders on behalf of itself and QFF. Those negotiations are ongoing, but it is actually meant to be spent with the property owners, not with the organisations themselves.

Mr Hogan: Similarly with the \$12 million, shortly the minister will announce the first tranche of that payment to the south-west Queensland group. We have limited the administrative costs in that quite severely, so most of the money will go on ground. It will not be spent on public servants.

Mr SEENEY: They are the payments that are dependent on land-holders entering into covenants?

Mr Hogan: Yes.

Mr ROBERTSON: Those two packages are available for everyone. It is just the \$130 million to which the restriction applies.

Mr SEENEY: Why the distinction, then? Why was the bulk of the compensation limited when the more peripheral areas were extended to everybody?

Mr ROBERTSON: Because best management practice is something we want to see all land-holders adopt.

Mr SEENEY: So fair compensation is not something you believe should be available to all land-holders?

Mr ROBERTSON: That is not compensation; that is assistance.

Mr SEENEY: So fair assistance should not be available to all land-holders?

Mr ROBERTSON: I think assistance should be made available to all land-holders if they are serious about getting best management practice in place. I do not think you would achieve good whole-of-landscape outcomes if you restricted those kinds of programs to only one section of the industry. The greatest impact is obviously on the grazing industry. That is why I say 'the industry'. That of course does not deny the broadscale agriculture people's access, either.

Mr SEENEY: Time is getting away. I would like the opportunity to talk about—

Mr ROBERTSON: I'm flexible.

Mr SEENEY: In relation to the applications you are seeking from land-holders for the ballot process, you would be aware that the departmental staff are struggling to keep up with the demand from people who are seeking assistance to prepare applications for the ballot. Will you be insisting that all of the applicants for the ballot have their application completed in full detail before they can be included in the ballot?

Mr ROBERTSON: We are hoping that the applicants for the ballot will have structured their application in such a way that it allows the best possible application to come in. To use an extreme example, if someone comes in with an application that has been drafted on the back of an envelope, without much rigour attached to it, and that application is drawn out of the ballot, the assessment of that application would of course be difficult and problematic for not just the department but also the land-holder. That is why we have been encouraging people to seek professional assistance, so that they can get the best possible application in. The application of course has to abide by the provisions of the IPA. It has to be a properly made application. My advice, as has always been the case, is that in the time that is available in the lead-up to the ballot applicants should put in the best possible application, because it is through the best possible application that they would expect the best possible outcome.

Mrs PRATT: Minister, with regard to the ballots and so on, I understand that there is quite a considerable workload on the vegetation management officers at the moment. Just this week a constituent of mine contacted DNR and was told that there were only five vegetation management officers in Queensland. Is that right?

Mr ROBERTSON: No.

Mrs PRATT: How many are there?

Mr ROBERTSON: Eighty-four.

Mrs PRATT: Eighty-four qualified vegetation management officers?

Mr Spencer: There are 84 people in the regions that we have involved in vegetation management administration.

Mrs PRATT: And they are qualified?

Mr SEENEY: There are not 84 people who can do the assessments.

Mrs PRATT: That is what I am after—the number of people who can actually do the assessments.

Mr ROBERTSON: Perhaps I can assist you. Maybe what you had heard was that there are five people in south-east Queensland who do assessments.

Mrs PRATT: How many would there be statewide?

Mr ROBERTSON: There are 28 assessment officers.

Mrs PRATT: Information this constituent received this week was that anyone requiring a permit to clear even as little as half an acre had no hope of getting inspected until after the broadscale ballot was completed because the officers are so busy with the broadscale ballot. Is this correct?

Mr ROBERTSON: That is difficult to respond to. That is anecdotal.

Mrs PRATT: The reason I ask this—

Mr ROBERTSON: It is fair to say that they are very busy. Of course they are very busy.

Mrs PRATT: That is true. To compensate for that, I would have expected a lot more people to have been brought on board to handle it.

Mr ROBERTSON: You cannot just bring them on board automatically. These people are specialists.

Mrs PRATT: I know. That is what I am saying. You knew that this was coming for quite some time. Therefore, I would have expected you to be prepared. The other thing I am trying to say is that a lot of land transactions are being put on hold for an extended period of time because the people who want to purchase land do not know what the hell they can do with the land when they get it, and they are not going to risk buying it if they cannot do something with it. That is what I am trying to say.

The CHAIR: Can you put your question, member for Nanango?

Mrs PRATT: Basically, how are you going to overcome this?

Mr ROBERTSON: Perhaps I can make the offer that you contact my office with the particular details of this circumstance. We will investigate it and get back to you in terms of satisfying the concerns of your constituent.

The CHAIR: Thank you, Minister. The time allocated for questions by non-government members has expired. I call the member for Pumicestone.

Mrs CARRYN SULLIVAN: Good morning, Minister. Minister, you are aware of my passion for best practice vegetation management. I know that you have touched on this recently, but can you provide a progress report on the implementation of the Beattie government's \$150 million financial assistance package to help landowners affected by Queensland's new vegetation management laws?

Mr ROBERTSON: Thank you, member for Pumicestone. The government is moving quickly to implement the \$150 million financial package being offered to land-holders to assist them in adjusting to the new vegetation management legislation. We have already started rolling out the \$130 million structural adjustment package, which is being delivered by the Queensland Rural Adjustment Authority in recognition of its expertise in structural adjustment delivery. Applications for the package opened on 1 July. QRAA has to date received 82 calls seeking application kits. QRAA is also organising seminars to Emerald, Rolleston, Charleville, Roma, Biloela, Toowoomba, Eidsvold, Jericho, Nebo, Goondiwindi and possibly St George. These seminars are planned to coincide with Agforce branch meetings or regional meetings and are expected to start in early August.

Another element of the financial package is the \$12 million Vegetation Incentives Program. This is an innovative program designed to pay eligible land-holders for their management of valuable vegetation resources on their own properties. Non-government tenders with demonstrated skills in implementing natural resource management which involved the engagement of land-holders have been

called to deliver the program. As mentioned by Mr Hogan, the first tender to deliver the Vegetation Incentives Program in southern Queensland will be announced in a few days. The successful tenderers for Queensland's other six bioregions will be rolled out across the state in coming months.

Another important aspect of the government's assistance to land-holders is the allocation of between 200,000 and 250,000 hectares which remain available for clearing through a ballot and assessment process. The ballot is planned for 17 September this year. Applications for land-holders to participate in the ballot close on 31 August. Every successful ballot application will be assessed against the new regional vegetation management codes, a process that may take at least a year to complete. While there have been a limited number of applications received by the department to date, there has of course, as you would appreciate, been considerable interest in the ballot.

Mrs CARRYN SULLIVAN: How will the \$150 million financial assistance package mentioned on page 3 of the MPS help improve natural resource management outcomes on Queensland farms?

Mr ROBERTSON: The government is committed to assisting land-holders to adjust to the new laws introduced earlier this year. It has been designed as an assistance package that will ensure the continued viability of Queensland farmers while at the same time protecting the state's unique biodiversity. Queensland has a long and proud history of agricultural development. We know that land-holders want the best for their properties while at the same time ensuring their own financial security. The \$150 million package has been designed to assist farmers to do this in three different ways.

Firstly, there is the \$130 million assistance package to help restore or maintain the viability of affected farm businesses. If viability is not possible, funds are available to buy out the affected property. This package is being delivered through the Queensland Rural Adjustment Authority, as I mentioned earlier. Up to \$100,000 may be provided to those land-holders to undertake specific projects to improve their viability. In addition, funding will be provided for the voluntary purchase of properties that are considered completely unviable by this legislation.

Secondly, a \$12 million incentive package, the Vegetation Incentives Program, is an innovative program designed to pay eligible land-holders for their management of valuable vegetation resources on their properties. High-value, non-remnant vegetation in key landscape positions will be specifically targeted. The mechanism for delivering the Vegetation Incentives Program will be a competitive tendering process that will allow land-holders to bid to both protect and manage target vegetation in an ongoing manner. The program will be delivered by independent organisations appointed in each of the seven regions across Queensland. These organisations will be appointed following a competitive tendering process. Tenders for the delivery role in south Queensland are expected to be announced next week.

Thirdly, there is an \$8 million best management practice initiative to be delivered through rural industry groups and targeted at identifying and promoting best practice in sustainable agriculture. The government is currently negotiating with Agforce and the QFF on the delivery of the best management practice package. The government has called upon the expertise of groups and organisations that work closely with land-holders to deliver much of the assistance package.

ABARE and the Bureau of Rural Sciences have given the \$150 million package the nod of approval by indicating it is, in their view, fair and equitable for the anticipated impact on Queensland land-holders. Through its vegetation management legislation the government has taken a courageous and historic step to protect the state's biodiversity and reduce greenhouse gas emissions. At the same time we have provided valuable assistance to minimise the impact of these changes on Queensland's land-holders.

Mrs CARRYN SULLIVAN: I would like to congratulate the minister on that courageous step, but I understand and find it somewhat surprising that the former federal environment minister, David Kemp, recently claimed credit for the ending of broadscale tree clearing in Queensland. I also note the opposition's lack of mention of the fact that the Commonwealth promised a \$75 million contribution to Queensland's vegetation management package. Can you comment on this particular claim and the lack of Commonwealth funding in this area?

Mr ROBERTSON: I do not want to speak ill of the recently departed. In fact, I must place on record that I have always worked very well with Dr Kemp, and I wish him well in his retirement. But I was astounded to learn that at the recent Banksia Environmental Awards held in Sydney on 5 June this year, Dr Kemp read out a list of the federal government's environmental achievements which included the end of broadscale clearing in Queensland. As we all know, Queensland's new vegetation management laws have been enacted by the Beattie government without any assistance from the federal government. One can only react with a degree of disbelief that the federal government actually claimed credit for our laws, particularly since the Prime Minister reneged on his promise to contribute \$75 million in federal funds to Queensland's \$150 million financial assistance package.

When I announced the immediate moratorium on accepting new tree clearing applications in May 2003, this was done with the agreement of the federal government. We did this in response to the Prime Minister's demands that Queensland provide 20 to 25 megatonnes of carbon emission savings to allow

the Commonwealth to fulfil its greenhouse commitments. They wanted of concern regional ecosystems to be protected in return for a Commonwealth contribution of financial assistance for affected land-holders. The Commonwealth agreed to, and supported, the fundamentals of the legislative and financial assistance package. In fact, on 22 May 2003 the then federal environment minister led the announcement of the package, but since then there has been nothing but silence apart from the time Agriculture, Fisheries and Forestry Minister Warren Truss told federal parliament that Queensland land-holders would not have any financial support from the federal government. It shows well and truly, in our view, the disregard the federal government has for Queensland land-holders.

On 27 November last year the Premier advised parliament that Queensland would go it alone in protecting of concern regional ecosystems and phasing out broadscale clearing of remnant vegetation if agreement could not be reached with the Commonwealth on the joint \$150 million package. It became a key election commitment, and the Premier indicated that Queensland would shoulder the burden of funding the entire \$150 million if the Commonwealth would not participate. The state election result shows the strong support Queenslanders felt for the legislation. On the strength of this the Premier has once again written to the Commonwealth inviting them to participate in the package. Once again we have been treated with nothing but silence. It therefore beggars belief that the former federal environment minister would claim credit for Queensland's vegetation management laws at the Banksia awards. The Commonwealth has done little more than dither and break promises while the Beattie government has taken a courageous and historic stance that includes benefits for land-holders, the environment and, importantly, for future generations.

The CHAIR: Thank you, Minister. The member for Toowoomba North.

Mr SHINE: Thank you, Mr Chairman. Earlier you mentioned the Kyoto agreement. What contribution is Queensland making to the national effort to meet Australia's Kyoto greenhouse gas reduction targets? Can you outline who benefits most from Queensland's decision to end broadscale land clearing in the state?

Mr ROBERTSON: The need to reduce greenhouse emissions is a challenge for all jurisdictions at international, national and state levels. It is an issue that the Beattie government has acknowledged is a serious one that must be tackled responsibly and with commitment, and we have done just that. Like the federal government, we have been decisive in dealing with hard issues that come with greenhouse gas reduction. The most significant has been our decision to end broadscale tree clearing in the state from 2006. We did this in response to the federal government's demand that Queensland provide 20 to 25 megatonnes of carbon emission savings so the Commonwealth could meet its international greenhouse gas reduction commitments.

Acknowledging the benefits to his government the Prime Minister, as I mentioned earlier, reached in-principle agreement with the Premier to contribute \$75 million as part of the overall \$150 million tree clearing package. That in-principle agreement is proof that the federal government knew that it was a major beneficiary of the new Queensland laws. In fact, federal National Party minister Warren Truss confirmed forecasts by ABARE and the BRS that Queensland's tree clearing laws would provide \$600 million every year—\$600 million every year—in savings to the national economy. It will be Australia's single biggest contribution to greenhouse gas reduction.

Premier Beattie has said that a new Queensland government analysis shows that the clearing ban will make Queenslanders world leaders in greenhouse gas reductions based on our population. We will be doing much more to combat global warming than either the Europeans or the Canadians. The analysis shows that our land clearing package will reduce greenhouse gases by an impressive 6.84 tonnes per person per year based on our 2001 population. As the Premier pointed out, that is the equivalent to taking two cars off the road for every man, woman and child in Queensland—a staggering total of more than seven million cars per year.

Queensland land-holders should make it known to the federal government that they do not appreciate the contempt that they have been treated with. The Commonwealth has said that Australia is on track to meet its 108 per cent of 1990 emission levels target by 2008-12. The Commonwealth will meet its Kyoto greenhouse reduction targets largely on the backs of Queensland's farmers, and it is not contributing one red cent to help. John Howard gets his greenhouse gas emissions problem largely fixed in one fell swoop as a result of our new tree clearing laws in Queensland. It is an insult to land-holders that the Prime Minister believes that Queensland land-holders should carry the burden alone, without any financial assistance from the Commonwealth, which has the most to gain from Queensland's new tree clearing laws.

I take this opportunity again, in light of continuing criticism by the National Party that \$150 million is not enough, to call on the federal government to stump up their \$75 million, make it a \$225 million package and respond to the concerns expressed by the National Party here in Queensland.

Mr SHINE: Thank you, Minister. On a different topic, you will be aware that some real estate agents continue to misuse information from the government's property database to generate unsolicited junk mail passed off as personal letters. What extra steps is the government planning to crack down on this practice?

Mr ROBERTSON: The Department of Natural Resources, Mines and Energy, under section 77 of the Valuation of Land Act, has for many years, been selling bulk electronic property data to data distributors. This information, which includes the names and addresses of property owners, is used legitimately by real estate agents, private valuers, the finance sector and other industries. However, I have become increasingly concerned that this data continues to be misused by some real estate agents to generate unsolicited, personally addressed junk mail touting for business. People have the right to privacy in their own home. They should not have to tolerate being bombarded at home with direct marketing disguised as personal mail.

Last year we took action to crack down on this practice when, from 1 July 2003, we banned the use of this data for direct marketing purposes, but it seems that some real estate agents still do not get the message. As a result my department has received over 200 written complaints and examples of letters supposedly demonstrating the inappropriate use of QVAS data for direct marketing since 1 July last year. Interestingly, many of the complaints are from real estate agents and unit property managers who claim they are doing the right thing but complain that their competitors are continuing to flout the law. We have consulted the REIQ about this ongoing misuse. The REIQ proposes writing to the public and asking them if they want to opt out of receiving direct marketing material, but in my view—and while appreciating the cooperation of REIQ—this is no solution.

I am announcing today that the government is planning further tough action to crack down on offenders. In the near future I will be taking to cabinet a submission seeking approval to prepare amendments to the Valuation of Land Act. To effectively control this problem we intend to amend the law to create a specific offence for this direct marketing practice, coupled with investigative powers to take action where complaints are received. Effective penalty provisions will be included in the legislation. We trust that the threat of legal action and stiff penalties will encourage the minority of rogue agents still flouting the law to stop the misuse of property database information supplied by my department for direct marketing purposes.

I take the opportunity to thank those real estate agents who have cooperated with us over the past 12 months. That cooperation is sincerely appreciated. Unfortunately, they are continuing to be let down by operators that just do not get it when it comes to protecting the privacy of Queenslanders. We intend to stop that through the announcement today of amending legislation to be put forward to the parliament hopefully later this year.

Mr SHINE: Minister, on a different topic again, I refer to the Great Artesian Basin Sustainability Initiative mentioned on page 10 of the MPS, and I ask: can you outline the Beattie government's financial commitment to this water saving program for the next five years?

Mr ROBERTSON: The Great Artesian Basin Sustainability Initiative, or GABSI, is part of a strategic management plan to restore pressure in the Great Artesian Basin by the capping of uncontrolled flowing bores and replacing bore drains with piped distribution systems. The Queensland and Australian governments jointly fund the program, with contributions also made by participating land-holders. For bore capping works the land-holder contributes 20 per cent, with the remaining 80 per cent shared equally between the Queensland and Australian governments. For bore drain replacement works the land-holder contributes 40 per cent, with the remaining 60 per cent shared between the state and federal governments.

The Beattie government is committed to GABSI. I must say that it is one of my favourite programs in my department. It is producing economic, social, cultural and environmental benefits through the reversal of pressure decline in many parts of the basin. The initiative is being delivered in phases. The first five-year phase ended in 2004—early this year—and the second five-year phase is now commencing. The Queensland government's contribution over the second five-year phase will be \$4 million in 2004, rising to \$4.9 million per annum in 2009. The total contribution by the Queensland government over the coming five-year period will be \$22.5 million. This is a \$6.5 million increase over the \$16 million contributed by the Queensland government over the first five-year phase of the program.

So far 482 bores have been capped and approximately 5,000 kilometres of bore drains replaced with pipes in the basin in Queensland since 1989. This has resulted in annual water savings from the Great Artesian Basin of some 108,000 megalitres per annum. The new financial agreement for GABSI 2 is currently being negotiated with the Australian government.

Of interest is the fact that later this year the 500th capped bore is anticipated to be completed by December 2004. The provision of funding by the Queensland and Australian governments for a five-year term as opposed to annually will allow for further efficiencies to be gained in the delivery of activities under this program. It is also important from the point of view of staff members who are involved in this program—I should say one of whom is actually the son of one of our ministerial colleagues, Margaret Keech. He is based out in Charleville, I think. It provides people like him with security of employment. They know that the funding is there for five years. They can make the necessary investments in locating families in these towns, buying a house or what-have-you, knowing that this program is in place for the next five years, which I think is good news.

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

Mr SEENEY: Thank you, Mr Chairman. Minister, I refer to the comments you made in reply to the questions asked by the government members regarding the government's compensation package. Minister, is it not true that the whole package has been set up to be as restrictive as possible? You have restricted it to land-holders who have been affected post-2004, you have restricted the amount of money that is available per land-holder, and you have restricted it to so-called adjustment assistance, which the Premier indicated in the parliament was akin to building feedlots or something such as that. Is it not a fact, Minister, that this whole system has been set up to ensure that it is as difficult as possible for people who are affected by your vegetation management regime to qualify for any sort of compensation at all?

Mr ROBERTSON: You call it restrictive; I call it responsible. In rolling out any project like this, \$150 million is no small drop in the ocean. We have a responsibility to ensure that that money—taxpayers' money—is spent efficiently, effectively and transparently. There are necessarily always going to have to be rules in place to run programs such as this. We want to make sure that the maximum number of land-holders affected by the 2004 legislation have access to some form of assistance if they have been impacted upon. It is not a lucky dip. This is about the responsible allocation of taxpayers' funds to assist land-holders deal with the new 2004 legislation to end broadscale tree clearing by the end of 2006.

Mr SEENEY: So what do you envisage the adjustment assistance will be paid for—what types of projects? Has your department got any broader perspective about what this money is going to be allocated to than the Premier had when he was asked the question in the parliament? Is going to be restricted to such things as feedlots and home stay enterprises? What is your department envisaging this adjustment assistance will be spent on?

Mr ROBERTSON: I can perhaps give you broad definitions. It is really up to land-holders, in considering what those broad definitions would be, to come up with ideas or proposals for consideration.

Mr SEENEY: You know full well that the options for people in broadscale grazing situations are very limited. That is the hypocrisy of the whole thing. You know full well that there are no options for those people.

Mr ROBERTSON: I see Mr Nasty is back. Can I be of some assistance to you?

Mr SEENEY: I wish.

Mr ROBERTSON: Grants of up to \$100,000 will be provided for actions such as introducing new farming systems or technology, improving productivity through property developments, value adding activities, purchasing livestock or other inputs for development, enhancing sustainable resource use and development, restructuring debt and or capital restructuring to improve the productivity and viability of properties or restructuring partnerships and succession planning.

I would have thought, member for Callide, as someone from the land, someone with your knowledge and experience would be able to come up with a range of innovative projects that would assist in the ongoing viability of properties under those broad definitions. What the Premier has said was trying to give some concrete examples that people might readily catch on to. But they are the broad definitions that we are looking at. I think they are sufficiently broad to contemplate a range of ideas and proposals that land-holders themselves can put forward.

Mr SEENEY: You know full well, as I do, that options for people in broadscale grazing situations are very limited. The most obvious option has been excluded from the example that you just read out there and it has been excluded from all of the information that your department has put out. The most obvious option for land-holders who are prevented from developing the land that they currently own is to be assisted to buy additional land that they can develop. Can you confirm that those people will be able to access your adjustment assistance package to enable them to purchase alternative land to replace the land that you are preventing them from developing?

Mr ROBERTSON: Property build-up is something that could well be contemplated under a number of those definitions that I read out before.

Mr SEENEY: You cannot give me a yes answer to that question.

Mr ROBERTSON: I do not make the determinations on what ideas are put forward. I am not Caesar in relation to how this program is run out. What I am providing you with is information that says if land-holders, for example, were looking at applying for assistance of up to \$100,000 for the purposes of property build-up—and we know what property build-up means—

Mr SEENEY: There is no need to get condescending. I just need a yes answer.

Mr ROBERTSON: You call it condescending; I call it helpful.

The CHAIR: Member for Callide, let the minister answer the question.

Mr ROBERTSON: Thank you for your protection, Chair. A number of the categories that I read out contemplate applications for consideration along the lines of what you have outlined. But I will not be the one that will be determining whether those applications are successful or not.

Mr SEENEY: You cannot give a definitive yes answer to the question about whether or not land-holders will be assisted to buy additional land, but will you rule it out?

Mr ROBERTSON: No, I will not rule it out.

Mr SEENEY: You will not rule it out but you will not give a yes answer either?

Mr ROBERTSON: Yes, we will consider it.

Mr SEENEY: Is there, Minister, a cap on the amount of the exit payments? There is a cap on the assistance payments; is there a cap on the exit payments or the purchase of properties that are unviable?

Mr ROBERTSON: I will ask Mr Spencer to provide an answer.

Mr Spencer: The proposal is for the property to be purchased on the basis of the valuation as if the legislation was not in place. It will be valued on that basis. It will be negotiated as we normally do. The Queensland Rural Adjustment Authority will do the negotiation with the property owner based on that valuation.

Mr SEENEY: That applies to properties that have been affected post 2004?

Mr Spencer: Yes, to the new legislation, that is right.

Mr SEENEY: The department is prepared to purchase properties that have vegetation that is of concern or not of concern, but properties that are almost totally covered by vegetation that is mapped as endangered will not be considered?

Mr Spencer: As the minister explained, it applies to the existing legislation.

Mr SEENEY: How do you justify the unfairness of that? I have a number of constituents whose properties are almost entirely mapped as endangered vegetation, yet you are going to exclude them from your much-touted compensation package.

Mr ROBERTSON: You do not get it, do you? When you classify vegetation as endangered it means it is, in fact, just that—it is endangered, it is threatened with extinction.

Mr SEENEY: Why don't you buy the property and protect it.

Mr ROBERTSON: Surely there is a responsibility on every Queensland—

Mrs PRATT: Every Queensland!

Mr SEENEY: Every Queensland, that is right.

Mr ROBERTSON:—not to engage in behaviours that threaten the valuable biodiversity of our state. You do not have an as-of-right to damage the environment. Each and every Queensland has the responsibility to protect the environment.

Mrs PRATT: Do you have a right to destroy someone's life?

The CHAIR: Member for Nanango!

Mr SEENEY: Deal with the issue.

Mr ROBERTSON: I did deal with the issue quite comprehensively. You just do not get it. You think you have an as-of-right to damage our environment. The environment belongs to each and every one of us.

Mr SEENEY: I have a right just as every other Queensland has a responsibility—

The CHAIR: Member for Callide, is this a question?

Mr SEENEY: Yes, I will get to the question. Every Queensland has a responsibility—

Mr ROBERTSON: Absolutely.

Mr SEENEY:—to contribute to the preservation of those areas rather than insisting that a land-holder who may be unlucky enough to have their particular piece of vegetation mapped as endangered being left to bear that cost alone? As an individual I believe that I and every Queensland have a responsibility to contribute to that.

Mr ROBERTSON: How did that vegetation become endangered?

Mr SEENEY: Your department mapped it as such.

Mr ROBERTSON: By the actions of other land-holders.

Mr SEENEY: Because of an arbitrary decision that was taken in the mapping process that may or may not be right.

The CHAIR: Order! Member for Callide.

Mr SEENEY: Absolute rubbish.

Mr ROBERTSON: What do you mean absolute rubbish?

Mr SEENEY: It is absolute rubbish to suggest that other land-holders are responsible.

Mr ROBERTSON: The classification of endangered vegetation is that it has been cleared to the extent—

Mr SEENEY: You are suggesting—

The CHAIR: Order!

Mr SEENEY: No, Mr Chairman.

The CHAIR: Order, Mr Seenev. By continually interrupting the minister's answer the member is not really advancing this hearing this morning. Could we continue? Let us move on. Ask your next question.

Mr SEENEY: What recompense is available to people who are unlucky enough or find themselves in a situation where the vegetation on their property is mapped as endangered?

Mr ROBERTSON: I will repeat what I outlined to you earlier in this session: in the changes to vegetation management that occurred from 1999 to 2004 there is no ability under the \$130 million of the \$150 million package to seek structural adjustment under that package. Those people who are affected by the 2004 legislation are.

Mr SEENEY: We will move on to water issues given that the time available to us is fast running out. Minister, a question was asked yesterday in the State Development hearings regarding the Burnett River Dam, the Paradise Dam. Can you inform the committee of your government's intention, in regard to the sale of water allocations from the Burnett River Dam, as to the method by which that water is going to be sold and the percentage of the capital cost of the dam that you expect to recover from the sale of water allocations?

Mr ROBERTSON: I will ask Peter Noonan, the Chief Executive of SunWater, to assist you in that regard. As you would be aware, just recently it was announced that ownership of the dam will be transferred from Burnett Water to SunWater.

Mr SEENEY: Are you telling me that those decisions about the amount of water that is going to be sold, how it is going to be sold and the percentage of the capital cost of the dam that is going to be recovered from the sale of that water allocation is going to be left to SunWater?

Mr Noonan: As you would be aware, SunWater has not been part of the process to date. The infrastructure has been developed by Burnett Water Pty Ltd. The government, in indicating that it proposes to move that infrastructure into the SunWater group of assets, has asked us to look at those issues and to come back and talk with government. At this stage what we have done is start the thinking process about how that might occur, at which stage we will come back and be talking with government about the options that we can put forward.

Mr SEENEY: So what you are telling me is that there is no answer to the question at the moment.

Mr ROBERTSON: We have in place a water resource plan for the Burnett and that gives you, if you like, the more global position. How water is then allocated and sold is a function of both the water resource plan and the resource operations plan.

Mr SEENEY: In broad terms, do you expect that the water that is created by the new infrastructure at the Burnett River Dam is going to be used to sell as new allocations or to improve the reliability of existing allocations?

Mr Noonan: The proposal that has been put forward to date has been that the Burnett River Dam will operate in conjunction with the existing assets in the Bundaberg water supply scheme. So if we take the Fred Haigh Dam and the series of weirs that are already in existence, when the dam is completed and operating the way that the proposals have been put forward to the resource operating plan process, all those assets will work together to provide a single set of allocations for the area. Out of that there will also be over 120,000 megs—I have not got the exact figure with me—of new allocations that will come from the new development of the dam.

I think in one sense the answer is both. There will be a new set of allocations. That dam will work in conjunction with the existing assets. There will be years when the Kolan River is not working too well; but when the Burnett River is running, then the Burnett River Dam will add to the stability of the whole scheme system.

The CHAIR: Member for Nanango, I understand you have a question?

Mrs PRATT: I have, and I will not let Jeff steal it this time.

Mr ROBERTSON: He steals most of mine, too.

Mrs PRATT: Basically what I would ask is: when the Paradise Dam was proposed there were EISs done. Was any money allocated to the impact of that dam project on towns upstream, like Kingaroy, for instance?

Mr ROBERTSON: I would like to be able to assist you, but that project was the responsibility of the Department of State Development.

Mrs PRATT: But it is not normal to do one on the impact on other towns, only just the immediate area?

Mr ROBERTSON: It is usual that a socioeconomic impact assessment would be done as part of the overall assessment project. But, as I said, that was done by the Department of State Development, so I do not have direct knowledge of what those studies would have found.

The CHAIR: Member for Nanango, may I suggest you might want to take that issue up with the Minister for State Development and Innovation.

Mr ROBERTSON: I do not think it is any great secret, Member for Nanango, it is just that I do not have direct knowledge.

Mrs PRATT: I just wondered if there had been, because I had never heard of one being done on it.

Mr ROBERTSON: There would have been, absolutely.

Mrs PRATT: Can I backtrack a little bit? With regards to the exit payments, you have stated that they are for the land-holders themselves. In my area in particular there are a lot of people who have what they call moveable mills, transportable mills, and they have been able to use the resources of property owners, et cetera. There are quite a few of those who will actually be put out of business. Is there any sort of exit strategy for them?

Mr ROBERTSON: Contractors can apply for assistance under the \$130 million section, yes. We have, in fact, announced that tree clearing contractors are able to apply for assistance. Be aware that through the ability to continue to manage regrowth, one would expect that they would still be picking up work in that area in terms of managing regrowth or thinning, forestry, weed control, et cetera.

One would imagine that the contractors would have to demonstrate, with a degree of rigour, the true impact they are experiencing. I would not imagine that would be all that difficult given that there has been a ban on the acceptance of new tree clearing applications since May last year. They would probably have a pretty good idea of what work would continue to be available for them.

I would encourage you and the constituents you represent to read the various codes of practice that are attached to the regulations. They would give your contractors an idea what will be allowable in terms of timber harvesting under the regionally specific code of practice.

Mrs PRATT: As you know we have often disagreed about forcing these land-holders who applied for the ballot to clear in such a short time. As this is probably my last chance, will you reconsider allowing that? Though it is a limited amount of land to be cleared, instead of forcing people to do it in one year, which it will end up being, could it be spread over a longer period so as not to cause maximum damage to land, which it will do?

Mr ROBERTSON: No. I understand where you are coming from, but my position is: no.

The CHAIR: Time for questions by non-government members has expired.

Mr SHINE: Can you advise the committee when you expect the draft Condamine-Balonne Water Resource Plan to be finalised? Can you also outline what eminent water reform expert Professor Peter Cullen says about the Beattie government's approach to water resources planning for that catchment?

Mr ROBERTSON: Thank you for that question, member for Toowoomba North. I plan to publicly release the Condamine-Balonne Water Resource Plan in the next few weeks following extensive public consultation and the receipt and consideration of numerous submissions. Public submissions were accepted on the draft plan up until 19 March this year. Submissions were suspended during the caretaker period in the lead-up to the election in February this year.

Subsequent to the release of the draft plan my department facilitated over 20 workshops and meetings with community members, stakeholders and agencies. One hundred and sixty-seven submissions were received on the draft plan plus a late response from the New South Wales government. Some submissions were received after the 19 March 2004. The department undertook a comprehensive analysis of all submissions upon their receipt.

The Condamine-Balonne Water Resource Plan is being finalised, taking into account a range of views and issues raised during the consultation process and within submissions on the draft plan. Its implementation through the ROP, the resource operations plan, will enable delivery of Queensland's commitment to the Murray-Darling Basin Ministerial Council's cap on diversions and provide the framework for converting existing water entitlements for tradeable water allocations through the ROP process.

The New South Wales government's response to the draft plan was received on 18 May this year, around nine weeks after the extended date for receipt of submissions. In its response, the New South Wales government made a number of incorrect assertions regarding the draft plan on the grounds of both the process by which it was developed and its intent and content.

There is general support in the community for finalising the water resource plan to enable the further development and release of the draft resource operations plan. However, downstream graziers and dry land farmers, particularly in New South Wales, are not supportive of finalising the draft plan in its current form without substantial changes.

I think it is important to acknowledge and place on the record that the flow event earlier this year was not managed under the new rules proposed in the water resource plan. However, had the flow event been managed under the proposed new rules then there would have been reduced extractions of water resulting in more water across the border. From memory, 100 gigalitres of extra water would have gone over the border had the rules in the draft plan been in place for that event. That is a significant amount of additional water.

The final plan will set out the conditions for triggering reductions in water users' access, particularly during environmentally important medium-flow events and include provisions ensuring interstate interests. Representations are included in processes relating to the implementation and review of the plan.

Mr HOOLIHAN: Minister, you have dealt with the Condamine-Balonne Water Resource Plan. The recent flood event in the Lower Balonne allowed water harvesters, including Cubbie Station, to take water for first time in two years. Can you advise how much water was extracted during the recent flood event as opposed to how much will be allowed to be taken when the Condamine-Balonne Water Resource Plan becomes operational?

Mr ROBERTSON: As I mentioned previously, during the consultation period on the draft plan, the river system experienced a small- to medium-sized flow event in January-February this year. This flow event was timely in that it allowed the department to assess how the draft plan may have performed had its rules been in place and applied to the event. The flow event also followed an extended dry in the Condamine-Balonne catchment and was the first time in two years that water harvesters could take water from the river system.

A number of submissions received on the draft plan from downstream land-holders used the flow event to highlight their concerns about how the draft plan provisions may be applied. They expressed their views about the comparative effect of recent development in Queensland on downstream river flows.

However, contrary to the perception of some local land-holders and the New South Wales government, the January-February flow event was not managed under the provisions of the draft plan. Analysis undertaken by the department suggest that, had this event been managed under the proposed provisions of the draft plan, then there would have been a substantial reduction in the overland flow take and a 10 per cent reduction in daily water harvesting extractions during the peak of the flow event.

According to metered data and other information, the total water actually extracted by river and flood plan water harvesters from the flow event was 430 gigalitres. A gigalitre equals 1,000 million litres. Had the full extractive capacity of all water infrastructure in the Lower Balonne actually been exercised, the total potential water that could have been taken from that event would have been 480 gigalitres. That is existing entitlements. However, had extractions been in accordance with the draft plan, the extractions would have been 380 gigalitres. Some 100 gigalitres of water would not be extracted by water harvesters and left in the system for the environment and for downstream users. That underscores, in my view, just how far we have come with this draft water resource plan and the level of cooperation provided to the process by water harvesters particularly in the Lower Balonne.

That 100 gigalitres represents around about a reduction of 20 per cent in water entitlements. There will be about a 50 gigalitre reduction on average per year in terms of extractions coming out of the Lower Balonne. When you consider that this plan will be put in place with the agreement of the water users in the Lower Balonne, that will deliver on average 50 gigalitres of extra water for the environment for no consideration. In light of the national water initiative which we will be investing \$500 million in to claw back 500 gigalitres, this indicates to everyone, and hopefully New South Wales in particular, just how far we have come in Queensland, on a cooperative basis with those Lower Balonne water users, in putting a significant amount of water back into the system for the benefit of the environment and downstream users.

Mr HOOLIHAN: Minister, in the past the member for Callide has been critical that the budget contained no new money for water infrastructure. Can you outline what the government is doing about water infrastructure development, with particular reference to proposals advanced by the former coalition government's water infrastructure task force report?

Mr ROBERTSON: I have noted the claims from the member for Callide about water and the government's infrastructure agenda and believe it is important to put the record straight. I should also

say that responsibility for specific water infrastructure projects rests with the Minister for State Development and Innovation. However, my department works closely with DSDI and plays a critical role in both water resource and water supply planning.

This brings me to the fundamental difference between our approach to water infrastructure compared with that of the opposition. The Beattie government is not opposed to new water resource developments, but we believe very strongly that any infrastructure needs to be developed within the limits of the sustainability of the resource.

It is not just a wish list of projects which have resulted from the much vaunted water infrastructure task force process of the National Party Borbidge government. That was a process which basically rehashed all the known water supply possibilities throughout the state with little consideration whether they were economically, environmentally or socially desirable. It basically only looked at the engineering solutions. It did not spend any great time considering meaningful demand management options, recycling or perhaps emerging technologies like desalination.

In contrast, we are doing that. We strongly support a robust system of water resource planning that fundamentally protects our water supply systems and, at the same time, determines how much water is available for consumptive use. As you know, we have this type of planning either completed or under way across 90 per cent of the state.

At the same time, we are taking a strategic approach to water supply planning. We have commenced comprehensive regional water supply strategies for south-east, central and northern Queensland where growth pressures are greatest. These plans, when progressively completed over the next few years, will set a clear agenda for water supply investment. Importantly, it is a joint approach by the state and relevant local government to properly assess the likely demand and various supply options. We are tempted to take a least-cost approach looking at all the options not just building dams for the sake of building dams, which, of course, is the opposition's approach.

The government has already committed to and has well under construction the Burnett River dam and Eidsvold weir. SunWater is currently looking at projects in the coalfields region. I have agreed to further consider options for enhancing water supply to Bowen.

Recently, Queensland also agreed to sign up to the national water initiative. As both the Premier and I have said, there is not that much in it for Queenslanders. The agenda largely reflects what we are already doing. Most significantly, while the Commonwealth was not prepared to actually put any money on the table to support the NWI, the Premier obtained a commitment from the Prime Minister that the Commonwealth would give serious consideration to projects that Queensland put forward.

As the Deputy Leader of the Opposition knows, we have been working to develop a list of projects which will help sustain water supplies across the state. As I understand it, that letter and that list that we discussed has now been sent to the Prime Minister for his consideration.

Mr HOOLIHAN: Further in terms of water reform, is the government doing any work to assess the true value of water as part of its planned development of a long-term policy on water resource charges for Queensland?

Mr ROBERTSON: The simple answer is, yes, as we have already read this morning. Despite living on the driest inhabited continent of the world, water has always been regarded as a free resource. This has resulted in people using more water than they need or being inefficient in their usage because they do not appreciate the true value of every drop they use. This is no longer sustainable if we are to ensure adequate water supplies for our communities, industries and future generations of Queenslanders. The ongoing drought conditions should have opened our eyes to the real value of water.

Last year, the government announced that a review to establish the real value of water would take place. This information will be used as part of the development of a robust and long-term policy on future water charges in Queensland. At present, while urban and many rural users pay for its storage and supply, they do not pay for the water itself. Some water harvesters who take straight from rivers and from ground water aquifers pay a small charge for water; however, most pay nothing.

It costs around about \$68 million a year to manage Queensland's water resources. Yet we only recover a fraction of those costs through interim water charges—around \$2.4 million per annum, or four per cent. In the long-term, unless the real value of water is acknowledged, it will inevitably lead to overuse and wastage of the resource. With growing demand and with potential shortages, water needs to be valued correctly to encourage its efficient and sustainable use. The charges paid for water should reflect its true value.

Independent consultants were engaged in the review to examine a number of options for valuing water independent of storage and supply costs. These included the costs of managing the state's water resources, the cost of externalities or the external impacts from water use, and the scarcity value of water. The independent consultants examined the extent to which these costs and values are reflected in existing water charges and identified opportunities for future water charges to better reflect the true

value of water. So today I am releasing the discussion paper which summarises the independent consultant's finding from the review of the value of water and outlines the broader policy issues associated with setting and implementing future water charges. The review and broader application of water charges in Queensland is necessary to encourage more efficient and sustainable use of water resources. This discussion paper is therefore not about whether water charges should increase but what future charges should recover, how they should be set and how charges should be implemented.

Given the broad extent to which new water charges will be applied, it is important that water users express their views on future water charges. The discussion paper is being released for consideration by water users and the broader community. Interested parties will be invited to make a submission on the information issues outlined in the paper. The government will consider these submissions in developing its long-term policy on water charges in Queensland.

Mrs CARRYN SULLIVAN: In relation to the Beattie government's water reform process mentioned on page 10 of the MPS, Minister, can you advise whether Queensland is already implementing all of the proposed initiatives outlined at the recent COAG meeting on national water reform?

Mr ROBERTSON: The Beattie government has been actively involved in the work on this initiative and our water reform achievements over the past two terms are finally being recognised by other jurisdictions. We are proud to be leading the national charge in the sustainable management of water resources and have embraced the future challenges embodied in the national water initiative. With the statutory basis in the Water Act 2000, water reforms in Queensland are delivering improved water planning, allocation, management and supply processes. The water reform agenda has also ensured improved environmental security for our water resources particularly through the integrated catchment management approach to planning and management, which includes clearly expressed environmental objectives and outcomes. The Queensland reform process is completely in line with the national water initiative.

If you consider what has occurred and is continuing to occur, we have water resource planning activity in 90 per cent of the state. We have separated out our water service providers like SunWater from the natural resource manager; developed a clear and transparent planning system which has twin planks of good science and high levels of community input; established a best practice register for tradeable entitlements; continued to progress appropriate pricing reform, reporting and monitoring, including a comprehensive metering program; and we have recognised the rights to compensation if a water allocation is reduced during the 10-year life of a water resource plan. All of these are key planks of the national water initiative which we are delivering. I doubt that there is another jurisdiction in the nation that has addressed these issues so comprehensively.

As the national water initiative was being developed, Queensland's position has always been one of support and participation. We recognise the significant value that rests with the national framework for water management, and after 10 years it was time to revisit the 1994 COAG water reform agenda. However, many of the issues that the NWI seeks to address are somewhat unique to the southern Murray-Darling Basin and less applicable to Queensland. As such, during negotiations we were explicit that the initiative should be used to build on the good work we have already done and not undermine it. The end result of the significant amount of work over the last 10 months is an NWI that recognises Queensland's approach to water reform by mirroring much of it. I can comfortably say that much of what is required by the initiative is already well under way in Queensland or has been identified as work that we need to do to keep our status as the national leader in water reform.

Mrs CARRYN SULLIVAN: Minister, also on page 10 of the MPS it says that the first benefits of Queensland's water reform achievements were realised with the first permanent trade of water allocations separate from land. Does Queensland lead Australia in water trading, and what are the benefits?

Mr ROBERTSON: We do. Queensland does continue to lead other Australian states in our approach to water trading. Water trading is introduced into a catchment only after completion of a robust and transparent water planning framework, another requirement of the recent national water initiative that Queensland is successfully implementing. This signals a level of confidence that trading will not cause environmental problems or affect the water supplies of other users. It is just over a year since the introduction of the first permanently tradeable water allocations into parts of Queensland. Resource operations plans for the Burnett and Fitzroy basins were approved in May 2003 and January 2004 respectively and have seen the creation of fully tradeable water allocations which account for nearly 730,000 megalitres of water.

Trading is still in its infancy and it will take water users some time to become accustomed to the new arrangements. However, in the Burnett since June last year there have been more than 36 transfers of water allocations in the Burnett ROP area involving over 2,400 megalitres of water. The total consideration for these trades is over \$2 million, attracting an average price of almost \$900 per megalitre of water traded with a range of \$300 to \$3,300 per megalitre. The average volume for each trade is almost 70 megalitres, with the average consideration being over \$60,000. Trading has only

been in the Fitzroy since January this year. In this time there have been four transfers of water allocations in the ROP area involving 510 megalitres of water. The total consideration of these trades is over \$1 million, attracting an average price of more than \$2,100 per megalitre of water traded.

Water planning processes are nearing completion in the Pioneer and Barron. The release of these two ROPs will result in the creation of about 2,300 additional water allocations with a total volume of about 316,000 megalitres of water. Whilst it was always expected that allocation holders would be cautious in the initial years, particularly in the face of the recent drought, in the long term the new system will provide far more flexibility than has been the case in the past. Farmers in particular have been used to temporary trading, and our new arrangements will allow that to continue. We also provide for leasing and permanent trades.

I have had some feedback that confusion over the capital gains tax issue is creating some uncertainty for those who wish to trade. It is sadly the case that the federal government is benefiting financially out of Queensland reforms. Queensland raised this issue during negotiations of the national water initiative. Whilst it is a matter for the Commonwealth, I think it is something that requires attention that capital gains tax should not apply in relation to water trades. That is the federal government making money off the backs of farmers while we are trying to deliver a sustainable water trading regime.

The CHAIR: Thank you, Minister. The time allocated for government members has expired. The committee will again adjourn for 10 minutes. The hearing will resume at 11.10 a.m. to continue the examination of the portfolio of Natural Resources, Mines and Energy.

Sitting suspended from 11.02 a.m. to 11.15 a.m.

The CHAIR: The Estimates Committee G hearing is now resumed. The question before the committee is that the proposed expenditure for the portfolio of the Minister for Natural Resources, Mines and Energy be agreed to. The first round of questions will be from non-government members.

Mr SEENEY: Minister, I refer you to the Townsville Power Station issue and the answer that you gave to question on notice No. 6. In particular, I wanted to ask you a series of questions about Enertrade's role in the Townsville Power Station. You said in your answer to question No. 6 that it is a \$500 million project. In the capital works statement there is an amount of \$160 million that Enertrade is spending on the north Queensland gas pipeline project. They are the words that are used in the statement. Minister, is that \$160 million Enertrade's total commitment? Is that borrowed money, or is the government providing that money to Enertrade to invest in that project?

Mr ROBERTSON: I will ask Loretta Boman, the Executive Director of the Office of Energy, to answer this one for you.

Ms Boman: Just to clarify that project, it was a competitive tender bid process and Enertrade was the successful tenderer. As part of that process, it put forward a proposal to build a pipeline and to contract coal seam methane for supply from Moranbah to Townsville for the conversion of the Yabulu gas-fired power station. As part of that arrangement, the state has allocated some equity to Enertrade for the construction of the pipeline.

Mr SEENEY: So of the \$160 million to build the pipeline, Enertrade would have gotten all of that from the state and borrowed the remainder? As I understand it, Enertrade does not have any retained earnings out of which to finance that. Enertrade already receives a subsidy from the government for managing the power purchase agreements that relate to the Gladstone Power Station and other power stations.

Ms Boman: Can I just clarify whether some of these matters are commercial in confidence or whether they can be disclosed?

Mr SEENEY: Certainly the amount of money that the government is providing to this project is a matter for this committee.

Ms Boman: Sorry, but I just wanted to clarify whether some matters were commercial in confidence. But the equity injection that the government has provided to Enertrade for the construction of the pipeline was \$105 million, and that will actually appear in its accounts.

Mr SEENEY: Okay. The last section of the answer to question No. 6 says that the state has entered into a contract with Enertrade.

Ms Boman: Indeed, and that was, like I said, that competitive tender process.

Mr SEENEY: For the purchase of the electricity. It says that the state has entered into the contract with Enertrade for the generation of baseload electricity. So the state is going to purchase the electricity off Enertrade?

Ms Boman: No, the electricity is actually sold into the national electricity market. How the process works is that the electricity is actually generated. It goes into the national electricity market but, as part of that competitive bid process when I said that Enertrade was the successful bidder, the state has agreed to pay facilitation payments which I think you said before is an operational subsidy. That was part of that process where it was obviously the preferred tenderer.

Mr SEENEY: Why was it the preferred tenderer if the state had to subsidise the operation?

Ms Boman: It was the least cost, best value for money tenderer through that competitive process.

Mr SEENEY: Were the other tenderers offered the same facilitation payments?

Ms Boman: The way it went is that it was on the proponents to put forward what their proposal was, and it was done through a competitive process. So I cannot tell you who the other tenderers were. That is commercial in confidence. That was done on an evaluation criteria subject to strict probity conditions.

Mr SEENEY: The government already pays Enertrade an annual payment to make up for or subsidise the losses that Enertrade incurs on the power purchase agreements that are currently in place from Gladstone and three or four other different power stations. Is there also in the contract with Enertrade a similar commitment by the government to increase the payment that is made to Enertrade each year to compensate Enertrade for the losses that it is going to incur on this power station?

Ms Boman: Sorry, I might just clarify that the Townsville bid process where Enertrade was the successful tenderer is separate to the other arrangements that the government has with Enertrade. So they are separate funding arrangements.

Mr SEENEY: So what—

Ms Boman: So the answer to question 6 refers to the Townsville process; it does not refer to—

Mr SEENEY: I am aware of that. What commitment is the government making to the operating costs of the Townsville Power Station in future years?

Ms Boman: That is what the minister said before. The operational cost, or the operational subsidy, to Enertrade is \$75 million in MPV terms in five years.

Mr SEENEY: And there is no ongoing commitment after the end of the five-year program?

Ms Boman: That is correct.

Mr SEENEY: There is no increase in Enertrade's expectation of that grant payment from the government?

Ms Boman: As part of that process, that is correct.

Mr SEENEY: I understand the difficulties of this question for you, because you were not the minister when this decision would have been made. As I understand it, Enertrade would have had to have sought from the minister approval to enter into a project of this size.

Mr ROBERTSON: Yes.

Mr SEENEY: Can you tell the committee whether Enertrade sought that approval from the government minister or was Enertrade directed to enter into this tender process at the level that it did?

Ms Boman: Just as I said, it was a competitive bid process. So the management of Enertrade took their own decision, subject to board approval, to put in a bid through that process, which was established by the government. They were successful and then the process was that they took their successful bid to both shareholders and their bid was subject to due diligence and approved.

Mr SEENEY: And part of the bid that Enertrade put in involved the facilitation payments?

Ms Boman: That is correct, yes.

Mr SEENEY: So Enertrade put in a bid that involved facilitation payments from the government and then sought approval for that from the shareholders, who are the ministers of the government?

Ms Boman: They are separate processes. Like I said, through that competitive bid process—

Mr SEENEY: How can it be a competitive bid process when it involves a facilitation payment or a subsidy from the government whose ministers are the shareholders of Enertrade?

Mr ROBERTSON: What you are assuming, I think, is that Enertrade in the bidding process and as the successful bidder succeeded in that bid as a result of attracting a subsidy from the government. That assumes, of course, that the other bidders, in terms of what they put forward, did not and I do not think that you can make that assumption. As I understand it, each bid that was put in had various combinations of funding sources to, I guess, construct their bid.

Ms Boman: Different gas suppliers; different pipelines.

Mr ROBERTSON: Exactly. So do not make the assumption that Enertrade received a benefit by virtue of constructing a bid that required the facilitation payments that you are referring to, because that would be an assumption with no basis in fact.

Mr SEENEY: Enertrade was set up to manage power purchase agreements that were uneconomic in today's electricity market. Does the Townsville project not represent another uneconomic

situation? Has the government not increased the revenue that is going to have to be directed towards Enertrade in future years?

Mr ROBERTSON: I think the fundamental fact is this: the project in Townsville is about facilitating economic development in Townsville. We estimate, as I understand it, that this project will boost growth in north Queensland by around about another five per cent over 10 years. So to that extent the investment made by Enertrade—

Mr SEENEY: It represents an extra 20 megawatts. Does it not take the plant from 200 megawatts to 220 megawatts? How is that going to boost growth? It is not going to make the Korea Zinc stage 2 possible. It is not going to make any of the major industrial—

Mr ROBERTSON: You do not know that.

Mr SEENEY: I do so know that. Twenty megawatts is not going to make the Korea Zinc plant viable. You are really drawing a long bow to try to tell me that.

Mr ROBERTSON: It is \$500 million worth of investment in north Queensland, including the construction of a pipeline.

Mr SEENEY: \$500 million of uneconomic investment.

Mr ROBERTSON: I would disagree. It is economic. It is about bringing gas to Townsville.

Mr SEENEY: The pipeline has a capacity of 18 petajoules, of which the power station is going to use 14. So we have four petajoules of gas in north Queensland. Is that going to boost economic growth by—what did you say?—15 per cent?

Mr ROBERTSON: No, five per cent over 10 years. They are the statistics that are available to me. When you initialise this kind of infrastructure, obviously the investment on a greenfield site is significant, but what it does is allow for the facilitation of future expansion at obviously a discounted rate. By putting in basic infrastructure such as this, what grows out of that is the potential for even increased gas supplies to be provided.

Mr SEENEY: Is it not true that the only way that the government could meet its arbitrary gas-fired electricity commitment in its energy policy was to commit Enertrade to this project, which would have been entirely uneconomic for the private sector to undertake?

Mr ROBERTSON: I am not too sure that your view about our energy policy is correct, because Queensland is not alone. Every state has to achieve outcomes with respect to energy supplies that are arguably more greenhouse friendly than is currently the case. That is a requirement nationally as witnessed by the recent national energy statement by the federal government. What you are looking at, in terms of this project, is a reduction of 24 megatons of carbon emissions over 15 years. That, in my view, is a sensible investment, given what we are looking at in years to come with respect to greenhouse gas emission reduction.

Mr SEENEY: That really could have been achieved if you had supported clean coal technology and—

Mr ROBERTSON: Sorry?

Mr SEENEY: That could easily have been achieved in other ways if you had supported clean coal technology and allowed the coal-fired power—

Mr ROBERTSON: But we do support clean coal technology.

Mr SEENEY: Allowed the coal-fired power stations to bid for the provision of power in north Queensland.

Mr ROBERTSON: The member for Callide must be some technological genius who clearly I have not appreciated to date, because clean coal technology is not a mature technology; it is an emerging technology. If you think that tomorrow any company can immediately install technology such as geosequestration technology, then you are sadly mistaken. We are at the beginning of an investment in clean coal technologies. We need to do a lot more work in terms of proving up those technologies. That is why, in relation to the answer that I gave you earlier today, we have had productive initial meetings—at least I have—with Minister Macfarlane. We have expressed an interest in tapping into the funding that would be available under the national energy statement. But, if you think there are off-the-shelf technologies that can be put in place now, then you are mistaken.

But what we are doing is positioning Queensland in such a way that GOCs such as Stanwell are now seen as a leading proponent of clean coal technology in Australia. Those are the kinds of investments that we are making now. It is ridiculous, however, to suggest, as you just did, that we can make those investments now. That is nonsense. However, in the interim, what we have done is facilitated a new industry in this state—the coal seam methane industry. As a result we are seeing significant growth not just in the uptake of gas but also in employment opportunities in regional Queensland, like around Townsville. I would have thought that you would have thought that was a good

thing but, then again, given the level of representation that you have in Townsville, no wonder you cannot win a seat up there.

The CHAIR: Let us move on with the questioning.

Mr SEENEY: In facilitating this industry, as you have put it, have you not made a complete farce of the tendering process by giving Enertrade an unfair advantage?

Mr ROBERTSON: It was offering competitive process. Prove it otherwise.

Mr SEENEY: Did the other tenderers have access to the same facilitation payments?

Mr ROBERTSON: I do not know what was contained—

Mr SEENEY: To be fair, they should have done.

The CHAIR: Member for Callide, let the minister answer the question.

Mr ROBERTSON: I do not know, because I was not the minister, but I am assured that all the necessary probity checks were in place. It was an open and competitive tender. You are making a number of assumptions of which you have no facts to support. Unless you can provide facts to demonstrate that an unfair advantage was provided to Enertrade, I would suggest that you move on. Otherwise your comments will just be considered to be slanderous and without foundation.

Mr SEENEY: I am asking whether or not the same facilitation payments were made available to the other tenderers.

Mr ROBERTSON: It is not a question of making them—

The CHAIR: Member for Callide, the minister has answered the question. He said that it was an open, fair, competitive process. It had probity checks. I think he has answered the question. You keep asking the same question.

Mr SEENEY: Because he was not answered it. He has not answered it yes or no.

The CHAIR: Member for Callide, the minister can answer the question as he sees fit. I think he has answered that question. I suggest that we move on for the benefit of this hearing.

Mr SEENEY: I can ask the question as I see fit, too, with respect.

The CHAIR: I think that it is repetition.

Mr SEENEY: Are similar facilitation payments made available to CS Energy for their gas turbine at Swanbank E?

Mr ROBERTSON: The answer is no but—

Mr SEENEY: Okay.

Mr ROBERTSON: But you are drawing some really long bows here.

Mr SEENEY: It is not at all.

Mr ROBERTSON: No, each project—

Mr SEENEY: I am trying—

Mr ROBERTSON: I am trying to answer. He is cutting into my three minutes.

The CHAIR: The member for Callide! Can you let the minister answer the question. He has three minutes to answer. There are seven minutes remaining in your questioning.

Mr ROBERTSON: Each project is considered on its merits and each project is unrelated to others. They stand on their own merits when they are considered by shareholding ministers. The conditions that apply for one project are not necessarily reflected in other projects, because there are obviously different circumstances. As I said to you earlier, you are making the assumption that the facilitation payments that have been provided to Enertrade as part of its successful tender were not sought by other tenderers for that particular project. You are making that assumption.

Mr SEENEY: I am not making that assumption. I am asking you the question.

Mr ROBERTSON: That assumption is not open for you to make, because that is without foundation and without fact. It is as simple as that. If you have evidence that in some way Enertrade was treated favourably in the tendering process, despite all the probity checks that were in place, please make it available to me and I will certainly investigate it. But I will not continue to respond to unfounded allegations or suggestions which have no basis in fact and have no evidence attached to them. It is as simple as that.

Mr SEENEY: I just repeat that I was asking the question. I was not making any assumptions.

Mr ROBERTSON: And you have got the answer.

Mr SEENEY: No, I didn't. I still haven't had the answer.

Mr ROBERTSON: No, you have got the answer.

Mr SEENEY: Can you confirm that the electricity that Enertrade will purchase from Transfield through its contract will then be traded on the spot market against the other GOCs and that electricity will be traded in competition with other gas-fired electricity, and that in the main will be the electricity that is produced by CS Energy at the Swanbank E plant? You have indicated that CS Energy is not getting any facilitation payments. Is CS Energy internally subsidising the production of that gas-fired electricity at Swanbank E?

Mr ROBERTSON: I am going to answer it this way. I am actually amazed about your line of questioning suggesting that government or taxpayers' investment in projects of this kind of significance is somehow inappropriate and that somehow as a result of those investments we are constructing artificial markets or artificial prices.

Mr SEENEY: That is exactly right.

Mr ROBERTSON: That is not the case. If you want to continue with that line of questioning about how economic development is facilitated by government in this state then I am happy—every other minister in cabinet, including the Premier, would be—to have an open debate with you on that. If you are suggesting that government has no role to play in facilitating economic development in this state, please say so, because it will be an interesting point of differentiation politically between your side of politics and ours. I see you shaking your head, member for Nanango. I would have thought you would be the last person shaking your head, given that your electorate is the recipient of Tarong Power Station and water pipelines and other infrastructure.

Mrs PRATT: Mr Chairman, I raise a point of order.

Mr ROBERTSON: If you are not interested—

The CHAIR: Order!

Mr ROBERTSON: This is my answer.

The CHAIR: Minister, I will hear the point of order.

Mrs PRATT: Minister, I was shaking my head against your inference that the government should not interfere. I am quite in favour of the government supporting that sort of thing.

The CHAIR: Thanks, member for Nanango. Continue, Minister.

Mr ROBERTSON: Thank you for that point of clarification and your support of continuing investment by the state in projects, particularly projects of regional economic significance. That is the path you are continuing to go down, member for Callide. We have seen it with what you were trying to trawl through with State Development. You are trying to continue to do it here. All I can come to is a conclusion that you are really not interested in government having a role in facilitating economic development in this state, particularly in rural and regional Queensland. The whole history of economic development in this state, particularly in rural and regional Queensland, has been based on an interventionist strategy by the state government to facilitate development. If you want to have that debate, as I said, there are 19 ministers, the Premier included, who will engage with you in that debate. I would have to say that a shudder would have just gone through the spine of every National Party member in this state if that is now your policy.

Mr SEENEY: Minister, what is the total amount of money that has been expended out of your department's budget this year, including the GOCs, in an attempt to achieve the government's energy policy of 13 per cent gas-fired electricity by 2005? What is the total amount of money that has been expended simply because of that misguided energy policy—misguided in respect of creating an artificial market that private operators would never come into and then having to use the government owned corporations to try and meet that electricity supply through massive public subsidies?

Mr ROBERTSON: The answer is zero.

Mr SEENEY: Are you suggesting that Enertrade would have entered into the Townsville Power Station deal quite apart from the government's energy policy?

Mr ROBERTSON: No, your question was how much money is coming out of my budget this year for those kinds of projects, and the answer is zero.

The CHAIR: Thank you, Minister. The time for—

Mr SEENEY: I have 30 seconds. What about the \$160 million for the pipeline and the facilitation payments for Enertrade?

Mr ROBERTSON: It does not come out of my budget.

Mr SEENEY: Where does it come from?

Mr ROBERTSON: It would be a Treasury allocation, I imagine.

Mr SEENEY: It is through your department. It is in your department's Ministerial Portfolio Statements.

Mr ROBERTSON: But it does not come in.

Mr SEENEY: I think you are drawing a very fine line.

Mr ROBERTSON: No. I am trying to give you an accurate answer.

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

Mrs CARRYN SULLIVAN: Thank you, Mr Chair. Page 28 of the MPS describes Energex and Ergon Energy as being integral to ensuring all Queenslanders have access to reliable and affordable energy resources. What do the independent regulators say about the financial position of these two companies and their debt levels?

Mr ROBERTSON: Thank you, member for Pumicestone. The financial position of Energex and Ergon Energy make them favourably placed to continue the delivery of affordably priced and reliable energy to Queenslanders. The total value of network assets in Queensland is around \$11 billion. Approximately \$8 billion of these assets are held by Energex and Ergon, while the total debt of these electricity network companies is only \$3.5 billion.

Every business has debt. This is normal commercial practice and is much the same as the average person taking out a mortgage to buy a house. The real issue is what the level of debt is in relation to the total value of the assets, referred to as the company's gearing level. Energex and Ergon have gearing levels of approximately 52 per cent, which is considered low for this type of business. For example, most independent regulators, such as the Queensland Competition Authority, use a benchmark gearing of 60 per cent. The use of a benchmark reflects the regulator's view of the average capital structure for a firm of this type. Energex and Ergon Energy's debt levels are actually below the benchmark used by the regulator.

Privately owned companies which run electricity network businesses often have much higher gearing levels in order to minimise invested equity. Debt levels of the network GOCs are not excessive for the type of businesses they represent. Importantly, the current borrowings of network GOCs do not impact their capacity to undertake normal business replacement and expansion capital expenditure.

The financial and operational strength of Energex and Ergon has been independently confirmed by rating agencies Fitch Ratings and Standard and Poor's respectively. In December 2003 Fitch Ratings upgraded Energex's corporate credit rating from AA- to AA and its rating outlook is stable. Also in December Standard and Poor's confirmed Ergon's AA+ corporate credit rating. This was the third consecutive year that Ergon Energy was awarded the highest corporate credit rating of any Australian energy company in Standard and Poor's listings. This identifies Ergon Energy as Australia's most financially stable supplier of electricity.

To summarise, yes the network GOCs do have debt but within independently assessed prudent levels. The current borrowings of the network GOCs do not adversely impact their ability to undertake required capital works and maintenance. The financial position of the network GOCs makes them favourably placed to continue to supply reliable and affordably priced electricity to Queensland. Finally, the allegations made by members of the opposition that these network providers are ravaged with debt are clearly nonsense.

Mr SHINE: Minister, capital works and operational expenditure are important components of maintaining Queensland's vast electricity distribution network. Can you advise how much Energex and Ergon have spent on capital works and operational expenditure since 2001-02 and what they propose to spend in 2004-05?

Mr ROBERTSON: I thank the member for Toowoomba North for the question, because it allows me to demonstrate the growing investment by the electricity distribution companies in Queensland's vast electricity distribution network. The government owned companies, Energex and Ergon, generate nearly all of their funding through their business of selling electricity to residential, business and industrial customers. I also point out that the government does not determine the level of capital and operating expenditure by Energex and Ergon. How much Energex and Ergon spend on capital works, operational costs and maintenance is regulated by the independent Queensland Competition Authority through a revenue cap mechanism. This mechanism effectively caps the capital and operating expenditure of distributors. The current regulatory framework and revenue caps expire on 30 June next year.

Expenditure is ultimately a management decision for Energex and Ergon Energy. Like any corporations, Energex and Ergon expect to carry a certain level of commercial debt, as I outlined previously. This level of debt in no way compromises their credit rating, nor does it affect their ability to undertake capital works and maintenance to upgrade the network.

In 2001-02 Energex and Ergon spent a combined \$770 million in capital expenditure and operational expenditure on their networks. This comprised \$400 million for Energex and \$370 million for Ergon. The comparable figure for 2002-03 is \$875 million—an increase of over \$100 million—comprising \$403 million for Energex and \$472 million for Ergon. For 2003-04 it is estimated that the

distributors spent about \$930 million on their networks. This comprised \$419 million for Energex and \$511 million for Ergon. The 2004-05 expenditure estimates have been upgraded from those mentioned in the budget based on additional planning by Energex and Ergon. For 2004-05 Energex and Ergon anticipate record expenditure of about \$1.17 billion on their networks, comprising \$524 million for Energex and \$646 million for Ergon. Those figures demonstrate a significant increase over the last three years by both Energex and Ergon in terms of investing in capital and maintenance expenditure in their networks.

Mr SHINE: Following on from that, how do electricity prices in Queensland compare with what applies in other states?

Mr ROBERTSON: The Beattie government determines retail electricity prices under a uniform tariff policy to ensure predictable and stable prices for Queensland's domestic and business customers, regardless of where they are located in the state. The government has ensured when setting these prices that they are competitive on an interstate level. Indeed, Queensland householders and businesses enjoy some of Australia's cheapest electricity. Even with the modest 2.5 per cent price increase from 1 July in line with CPI, Queenslanders enjoy Australia's third lowest electricity prices at 11.9c per kilowatt hour. The only places where prices are lower are in New South Wales, where prices just went up by 7.8 per cent from 10.4c to 11.2c per kilowatt hour, and in the Australian Capital Territory, where residential customers pay approximately 11.4c. Queensland prices are much lower than those in Tasmania at 12.2c, Western Australia at 13.8c, Victoria at 14.2c, the Northern Territory at 15.4c and South Australia at 17.8c.

Queensland's electricity prices have remained low in line with the lack of historical increases in real electricity prices. Since this government has been in office electricity consumers in Queensland have not experienced a real increase in electricity prices, excluding the impact of GST. The Queensland government also provides funding through community service obligations to maintain equitable prices. It is estimated that this government will have provided about \$58.7 million in price subsidies this financial year. This is in addition to over \$1 billion in electricity price subsidies provided since 1998.

Domestic and small business customers interstate have not enjoyed the same level of price stability in electricity prices. In South Australia customers saw retail electricity price increases of 27 per cent in 2003 as a result of the government relinquishing control over the regulation of electricity prices. This was to coincide with the introduction of full retail competition. These price increases caused significant hardship to domestic consumers, with average bills rising by around \$240 per annum—the highest electricity price in Australia. The recent New South Wales price hike means typical household bills in New South Wales will rise by around \$36 to \$73 a year, with some small businesses seeing increases of up to \$880 per year.

Queensland domestic and small business customers are not the only ones enjoying competitive electricity prices—of course large industrial customers are also. It has been estimated that the average retail prices for large business customers in Queensland have fallen by 25 per cent in real terms since 1996-97, with these customers now paying the third lowest electricity prices in Australia. Queensland is indeed proud of its performance in this regard.

Mr SHINE: Minister, on page 29 of the Ministerial Portfolio Statements mention is made of efforts to facilitate new electricity infrastructure projects to meet increasing energy demands. How does Queensland measure up to other states in relation to investment in new power generation and transmission infrastructure?

Mr ROBERTSON: One of the current outstanding economic features of Queensland is the state's current rate of load growth driven by population and industrial development. It is the highest in the national electricity market. Since 1995, energy consumption has grown by an average of five per cent per year. In the future, Queensland's consumption is estimated to grow at approximately 3.2 per cent per annum for the next 10 years as compared with less than 2.5 per cent for all other states in the national electricity market. Queensland is well placed to meet this load growth with more investment in energy infrastructure than any other state.

Since the national market for electricity began in 1998, Queensland has had the greatest level of investment in committed generation equal to approximately 3,750 megawatts of generation capacity. \$4.7 billion of the total \$6.3 billion which is being committed to new generation investment in the national electricity market has been invested in Queensland. Of the investment in Queensland, around 40 per cent has been undertaken by the private sector in a number of different projects including the Millmerran Power Station at \$1.5 billion, Callide C Power Station at \$420 million, Tarong North Power Station at \$326 million, Oakey Power Station at \$150 million and Roma Power Station at \$31 million. Queensland also has two new projects coming on line—the \$500 million Townsville power project, which we have heard a bit about, which will be recommissioned in early 2005, and the \$1.1 billion Kogan Creek coal power plant to be commissioned in October 2007.

Queensland is the only state where investment and base load generation has occurred by both the private and government sectors. What is more, the average age of Queensland power plants is among the lowest in the country—around 17 years, compared with more than 22 years in New South

Wales and 24 years in Victoria. This means that Queensland has the latest generation technology available to underpin the continuation of competitive and sustainable energy for industry consumers.

Since 1998 Queensland has had approximately \$1.3 billion of the \$4.6 billion that has been invested in transmission assets. This represents 39 per cent of total transmission investment. To maintain the reliability of the Queensland network, Queensland's transmission network service provider Powerlink has assigned approximately \$180 million to capital expenditure in 2002-03. This accounted for 34 per cent of the capital expenditure on transmission assets in the national electricity market compared with the expenditure in New South Wales of approximately \$261 million and \$75 million in Victoria. Powerlink Queensland is expected to assign a further \$168 million in 2004-05 on capital expenditure. In fact, Queensland has enough power supply that on a number of occasions this year the state has provided nine per cent of New South Wales' peak demand via the Queensland-New South Wales interconnector. Queensland's enviable position is a direct result of this government's priority to engender a competitive energy environment in wholesale electricity that provides an important stimulus for investment across the state.

Mr HOOLIHAN: To move away from electricity, Minister, will you advise the committee what happens to SunWater profits and whether the government intends, for the third year running, to reinvest its SunWater dividend back into projects to benefit all users?

Mr ROBERTSON: Over its first three years of operation SunWater made profits, net of revaluations, of about \$36 million and paid dividends to the government of about \$4 million. The dividend for 2001-02 was \$0.55 million and for 2002-03 it was \$3.57 million. Each year the government has reinvested its dividend back into SunWater projects to benefit communities in Queensland. SunWater is again expected to make a sound profit and a dividend in 2003-04 which the government plans yet again to reinvest.

'SunWater's dividends have been reinvested into water industry initiatives and several key projects are under way. In 2001-02 a total channel control trial of \$1.3 million is being implemented in the Emerald area to trial new ways of minimising losses from open channel systems. It is hoped that this will be a viable way of increasing the distribution efficiency of open channel networks and will lead to installations in the open channel systems that SunWater owns and operates throughout Queensland. The system of channel management will also improve the stability of flows onto farms allowing for improved management of water on the property and increased on-farm water use efficiency.

Using reinvested dividend from 2002-03, a redevelopment of the fishway at Clare Weir worth \$2.4 million is also under way. The weir, which is near Home Hill, blocks fish passage up the Burdekin River. The fishway was installed when the weir was built over 20 years ago. However, at the time the swimming behaviour of our native fish was not well understood. The fishway may have been suitable for overseas fish species but has not allowed many native fish to migrate up stream other than during floods.

It seems that even 20 years ago the National Party struggled with the science of day. The redevelopment of this fishway to a fishlock type will cater for local species and is an exciting improvement to the health of the Burdekin. The Beattie government has also contributed \$660,000 of the dividend to the rescue package to protect groundwater resources and reduce the threat of saltwater intrusion into the Burnett-Bundaberg region. The \$660,000 contribution to construction costs of a new 100-megalitre water storage will help take the pressure off the region's groundwater as soon as possible.

Profits retained by SunWater are also being used for a variety of purposes—a continuing program of backlog work to bring some old scheme assets up to an acceptable standard. Recreation area maintenance is an ongoing expense funded predominantly from profits. Fish exclusion screens are currently being installed in the Mareeba irrigation channels to ensure noxious fish such as tilapia are not transferred through the channels to the gulf rivers, and new development work is also being funded from profits. As an example, SunWater has invested \$4 million in the new hydropower facility on Tinaroo. This is an excellent example of the multiple use of water. The hydro unit captures energy that would otherwise be wasted when water is released from the dam for customers or during the floods to create green energy. I am sure all members welcome the announcement that yet again SunWater's dividend for this year will once again be reinvested back into business.

Mr HOOLIHAN: Thank you, Minister. In relation to prices, irrigation price paths for SunWater schemes expire on 30 June 2005. Can you advise the committee what work is being done by the government and by SunWater to negotiate fair, new water price paths with its customers?

Mr ROBERTSON: The government commenced consultation on the new price paths in November 2002 when it released the information paper *Talking Water Reform*. The second stage of consultation on pricing policy issues is now under way with the release of two discussion papers in December last year—*Future rural water pricing for SunWater schemes* and *Local management of SunWater schemes*. Submissions on the discussion papers close on 27 August this year.

The government is also releasing for consultation a discussion paper on water resource charging, as I announced earlier today. This is in accordance with the recent agreement at COAG with the national water initiative, and the government has waited for that COAG agreement before moving ahead with this phase of public discussion. This allows discussions on the broader water resource charging and the price setting for SunWater schemes to be dealt with together so water users can gain greater certainty on their future cost regimes. The government will then move to establish a policy framework before the price setting process itself begins. I understand that SunWater is negotiating with its customers on a proposal for a price setting process that is widely supported and includes local scheme involvement. The government will examine any such proposal that SunWater and its customers make on this process.

I believe this process seeks to provide the required level of transparency to give customers confidence that future prices are based on efficient costs while protecting SunWater's commercially sensitive information. New price paths need to give SunWater and its customers assurances that services are based on sustainable prices and provide sufficient scheme revenue for assets to be maintained and fit for purpose and to grow the business to meet customer demands for future water services. I understand the concern of irrigators about the impact of water charges on their business, but at the same time I am sure that they want a progressive water industry, where new investments mean new jobs and water provides a real economic contribution to the state.

Mr HOOLIHAN: As part of establishing those water price paths, the government set as a condition that SunWater would achieve certain cost efficiencies. Can you outline SunWater's progress in meeting these efficiency benchmarks?

Mr ROBERTSON: Since corporatisation SunWater has made significant progress towards achieving efficiency benchmarks with the water reform unit considered possible in 1999-2000. One of the main areas addressed was to streamline service delivery through improved structural arrangements. A major restructuring exercise was undertaken during 2001-02 to improve overall efficiencies and better align staff resources and skills with the business needs. The first part of this was a significant downsizing of the work force. This commenced with 65 staff exercising their right of reversion to the Public Service. Another 67 took advantage of a targeted voluntary early retirement scheme and a further 20 were granted voluntary redundancies. All separations were successfully negotiated with individuals and unions without industrial action.

The downsizing process allowed SunWater to redesign the workplace. Employees with the requisite skill capabilities were transferred into redesigned, multiskilled positions and new people with appropriate skills were appointed to better meet business and customer needs. This was particularly important in the operations and maintenance area, where the proportion of staff with trade qualifications was increased from 16 per cent to 25 per cent. During this process staff numbers reduced below plan levels and are now back at the numbers needed to carry out the required tasks and meet SunWater's efficiency targets. In regional areas SunWater co-located a number of its offices and depots to bring about cost savings as well as much improved coordination between managers and operational staff.

Business management was brought closer to the schemes with the creation of six business centres at Mareeba, Ayr, Biloela, Bundaberg, Ipswich and St George to replace the previous three regional offices in Ayr, Rockhampton and Toowoomba, and 11 operational centres. The regional offices are supported by staff in Brisbane in areas where efficiency is achieved through centralisation. This includes technical engineering functions as well as the corporate support areas of finance, information technology, legal, human resources, information management, administration and planning.

In overall terms, at the end of 2002-03 SunWater has achieved progressive improvement in the cost efficiency of its schemes such that it was within two per cent of the five-year target set in the pricing process. Data for 2003-04 will not be available for several months. However, SunWater is confident that the results will be positive in spite of additional pressures on the organisation's cost base.

The water industry changes. General issues in the community such as insurances, security management and corporate governance will be taken into account as the next round of benchmarking looks at efficient costs for the next few years of SunWater's operation. Nevertheless, it is clear that SunWater has taken its responsibilities seriously, on the one hand, to keep its costs as low as practical while, on the other hand, ensuring that its customers are served, that its assets are maintained and that it complies with the laws and modern government's requirements.

Mrs CARRYN SULLIVAN: Minister, hydro-electricity is one of the renewable options being utilised by the Beattie government. Can you inform the committee whether SunWater is planning any further hydro-electric power plants at its dams?

Mr ROBERTSON: There is the potential to develop hydropower stations in a number of SunWater's dams. SunWater has investigated the commercial viability of building small hydropower plants to produce electricity that will be sold into the state's power grid as green energy. An example of SunWater's success with hydropower can be seen at Tinaroo Falls Dam, where a 1.6-megawatt hydropower station was commissioned in mid-May this year. I will have the pleasure of officially opening this facility next month. The power station will generate sufficient electricity into the grid to power 1,200

homes and reduce CO₂ omissions by around about 8,500 tonnes per year. This equates to taking nearly 2,000 cars off the road for a year. The Tinaroo hydro project has a capital value of about \$3.9 million revenue and will produce annual revenue of about \$500,000. This is a stand-alone investment not linked to other financial arrangements associated with the Mareeba-Dimbulah water supply scheme. The power station operates only when water is being released for other purposes or when the dam is overflowing. It is adding value to these releases and thus is truly producing green power.

SunWater is working in partnership with Stanwell, Australia's leading green energy generator, on a feasibility study for a 30-megawatt power station at Burdekin Falls Dam. The study has progressed well and will enable both organisations to ascertain the cost of the project which, if viable, could be generating power by late 2006. The Burdekin is by far the largest opportunity for hydropower generation at SunWater dams, but a range of other mini hydro opportunities will be investigated over the next couple of years. Hydropower generation is an excellent mechanism for SunWater to add value to its storages without impacting on water supply arrangements to its customers.

The CHAIR: Minister, as there are no further questions, that concludes the examination of the estimates for the portfolio—

Ms Boman: Mr Chair, could I just make one clarification?

The CHAIR: Yes.

Ms Boman: I would like to clarify a question that the member for Callide asked before concerning the cost of the 13 per cent scheme. Sorry, I misheard your question. There is cost associated with the administration of that scheme and that is funded through the department. That amount is \$1.4 million this financial year.

Mr SEENEY: That was not the question I was asking.

The CHAIR: Direct your comments to the minister, not to the public servant.

Mr SEENEY: The minister knows that that is not the—

The CHAIR: Mr Seeney, could you apologise to the public servant?

Mr SEENEY: Absolutely.

The CHAIR: Withdraw those remarks. Take the issue up with the minister.

Mr SEENEY: The minister knows that that is not the question I was asking, but thank you for the information anyway.

Ms Boman: My pleasure.

The CHAIR: There being no further questions, that concludes the examination of the estimates for the portfolio of the Minister for Natural Resources, Mines and Energy. Thank you, Minister, and advisors for your attendance. The transcript of this part of the hearing will be available on the Hansard Internet quick access web site within two hours from now. The committee will now adjourn for lunch. The hearing will resume at 1 p.m. with the examination of the portfolio of Primary Industries and Fisheries.

Sitting suspended from 12.05 p.m. to 1 p.m.

ESTIMATES COMMITTEE G—PRIMARY INDUSTRIES AND FISHERIES

In Attendance

Hon. H. Palaszczuk, Minister for Primary Industries and Fisheries
Mr J. Varghese, Director-General
Mr P. Neville, Deputy Director-General, Industry Development
Mr R. Beck, Deputy Director-General, Delivery
Mr K. Dunn, Assistant Director-General, Biosecurity
Mr J. Skinner, Assistant Director-General, Corporate Capability
Ms P. Pender, General Manager, Finance and Asset Management
Mr C. Holden, Chief Executive Officer, Queensland Rural Adjustment Authority
Mr Chris Adriaansen, General Manager, Plant Health

The CHAIR: Welcome, everybody. On behalf of the committee, I declare the hearing open. I welcome the minister, public officials and members of the public who are in attendance today. I am Tim Mulherin, the member for Mackay and chair of the committee. My fellow committee members are Paul Hoolihan, the member for Keppel; Mr Kerry Shine, the member for Toowoomba North; Mrs Carryn Sullivan, the member for Pumicestone; Mr Jeff Seeney, the member for Callide; Mr Mike Horan, the member for Toowoomba South; and Mrs Dorothy Pratt, the member for Nanango.

The next portfolio to be examined relates to the Minister for Primary Industries and Fisheries. I remind members of the committee and the minister that the time limits for questions is one minute and three minutes for answers. A warning bell will ring once 15 seconds before the end of these limits and twice when the time has expired. I will allow more time for answers if the questioner consents.

The sessional orders require that at least half the time for questions at today's hearing is allocated to non-government members. Government members and non-government members of the committee will take turns at asking questions in blocks lasting approximately 25 minutes.

In relation to media coverage of today's hearing, the committee has resolved that video coverage is allowed only during the opening statements. I ask the departmental witnesses to identify themselves before they answer a question so that Hansard can record that information in the transcript. Please also ensure that mobile phones and pagers are switched off while in the chamber so as not to disrupt the proceedings.

In the event that those attending today are not aware, I should point out that the proceedings are similar to parliament to the extent that the public cannot participate in the proceedings. In that regard, I remind members of the public that in accordance with standing order 195 the public may be admitted to or excluded from the hearings at the pleasure of the committee.

The time allotted to the portfolio of Primary Industries and Fisheries is three hours with a 20-minute break at 2.25 p.m. I declare the proposed expenditure for the Minister for Primary Industries and Fisheries open for examination. The question before the committee is—

That the proposed expenditure be agreed to.

Minister, would you like to make a brief introductory statement or do you wish to proceed directly to questioning? If you wish to make a statement, the committee asks that you limit your opening remarks to five minutes.

Mr PALASZCZUK: Mr Chairman, I would like to make some opening remarks. The 2004-05 budget is a very significant one for the Department of Primary Industries and Fisheries. Fiscally, the budget represents an increase of \$5.8 million, or 2.6 per cent in real terms over the 2003-04 allocation. This budget is also the first allocation under the department's new structure and its renewed mission to promote profitable primary industries. It has been put to me that this restructure is probably the most significant for the department since the 1950s. There has been widespread support for the changes and improvements, particularly the emphasis on profitability, from industry and from our other stakeholders.

I am pleased today to be joined by members of our senior executive team headed by Director-General Jim Varghese and other senior officers within the department. Since the state election we have been working extremely hard on a number of fronts. For instance, we have been implementing historic sugar industry reforms, driving national drought policy improvements, securing support for an additional year's funding for the fire ant eradication campaign, finalising the coral reef fin fish management plan and, of course, implementing the outcomes of the Aligning for Success review.

The most pressing matter currently before the department is implementing its nationally approved response to the detection of exotic citrus canker disease on a single property in the Emerald district. The

priorities under the response plan have been for containment, surveillance, eradication, as well as the re-establishment of market access for locally grown citrus. The response plan has been implemented professionally and swiftly. I would like to thank industry for their involvement, for their concurrence and for their patience. At this stage we have more than 240 people deployed on the citrus canker response. While we are confident the disease can be eradicated and full market access resumed shortly, we will have to undertake a further two-year surveillance for canker so as to prove once again our freedom from that disease.

Already the department is developing an ingenious initiative to employ low-cost, near infra-red photographic techniques using satellites, light aircraft and helium-filled balloons to help us in this task. Similar technology is being used for measuring disease risks, yields and chemical usage in a number of field crops such as peanuts.

Whilst this sort of biosecurity response is a clear example of the department's role in protecting the profitability of our producers, some other roles are harder to define in terms of the profitability mission statement. One notable example is the role we play in protecting swimmers from shark attack off 87 beaches along Queensland's east coast. The shark net and drum line program has worked well since its introduction in 1962 with no recorded fatality off a protected beach.

Our government has reaffirmed its support for the maintenance of the program and for the protection of swimmers. However, we have been concerned about marine mammals such as whales being entangled with this control gear. Last term we approved a \$500,000 research program to investigate possible additional measures that could limit such entanglements.

Whilst this research is ongoing, there have been a number of entanglements recorded off the Gold Coast region. The unfortunate case earlier this week of a juvenile humpback whale being found dead in a net off Mermaid Beach was distressing. On 20 May this year officers of the department were involved in successfully releasing an 11-metre subadult humpback whale off the Gold Coast. This incident highlighted the risks not only for the marine mammal but also for officers of the Queensland Boating and Fisheries Patrol assigned to the marine mammal rescue teams.

Today I can announce to the committee that the department has purchased specialist underwater video equipment for the marine mammal rescue teams. This equipment will ensure our officers are able to assess the conditions and the extent of the entanglement comprehensively before moving in to free the whale.

On a personal note, can I observe that today is the first estimates hearing without one of the department's long-serving members, Maurie Doyle. Maurie is well known to members of parliament for his service to the department over more than four decades. Up until his retirement on Friday, Maurie had served as a departmental liaison officer in my office. With your indulgence I would like to wish Maurie, his wife Denise and their family and friends the best for the future.

Mr Chairman, the 2004-05 budget is not only an increased investment in the department, it is a strong commitment to a new future for the department, its staff, stakeholders, clients and the people of Queensland.

The CHAIR: Thank you, Minister. The first round of questions is from the non-government members. I call the member for Toowoomba South.

Mr HORAN: Thank you Mr Chairman. Good afternoon, Minister, to you and your staff. I refer to the FarmBis program on page 2-2 of the MPS. Can you explain why more than \$3 million, or roughly a quarter of the total FarmBis funding spent in Queensland in 2003-04, was spent in just three far-north Queensland shires? In particular, can you explain why \$2,108,999 in FarmBis funding was provided to the Torres shire alone in 2003-04, which was more than two and a half times the total amount paid to the 20 shires in the entire western Queensland region?

Mr PALASZCZUK: Quite honestly, I believe your comments are showing your lack of understanding of our FarmBis program. If you are talking about criticism of the indigenous subsidies in the Torres Strait—

Mr HORAN: I did not use the word indigenous.

Mr PALASZCZUK: I think that is just not right. You tried to get this story up in the *Sunday Mail* a couple of weekends ago.

Mr HORAN: A point of order, Mr Chairman. I did not bring the matter of indigenous subsidies into this whatsoever. I just asked on a regional basis the amount of funding that went into there compared to other parts. Indigenous matters had nothing to do with it and I take offence at that comment.

Mr PALASZCZUK: I thought the implication was there.

Mr HORAN: There was no inference whatsoever.

Mr PALASZCZUK: I will take that. Under the second three-year stage of FarmBis indigenous people were able to access subsidies for training under FarmBis. That was the first time they were able to access it. On 28 August 2001 federal Agriculture Minister, Warren Truss, issued a media statement

about the enhanced FarmBis 2 program. The statement said, 'The federal government's enhanced FarmBis program is easier to access and open to a wider range of primary producers, including wild catch fishing operators, macropod and wild game harvesters and also indigenous land managers.' We have here a complete breakdown of the different persons who have accessed FarmBis funding. I will get that organised for you later on when I can find it. We have to remember that the operation of FarmBis is based on an agreement between the Commonwealth and the state governments. The administration of the scheme, including the eligibility of courses for subsidies, is overseen by a state planning group. The composition of that state planning group has to be approved by both governments.

Applications for FarmBis subsidies in Queensland, whether they are for individuals or for groups, are assessed and funds administered by the Queensland Rural Adjustment Authority. Let me say this: no FarmBis subsidies are provided without an application, whether it is an individual or as part of a group. No-one is forced to undertake training. I have been advised that there has been substantial training for wild catch fishing in the Torres Strait. In addition, under the administration of FarmBis in Queensland, training providers are able to apply for subsidies to travel to remote areas such as the Torres Strait.

Queensland allocated \$15 million towards FarmBis 2, which is the most of any state. This, of course, was matched by the Commonwealth government. We also provided the highest rates of subsidies—up to 85 per cent for FarmBis 2.

Mr HORAN: Of the \$13.2 million in the last 12 months in Queensland FarmBis money, how much of that did your department give to the organisation Remote Training Australia and, in particular, how much money did you give to Remote Training Australia to run two or three-day dive courses that cost between \$3,000 and \$5,000 per person?

Mr PALASZCZUK: We could take that on notice. We might be able to find it before the three minutes is up. I personally have had criticism of the current FarmBis 2 program and also some of the programs that have been administered by FarmBis 2. In the negotiations for Farmbis 3 that are currently under way with the Commonwealth I have stipulated to the Commonwealth that when we talk about further funding for Farmbis 3 we should target our funding in a far better way than we have in FarmBis 1 and FarmBis 2. Drought preparedness should be a priority; we need to support the dairy industry; we need to target the problems in the sugar industry.

There was an incident, as I recall, where there was funding given for telephone etiquette. As far as I am concerned, training in telephone etiquette does not measure up to what FarmBis is all about. At the end of the day what we need to do is look at the state planning group. They are the ones who accept the applications and they are the ones who either give the tick or the cross to the training that is provided. FarmBis 1 and FarmBis 2 were too wide and too open and allowed programs that in hindsight probably you and I do not agree with.

Turning to the total figure in relation to Remote Training Australia, FarmBis 2 approvals for training delivered by Remote Training Australia to indigenous participants throughout Queensland were \$2,652,214. Most of this training was delivered in the Torres Strait and the gulf. Some of this approved training may still be delivered up to 31 October 2004 or it may not occur. That is the total, but it is not for a specific program.

The CHAIR: Do you still want that question on notice?

Mr HORAN: I still want it on notice, yes. That was regarding the dive courses and the costs of them.

Mr HORAN: Minister, I take the point that you made about not being targeted. You are saying that you want FarmBis 3 to be better targeted. Ultimately it is your decision what courses were undertaken. There were communication courses that were approved. Under the activities and costs that are not supported under the guidelines of FarmBis it says that, for example, stand alone technical or operational training activities. I would have thought that training people in diving would have come under that criteria.

The CHAIR: Is this a question?

Mr HORAN: Yes, it is a question. Can you comment on those courses being approved when the guidelines clearly state that operational training activities are not allowed?

Mr PALASZCZUK: As far as I am concerned, and as I said earlier, the Commonwealth and the state put together a state planning group which is responsible for the courses, it is responsible for the applicants and it is responsible for making the final decision on which courses are approved by the state planning group. The composition of that group is approved by the Commonwealth government and the state government.

Our program has supported over 24,500 participants complete training in the period. A further 6,500 are expected to complete training up to 31 October 2004. On the whole, I believe the program has been an outstanding success with real profitability and sustainability outcomes reported by producers within a year of undertaking FarmBis supported training.

This is verified by annual surveys of participants conducted by Roy Morgan, an independent market research company, in the year after their training had been undertaken. The participants who were surveyed indicated high levels of program satisfaction and outcomes achieved through the adoption of improved business and natural resource management practices. Ninety-two per cent of participants agreed that course content met their needs. Ninety-one per cent agreed new skills or knowledge were gained and incorporated into their business practice. Fifty-eight per cent agreed new skills benefited their enterprise's profitability and productivity. Fifty per cent agreed new skills benefited their enterprise's environmental sustainability. That is the highest nationally. Whilst on the whole the program has worked well, as I said earlier we are certainly going, with the Commonwealth and other states' support, to better target FarmBis 3.

Mr HORAN: You have not answered the part of my question relating to the activities and costs that are not supported under section 8.1.6 of the Queensland Rural Adjustment Authority guidelines; that is, that stand alone technical or operational training activities are not supported.

Mr Holden: In response to the question as to whether or not diving is eligible, I would have to actually go back and pull out the detail of the actual training itself.

Mr HORAN: It was diving and accident management.

Mr Holden: Where I am leading to is that we get courses that come through that might be titled, for example, diving but when you look at the actual detail there is more to it than the title suggests. To be 100 per cent, I would like to have a look at that.

Mr HORAN: You can take on notice whether it is a technical or operational training activity and was it part of that large amount of funding.

Mr PALASZCZUK: I have the breakdown of participant categories.

Mr HORAN: Can we have that on notice. With regards to unallocated FarmBis funding, the FarmBis guidelines on the Queensland Rural Adjustment Authority's web site state that all supported learning activities must be commenced within three months from the date of approval and payment finalised within six months from the date of approval. Given that you announced six months ago today, 23 January, that the program's designated funds have now been allocated to approved training activities and your guidelines state that learning activities must start within three months of date of approval, can you explain why there is still close to \$2 million in FarmBis funding that remains unspent?

Mr PALASZCZUK: It is unspent but it has been allocated. All that money has been allocated. The training will continue until 31 October this year. Our problem with the Commonwealth government's proposal to provide additional funding to the states to continue FarmBis funding is that there were two states that had not used up all their allocated funds. They are the states that are working in with the Commonwealth to use up all that funding. All our funding has been allocated. I understand it will be used by 31 October this year.

Mr Holden: Just with respect to the funding for the FarmBis program, in terms of the full allocation of the funds for training activities you are correct in saying that that was fully allocated earlier this year. Subsequent to that, there have been further savings identified in other areas of the program—the coordination network within the State Planning Group and the Office of the State Coordinator. Those funds have subsequently been redirected to the actual training component of the program. In addition, there have been quite a number of programs that have been approved that were ultimately not taken up and those funds have become available again. It is a continuous process.

Mr HORAN: With regard to drought assistance and your statements that you only make changes to drought declarations on the basis of recommendations of local drought committees, would you be prepared to provide this committee with the minutes of the local drought committee meetings detailing how each of the state government's revocation of drought declarations were made on the basis of the decisions of those committees?

Mr PALASZCZUK: Why would you want to see the minutes?

Mr HORAN: I want to be sure that what you are saying—that is, that those committees made the decision to end the drought declaration—actually happened and that it was done through the proper and due process of those committees meeting and making that formal decision.

Mr PALASZCZUK: By asking me to do that, basically what you are insinuating is that you do not trust the local drought committee's recommendation to me as minister.

Mr HORAN: Everything I say I direct to you for you to be responsible for your department. Do not try to turn it around and say that I am picking on people.

Mr PALASZCZUK: The insinuation is—

Mr HORAN: No. I want to make sure that due process was applied, that each committee met as you claim they did and each committee made that decision. That is what I want to know. I have the right to ask as the opposition.

Mr PALASZCZUK: We are on the parliamentary record right now and I say that, as far as I am concerned, I sign off every application for drought declaration and I sign off every application for a drought revocation. Not once have I not signed off on the recommendation of the local drought committee. I cannot make it any plainer than that.

Mr HORAN: Can we have those minutes provided on notice?

Mr PALASZCZUK: I cannot—

Mr HORAN: Each committee must have met and made a decision therefore formalising that they agreed to revoke the declaration.

Mr PALASZCZUK: I cannot see what difference that is going to make. I have given you my assurance on the parliamentary record of my part in the drought declaration and drought revocation process. I could not be any clearer than that.

Mr HORAN: I will move on. Can you explain why dairy farmers in a number of areas who have submitted freight subsidy claims through the Drought Relief Assistance Scheme have not received assistance for claims dated after 29 February this year even though you have announced the drought declaration revocation some months later? In other words, regardless of the drought revocation you and your department have made some arbitrary decisions not to pay those freight subsidies that apply under a drought declaration after the end of February.

Mr PALASZCZUK: A couple of years ago, at the height of the drought, our government increased the subsidy and included dairy farmers under our Drought Relief Assistance Scheme. I think that was about two years ago. The Drought Relief Assistance Scheme is designed to maintain the state's herds and flocks during periods of drought and not designed to reimburse producers for the business costs associated with operating the farms.

Mr HORAN: I understand that. That is normal production feeding.

Mr PALASZCZUK: Consequently, freight subsidy assistance for the cartage of fodder is available to eligible primary producers upon demonstration of a number of criteria. These include that their property is officially drought declared, some under IDPs and some under shire provisions, and that the fodder purchased is being used for the survival feeding of their livestock. In other words, these livestock would perish without the provision of this fodder. What you are saying is that payments to dairy farmers had stopped before the drought revocation.

Mr HORAN: Revocation was made at the end of April. Any claims made for freight subsidy after the end of February have not been paid. That has happened in a number of places. I know of instances where there were signs up in DPI offices saying that they would not be paid even though the drought declaration was still current and not been revoked. This is completely aside from whether the fodder is for normal standard production or for drought purposes.

Mr PALASZCZUK: Mike, rather than wasting the time of the committee, I will take that on notice. If I can get you the answer to that before the end of the session, I will; otherwise, I will give it to you later on.

Mr HORAN: I turn now to the National Livestock Identification Scheme. I want you to explain to this committee why you keep claiming that you will not provide funding for an electronic tag subsidy because Queensland does not have a producer levy like other states. New South Wales, South Australia and Tasmania are not using producer levies for their NLIS packages and Victoria and Western Australia's electronic tag subsidies are only partially funded by a producer levy. We are the biggest beef producer and biggest exporter in the nation yet you have outlaid this paltry amount for the National Livestock Identification Scheme. There is nothing to assist with the very heavy cost of the tags for producers introducing this herd management system.

Mr PALASZCZUK: The different states have different schemes under which money comes in from producers. I am a bit hazy on this. I have been working on citrus canker for the last two weeks.

Mr HORAN: They are paying a tag subsidy.

Mr PALASZCZUK: They are not coming out of government funds.

Mr HORAN: They are. They are not levies. That is what I read out to you in the question.

Mr PALASZCZUK: I dispute that. I do not believe that they are coming out of government funds. I understand that their moneys are coming for infrastructure such as ours. I understand Victoria subsidised the tags but it has a levy in place to actually pay for it. That is the way I understand it. That is what I have said.

Mr Dunn: I do not have the precise details of the other states' schemes, but the states that have made commitments of funds have done so under a mixture of levy based funding or state based funding appropriation. I understand that in one state's case it is going to be recompensed or recovered through a levy system.

Mr HORAN: I have read out the ones that are not using producer levy funds and some are only partially doing that. In nearly all cases they are providing assistance to producers as well as the infrastructure cost to yards and works to implement the system.

Mr Dunn: I think you mentioned South Australia, for example. My understanding there is that the intention is that in the future a levy system will be applied that will recover that advance of the government dollars.

Mr HORAN: Minister, the real point I was making is that we are the biggest beef producing state and there is no assistance, even if it was there in the early stages, because it is going to cost producers at least \$3.80 or \$4 just for the tag itself.

Mr PALASZCZUK: It all depends on what QNIC recommends to us. Those recommendations will come to me pretty shortly. Currently we are also looking at the pathways for exclusion of certain cattle. I do not know what QNIC is going to recommend there. As a government we have taken a conscious decision, and that decision is not to subsidise tags. We are not going to subsidise tags. We are going to provide the infrastructure and everything else that is required to assist us with this National Livestock Identification Scheme. I will not bore you by going through the importance of the National Livestock Identification Scheme and so on. That has been out there all the time. But there is a group out there that overstates the cost of the NLI scheme, and I think you know who I mean.

The CHAIR: Thank you, Minister. The time allocated for questions by non-government members has expired.

Mr SHINE: Good afternoon, Minister. Minister, I refer you to page 1-2 of the Ministerial Portfolio Statements and the section on 'Output Mapping'. In terms of the new Biosecurity Division it says—

Biosecurity—reflects the department's key role in protecting the State from plant and animal pests and diseases.

You referred in your introductory statement somewhat to this area, but how has the Biosecurity Division and the wider department responded to the detection of the citrus canker disease on a single Emerald district property?

Mr PALASZCZUK: Before I go into the full response to the question, I can advise all members that the National Plant Health Consultative Committee has agreed to reopened interstate markets for Gayndah-Mundubbera citrus. The Gayndah-Mundubbera region's citrus had been prevented from interstate trade since 7 July following the detection of the exotic citrus canker disease on a single Emerald district property. Gayndah-Mundubbera has been under close surveillance because bud wood from another Emerald district property had been provided to 42 properties in the Central Burnett district. That surveillance has concluded with no detection of citrus canker and the national consultative committee has accepted those results.

Consequently, the other states have agreed to reopen their borders. New South Wales borders, for the information of the committee, have reopened immediately whilst Victoria, Western Australia and Tasmania will reopen at midnight. The Northern Territory and South Australia are to reopen early next week. I believe that the decision for the Gayndah-Mundubbera area is a very crucial one, because that is our largest citrus growing region. On Wednesday, 21 July, interstate authorities agreed to the reopening of all areas other than the Emerald district and the Gayndah-Mundubbera area. All fruit, however, will require inspection, treatment and certification before it can be traded interstate. There is no doubt that the detection of citrus canker on a single Emerald district property has been an enormous issue for the department and for our horticultural industry.

I must say that I have been very proud of the efforts of the department and its staff. The department had devised a national response plan for citrus canker ready to be approved by all Australian governments even before the citrus canker was ultimately confirmed on 6 July. The national management group approved the plan on the afternoon of 6 July in the same telephone hook-up to determine if the disease was actually the exotic citrus canker. Essentially, the response planned focused on four key areas—containment, surveillance, eradication and re-establishing market access. All Australian governments of course were mindful of the sensitivities of this detection. When I go to the next meeting of the agriculture ministers in Melbourne on Tuesday I certainly am going to personally brief the ministers on the response and to thank them for their support and other states for providing staff for our response effort. With my frustrations about the interstate markets' closure to one side, the only serve I intend to give the ministers south of the border is a serve of Queensland's oranges and mandarines.

Returning to the response effort, I must say that our department has worked very hard and very well. I have brought with me a chart—and I will hold it up for the committee—that will give you an indication of all the work that has been done by our department. This is the chart of all the work and all the design jobs that people have in the eradication of the citrus canker and the re-establishment of the markets. I will leave these here for the benefit of committee members to have a look at during the break. It is a very interesting exercise to look at what has happened here, and this has all happened in less than three weeks.

Mr SHINE: Minister, while we are on biosecurity, can you explain the variance in funding for biosecurity between the 2003-04 and 2004-05 financial years in light of the importance the government places on this work?

Mr PALASZCZUK: I received a similar question from the opposition, and I believe that I have dealt with those false claims of a budget and staffing cut to DPIF biosecurity in answering a question on notice. Let me answer the question this way: \$89.19 million will be allocated to biosecurity in 2004-05, demonstrating the ongoing substantial commitment to this output. There is variation from the 2003-04 allocation, which was \$99.81 million. The key areas of the adjustment have been a \$10.3 million reduction in fire ant resourcing resulting from the planned reduction in the requirements for the overall program due to the success of the eradication campaign. As an example, there is an estimated \$5 million reduction in fire ant bait resource requirements for 2004-05.

There is also a \$4.1 million reduction in requirements for TFAP, again due to the excellent results achieved in the program over recent years with successful on-property programs and reduced number of new detections. These reductions have been balanced by further additions to biosecurity to resource a foot-in-mouth disease vaccine bank of \$0.4 million; heightened levels of surveillance, especially for BSE, of \$0.6 million; developments in livestock traceability of \$1.2 million; and enhancements to animal welfare services of \$0.4 million in relation to growing demand, especially in urban, peri-urban and indigenous communities.

The major program areas of resourcing for 2004-05 are over \$35.5 million to animal and plant biosecurity which will focus on continuing enhancements of FMD/BSE preparedness, building the emergency response skills in plant biosecurity and progressing the animal traceability developments. There will also be capital investment to enhance laboratory diagnostic capabilities at Oonoonba and Toowoomba laboratories; over \$8.4 million for chemical use and food safety programs to enhance the quality and safety of food products and provide new directions to understanding risks of chemical use in terms of downstream water and reef quality effects; \$5.17 million for animal welfare and animal ethics measures; and \$3.69 million for fire ants to continue the good work towards eradication of this pest from south-east Queensland.

In summary, if you take out our wind down on the fire ant effort and the reduced requirements for TFAP, it is in effect a \$3.8 million increase in our biosecurity effort. This is particularly important if we are to continue our efforts to maintain our plant and animal health effort. Of course, citrus canker has shown us how vulnerable we can be.

Mr SHINE: Minister, in your portfolio statement you refer to the high priority investment with respect to drought assistance and recovery. Can you give us some details of what activities you intend to undertake with respect to drought support and preparedness?

Mr PALASZCZUK: The government has placed a very high priority on drought support and preparedness, and several agencies have responded with new initiatives complementing the large number of programs, measures and activities in place to support and assist primary producers and rural communities. DPIF has taken a lead role in drought policy reform at the national level. DPIF has provided significant input into the national drought review panel deliberations, the drought round table and ministerial council working groups. In addition, a statewide survey of primary producers was undertaken during the December 2003 and January 2004 period. One of the key findings was that Queensland's primary producers have been very supportive of our drought policy position of self-reliance, with three-quarters of those surveyed saying that they were either very well prepared or moderately prepared for drought. The drought carry-on finance and drought recovery loan schemes were established in February 2003. The purpose of the carry-on finance scheme is to provide concessional loan assistance to cover operating expenses during drought—for example, for fuel and rates—while the purpose of the recovery loan scheme is to provide concessional finance for restocking and crop establishment post-drought.

There has been increased lending under these schemes through 2003-04. Importantly, the drought loan schemes are available to eligible producers in all industries excluding retail amenity horticulture. The government has been proactive in meeting the needs of all primary producers, not just those in the traditional beef and grains industries. Since the creation of these two drought loan schemes, QRAA has approved more than 140 applications for loans totalling in excess of \$8 million. Applications have been received from producers in 79 shires. DRAS is a long-established scheme that provides freight subsidy assistance for the cartage of fodder and water during drought in returning stock from agistment and restocking post-drought. It is targeted at the extensive grazing and dairying industry. In 2003-04, DPIF made 5,385 payments totalling \$12.4 million. This is the highest annual payments total on DRAS since 1993-94—that is, \$12.4 million.

This government made significant changes to DRAS in December 2002, as I said earlier, to improve the freight subsidy entitlements for Queensland's dairy farmers. Dairy farmers are eligible for DRAS subsidy rates at the same level as graziers, and that is the first time ever. The Queensland government adopts a partnership approach to the preparation of exceptional circumstances assistance and applications that utilise the skill and knowledge of industry organisations to help develop

applications. In other words, we work in pretty closely with industry. We work in partnership with industry to prepare our submissions.

Mr SHINE: Minister, in relation to a matter of great interest in Toowoomba, what is the progress of the proposed Cooperative Research Centre for Climate Risk Technologies being led by your department and what are the likely benefits of such a centre being established?

Mr PALASZCZUK: I suppose it is really important for both yourself and also the member for Toowoomba South. This initiative started with a very successful national drought science forum that the department held in April 2003 in Brisbane. As a result of this national forum, it was decided that a major cooperative research centre would be established to spearhead research, development and extension activities in climate risk management. The prime aim of this initiative is to better prepare Australian businesses and communities for the extremes of climate variability that we suffer and to better prepare rural business for the impacts of long-term climate change.

Dr Roger Stone from our department is the CEO designate and has now gained support from 18 different bodies ranging from well-known commercial companies such as Suncorp Metway to the Murray-Darling Basin Commission, six leading Australian universities, CSIRO and the Bureau of Meteorology Research Centre. Most other state agriculture departments are also committed to the CRC. Also, AWB—the Australian Wheat Board—has joined this initiative as a core partner and has committed to contribute \$100,000 per year for a period of three years. DPIF is the lead agency for this national initiative and has committed to provide \$2.1 million in cash over the seven years of the proposed CRC.

Additionally, DPI Forestry is committing \$700,000 in cash for this important venture. This will be additional funds to the existing climate risk management activities in the department. With DPIF as the lead agency in the centre based in Toowoomba, Queensland will be able to harness key aspects of research and development in Australia for the direct benefit of Queensland's industry. This is particularly important for our rural industries that continue to strive for increased profitability in the face of huge extremes of climate variability caused by the El Nino effect as well the more insidious but equally alarming aspects of long-term climate change.

The final second-stage application for funding for this important CRC bid was submitted on 2 July. Interviews and follow-up action are now being planned in order to secure this important national initiative for Queensland. The decision on which CRCs will be funded will be made in December 2004 by the Australian government Department of Education, Science and Training and they will administer this CRC program.

So I think that, at the end of the day, this is a great initiative and good work from Dr Roger Stone, who has become an expert world wide now in climatology. I just hope that in December we will get the tick from the Commonwealth government, whoever they may be, so that we can go ahead with providing a service that is of great need for our producers throughout not only Queensland but also Australia.

Mr HOOLIHAN: Good afternoon, Minister.

Mr PALASZCZUK: Good afternoon.

Mr HOOLIHAN: I refer you to page 1-5 of your MPS. In terms of the increased funding for the implementation of the coral reef fin fish management plan, will there be additional staff appointed to the Queensland Boating and Fisheries Patrol and, if so, where?

Mr PALASZCZUK: I am pleased to highlight a number of the new initiatives this year that will strengthen our capacity to protect our state's fish stocks, especially in the coral reef fin fishery. A management plan has recently been introduced to ensure the sustainability of these fish stocks. An effective compliance program is essential to the effectiveness of the management plan.

One major initiative involves the creation of five additional positions in the Queensland Boating and Fisheries Patrol to enable the appointment of specialist investigators. These officers will be located in Cairns, Townsville, Mackay, Rosslyn Bay and Hervey Bay and are a part of this commitment to protecting our coral reef fin fish fishery. These investigators will further enhance the skills base within the fisheries patrol and will provide an enhanced capacity to deal with more complex and lengthy investigations. The expected cost is \$470,000 annually.

The patrol has employed a temporary intelligence analyst since 2002. That position will now become permanent at a cost of \$80,000 per year. This is part of the need for the patrol to work smarter by enabling high-risk activities and people to be more effectively targeted. A permanent quota monitoring unit staffed by four officers is also being established. This unit will monitor all Queensland quota managed fisheries, which includes the reef line, spanner crab, tailor, spotted mackerel, beche-de-mer and trochus fisheries. The unit will have close linkages to the Queensland Boating and Fisheries Patrol and the annual cost is expected to be \$330,000 per year.

The measures contained in the new fisheries management plan for the coral reef fin fish were introduced in response to concerns about the status of stocks of these key species in the Great Barrier

Reef World Heritage area. Prior to the plan, commercial, recreational and charter fishing sectors had an excess fishing capacity. This excess capacity was reflected in unused or little used licences and in bag limits that were rarely achieved. So we have brought in these new changes to the fishery to ensure that we maintain a sustainable fishery. I know that it has caused a lot of heartache out there for a lot of people, but at the end of the day I believe that our decision and the planning that we have introduced is the right one.

Mr HOOLIHAN: I would also refer you to page 1-5 of the MPS in relation to the new base for the Queensland Boating and Fisheries Patrol at Rosslyn Bay. How will that new base support the patrol's work?

Mr PALASZCZUK: I am pleased to announce that, due to your tireless representations, the member for Keppel—you remind me a little bit of your predecessor when it comes to that—work has already commenced to construct a replacement Queensland Boating and Fisheries Patrol base at Rosslyn Bay at an anticipated cost of half a million dollars. This will replace the previous office complex purchased from the Capricorn Cruising Yacht Club in 1988-89, which could no longer meet the needs of a modern and expanding enforcement agency. I believe that the site is ideal for fisheries patrol purposes as it is located in the Rosslyn Bay harbour, has waterfront access and a boat ramp. The site is also next door to the Queensland Parks and Wildlife Service and the Queensland Water Police.

We have progressively modernised fisheries patrol facilities across the state. Since I have been the minister, replacement fisheries patrol complexes have also been constructed at Karumba and Port Douglas. The patrol will also benefit considerably from the development of a new fisheries complex at Eagle Farm this financial year. That is going to cost around about \$1.5 million. The Rosslyn Bay fisheries patrol complex currently houses four patrol staff and an administrative officer. An additional officer will be located there this year as part of the government's commitment to the protection of the coral reef fin fishery.

As well as reef fish, major commercial fishing activity in the area also includes barramundi, mud crab, scallops and prawns. There are also two commercial processing operations near Rosslyn Bay. Recreational fishing and boating activities in the area also continue to grow significantly. The Rosslyn Bay fisheries patrol staff have the primary responsibility for fisheries and boating education and enforcement functions. They also perform duties on behalf of the Great Barrier Reef Marine Park Authority. The Queensland Boating and Fisheries Patrol will continue to provide an effective compliance service to protect our state's fisheries resources. In the 12 months to the end of June 2004, the patrol inspected 27,472 recreational and commercial fishing units and detected 1,812 offences.

Mrs CARRYN SULLIVAN: Good afternoon, Minister. Can I reiterate your comments about Maurie Doyle and his considerable efforts in the Department of Primary Industries over the years. I would like to tell you that he is comfortably now settled in the electorate of Pumicestone, which I represent. So I am very much looking forward to continuing my working relationship with him. I refer you to page 1-14 of the Ministerial Portfolio Statements. Specifically, I refer you to the projection on that page of 45 breeds or varieties of produce developed by the department to be taken up by the industry in the 2004-05 financial year. How has the development of new strawberry varieties assisted the growth in production and exports of this industry?

Mr PALASZCZUK: In 1994, the department established the Better Berries program and also a team to identify and address key issues inhibiting the sustainable development of our Queensland strawberry industry. The Better Berries program was developed in close association with the Queensland strawberry industry and has been jointly funded for 10 years by DPIF, QFVG, the Queensland Strawberry Growers Association, Strawberries Australia and Horticulture Australia. Another three years of funding, ending in June 2007, has just been approved. Better Berries program projects attract external funding of approximately \$400,000 a year.

So, what is happening? The breeding and importing of better varieties that will delight consumers and improve industry profitability; the development of integrated nutrition, irrigation, pest and disease management systems; and ongoing improvements of the Queensland runner scheme. Queensland-produced runners now make up 25 per cent of plantings—up from three per cent back in 1997. This has allowed the industry to recapture the early season market worth \$4 million that was previously lost to imported fruit. Isn't that good to see—recapturing that market from overseas fruit?

The Better Berries program has been a major contributor to the success of the Queensland strawberry, which has increased in value from \$8 million in 1991 to \$85 million at the farm gate in 2003. It is expected to reach \$100 million by the end of this year. On-farm employment has increased tenfold to around about 8,000 and Queensland has now become Australia's major strawberry production area. Exports are rising steadily, with plans in place to expand sales into New Zealand and the US. If I can reinforce this to the committee: I think that currently the US has the greatest potential for any of our primary industries. Their love affair with our new strawberry variety, ruby gem, is just growing and growing. If we could produce 100,000 boxes of ruby gem per day, the US would take them from us almost immediately. That is how well received our ruby gem is in the US.

But it is not only strawberries that we are looking at. We are also having a look at the other berries that go with them. When people in the US go into a supermarket, they do not buy just strawberries; they also buy blueberries and raspberries as well. They like to buy the three berries. If we can establish a successful raspberry, blueberry and other berry industries up on the Sunshine Coast to complement our strawberries, the sky is the limit to what we could eventually export in the US market. That is also good news for a number of those canegrowers up in that Sunshine Coast area who are displaced because of the closure of the Nambour mill.

Mrs CARRYN SULLIVAN: I refer you also to page 1-3 of the Ministerial Portfolio Statements and the references to the sugar industry. What is the objective of the FutureCane program and how will it benefit the sugar industry in the wake of legislative reforms, restructure assistance and a compensation package following sugar's exclusion from the trade agreement with the United States, which I note so far today the opposition has been silent on?

Mr PALASZCZUK: The FutureCane program's objectives are to increase cane yields in a sustainable way, to improve the value-chain connections between growing, harvesting, transport and milling, and to facilitate change in the sugar industry to ensure that it remains a mainstay of Queensland's regional economy. FutureCane is a unique partnership between DPIF and BSES. DPIF has combined its significant technical expertise in farming systems, agronomy, business planning, marketing and economics with the extension expertise of BSES. FutureCane offers cane farmers an opportunity to explore a sustainable cane farming system—one that increases profit by increasing yields and minimises input costs such as fuel, chemicals and fertiliser. FutureCane can also improve business operations and provide tools to assess options for the future. The potential benefits are up to a 15 per cent increase in cane yields and a reduction in costs of the same proportion which, if achieved, would amount to significantly increased profits. It is really only through increased yields that the profitability of cane farms can be increased. This is a real value adding. I do not know whether members have seen this, but this is—

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

Mr PALASZCZUK: I will show this to you later on.

The CHAIR: I call on the member for Toowoomba South.

Mr HORAN: I note the nasty comment by the member for Pumicestone. That is sad, because under the agreement, whilst every endeavour was made to get sugar included, there were the benefits for beef, dairy, avocados, mangoes, sheep and many, many other sectors, which would have been forgone had that agreement not been put in place. I want to go back to the national livestock identification scheme and the amount of money that is allocated to it in the budget papers. In your answer to our question on notice No. 5 it really appears that, whilst in the budget papers and press statements you have been saying that there is a \$4.5 million package for the scheme, that is not really true. It appears that the amount of new money that is available for the scheme is \$690,000, which is for infrastructure alone. Other amounts of money that you list in the budget are for things that you do now and have done for many, many years, being brands, property identification and compliance with—

The CHAIR: Could you put the question?

Mr HORAN: My question to you is: of the \$690,000 that you are providing, how is that going to provide infrastructure support to well over 20 major saleyards? The Roma yards alone need \$250,000 or more and a huge number of abattoirs also have to be included in the infrastructure process. It really is a pittance to what will probably be needed.

Mr PALASZCZUK: Let me just go through all the elements and the breakdown of the NLIS: property and brands registration, \$1.9 million; compliance, registration and identification of livestock, including brands; \$1.1 million; QAC funds applied to industry infrastructure—and this is the \$0.690 million that you are referring to, and do not forget that these are subsidies—

Mr HORAN: I know what that is. That is for the infrastructure and abattoirs and yards.

Mr PALASZCZUK: That is right, \$0.69 million. There are also components of new investment proposed applied to NLIS 2004-05, \$0.52 million; and redirected resources from within DPIF for NLIS policy and implementation planning, \$0.47 million. That brings us to a total of \$4.69 million. The new resources for 2004-05 are \$1.68 million. You have to understand that the Commonwealth government is putting together its own national database. Queensland is doing the same thing. To further expand on where that money is going in Queensland, I will ask Kevin to make some further comment.

Mr HORAN: Is that to break down the \$1.68 million for us? All of the other money is already being spent. It is just a reallocation.

Mr PALASZCZUK: Let us go back to the \$0.69 million. QNIC, my advisory committee headed by Peter Milne, has an infrastructure development advisory group looking at this. QNIC will be reporting to me on this. If its report proves that this amount is inadequate, we will certainly alter it.

Mr Dunn: To further elaborate, the Queensland NLIS Implementation Committee, or QNIC, has a group that is looking at that particular question of infrastructure to come back and advise where the most critical needs are.

Mr HORAN: Thank you. Minister, to try to get to the nub of it, the vast bulk of the \$4.45 million is money that you have been spending for years gone by in brands, property identification areas, compliance and so forth. Really, the only new money is \$0.69 million for infrastructure grants or subsidies. I have indicated that Roma saleyards alone would need \$250,000. You mentioned an amount of \$1.68 million. Can you clarify the \$0.69 million? I can see that from the reply you gave us. The \$1.68 million includes the \$0.69 million. What are the other components?

Mr PALASZCZUK: Kevin has all of the figures there for you. He can give you the direct breakdown.

Mr Dunn: To answer your question, there has been \$0.52 million in new funds also devoted towards the enhancement of NLIS systems within the department. That is to build on those existing areas that you have mentioned which have underpinned our livestock identification and tracing system to date. An important point is that NLIS is not starting from a zero base. Queensland has had a credible identification and livestock tracing system to date which has been provided by this department. The \$0.52 million does enhance that. That is new money. There is also a diversion of \$0.47 million of existing staff allocated resources from within the department from areas other than had been going to livestock identification and tracing that is now totally dedicated to the enhancement of livestock ID through the NLIS.

Mr HORAN: Thank you. The problems that the industry is facing are that there is absolute confusion out there. You were supposed to release the implementation plan on 1 July to give 12 months to implement so that it would be ready for 1 July 2005. That is one serious problem. Why has that not been implemented? Also, why has no decision been made on the pathways system, which is important as part of the implementation plan—the pathways from property of birth to export or to meatworks?

Mr PALASZCZUK: Basically I am waiting for QNIC, which is going to give me all the advice on that, to report to me. That will come very shortly. We actually aim to complete our NLIS design probably by the end of this month. We also intend to implement the program by July 2005. I just believe that the process that is in place currently, that is being progressed by QNIC, is the best way to go. QNIC reports to government through the Queensland Biosecurity Advisory Council. We have to look at what the voluntary uptake has been up until probably when we implement our plan, which is from 1 July 2005.

I can understand the debate that is raging out there. I can well remember the debate at Roma a couple of weeks ago. There were 1,500 very angry producers ranging from beef producers all the way through to egg producers. They vented their anger against the Commonwealth government. I met with a deputation of those producers. That meeting voted that representatives from that group meet with agriculture ministers in Australia. I have met with them. I have been working in and my DG has been working in very closely with John Carter, who is presenting the opposite view to the introduction of NLIS. We are weighing up all sides of the equation and waiting for a report from QNIC to government for an announcement. It has to go to cabinet as well. All of this has to go to cabinet.

Mrs PRATT: I would like to ask about citrus canker. Citrus canker is an unexpected expense—one you would have been prepared for just in case but still unexpected. You mentioned a substantial number of people employed to combat it and a lot of other things. I must say in relation to the photographic imagery that my husband is actually flying the plane. I say that just so you know there is a connection here.

Mr PALASZCZUK: Is he helping us?

Mrs PRATT: I am hoping he is helping. He is keeping the plane up there!

Mr PALASZCZUK: He is our eye in the sky, is he?

Mrs PRATT: Absolutely, and a very good one at that. The point is that you mentioned recently that you expected the cost to be around \$10 million.

Mr PALASZCZUK: Up to \$10 million, yes.

Mrs PRATT: Is that including those wages, et cetera?

Mr PALASZCZUK: No.

Mrs PRATT: I will just finish the question, if you don't mind. Will you be seeking to recover these costs from the person, persons or companies if there is any proven illegal importation of plant stock?

Mr PALASZCZUK: The costs I have been referring to are costs that will be borne by government. We currently have a national consultative committee in operation and we have a cost sharing arrangement. The Commonwealth provides 50 per cent and the other states provide money based on gross value of production of the citrus industry. Up to now we are looking at a cost of about \$1.68 million. This could rise quite considerably. This does not take into account the loss of wages and loss of production, although I must say that the Department of State Development and DET are closely

looking at this very issue at this very moment. We certainly are having a good response from the whole-of-government effort. You have raised a good issue, and that is being seriously looked at by government at this very moment. We have also decided to bear some of the costs of growers. We are going to waive the inspection fees. That is going to cost around \$800,000.

The final point you raised is a very important issue, about who pays for the costs of this incursion. It is a breach of quarantine. That is AQIS. Unfortunately, whenever there is a breach of quarantine with a pest or any disease it is the state governments that have to mop up the mess. As far as Evergreen is concerned, we as a government do not have any right to sue or try to recoup costs from the company because as a government we really have not lost any money, but growers have. I understand that there are growers currently discussing that issue with their legal representatives. As far as identifying where the disease came from, we just do not know but we are having a look.

Mrs PRATT: With regard to the disease itself, it is my understanding that tests are being undertaken at the moment to see how long the disease has been in existence this time.

Mr PALASZCZUK: Yes.

Mrs PRATT: Have those results come back? When can we expect some results?

Mr PALASZCZUK: They have not yet. I will get Chris Adriaansen, who is leading our response, to give you an up-to-date report on what we are doing in relation to that matter and how far we have got.

Mr Adriaansen: In terms of the investigations of the status of the disease, we have undertaken some testing and analysis that provides part of the picture. It is obviously a case of getting all of the information together to be able to establish how long the disease has been there and then to try to pinpoint the source of that disease. The information we have to date identifies that the disease has probably been evident on that property for a few months, and we are tracing back from there to identify how long it has actually been within those trees.

One of the problems with this disease is that it can lay latent within trees for a number of years before it actually expresses symptoms, so it is a case of trying to trace back. Unfortunately, this is not *CSI* and we do not have those wonderful tools that you see on the television that can pinpoint something as accurately as that. What we have to do is, by a process of elimination and information gathering, try to find the answers to those questions.

Mr HORAN: Minister, with regard to the coral reef fishery management plan, can you explain to us how much is budgeted for the subsidised loan scheme that was announced on 1 July and provide an estimate of how many fishers you anticipate will access these loans? Secondly, once the results of the Department of Employment and Training study into the impacts of these fishing restrictions are known, are you prepared to then announce a structural adjustment package for affected fishing families, as the federal government has done for similar fishing restrictions?

Mr PALASZCZUK: We provided \$5 million in assisted loans for the fishery. This scheme provides low-interest loans, without any fees and charges, of up to \$300,000 for a period of up to seven years for fishers who meet the eligibility criteria. That is based as a result of representation that was made to me from QSIA—from John Olsen and Duncan Souter. I am glad that this scheme is in. I am sure that as time rolls on it will be accessed by our commercial fishers. The other part of the question was basically about—

Mr HORAN: The Department of Employment and Training study into the impacts of these fishing restrictions. Once that is known, will you be prepared to then introduce a structural adjustment package for affected fishing families?

Mr PALASZCZUK: I suppose you are comparing what the Commonwealth government has done with its compensation package for the RAP program for the Great Barrier Reef and our plan.

The RAP was introduced to deal with World Heritage issues concerning biodiversity and so on, and our reef line plan is a fisheries management plan. It is designed to benefit the commercial fishers in the long run. Whereas the Commonwealth government has taken a fishery or access to a fishery away from our fishers we have not. We have introduced a plan to ensure the long-term sustainability of the fishery. Under our legislation there is no provision for compensation. As far as the issue that you specifically mentioned is concerned, the issue of the current study that is under way, we will just have to wait and see the results of that study and make a decision based on those results.

Mr HORAN: Minister, I refer to the Future Cane project. Can you confirm that the \$1.7 million for this project is the only funding your department is providing this year through the state sugar industry reform package? Isn't the work that is done under the Future Cane project something that DPI staff should or would be doing as part of their normal duties? Can you explain why it is necessary to have a specific funding package for DPI staff to be doing what they basically are doing now and normally do, and wrapping it up and saying that it is part of the sugar rescue package?

Mr PALASZCZUK: There is new money. There have been 12 new positions created. These are four farming systems agronomist positions, four in business planning, one trade and business specialist, one partnership position, one project leader economist and one new farm financial counsellor. The

\$5.2 million is the funding for the Future Cane project in which these additional positions have been created. What this really does is combine significant technical expertise in farming systems agronomy, business planning, marketing and economics with the expertise of the BSES. Of course we are doing this in partnership with BSES. BSES is supplying four staff. We advertised new positions on 10 July this year. In addition to these positions we are advertising, and will hire, what we call industry champions for four regions. I do not know whether you saw that press release, Mike. These will be local people knowledgeable about the sugar industry and well respected in their areas. Industry champions will work on a casual, as needs basis throughout the cane areas. They will contact, encourage and involve cane farmers in working with the Future Cane teams to take up opportunities to explore what is specifically required for their farms.

I mentioned that there are four BSES officers. As you would know, the BSES is funded by the government to the tune of \$3.8 million per year. But I must say this for the benefit of the committee. When we regained government this year and Jim Varghese became our director-general, we made a conscious decision to make sugar our priority—in other words, to increase our resources towards sugar, and that is what we are doing.

Mr HORAN: Minister, with regard to the sugar industry funding assistance, with previous loans that have been provided, in the year 2000 only nine loans worth \$60,308 were granted under the \$10 million scheme. Then in 2002-03, under the \$20 million cane crop scheme, only \$442,685 of loans were taken up. That means that between one and two per cent of the amount offered in loans was actually taken up. We asked an opposition question on notice about projections for expenditure through the farm consolidation loan scheme, but you have refused to answer that. Is that because you believe the scheme will be almost worthless on the basis of the only one or two per cent uptake on the previous two loan schemes?

Mr PALASZCZUK: Yes, I was disappointed at the uptake of those previous schemes. Unfortunately, at that stage we were competing with programs that the Commonwealth government had also implemented and, unfortunately, the uptake of those schemes was pretty low. As far as the current scheme is concerned, Colin, would you like to give us the latest figures on that?

Mr Holden: I do not have the exact figures to hand, but the situation is that under our primary industry productivity enhancement scheme we have been continuing to fund sugar cane growers through the consolidation of farm properties, et cetera. When legislation was passed earlier this year for the sugar package, et cetera, that enabled us then to look at the specific \$10 million. As I say, at this point in time I do not have the exact numbers to hand but I can quite readily obtain those.

Mr HORAN: If we can have those on notice, Minister.

Mr PALASZCZUK: Yes, sure.

Mr HORAN: Thank you.

Mr PALASZCZUK: We must remind the committee that QRAA is at record lending levels this year. It is the best year they have ever had.

Mr HORAN: Minister, plant certification fees—how much did the government receive last financial year in plant inspection and third party interstate certification insurance fees, and how much is budgeted to be received this year? Can you also explain how much has been budgeted for biosecurity initiatives that specifically relate to plant health and whether the increased tax take on the horticulture industry has translated into increased state government spending on plant health biosecurity?

Mr PALASZCZUK: Kevin?

Mr Dunn: The revenue received from plant biosecurity certification last year—2003-04—was approximately \$0.66 million. That represented an increase of \$0.3 million from the 2001-02 year. There is a continuing application of plant health inspection charges in 2004-05. At this stage the anticipated revenue would remain in the order of \$0.66 million to \$0.7 million. However, that is very dependent on the seasonal nature of produce turn-off and there will be, in this coming year, some reduction in that brought about by the citrus canker outbreak and the special measures the government has put in place to offset those plant health inspection fees in the citrus industry.

The CHAIR: Thank you. The committee will now adjourn for afternoon tea. The hearing will resume at 2.45 to continue the examination of the portfolio of Primary Industries and Fisheries.

Sitting suspended from 2.22 p.m. to 2.47 p.m.

The CHAIR: Estimates Committee G hearing is now resumed. The question before the committee is that the proposed expenditure for the portfolio of the Minister for Primary Industries and Fisheries be agreed to. The first round of questions will be from government members. I call the member for Pumicestone.

Mrs CARRYN SULLIVAN: Thank you, Mr Chair. Minister, I refer you to page 1-12 of the Ministerial Portfolio Statements. In the area of trade, what gains have been made by the Queensland

beef industry in the Japanese market, particularly with the US sidelined after BSE was detected prior to Christmas last year?

Mr PALASZCZUK: I thank the member for the question. It really highlights Queensland's reputation in Japan for high quality safe beef. This is Queensland's most valuable market for beef and I have been able, as minister, to lead delegations to Japan in both 2002 and 2003, and I understand the Premier will be visiting Japan this September. That is how important the government views the Japanese market.

Could I also now go on to the issue of the National Livestock Identification Scheme. I would like to clarify a number of points made by the member for Toowoomba South. The member for Toowoomba South put forward the proposition that all other states were providing a tag subsidy for producers and that none of those states were raising that money through a levy. That is wrong. To the best of my knowledge, there is no tag subsidy for beef cattle produced in New South Wales and Tasmania. In terms of Victoria, which is providing a tag subsidy, it is obtaining funding for this from the stamp duty on cattle sales.

In terms of South Australia, which is providing a tag subsidy, it is obtaining funding for this from a joint government industry levy. Industry is contributing up to 75 per cent of that levy. In WA, which is also providing a tag subsidy, it is obtaining funding for this from a joint fifty-fifty government industry fund. However, the one area that the member for Toowoomba South did not mention was the Commonwealth. When you speak about NLIS, the N stands for national. I am worried that the N will be dropped off because unfortunately we have had no leadership from the Commonwealth government. What the Commonwealth government has done has foreshadowed a spending of \$2 million for NLIS this financial year and it is not budgeting or planning any subsidies for producers of tags.

To use up a bit more time I might refer to the issue of training in the Torres Strait. I was very concerned when the member for Toowoomba South raised this issue. The member's first series of questions dealt with the training of people in the Torres Strait and subsidies under the FarmBis plan. I want to remind members of the committee one more time that no FarmBis subsidy is paid without an application and no-one is forced to undertake training. To ensure that this matter is further clarified I have sought further advice. Remote Training Australia was also mentioned and its involvement in providing training with FarmBis.

The Queensland government has recently received representation from IRES Corporate Services, which was formerly known as Remote Training Australia, seeking the continuation of FarmBis subsidy funding for the dive training and dive safety courses they provide. They have advised that prior to August 2003 no formal dive training was being delivered in the Torres Strait and Cape York region. I understand full commercial diver training was available in Townsville. An initiative was put in place in late 2002 by the Department of Employment and Training to train approximately eight divers to a level II. I understand only two came close to finishing training and the program was abandoned.

In recognition of the increasing fatality rate, the limited financial resources and the cultural differences involved, IRES Corporate Services initiated a training scheme utilising funds provided under the FarmBis program. In correspondence received by the Queensland government from IRES Corporate Services it states, 'The success of this training was outstanding, with over 350 commercial divers in the Torres Strait region alone becoming internationally accredited. To our credit and that of all involved there has not been a fatality in that region since the implementation of the training.'

The correspondence from IRES Corporate Services also states, 'FarmBis has been funding training for primary industry persons and this money, state and federal, has been used to deliver training in diving for Torres Strait divers in the crayfish and the sea cucumber industries as well as teaching basic business skills. The Cairns coroner has called for this training on several recent occasions.' At the end of the day what we are looking at is an issue of human safety. We have expended approximately \$1.2 million on the diving courses and, as I said earlier, this is mainly focused on workplace health and safety issues. This is associated with the fishing industry, which is their predominant industry, and the program meets the program's criteria.

In answer to the funding for sugar through PIPES, in 2002-03 the amount was \$2.942 million and in 2003-04 \$2.406 million. I think I have caught up with you now, Mr Horan.

Finally, in relation to drought assistance to dairy farmers, the DRAS scheme provides financial assistance to the grazing and dairy industry, as I mentioned earlier, in the form of freight subsidies. We increased the subsidies to 50 per cent of the total freight cost for fodder transported for feeding of dairy cattle in December 2002, as I said earlier. Previously the 50 per cent fodder freight subsidy was available for dairy farmers on 40 per cent of fodder purchased. Due to extreme conditions the purchase of fodder is now deemed essential for maintaining production and survival and the increased subsidy is therefore appropriate.

This move has been a major improvement and it has meant increased assistance to dairy farmers. Indeed, the last financial year represented the highest spending on freight subsidy since 1993-94. This is significant because producers have prepared better for this drought than the nineties drought

and this has meant destocking has usually occurred much earlier than, say, a decade ago. As dairy farmers normally hand-feed their herd all year round to maintain production, regardless of seasonal conditions, differentiating between production feeding and survival feeding is quite difficult. Therefore, DPIF wrote to dairy producers who had lodged claims for fodder movement after 1 March 2004 inquiring whether this fodder was actually purchased for survival feeding. If those producers have been able to demonstrate that they were still adversely impacted by drought and their LDC supported this the application for freight subsidy assistance has been processed.

Let us have a look at these LDCs or local drought committees. They are made up of local DPI staff and local primary producers. Their role is to advise myself as minister on the drought status of areas and recommend declarations and revocations. I believe the LDC system has worked well and the voluntary service—remember this is a voluntary service that is provided by producer members—is well appreciated by government. I have given the committee assurances that I have accepted every LDC recommendation as presented to me by the department. I believe, as I mentioned earlier, it is unnecessary and it would be unfortunate if LDC meeting minutes were published. It has not been the case before and I do not believe it should be the case in the future.

Our system has worked well, except, as we all know, for one unfortunate chapter that occurred back in the 1980s. This, of course, pre-dates most of us here so I will go through the situation that occurred. In 1989 the Public Accounts Committee inquired into the administration of the DRAS scheme by the Department of Primary Industries under the then National Party government. That inquiry was sparked by reports of anomalies in the administration of drought assistance, including the declaration of Isis shire in 1988, without reference to the then local drought committee. The PAC report was a damning indictment of the government of the day and the rules that are in place now have been the new rules that were in place 15 years ago and I stand by the local drought committees and the great work that they do on a volunteer basis, sometimes in very difficult conditions, making decisions that impact on their next-door neighbours.

The CHAIR: Member for Keppel?

Mr HOOLIHAN: I refer to page 1-26 of the Ministerial Portfolio Statement where it refers to the east coast trawl management plan, and I ask: what benefits will the US decision to re-open its market to Queensland wild caught prawns bring for the state's seafood industry?

Mr PALASZCZUK: As the member would know, the United States market for Queensland wild caught prawns was closed back in 1996 over concerns that turtles were actually being taken in trawl nets as inadvertent by-catch. The ban has been lifted as a result of government and industry collaboration in developing and using effective turtle excluder devices. Turtle excluder devices or TEDs are grids that sit in the throat of the net and deflect turtles, rays, sharks and other large objects like sponges out through a flap either in the bottom or top of the net. The Queensland fishing industry has had to work hard to secure the re-opening of the US market. TEDs have been under development in Queensland's east coast trawl fisheries since 1999 and have been compulsory in all otter trawl nets since 2002. The department has been working closely with the prawn fishing industry to improve their design and also their operation to make sure that large turtles that encounter trawl nets are readily able to escape unharmed.

Earlier this year a series of workshops were run from Southport to Cairns to aid in the development of better excluder devices for east coast trawlers. DPIF organised a gear technologist and a shrimp fisherman from the US to attend the workshops and share their 20 years of knowledge in the design of turtle excluder devices. The workshops will lead to some changes in the regulations that guide the design and fitting of the excluder devices in nets. The US National Marine Fisheries Service identified that these changes are necessary following an inspection of the east coast trawl fisheries industry in February this year.

The US Fisheries Service will visit Queensland again this year, but the short end of the story is that we have actually regained our export licence into the United States. Last year our prawn trawl harvest was about \$180 million. The US imports more than 470,000 tonnes of prawns, which in turn is worth around about \$3.7 billion. Our prawn trawl harvest, which is worth \$180 million, is very small compared to theirs. If we have a look at their market, it means it is potentially very lucrative for our prawn trawling industry and it will, of course, then have flow-on effects for other industries in Queensland's regional communities.

Japan is still our largest market for prawns, but the value of re-opening the US market is primarily providing greater market flexibility for the prawn export industry. In other words, it gives them an opportunity to look at two different markets to export their product and hedge their bets.

Mr SHINE: On page 1-3 of the portfolio statement it says that \$19 million will be committed to enhancing growth of broadacre production of cereal grains, pulses and cotton through research, development and extension designed to increase the technical capability of this sector and gain innovation in production systems. I ask: what research is the department undertaking to promote the growth of the pulse industry, including chickpea production?

Mr PALASZCZUK: In 2004-05 our government will invest \$1.18 million in crop improvements for peanuts, chick peas and mung beans. Of this total annual investment GRDC will contribute \$740,000. In the last nine years the Queensland chick pea industry has increased seven-fold, taking export earnings per annum from \$5 million to over \$38 million. Queensland production has risen from 13,000 tonnes to almost 100,000 tonnes in this period and now represents 50 per cent of the national crop.

DPIF staff have predicted that Queensland chickpea production has the potential to double again over the next five years, taking earnings to \$70 million per annum. Superior new varieties that are highly sought after overseas for their seed quality have paved the way to an expanding and vibrant Queensland industry. The large seed size of our new varieties is considered highly desirable in the international trading arena and preferred over most competitors' seeds at present. The overseas demand for the newly released Jimbour seed has seen the variety occupy 50 per cent of the crop sown in Queensland over the last two years.

DPIF has invested more than \$1 million into peanut research, development and extension over the past few years to ensure appropriate management systems and suitable market acceptable varieties are in place to maximise productivity and profitability in an industry with an appropriation farm gate value of \$50 million. The recent release of two DPI bred high oleic oil varieties, Middleton and Wheeler, have ensured the industry has access to large quality kernels which have traits associated with longer shelf life for retailers and significant health benefits for consumers.

I am told by Bob Hansen from PCA, member for Nanango, if you have seven peanuts per day it will reduce your cholesterol pretty well. Since I have been having those peanuts I have done pretty well myself. Aflatoxin, an important food toxin that can be produced in peanut pods under drought conditions, has been significantly reduced in farmers' fields by the implementation of a series of harvesting management practices developed by DPIF and scientists.

As far as mung beans are concerned, the mung bean industry in Australia is concentrated in Queensland and Northern New South Wales. Production has remained steady at approximately 40,000 tonnes per year. The high value of this export commodity allows the return of \$34 million per year. The breeding program is supported by our government to the tune of \$260,000 per year, GRDC \$200,000 per year, and the Mung Bean Association who provide marketing advice and product appraisal. The program is focusing on improved yield, seed quality and disease resistance.

Mr SHINE: There has been a lot said in relation to the restructure of the department. As a result of that what changes will be implemented in terms of engagement with your stakeholders?

Mr PALASZCZUK: I believe that the Department of Primary Industries and Fisheries has always had a strong and effective relationship with our stakeholder industries. The changes to our department will serve to widen and deepen our relationship with our stakeholders.

In particular, we will work to build relationships along the supply chain with major investors in the sector, like processors, service industries and the financial institutions, in order to understand better what is needed to deliver profitable primary industries. 'Profitable' is a very important word. We want to work with the leading innovative businesses in each sector to understand developments at the cutting edge and to work with them in creating opportunities for profit. This will better allow us to inform other producers of the strategies for success. I think it is so important to have these stakeholders included. I believe they will complement our already close links with our major industries representative groups.

We will deepen our relationship with stakeholders in a number of ways. Our DG has been holding regular dialogue for action meetings with various industries. These dialogues provide an excellent tool to really address the key issues and to build better and more productive relationships between government and industry. We want to link industry groups with other key investors to provide a more rounded perspective on the issues facing each sector and to promote investment in the sector. We will also use our own analysis capability to share information and analysis on the key drivers of change in each sector. This will help inform our dealings with stakeholders. We can also learn from their analysis.

In terms of R&D we will build stronger relationships with other key R&D bodies by adopting a portfolio approach to our investment with them and actively seek out opportunities for strategic partnerships. We will also be working more closely with other agencies to adopt a whole-of-government approach to the major issues facing primary industries in Queensland.

I am confident that stakeholders will notice a real and positive difference in DPIF's engagement with them as we work together to deliver the department's new vision. What has happened over the past two and half weeks with the citrus canker outbreak really puts into perspective the new direction of the Department of Primary Industries. At the end of the day, we were so well equipped to be able to handle this outbreak. In the event of any further outbreaks, we will be better able to handle them.

Mr SHINE: In the Ministerial Portfolio Statements it says that one of the objectives of the department was to build on the competitive strengths of Queensland's diverse regions. How is the department achieving this objective in the Wide Bay-Burnett region, which is a seriously disadvantaged region of Australia?

Mr PALASZCZUK: We strongly and visibly support the economic development of the Wide Bay-Burnett region with 70 service delivery staff and 191 research and development staff situated in four major centres—Kingaroy, Brian Pastures, Bundaberg and Gympie. In addition, staff are also located at seven other centres in the Wide Bay-Burnett region to provide regional services in biosecurity and boating and fisheries surveillance.

To support the growth and the development of the horticulture industry, DPIF is undertaking smart production science to support expansion of the sweet potato industry in the Bundaberg district. We are instigating smart R&D programs for macadamias which include plant breeding trials, varietal improvement through importing cultivars and research into tall tree syndrome. We are instigating programs for avocados including ongoing canopy management research and avocado nutrition projects aiming at overcoming a 24 per cent loss in the quality of fruit and research into the disease Haas spot. We are undertaking R&D in the mango industry including development in postharvest management, improving handling practices and mango plant protection.

A recent study has also shown that the recreational fishing industry in the two south Burnett impoundments at Boondooma Dam and Bjelke-Petersen Dam has injected \$6.5 million into the Wide Bay-Burnett economy over a 12-month period. R&D for forestry production is expanding, with exotic forestry plantations allocated \$4.9 million for plantings in the Wide Bay-Burnett region. The hardwood joint venture program has also had significant expansion, with 4,887 hectares planted in a combination of joint venture, land rental and purchased land.

Future Cane is a new Smart State initiative to support the cane industry in the Wide Bay-Burnett area. Monto Fresh Pty Ltd were recipients of the DPIF 2003 Rural Community Achievement Award. The Monto Fresh horticulture diversification is a project which involved a multidisciplinary DPIF team and was initiated in 2002 in response to the deregulation of the dairy industry. Since the project's inception there have been 108 hectares of tomatoes, 46 hectares of melons, 40 hectares of onions and 35 hectares of capsicum grown in the Monto district to supply the project's purpose-built packing shed. \$3 million worth of products have been sold both overseas and domestically. Another key factor of the project has been the demonstrated water efficiency. Some 60 per cent less water has been used to grow these crops compared to the traditional irrigated crops such as lucerne.

Mr HOOLIHAN: On page 1-34 of the Ministerial Portfolio Statements there is reference to a sorghum processing facility. What benefits will the government's investment in a new sorghum processing facility deliver?

Mr PALASZCZUK: The facility at Biloela research station, which will cost approximately \$350,000, will provide working areas not only for the sorghum team but also for the wheat, pulse and new crops team for regional variety evaluation trials as part of statewide and national programs. The planned seed handling facility at Biloela research station will replace an old timber building dating back to the 1930s which is inefficiently designed and has high-maintenance costs.

The modern facilities will allowed improved efficiency and handling of material, with automation of data collection and improved handling efficiency. It will be the key facility for crop variety breeding and testing in central Queensland. Facilities include cold rooms for seed storage and laboratory space for the handling of experimental materials.

The proposed complex is essential for efficient and effective seed drying, threshing, packaging, storage and security. This will lead to the breeding program being better able to achieve the aim of increasing the profitability, production and utilisation of grain sorghum in Queensland. Sorghum will be a very sufficient user of the facility given the importance of Biloela to the whole sorghum breeding program. The activities and results from the central Queensland section of the sorghum breeding program are pivotal to the operation of and utility of the products from the program.

One important point is that this complex will be used to store a backup to the sample held at Hermitage Research Station near Warwick. Because this material is the result of a considerable investment by the Queensland government over many years in the sorghum breeding program we need to carefully manage risk. This facility minimises the risk that these materials may be lost or corrupted. We also provide a new manager's residence at the research station to replace an old substandard residence that was demolished some years ago and also an old single men's mess that has not be used for some years.

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

Mrs PRATT: Minister, I have a question on research and extension officers. It has been reported to me that external agencies projects are tying up what resources they have for up to a period to three to four years and that up to 70 per cent of the work they do is external work. This is work they are being forced to take on due to the lack of finances. Many of the staff are temporary. Would you like to comment on that? Would you give them some more money please? They are saying that they cannot even keep up with the legislation at the moment.

Mr PALASZCZUK: Is this in your electorate?

Mrs PRATT: No, it is across the board.

Mr PALASZCZUK: That is news to me. I have always maintained that our research capabilities in Queensland are second to none. We do enter into collaboration with external providers as well. If you are making the assertion that a lot of the effort is based on securing funding from external sources to maintain programs and that our staff are working more on those programs rather than specific programs within the agency, I must say that I cannot see that happening. Looking at the budget documents, I cannot see any change to our external funding or to our external funding arrangements.

As far as additional funds are concerned, we would all like to have more. Unfortunately, we have budgetary constraints. One thing I must say concerning the realignment within the portfolio is that there is a redirection. I mentioned the redirection within the sugar industry where we are becoming a lot more focused. I would agree with you to one extent: as minister, I have often wondered what some of the projects that were undertaken by some of our researchers were all about and what benefit they would have to our primary industry sector. I believe that those sorts of projects are not in existence.

I am sorry, I have given you a response that I believe to be honest in relation to the way that I feel research is being conducted within the Department of Primary Industry. If our DG would like to make a comment on this, that is fine.

Mr Varghese: As the minister has indicated, as part of aligning for success we are looking at our R&D strategy across the board to what we are doing and why we are doing it. We are very fortunate to have Professor Beth Woods as the executive director for our R&D strategy. She will help us with that. As part of that strategy we will be looking at industry and federal funds, working collaboratively with eight other agencies like the CSIRO and universities and, using a strategic approach across the board, we will be able to utilise our external and internal funds much better and prioritise the areas of need.

Mrs PRATT: I understand that. I think it is a terrible indictment on the system when people within the department have told me that they cannot keep up with legislation because their time is being utilised doing things outside their actual duties. I would like to go back to the local drought declaration and revocation issue. Minister, you say that you have taken advice from down the line. I do not doubt you on that. Would you have any opposition to those committees revealing those minutes to their local member? That is if they exist at all. Is there any reason why it should not be revealed to their local member?

Mr PALASZCZUK: I do not think that it is necessary. These are minutes of the local drought committees. These people are volunteers and work for the local community.

Mrs PRATT: Do they keep minutes?

Mr PALASZCZUK: My understanding is that they do keep minutes. I think that was agreed to back in the early days when the new Drought Relief Assistance Scheme was formed after the dreadful mess that the scheme was in back in the late 1980s. I suspect that you as the local member would agree with me that these people are working on a voluntary basis. They are providing a service for the local communities. Sometimes their decisions affect people within the local communities. I do not know why we are pressing this. The last thing I would like to see would be these minutes on the front page of the newspaper. If you deal with an IDP, an individual droughted property, you are dealing with very sensitive issues about the persons involved. The last thing we want to see is that information out in the media.

Mrs PRATT: With all due respect, Minister, you have just stated here in the estimates committee meeting that you take advice from that committee. So if an area gets the revocation of the drought declaration done, people know automatically that it must have come from the committee, don't they? You just said that you take it from there. That is what I am trying to say. Let us say that, for instance, Kingaroy is removed. You took advice from that committee, so therefore the people in that particular area would say, 'Okay. The minister took that from the committee.' So what is wrong with the minutes being revealed?

Mr PALASZCZUK: What I think we need to do is just take you through the whole process of drought declarations and individual droughted property declarations. Sensitive information about particular people goes before the local drought committee. That is confidential information about a particular producer's personal situation. The last thing we want to happen is for that information to come out. The local drought committees work on a criteria basis; they do not work on a political basis. The whole process has been taken out of the political arena and given in trust to local people who do this on a voluntary basis. As minister, I trust their integrity. I trust the integrity of the DPI staff there. Therefore, as I have said earlier twice, when I receive a recommendation for a drought declaration or a drought revocation or part shire or an individual droughted property, I accept their advice, because that is what they are there for. I want to be as politically removed away from the process as I can. I expect yourself as the local member to feel the same way as I do—let these people do their job—but if you as a local member have a problem with one of the decisions—

Mrs PRATT: No, you missed the point, Minister, but I will let Mike go.

Mr HORAN: Minister, I refer to the—

Mr PALASZCZUK: I have not finished.

The CHAIR: You still have two minutes.

Mr PALASZCZUK: I am still not finished. You say that I have missed the point. I do not believe that I have missed the point. I believe that we need to explain to you and any other members of parliament who are involved with our producers the whole process of how drought declarations and revocations operate and the roles of the local drought committees. I have visited a number of areas, and we have actually given out awards and certificates to people who have been on their local drought committees for 15 years. They have given up 15 years of their time to go around to make sure that the needs of the local areas are serviced. People who make up local drought committees are local producers. A lot of those people are members of Agforce as well, so they also have an input into that process. The last thing I want to see is an MP sort of peering over the shoulders of a local drought committee to work out what recommendations it is trying to put together. That is the last thing that I would like to see. As minister, I want to keep right out of that process.

Mrs PRATT: No-one was doing that.

Mr HORAN: Minister, I refer to the recent announcement that DPI Forestry is to become a government owned corporation. Can you explain whether the government has any plans to do this? Do you have concerns given the forced dividend payments that were forced upon other government owned corporations like Ergon and Energex and the forced debt restructure on organisations like the port authorities where they were forced to go into higher debt to deliver a one-off capital payment to the government? Do you have serious concerns that if DPI Forestry becomes a government owned corporation it will then be subject to these dividend and debt restructure demands and put the forestry service and the environment at risk?

Mr PALASZCZUK: My colleague the Treasurer and Minister for Sport and I announced the decision to initiate a process aimed at reforming the management of forestry in Queensland, which of course is corporatisation. A key element of this process is that our government has nominated DPIF, our commercial business group, as a candidate for this government owned corporatisation. This means that we are going to examine the benefits to Queensland of establishing a state-owned forestry corporation to manage commercial timber production from the state's 191,000 hectares of timber plantation. We have been investing in growing our plantation assets since the mid-twenties. With the plantation resource now in a mature stage and supporting a vibrant forestry industry, it is appropriate to examine whether corporatisation might be used. This is an examination to see whether corporatisation might be used to further enhance the plantation industry in Queensland.

Where corporatisation reforms have been implemented in other parts of Australia, governments have been able to improve plantation management and stimulate industry development and private sector investment in plantations. Treasury will head a committee of senior officers from DPIF and other relevant departments to undertake a public benefits test in the first instance, and of course this is all part of the corporatisation process. At the same time, we will also examine how non-plantation forestry functions, which include native forest timber production, sustainable forest management and forestry industry development, should best be managed across government agencies.

The Department of the Premier and Cabinet will chair and DPIF will be providing a deputy chair for an interdepartmental working group to examine these non-plantation forestry functions. The aim of this forestry reform process will be to maximise the benefits to Queensland both for the economy and the environment. For far too long under the commercialised process, DPIF has been at the behest of the processors. They have been able to walk in through the back door under successive governments to get a reduction in the price of timber. That is no good for our resource. I believe that corporatisation will be able to change that. As far as the assertion that the honourable member has made, I cannot for the life of me see that anything like that in my wildest dreams would eventuate. I believe that we are about really making our vast resource of our plantation timbers become a far more valuable asset to the state of Queensland.

Mr HORAN: Minister, I refer to the soft shell crab aquaculture project. I believe that you are a strong supporter of that. Can you confirm concern within your department and a recent investigation by boating and fisheries services with regard to the appropriate permits to operate not being there; the high level of crab mortality of approximately 98 per cent and the inappropriate disposal of a large number of crabs on site; the continuing reliance on catching crabs from the wild and thus contributing to rather than alleviating overharvesting; the fact that this is through trawling which may not be compliant with the trawl plan; rats in the processing area; unapproved capital works extending into the marine environment; use of high doses of antibiotics leading to residues; and, as I said earlier, possibly not complying with the trawl plan? Can you give us advice about that project and these concerns in your department?

Mr PALASZCZUK: I have absolutely no idea of that. We will have to take that on notice.

Mr HORAN: Thank you. Minister, just going—

Mr PALASZCZUK: Is this within the Department of Primary Industries itself, or is this in the private production of the soft shell crabs?

Mr HORAN: It is within the boating and fisheries service. You have made some comments in support, I understand, for the project.

Mr PALASZCZUK: My word. It is a great project.

Mr HORAN: There was also a recent investigation by the boating and fisheries service with regard to not having the appropriate permits to operate, and those other things I mentioned.

Mr PALASZCZUK: All right. We will find out. Peter Neville may be able to help.

Mr Neville: I can provide an answer in part to that question. There were allegations about the illegal purchasing and sale of crabs by an officer at the Bribie Island Aquifer Centre. I am not sure if this is the same as selling crabs without a licence from that centre.

Mr HORAN: No, not at all.

Mr Neville: Okay. It is a different question. Sorry.

Mr HORAN: Minister, going back to FarmBis and the answer you gave previously, I reiterate that the activities and costs that are not supported under your guidelines include stand-alone technical or operational training activities and also specific training activities required to be undertaken to satisfy government regulatory and statutory obligations. I note the comments that you made about how good the dive training has been. You yourself said that it was under workplace health and safety initiatives, so that is one of the reasons why it is not allowed to be supported. It should be supported under workplace health and safety, not FarmBis. FarmBis is for farm business management and national resource management. With regard to the operational training activities, you are not allowed to train a jackeroo to ride a horse because that is not supported, and that is exactly the same as training someone to dive in another activity. So I say to you that the guidelines have been broken. It is not a matter of whether it is a good project or not—I am not saying that—but your department and you as the responsible minister should conform to those guidelines that your department has and use FarmBis money for what it is supposed to be used for and use workplace health and safety or education and training for the diving training and other things if that is necessary, and it obviously is.

Mr PALASZCZUK: I will reiterate what I said earlier. You are right; I said that this course is mainly focusing on workplace health and safety issues. I mentioned to you the coroner's request for additional funding. The fishing industry is a new entry into the FarmBis program. My advice—and this is where I differ with you—that I have received on this issue is that this training is associated with the fishing industry. I do not have to go through with you which section of the fishing industry—

Mr HORAN: It is just like riding a horse is associated with the pastoral industry. It is not allowed.

Mr PALASZCZUK: The fishing industry is the predominant industry and therefore this project meets the program criteria. That is the advice that I have received basically. As far as I am concerned, the only reason why the fishing industry has been included in the FarmBis program is quite simple: QSIA came to me as minister a few years ago when it saw FarmBis training being taken up by a variety of industries. It said to me when it came to see me that, as far as it is concerned, fishing is no different, as you have said, to raising cattle, growing crops or whatever. So it is part of our primary industries sector. It is part of primary industries.

Mr HORAN: Exactly.

Mr PALASZCZUK: As far as I am concerned, on behalf of the fishing industry and on behalf of QSIA, we took that submission to the Commonwealth government and all the states signed off and the fishing industry was included. These are the management names for the courses—Dive Rescue and Accident Management and Managing Safety in Diving. I will reiterate my earlier statement: as far as I am concerned, my advice is that these programs are associated with the fishing industry, which is the predominant industry. It is a new entry into the FarmBis program and it meets the program criteria. Therefore, having said that, I wish it all the best.

Mr HORAN: Minister, on page 1-29 of the MPS you refer to a deferral of funding for the Cape York Partnerships program. Has that funding been deferred because you are instead channelling FarmBis funding into Cape York to replace it?

Mr PALASZCZUK: No, this is absolutely nothing at all to do with FarmBis funding. This was a project that we have put together with the—

Mr HORAN: That does not have anything to do with it. I said that you are replacing it with FarmBis funding even though what you are using the FarmBis funding for is obviously not allowed under the guidelines of your department.

Mr PALASZCZUK: No, what we have done is we have provided \$2.5 million for the purchase of commercial fishing licences to establish a regional indigenous commercial fishing company based in Cape York. DPIF have worked very closely with the indigenous people of Cape York to develop this

project under the Cape York Partnerships program. This project is very, very close to finalisation. ADAI Cape York Seafood Pty Ltd has been established in accordance with all cabinet requirements and all other prerequisites have now been met. The grant agreement under which the licences will be provided includes provisions designed to ensure the protection of the government's investment. The purchase of fishing licences for the company will take place as soon as suitable licences are identified and arrangements are made with the vendors. Whilst there has been some opposition to the project—and it is based mainly on internal political wranglings on Cape York, and we all know what the politics and the personalities are like there—I believe there is a high level of support that has been demonstrated at numerous meetings in the Cape. The project will provide significant employment, training and revenue benefits for the indigenous communities of the Cape and will also enhance their economic and social positions. The project will also address some of the regional development and socioeconomic issues identified in the Cape York Justice Study.

The department is also working on other fisheries projects with individual communities, including fishing for mud crabs, training in seafood handling, training community rangers and involvement in fisheries monitoring. I cannot see any correlation whatsoever between the FarmBis program and this program. It is well finalised as we speak and I just think this is a program that I believe we will all watch intently. I am quite sure that we will be amazed at its progress.

Mr HORAN: There is only a minute left. I just want to come back to the issue of drought revocations. The questioning that we have been putting forward is because there is a very serious and, I think, well-founded concern that a policy directive has come from your office and has come down to DPI staff on the ground. They have been told to try to get their local drought committees to revoke the drought declaration. You say yes or no whether that has happened.

Mr PALASZCZUK: I just completely refute that assertion that my staff would be doing anything like that.

Mr HORAN: Under direction from your office.

Mr PALASZCZUK: There has been no direction from my office whatsoever in relation to that matter. I tried to explain that we should have learned the lessons of the late 1980s where there was political interference in the drought declaration/drought revocation process. As minister, I have totally supported the process. I have encouraged local drought committees. I have accepted their advice. At times I questioned their advice in my own mind, but in the end I always agreed with their recommendation.

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

Mr HOOLIHAN: Page 1-13 of the MPS deals with the department's work in relation to new biopesticides, pheromones, disease-resistant crops and biological controls. Can you provide examples of how this work is benefiting primary industries?

Mr PALASZCZUK: Soft shell crabs. I thank the member for the question. Midge-resistant sorghum, developed by DPIF, is returning direct economic benefits to growers of up to \$10 million per year in reduced damage and reduced insecticide use. Close to 100 per cent of currently grown sorghum varieties now contain DPIF germplasm. An indirect benefit includes a reduction in populations of the major pest, heliothis. More than 95 per cent of all sorghum grown now has midge resistance. The reduction in insecticide usage against sorghum midge allows survival of the biological control agents against heliothis on sorghum.

One of these biological control agents is a biopesticide based on a naturally occurring virus, the nuclear polyhedrosis virus, which was pioneered and developed by DPIF. The use of this biopesticide is providing effective control of heliothis in sorghum and has no detrimental effect on other biological control agents. Sorghum is now used as an important nursery for biological control agents for pest control in all crops in the area. This forms part of area wide management strategies for pests in grain and cotton crops—work pioneered by DPIF. The use of area wide management has resulted in heliothis populations reduced to very low levels in recent years with an enormous reduction in pesticide use in the grains and cotton industries. These biopesticides are a safe, natural and effective alternative to chemical insecticides and are used on between 100,000 and 500,000 hectares of broadacre crops.

DPIF plant protection staff at Applethorpe have been involved with Biocontrol Ltd Australia and private consultants in research, development and adoption of pheromones for codling moth, the major insect pest of apples. The program has managed to replace up to eight azinphos-methyl pesticide applications per season. As a result of this work, now more than 80 per cent of apples in Queensland are not sprayed by this insecticide; hence maintaining the clean, safe image of our horticulture crops.

Another good example is the apple black spot disease-resistant breeding. Our apple breeders at Applethorpe lead the only apple disease-breeding project in Australia. Advanced apple selections from this breeding program with significant black spot disease resistance are under production management development trials in commercial orchards in Stanthorpe for the Australian organic market. This organic

market is growing at the rate of around about 20 per cent per year and should provide a platform to the substantial international market for organically grown foods.

Mr HOOLIHAN: I refer to page 1-4 of the Ministerial Portfolio Statements. What is the department doing to upgrade its laboratories as part of biosecurity enhancements?

Mr PALASZCZUK: We have a range of initiatives aimed at enhancing biosecurity to be applied in 2004-05 to our network of biosecurity laboratories at Oonoonba in Townsville, in Toowoomba and at the Animal Research Institute at Yeerongpilly. An amount of \$2.2 million will be allocated to maintain the diagnostic laboratory network with regard to infrastructure, equipment, quality assurance and information systems. This will allow the laboratories to undertake general surveillance and provide necessary analyses for product or animal certification to enhance the trade of products interstate and overseas. Approximately \$1.2 million in capital improvements will be made at Oonoonba and Toowoomba in 2004-05. These redevelopments will address national accreditation audit conditions for molecular biology based test development and processing for diagnostic specimens. This allocation will also deliver upgraded facilities at Oonoonba, addressing associated biocontainment standards with respect to workplace health and safety. The work to be undertaken will enable the safe handling of zoonotic organisms routinely encountered during disease surveillance operations.

So these enhancements follow on from preliminary redevelopments at Toowoomba and Townsville over the last year aimed at building capacity for rapid diagnostics as part of the FMD-BSE enhancements initiative announced in the 2002-03 budget. Enhanced biocontainment and molecular biology capability at Oonoonba is consistent with our Queensland Biosecurity Advisory Council recommendations to refocus the outputs of our laboratories to reflect regional needs. Accordingly, Oonoonba's role will develop in the area of tropical and aquatic animal health.

Additional professional positions in pathology, molecular biology and virology have been created across the network of laboratories as part of the enhancement. We have also put an additional allocation of \$3 million in 2004-05 to the laboratory information management system as part of our responsibility for quality assurance within diagnostic laboratories. We are also collaborating on a centre for advanced animal sciences at Gatton campus, which will see the amalgamation of the Yeerongpilly animal handling facilities with the University of Queensland's school of vet sciences. The proposed funding mix is \$3.5 million from QDPIF, \$5.5 million from the University of Queensland and \$9.5 million is coming from the Smart State initiative. A memorandum of understanding is now being prepared to enable pathology staff at Oonoonba—

Mrs CARRYN SULLIVAN: On page 1-5 of the Ministerial Portfolio Statements there is a reference to the fire ant eradication campaign. What progress is being made to eradicate fire ants from south-east Queensland?

Mr PALASZCZUK: Progress towards eradication has been excellent. Queensland's contribution so far has been \$9.5 million out of the \$109.5 million that has been contributed nationally to the program. The eradication program has completed its third and final year of treatment of the core treatment zones. It is too early to provide results from this year's survey of infested properties, but results after two seasons of treatment indicate that 97.5 per cent of previously infested properties no longer have viable nests. It is expected that few, if any, infested properties currently remain. With approximately 71,000 hectares to be baited during the eradication program, an enormous amount of effort has been required and over one million property treatments have occurred over the three treatment seasons.

Compared with February 2001, the threat from fire ants has been significantly reduced. However, the risk to our lifestyle and environment could rapidly re-establish if the program is not continued. At this point, for the benefit of the committee I point out that total eradication is within striking distance. Three more years of the eradication program remain. Treatment of some areas is still required, but the main focus will be on surveillance to confirm that eradication has been achieved.

The fire ant habitat identification system—a model developed at the fire ant control centre that predicts preferred habitat and likely uncontrolled spread patterns for fire ants—will help direct the surveillance effort. Is your husband helping us with that, too, with aerial surveillance or with just the canker? The fire ant habitat identification system will save approximately \$4 million over the next year and it is an example of our Smart State developments.

I believe that the fire ant eradication program was an audacious plan that has been a superb example of government cooperation at both national and state levels. The speed of the response and the successes to date, despite a program of this type not being attempted before, highlights the processes that are in place within DPIF and the Queensland government for dealing with invasive pests. I think Keith McCubbin, who is the person in charge of our fire ant program, and his team need to be congratulated on a job well done up until now. As minister, I have made this commitment to the Queensland people that I will remain in parliament as long as there is a fire ant around and also as the minister. That is more important.

Mrs CARRYN SULLIVAN: I refer again to page 1-5 of the Ministerial Portfolio Statements. What Queensland fisheries are being assessed in order to comply with Commonwealth legislation and be exempt from any export controls?

Mr PALASZCZUK: Under the Commonwealth's Environment Protection and Biodiversity Conservation Act, all of our fisheries with an export component have to be assessed as being sustainable before 1 December 2004. These assessments are being conducted under guidelines developed by the Commonwealth Department of Environment and Heritage. Ultimately, the Commonwealth Minister for the Environment and Heritage will accredit fisheries as being ecologically sustainable if the assessments demonstrate this to be the case. In response to this requirement DPIF has established a fishery assessment and monitoring unit, which has the priority task of ensuring the development of fishery assessment reports for all export orientated fisheries. There are currently 24 fisheries in various stages of the assessment process, with one report yet to be submitted.

Reports on the following fisheries have been provided to DEH for assessment: the East Coast Otter Trawl, River and Inshore Beam Trawl and Stout Whiting Trawl fisheries, as well as incidental trawl harvest of pipefish; the East Coast and Moreton Bay Beche-de-mer fisheries; fisheries for coral reef finfish, Spanish mackerel, deepwater demersal finfish and rocky reef finfish; the mud crab, blue swimmer crab and spanner crab fisheries; Gulf of Carpentaria fisheries, including the inshore net fishery, line fishery and development trawl fishery; collection fisheries for marine aquarium fish, specimen shells, trochus and pearls; the eel fishery; and the rock lobster fishery and the developmental slipper lobster fishery.

Work is continuing on a report for the one remaining fishery that has not yet been submitted. It is anticipated that this report, on the east coast inshore and estuarine finfish fishery, will be submitted to the Department of Environment and Heritage by the end of this month. We are getting there.

Mrs CARRYN SULLIVAN: I refer to page 1-12 of the MPS. How important is the department's research into turf, in particular in sport?

Mr PALASZCZUK: We have a turf team in Redlands which I believe is the leading turf research group in the southern hemisphere. The team, consisting of six scientists and four technicians, is focused on warm season turf grasses, tropical and subtropical varieties, and is led by a world renowned scientist in Dr Don Loch. Since the turf group was formed five years ago it has established an enviable portfolio of projects with relevance across the whole turf industry, from producers to home owners to professional turf managers and from roadsides and open space through to golf, bowls and sports fields.

In just a short time the group has contributed significantly to the economic development of Queensland's turf and sports turf industries. Some successes to date include exponential growth in Queensland turf exports from new, high-value niche turf varieties, successful remediation of salt affected eroded roadside sites in south-east Queensland and improved understanding of the water requirements of warm season turf grasses in landscape plantations.

We are also working with a range of highly adaptive salt tolerant grass species. They are being successfully tested currently for highly saline coastal situations in collaboration with Horticulture Australia Limited. The next stage is to develop best management practices for such sites across eastern Australia. We also have an Australiawide assessment of the latest golf green grasses from around the world. That is about to commence.

We are also leading a \$3.5 million project to improve playing surface quality on non-elite club and community sporting fields used for AFL in southern Queensland. DPIF engineers working with the turf team have made significant advances in the measurement of torsion, which relates to the rotational force on a player's knee when movement of the foot is restricted by turf rhizomes holding the player's boot in position. An automated traction tester has been developed that can monitor the turf-boot interaction. The next step is to make comparative measurements across a range of turf grass cultivars and in real life situations with the aim of being able to manage these to produce safer playing surfaces and reduce incidents of knee and ankle injury, a key concern at the elite player level. We are also working with the QFL, with all its club and community sporting fields.

Mr SHINE: Minister, how do the department's farm financial counsellors assist primary producers in Queensland?

Mr PALASZCZUK: DPIF currently has 14 financial counsellors located in areas of high demand. These include Toowoomba, Gympie, Biloela, Bowen, Bundaberg, Cairns, Dalby, Goondiwindi, Innisfail, Kingaroy, Mackay, Mareeba, Townsville and Warwick. This is a reduction of one DPIF position in the financial year. This position was replaced by three Agforce positions, which the state government also supports—a net gain of two positions to the state without extra funding. These positions need to be recognised as separate to the 10 community counsellors that are primarily funded by the Commonwealth. These community counsellors have attracted criticism lately from a Commonwealth review that identified a lack of focus and due process in the service. DPIF financial counsellors have a quality assurance program in place for monitoring and evaluation of performance to ensure that service delivery meets the required minimum standards.

Financial counsellors help farmers to understand their financial position. They assess the economic impact of options and develop strategies for implementing the farmer's preferred option for improvement and, in more serious circumstances, to leave agriculture in an orderly and dignified manner. Financial counsellors have helped producers achieve significant outcomes in respect of restructuring debt, improving financial management, negotiating with financial institutions, accessing government assistance and making decisions to leave agriculture early to avoid foreclosure and minimise further financial losses. In 2003-04 our DPIF financial counsellors have helped around 900 producers to address a range of financial problems.

A policy for strategically locating financial counsellors in areas of high demand ensures these producers adversely affected by seasonal economic conditions or industry adjustment have access to help when it is needed. For example, DPIF is in the process of appointing a financial counsellor in Townsville to service increased demand in the sugar industry.

Mr SHINE: Finally, what progress is the department making in reaching its target of establishing a further 5,000 hectares of hardwood plantations?

Mr PALASZCZUK: In July 2003 the department's commercial business group, DPIF Forestry, commenced work on the government's \$30.1 million Future Directions strategy, which aims to strengthen the growth potential of south-east Queensland's hardwood forest and timber industry by establishing a further 5,000 hectares over the next six years. The Future Directions strategy builds on the government's successful South East Queensland Forest Agreement hardwood plantation program, completed in June 2003. This landmark initiative saw the establishment over four years of 5,000 hectares of high-value hardwood plantations, providing the core base to underpin the long-term viability of the region.

Before this hearing concludes I want to put it on the record in the strongest possible terms that the claims that my office is directing local drought committees are false. The only minister to interfere in the LDC process was a National Party minister in the late 1990s. I do not interfere in the LDC process. Unfortunately, the member for Toowoomba South has asked for the LDC meeting minutes to be released to him.

Mr HORAN: To the committee.

Mr PALASZCZUK: Well, it is to yourself as well. Obviously you want to interfere in the process. It is ironic that I am being falsely accused of something that the member for Toowoomba South himself wants to do. If the member for Toowoomba South has evidence of my office interfering in the process, he should put up or shut up.

Mr HORAN: Mr Chairman, I raise a point of order.

The CHAIR: There is no point of order.

Mr HORAN: I take offence at what was said. I want to know the process, not to interfere.

Mr PALASZCZUK: This hearing has been a positive hearing—

The CHAIR: Order! Member for Toowoomba South!

Mr HORAN: I want an apology.

Mr PALASZCZUK: This has been a positive hearing—

The CHAIR: Order! Member for Toowoomba South! Minister! You raised the issue, member for Toowoomba South. The minister has given you an assurance that he does not interfere politically. He has answered your question. There is no point of order. I ask the minister to continue with his answer.

Mr PALASZCZUK: If you have evidence, put up or shut up now—if you have evidence that my office has interfered.

Mr HORAN: You show us that the process has been proper.

Mr PALASZCZUK: You can't.

Mr HORAN: You can't, either.

The CHAIR: Order! Member for Toowoomba South! Minister?

Mr PALASZCZUK: Thank you for your protection. The Future Directions strategy I believe will increase the area of high-value hardwood plantations to more than 10,000 hectares, further strengthening the prospects for the region's timber industry. In the strategy's first year, 2003-04, DPIF planted 752 hectares of hardwood plantations in south-east Queensland against a target 750 hectares, at the same time maintaining existing hardwood plantations. This has been a very successful program, and I believe the next 5,000 hectares will be taken up pretty well, too.

The CHAIR: The time allotted for the consideration of the estimates for the Minister for Primary Industries and Fisheries has expired. Minister, I would like to thank you, your staff, your public servants and other people who have attended here today who have assisted in the smooth running of the

estimates process. I would also like to place on record my thanks to the Minister for Natural Resources, Mines and Energy and his staff and public servants who also assisted in this morning's session.

I would like to make a special mention of Hansard for the wonderful work they have done here today. I also thank the parliamentary attendants, opposition staff and my fellow Estimates Committee G members, in particular the Deputy Chairman, Mr Seeney. I make a special mention of Renee Easten and Carolyn Heffernan for the excellent work they have done in assisting this committee to fulfil its duties. I also thank the time keepers, who are like referees, for their hard work today.

Mr HORAN: On behalf of the opposition, I thank the minister and the staff. Minister, whilst we do not agree on every point here today I thank you and the staff for the work on this. I also thank DPI for the work they have been doing on the canker outbreak.

Mr PALASZCZUK: I say thankyou to the committee. I enjoyed the questions. I would really like to pay tribute to the people who are sitting behind me and beside me. They are the people who really make the Department of Primary Industries into the cohesive force that it is. I would like to personally thank Jim Varghese, who has been our DG for the past six months. I am quite sure that all honourable members would recognise that in that time there has been a huge change within the Department of Primary Industries—change for the better. We have a redirection. We are refocused on profitable primary industries based on economic development and trade. That narrow focus of the department is there on behalf of the Queensland government and finally our producers.

The committee adjourned 4.03 p.m.