

2018 – 19 Budget Estimates

Report No. 13, 56th Parliament
State Development, Natural Resources and
Agricultural Industry Development Committee
August 2018

State Development, Natural Resources and Agricultural Industry Development Committee

Chair	Mr Chris Whiting MP, Member for Bancroft
Deputy Chair	Mr Pat Weir MP, Member for Condamine
Members	Mr David Batt MP, Member for Bundaberg Mr Jim Madden MP, Member for Ipswich West Mr Brent Mickelberg MP, Member for Buderim Ms Jess Pugh MP, Member for Mount Ommaney

Committee Secretariat

Telephone	+61 7 3553 6623
Fax	+61 7 3553 6699
Email	sdnraidc@parliament.qld.gov.au
Web	www.parliament.qld.gov.au/sdnraidc

Acknowledgements

The committee thanks:

- the Minister for State Development, Manufacturing, Infrastructure and Planning
- the Minister for Natural Resources, Mines and Energy, and
- the Minister for Agricultural Industry Development and Fisheries.

The committee also acknowledges the assistance provided by departmental officers who contributed to the work of the committee during the estimates process.

Contents

Chair’s foreword	ii
1. Introduction	1
1.1 Role of the committee	1
1.2 Aim of this report.....	1
1.3 Other Members’ participation.....	2
2. Recommendation	3
3. Minister for State Development, Manufacturing, Infrastructure and Planning.....	4
3.1 Department of State Development, Manufacturing, Infrastructure and Planning.....	4
3.1.1 Budget highlights	4
3.2 Issues raised at the public hearing	8
4. Minister for Natural Resources, Mines and Energy	9
4.1 Department of Natural Resources, Mines and Energy	9
4.1.1 Budget highlights	9
4.2 Issues raised at the public hearing	12
5. Minister for Agricultural Industry Development and Fisheries.....	14
5.1 Department of Agriculture and Fisheries	14
5.1.1 Budget highlights	14
5.2 Issues raised at the public hearing	16
6. Statement of Reservation	18

Chair's foreword

This report presents a summary of the committee's examination of the budget estimates for the 2018-2019 financial year.

Consideration of the budget estimates allows for the public examination of the responsible Ministers and the chief executive officers of agencies within the committee's portfolio areas. This was undertaken through the questions on notice and public hearing process.

The committee has recommended that the proposed expenditure, as detailed in the Appropriation Bill 2018 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

On behalf of the committee, I thank the Minister for State Development, Manufacturing, Infrastructure and Planning, the Minister for Natural Resources, Mines and Energy and the Minister for Agricultural Industry Development and Fisheries and their departmental officers for their co-operation in providing information to the committee throughout this process.

I would also like to thank the members of the committee for their hard work and valuable contribution to the estimates process, and other members whose participation in the hearing provided additional scrutiny of the estimates.

Finally, I thank the committee's secretariat and other Parliamentary Service staff for their assistance throughout the estimates process.



Chris Whiting MP
Chair

August 2018

1. Introduction

1.1 Role of the committee

The State Development, Natural Resources and Agricultural Industry Development Committee (the committee) is a portfolio committee of the Queensland Parliament, which commenced on 15 February 2018 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.

The committee's areas of responsibility are:

- State Development, Manufacturing, Infrastructure and Planning
- Natural Resources, Mines and Energy, and
- Agricultural Industry Development and Fisheries.¹

On 12 June 2018 the Appropriation Bill 2018 and the estimates for the committee's area of responsibility were referred to the committee for investigation and report.²

On 25 July 2018, the committee conducted a public hearing and took evidence about the proposed expenditure from the Minister for State Development, Manufacturing, Infrastructure and Planning, the Minister for Natural Resources, Mines and Energy, the Minister for Agricultural Industry Development and Fisheries and other witnesses. A copy of the transcript of the committee's hearing can be accessed on the Inquiry's website.³

1.2 Aim of this report

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

- budget papers
- answers to pre-hearing questions on notice
- evidence taken at the hearing
- additional information given in relation to answers.

This report summarises the estimates referred to the committee and highlights some of the issues the committee examined.

Prior to the public hearing, the committee provided the Minister for State Development, Manufacturing, Infrastructure and Planning, the Minister for Natural Resources, Mines and Energy, and the Minister for Agricultural Industry Development and Fisheries with questions on notice in relation to the estimates. Responses to all the questions were received.

Answers to the committee's pre-hearing questions on notice; documents tabled during the hearing; answers and additional information provided by Ministers after the hearing; and minutes of the committee's meetings are included in a volume of additional information tabled with this report.

¹ Standing Rules and Orders, Schedule 6. The schedule provides that departments, statutory authorities, government owned corporations or other administrative units related to the relevant Minister's responsibilities regarding these areas are included.

² Standing Order 177 provides for the automatic referral of the Annual Appropriation Bills to portfolio committees once the Bills have been read a second time.

³ <http://www.parliament.qld.gov.au/work-of-committees/committees/SDNRAIDC/inquiries/current-inquiries/Estimates2018-19>

1.3 *Other Members' participation*

The committee granted leave for other Members to participate in the hearing. The following Members participated in the hearing:

- Mr Michael Berkman MP, Member for Maiwar
- Ms Sandy Bolton MP, Member for Noosa
- Mr Michael Hart MP, Member for Burleigh
- Mr Dale Last MP, Member for Burdekin
- Mr Tony Perrett MP, Member for Gympie
- Mr Andrew Powell MP, Member for Glass House

2. Recommendation

Pursuant to Standing Order 187(1), the committee must state whether the proposed expenditures referred to it are agreed to.

Recommendation 1

The committee recommends that the proposed expenditure, as detailed in the Appropriation Bill 2018 for the committee's areas of responsibility, be agreed to by the Legislative Assembly without amendment.

3. Minister for State Development, Manufacturing, Infrastructure and Planning

The Minister for State Development, Manufacturing, Infrastructure and Planning has responsibility for the Department of State Development, Manufacturing, Infrastructure and Planning. The following entities also fall within the Minister's portfolio:

- Building Queensland
- GasFields Commission
- Queensland Reconstruction Authority
- South Bank Corporation

3.1 Department of State Development, Manufacturing, Infrastructure and Planning

The Department of State Development, Manufacturing, Infrastructure and Planning (DSDMIP) has four service areas as follows:

- Driving enterprise development, economic growth and job creation
- Assessing, approving, developing and delivering projects to generate jobs and economic growth
- Infrastructure policy and planning
- Better planning for Queensland.⁴

The following table taken from the Appropriation Bill 2018 compares the appropriations for DSDMIP (formerly Department of State Development) for 2017-18 and 2018-19.

Appropriations	2017-18 \$'000	2018-19 \$'000
<i>Controlled Items</i>		
departmental services	319,348	475,430
equity adjustment	43,193	139,917
<i>Administered Items</i>	2,500	604,240
Vote	365,041	1,219,587

Source: Appropriation Bill 2018, Schedule 2, p 12.

3.1.1 Budget highlights

The 2018-19 budget highlights for DSDMIP are to:

- continue to implement the priority industry sector roadmaps and action plans to support the growth of these emerging sectors
- support the manufacturing industry in Queensland to improve its ability to compete internationally by administering an additional \$20 million of grants through the Made in Queensland Program

⁴ Queensland Budget 2018-19, Department of State Development, Manufacturing, Infrastructure and Planning, *Service Delivery Statements*, p 1.

- continue to facilitate the development of private sector-led infrastructure projects through the Market-Led Proposals program and other initiatives
- provide infrastructure to regional communities that delivers enduring economic growth through the Building our Regions program
- continue to work with local government, communities and the private sector to renew and repurpose surplus and underutilised state property to deliver better community outcomes, create jobs and drive economic growth
- implement ShapingSEQ, the South East Queensland Regional Plan, including undertaking site-specific master planning and establishing the South East Queensland Growth Monitoring Program
- improve statewide coordination of infrastructure planning across government through continued engagement with industry and community.⁵

Driving Enterprise Development, Economic Growth and Job Creation

The 2018-19 highlights for this service area are:

- increase the state's commitment to the defence industry by creating Defence Jobs Queensland and associated Council and Advisory Boards as well as establishing and operating a defence supply chain and maintenance hub in Townsville and a defence supply chain logistics hub in Ipswich
- establish and operate manufacturing hubs in Cairns, Townsville and Rockhampton to grow manufacturing businesses and skill up workers in those centres
- deliver Round 4 of Building our Regions, with \$70 million of funding over three years to deliver critical infrastructure for the regions
- continue to support the Advance Queensland Industry Attraction Fund to actively encourage businesses located outside Queensland to re-shore, relocate, establish or expand projects in Queensland
- continue to support the Jobs and Regional Growth Fund which is growing regional economies and creating jobs by helping to facilitate private sector projects to create ongoing employment and sustainable economic development in regional areas. This includes supporting the installation of an International Broadband Submarine Cable on the Sunshine Coast and the Mackay Resources Centre of Excellence
- implement 10-year roadmaps and action plans for the growth of priority new and emerging sectors with global growth potential as part of the Advance Queensland program. Advanced manufacturing; aerospace; biofutures; biomedical; defence industries; and mining equipment, technology and services are sectors identified with potential to build upon Queensland's competitive strengths
- allocate \$100 million over three years to support Queensland's resource recovery and recycling industry through the Resource Recovery Industry Development Program. The department will work with local governments and private sector enterprises to help them find innovative and cost-effective solutions to the problem of waste going to landfill

⁵ Queensland Budget 2018-19, Department of State Development, Manufacturing, Infrastructure and Planning, *Service Delivery Statements*, p 3.

- allocate \$5 million in 2018-19 for Waste to Bioenergy projects. Facilities that turn urban waste into renewable energy and bioproducts are a major opportunity in the Queensland 'waste to bioenergy' sector
- continued support for, and growth of, the biofutures sector to enable further investment in projects including pilot, demonstration and commercial biorefinery plants
- implement Round 2 of the enhanced Made in Queensland grants program to support Queensland's manufacturing small to medium enterprises to become more internationally competitive and adopt innovative processes and technologies
- implement a comprehensive strategy to protect jobs in the meat works industry and upskill the workforce
- continue to work across government and industry to expedite the delivery of private sector projects and capital investment, associated infrastructure and job creation
- work with industry proponents to achieve private investment in the delivery of infrastructure and services through the development of Market-Led Proposals from the detailed proposal and contract negotiations phases to project delivery
- undertake a research project on the local clothing, textile and footwear manufacturing industry in Queensland.⁶

Assessing, approving, developing and delivering projects to generate jobs and economic growth

The 2018-19 highlights for this service area are:

- continue construction on the North Queensland Stadium in preparation for the 2020 National Rugby League season
- complete construction of the State Netball Centre at Nathan
- progress the Biofutures Acceleration Program as part of the Queensland Biofutures 10-Year Roadmap and Action Plan, providing assistance to selected proponents capable of developing commercial-scale biorefinery projects in Queensland
- complete design and commence construction of a world-class counter-terrorism centre in Wacol
- project manage the construction of Rheinmetall Defence Australia's (RDA) Military Vehicle Centre of Excellence in Ipswich
- administer development agreements for the construction of the Brisbane International Cruise Ship Terminal and the implementation of the Aurukun Bauxite project
- deliver the Advancing Our Cities and Regions strategy in partnership with Queensland Treasury
- develop catalytic community hub proposals, optimising the use of state and local government land and resources to support the early delivery of services for children and families and enhance community integration in the four major Priority Development Areas
- administer the *Strong and Sustainable Resource Communities Act 2017*, including the evaluation of social impact assessments for all resource projects subject to environmental impact assessment processes under either the *State Development and Public Works Organisation Act 1971* or the *Environmental Protection Act 1994*

⁶ Queensland Budget 2018-19, Department of State Development, Manufacturing, Infrastructure and Planning, *Service Delivery Statements*, pp 4-5.

- update the development scheme and acquire land in the Townsville State Development Area, to further accelerate economic development in the region.⁷

Infrastructure Policy and Planning

The 2018-19 highlights for this service area are:

- continue to support the development of a robust project pipeline that enables local and state government projects to be matured through the \$30 million Maturing the Infrastructure Pipeline Program
- continue to provide government with regular progress reports on the performance of the whole-of-government capital program
- update the State Infrastructure Plan for 2018-19, and deliver infrastructure innovation and best-practice across the Queensland Government
- continue to coordinate the state's input to key Infrastructure Australia strategic documents, including the national Infrastructure Priority List
- deliver reform initiatives that target strengthened governance and organisational capability and integration and engage with industry and the community to improve coordination of infrastructure planning across the Queensland Government.⁸

Better Planning for Queensland

Better Planning for Queensland 2018-19 highlights are to:

- release the first Measures that Matter and Land Supply and Development Monitoring Report to support the monitoring and implementation of the South East Queensland Regional Plan
- continue to progress the preparation of a master plan for the Southport Spit, informed by a comprehensive community and stakeholder engagement program
- monitor the performance of key elements of the planning system to ensure it continues to achieve its key objectives, including feedback by the newly formed Planning System Reference Group comprising of key planning stakeholders to assist with identifying and implementing ongoing improvements to the planning system
- implement continual improvement initiatives, such as the 3D augmented reality in development assessment project, that ensure the effective and efficient delivery of services, products and advice to our customers
- continue to progress better integration of Indigenous interests in the planning framework, including continued partnership with traditional owners to advance key North Stradbroke Island planning initiatives, opportunities to improve linkages with cultural heritage requirements, and a case study example to support integration of state interest policy about Aboriginal and Torres Strait Islander cultural heritage in planning schemes
- progress the South East Queensland Strategic Environmental Assessment with the Australian Government to develop a more coordinated and strategic approach to resolving environmental assessments and approvals

⁷ Queensland Budget 2018-19, Department of State Development, Manufacturing, Infrastructure and Planning, Service Delivery Statements, pp 7-8.

⁸ Queensland Budget 2018-19, Department of State Development, Manufacturing, Infrastructure and Planning, Service Delivery Statements, p 10.

- continue training programs with local governments to enhance community consultation and engagement.⁹

3.2 Issues raised at the public hearing

Issues raised by the committee and participating members at the public hearing in relation to the portfolio areas of State Development, Manufacturing, Infrastructure and Planning included:

- Building Our Regions program, including investment enabled by the program and status of projects under the program
- appointment of Major General Stephen Day as the government's defence adviser for cyberspace
- initiatives to promote advanced manufacturing in Queensland
- reintroduction of the waste levy
- the attraction of Ansett Aviation Training to Queensland through the Industry Attraction Fund
- status of the Sunshine Coast international broadband submarine cable project
- government support for the craft brewing industry in Queensland
- administration of the Market-Led Proposals program
- impact of the *Strong and Sustainable Resource Communities Act 2017*
- strategy to support the meatworks industry
- Bundaberg State Development Area Scheme
- role of the Minister with respect to infrastructure
- State Infrastructure Plan Parts A and B
- Economic Development Queensland's proposal for the former Oxley Secondary College site
- role of Economic Development Queensland and operation of priority development areas
- Birkdale development proposal
- new budget measures to support infrastructure delivery
- measures used by local government with respect to flood mapping
- ShapingSEQ and transport planning
- relationship between the state's land use planning and development assessment processes and local neighbourhood plans
- progress of the Gold Coast Spit master plan
- State Planning Policy and updates to consider Queensland's ageing population
- Implementation of the South East Queensland Regional Plan
- update on progression of local government infrastructure plans.¹⁰

⁹ Queensland Budget 2018-19, Department of State Development, Manufacturing, Infrastructure and Planning, Service Delivery Statements, p 12.

¹⁰ Estimates public hearing transcript, Brisbane, 25 July 2018, pp 26 – 55.

4. Minister for Natural Resources, Mines and Energy

The Minister for Natural Resources, Mines and Energy has responsibility for the Department of Natural Resources, Mines and Energy. The following entities also fall within the Minister's portfolio:

- CS Energy Limited
- Energy and Water Ombudsman
- Energy Queensland Limited
- Queensland Bulk Water Supply Authority (Seqwater)
- Queensland Electricity Transmission Corporation Limited (Powerlink)
- Stanwell Corporation Limited (Stanwell)
- SunWater Limited (SunWater)

4.1 Department of Natural Resources, Mines and Energy

The Department of Natural Resources, Mines and Energy (DNRME) has three service areas as follows:

- Natural resources management services
- Minerals and energy resources services
- Energy services¹¹

The following table taken from the Appropriation Bill 2018 compares the appropriations for DNRME (formerly Department of Natural Resources and Mines) for 2017-18 and 2018-19.

Appropriations	2017-18 \$'000	2018-19 \$'000
<i>Controlled Items</i>		
departmental services	321,625	533,206
equity adjustment	3,135	66,002
<i>Administered Items</i>	1,300	484,667
Vote	326,060	1,083,875

Source: Appropriation Bill 2018, Schedule 2, p 12.

4.1.1 Budget highlights

The 2018-19 budget highlights for DNRME are to:

- provide secure, sustainable water allocation for the environment, agriculture, industries and urban communities
- ensure Queensland's water supply is secure and delivers strong economic benefits
- make Queensland's land dealings easy, secure and accurate
- deliver the government's suite of vegetation management election commitments

¹¹ Queensland Budget 2018-19, Department of Natural Resources, Mines and Energy, Service Delivery Statements, p 1.

- contribute to the protection of the Great Barrier Reef by delivering, regulating and supporting land and water management programs
- support traditional owners' rights and interests in land and land management through the resolution of native title claims and the grant of Aboriginal and Torres Strait Islander freehold
- provide the Queensland community with more information on natural resource endowment and how we responsibly and sustainably utilise those resources
- provide the Queensland community with up to date spatial and cadastre information to assist in informed decision making
- provide the Queensland community with confidence that its natural resources are being fairly allocated and responsibly used
- attract and support ongoing exploration and private sector investment in the state's resources sector
- facilitate the responsible use of Queensland's minerals and energy resources
- facilitate increased supply options for domestic gas use
- unlock the state's renewable energy potential
- make electricity more affordable for residential and business customers, including continuing an effective working relationship with the Energy and Water Ombudsman Queensland.¹²

Natural Resource Management Services

The 2018-19 highlights for this service area are:

- implement improvements to water resource management in response to the Murray-Darling Basin Water Compliance Review and the Independent audit of Queensland non-urban water measurement and compliance through the Rural Water Management Renewal Program
- continue to deliver dam regulation in Queensland according to the *Water Supply (Safety and Reliability) Act 2008*
- deliver a quality assured water monitoring network to support water resource planning and management
- enhance the access to water resource information and data to support market activity and transparency of management actions
- continue to implement the Queensland Bulk Water Opportunities Statement to maximise the benefits of new and existing bulk water supply infrastructure and to support the delivery of the State Infrastructure Plan, including the assessment and advancement of new bulk water infrastructure proposals
- partner with water service providers to develop regional water supply security assessments
- continue to work with the Townsville City Council to enhance water security, with an allocation of \$15 million to be provided in 2018-19 as part of \$225 million over four years
- finalise water plans for Cape York, Moonie, Condamine-Balonne, Border Rivers and continue targeted amendments for Burdekin, Central Lockyer and Moreton

¹² Queensland Budget 2018-19, Department of Natural Resources, Mines and Energy, *Service Delivery Statements*, p 2.

- work with industry to develop a series of targeted releases of Unallocated Water Reserves and leasing of Strategic Infrastructure Reserves with the aim of creating economic development and employment outcomes in regional Queensland
- develop a Lower Burdekin Groundwater Strategy to address rising groundwater levels
- manage Queensland's native vegetation
- continue to facilitate system and other changes to enable higher volumes of title transactions to be conducted online through electronic conveyancing
- provide property valuation services across Queensland, including promoting easier electronic access to valuations
- coordinate the Government's North Stradbroke Island (Minjerribah) tenure resolution program
- continue to promote Native Title Consent determinations across Queensland
- provide real time satellite monitoring of Queensland's natural resources
- develop a comprehensive framework, in consultation with the Australian and other state governments, to manage Native Title Compensation claims and negotiations
- continue with modernising systems to ensure the integrity and transparency of Queensland's natural resources
- implement year one of the Natural Resources Investment Program to invest in the sustainable management of land, water and vegetation resources.¹³

Minerals and Energy Resources Services

The 2018-19 highlights for this service area are:

- continue to finalise the implementation of the recommendations of the Coal Workers' Pneumoconiosis Select Committee
- establish an exposure database for respirable crystalline silica in Queensland mines and quarries
- undertake a historical review of fatalities in the Queensland mining sector
- progress upgrade to real time gas monitoring system in Queensland underground coal mines
- deliver competency training program for statutory ventilation officers
- review the Well Integrity Management System of selected petroleum and gas operators
- deliver the Collaborative Exploration initiative to encourage exploration into frontier areas in Queensland
- develop new reporting standards and guidelines for mineral and coal exploration
- deliver the geoscience data analytics trial in conjunction with CSIRO Minerals, focussed on the North West Minerals Province
- establish single entry point to support landholders impacted by resource sector activities
- audit all petroleum leases in Queensland against a performance framework to monitor actual development commitments against approved plans

¹³ Queensland Budget 2018-19, Department of Natural Resources, Mines and Energy, *Service Delivery Statements*, p 3-4.

- release new reporting guidelines for the petroleum and gas sector to streamline reporting requirements
- manage disclaimed and legacy mine sites and water infrastructure, focussing on the mitigation of public health and safety risks and reviewing re-commercialisation opportunities.¹⁴

Energy Services

The 2018-19 highlights for this service area are:

- support the Government's target for a million solar residential rooftops or 3,000 megawatts of installed solar photovoltaic capacity by 2020
- implement initiatives under the Government's Affordable Energy Plan, including:
 - limiting electricity price growth for households and small businesses to inflation over the next two years
 - delivering a second \$50 rebate for all residential retail electricity customers through the Government Asset Owner Dividend.
- implement the Government's Powering Queensland's Future policy including:
 - undertaking actions to support the target of at least 50 per cent renewable energy generation in Queensland by 2030
 - supporting establishment of 'CleanCo', a third publicly owned power generation company with a mandate to deliver 1,000MW of new renewable energy projects for Queensland
 - considering the findings of our state-wide hydro-electric study under the Powering North Queensland Plan
 - delivering Renewables 400MW – a renewable energy reverse auction
 - partnering with the Australian Renewable Energy Agency to develop a solution to deliver sustainable energy for the Daintree, to provide residents with a quality, clean, power supply to enhance their standard of living, reduce local pollution and support local businesses and jobs
 - providing no-interest loans to help Queenslanders without access to the upfront capital required, to invest in solar and battery technologies.
- regulate and provide strategic oversight of Queensland's electricity and gas supply industries, and bio-based petrol and bio-based diesel mandates
- provide policy input and government positions for Council of Australian Governments Energy Council including on the National Partnership Agreement on Energy Efficiency.¹⁵

4.2 Issues raised at the public hearing

Issues raised by the committee and participating members at the public hearing in relation to the portfolio areas of Natural Resources, Mines and Energy included:

- impact of recent changes to the vegetation management framework and expenditure to support implementation of the changes

¹⁴ Queensland Budget 2018-19, Department of Natural Resources, Mines and Energy, *Service Delivery Statements*, p 6.

¹⁵ Queensland Budget 2018-19, Department of Natural Resources, Mines and Energy, *Service Delivery Statements*, p 8.

- role of the Queensland Water Regional Alliance Program
- current status of Rookwood Weir project
- investment in water security and funding arrangements with Townsville City Council
- current status of the Great Artesian Basin Infrastructure initiative
- funds allocated to the Sideline Creek upgrade
- DNRME's role in assessing secondary uses of deed of grant in trust land, specifically in relation to a proposed zip-line at Mount Coot-tha
- DNRME's role in the resolution of native title matters across Queensland
- the progress of e-conveyancing
- use of transitional tariffs by government entities such as SunWater
- bulk water prices for south-east Queensland and regional irrigation
- upgrade of Wivenhoe and Somerset dams
- government's actions to develop the gas industry, including actions to secure gas for domestic users
- measures to ensure the long-term prosperity of the mineral sector in Queensland
- recent reforms to help reduce the liability to the state from abandoned and legacy mines
- status of the recommendations made by the Coal Workers' Pneumoconiosis Select Committee
- gas supply and the Gas Action Plan
- update on the Linc Energy remediation site and role of petroleum and mines safety inspectors
- developments in Queensland's coal export industry including new mines and mine re-openings
- initiatives to attract and support ongoing resource exploration
- electricity generation earnings
- bidding direction to Stanwell under the *Electricity Act 1994*
- Affordable Energy Plan and its benefits to regional Queenslanders
- initiatives to address motorists' concerns over fuel prices
- action to support the development of renewable energy
- generation of electricity by Swanbank E
- generation of electricity from Wivenhoe
- role of, and funding for, CleanCo
- criteria for interest-free loans for solar
- Australian Energy Market Operator Integrated System Plan
- government policies to lower electricity prices.¹⁶

¹⁶ Estimates public hearing transcript, Brisbane, 25 July 2018, pp 56 – 92.

5. Minister for Agricultural Industry Development and Fisheries

The Minister for Agricultural Industry Development and Fisheries has responsibility for the Department of Agriculture and Fisheries. The following entities also fall within the Minister's portfolio:

- Queensland Agricultural Training Colleges
- Queensland Rural and Industry Development Authority (QRIDA)
- Safe Food Production Queensland

5.1 Department of Agriculture and Fisheries

The Department of Agriculture and Fisheries (DAF) has three service areas as follows:

- Agriculture
- Biosecurity Queensland
- Fisheries and forestry¹⁷

The following table taken from the Appropriation Bill 2018 compares the appropriations for DAF for 2017-18 and 2018-19.

Appropriations	2017-18 \$'000	2018-19 \$'000
<i>Controlled Items</i>		
departmental services	287,832	313,808
equity adjustment	(4,138)	(2,503)
<i>Administered Items</i>	14,028	42,474
Vote	297,722	353,779

Source: Appropriation Bill 2018, Schedule 2, p 8.

5.1.1 Budget highlights

The 2018-19 budget highlights for DAF are divided into its three service areas, listed below.

Agriculture

The 2018-19 highlights for this service area are:

- establish an Agricultural Ministerial Council involving Queensland Farmers' Federation, AgForce and other industry groups to promote collaboration between industry and government, and agricultural industry development
- lead the implementation of the Government's Driving Queensland Agriculture and Rural Jobs Growth policy to grow agriculture export capacity and enhance innovation throughout the agricultural supply chain by:
 - increasing export opportunities for agribusiness in international markets to enhance economic growth
 - promoting agricultural industry development and jobs in rural communities through \$3.3 million (\$10 million over three years) for the Rural Economic Development Grants program package

¹⁷ Queensland Budget 2018-19, Department of Agriculture and Fisheries, *Service Delivery Statements*, p 1.

- enhancing rural job skills with a further \$1 million (\$3 million over three years) for the successful Rural Jobs and Skills Alliance and to extend the Queensland Agricultural Workforce Network (QAWN)
- continue to support agricultural industries in reef catchments to improve Great Barrier Reef water quality outcomes through adoption of improved practices by:
 - ensuring coordinated on-ground support services, such as, extension capacity building, pesticide education and compliance, and collaborative service delivery
 - specialised extension services such as economic analysis to support the industry-led, Best Management Programs (BMP)
 - validating improved and innovative management practices
- provide existing drought relief arrangements to drought affected communities and invest in the Queensland Drought and Climate Adaptation Program to improve farm business capacity, seasonal forecasting and decision support tools that enable producers to better manage climate risk. The government will conduct a review of its drought programs in 2018-19 to ensure the most appropriate assistance is delivered
- work with industry to investigate the feasibility of abolishing stamp duty on agricultural insurance products, and reducing the reliance of primary producers on government assistance during natural disasters
- continue to implement the Agriculture and Food Research, Development and Extension 10-Year Roadmap and Action Plan which aligns with the Advance Queensland agenda and drives innovation in Queensland’s agricultural and food industries
- provide \$500,000 (\$1 million over two years) for research, development and extension to address knowledge gaps in pulse storage to support the rapidly expanding chickpea and pulses industry
- invest \$390,000 (\$400,000 over two years) to tackle fruit flies in Bundaberg and to trial regional agriculture data collection with Bundaberg Fruit and Vegetable Growers.¹⁸

Biosecurity Queensland

The 2018-19 highlights for this service area are:

- implement the Queensland Biosecurity Strategy and Action Plan
- lead the implementation of existing National Agreements and Partnerships and negotiations associated with proposed new Project Agreements to ensure adequate funding contributions for:
 - pest animal and weed management in drought affected areas
 - established pest animal and weed management
 - pest and disease preparedness and response programs
- continue nationally significant biosecurity responses and eradication programs including programs for Red Imported Fire Ants, white spot disease in prawns, and Panama disease tropical race 4

¹⁸ Queensland Budget 2018-19, Department of Agriculture and Fisheries, *Service Delivery Statements*, pp 4-5.

- provide a further \$2.5 million in grants (\$5 million over two years) for the Queensland Feral Pest Initiative for wild dog exclusion cluster fencing in western and southern Queensland in drought affected communities
- commission the Animal Welfare Advisory Board to conduct a review regarding the welfare of companion animals and provide recommendations to government.¹⁹

Fisheries and Forestry

The 2018-19 highlights for this service area are:

- implement the Queensland Sustainable Fisheries Strategy 2017–2027 to ensure that fisheries resources are managed in a sustainable and responsible manner that recognises the interests of all Queenslanders. This includes a commitment to:
 - work with industry to help minimise the costs associated with vessel tracking and to ensure the rules applied are practical and achievable for smaller boats and fishing operations that use multiple boats
 - modernise the recreational fisheries app and develop a commercial fisheries app
 - commence a review of the *Fisheries Act 1994* to create a legislative framework for recreational and commercial fishers that is contemporary, simple to understand, and reflective of community expectations
- provide the remainder of \$100,000 to each of the Rockhampton, Mackay and Cairns Regional Councils to help promote their net-free zones, which commenced in 2017-18
- release the final Charter Fishing Action Plan to grow a world-class charter fishing industry
- maintain the Shark Control Program that provides safe and secure Queensland beaches
- continue to meet the state’s native forest and quarry material supply commitments outlined in various sales permits issued under the *Forestry Act 1959*
- develop a Queensland Government policy on the future of timber production in state-owned native forests
- continue to oversee the plantation licence held by HQPlantations Pty Ltd, as well as the related agreements, on behalf of the state.²⁰

5.2 Issues raised at the public hearing

Issues raised by the committee and participating members at the public hearing in relation to the portfolio areas of Agricultural Development and Fisheries included:

- DAF staffing levels
- Sustainable Fisheries Strategy, including progress of the Strategy; the role of monitoring and research and changes to fisheries regulation under the Strategy
- investment in the Shark Control Program
- funding for biosecurity issues such as white spot, Panama TR4 and other weed and pest initiatives
- role of vessel tracking within the Sustainable Fisheries Strategy

¹⁹ Queensland Budget 2018-19, Department of Agriculture and Fisheries, *Service Delivery Statements*, p 7.

²⁰ Queensland Budget 2018-19, Department of Agriculture and Fisheries, *Service Delivery Statements*, p 9.

- progress of net-free zones and government partnerships to promote recreational fishing within net-free zones
- impact of recent changes to the vegetation management framework
- drought assistance funding
- monitoring of waterways and catchments
- current status of Growing Queensland's Food Exports program
- administration of rural debt surveys
- current status of the Rural Economic Development Grants program
- biosecurity service delivery, including the cattle tick management framework
- growth and development of the forest and timber industry
- HQPlantations and the role of DAF in working with HQPlantations on operational, compliance and other issues
- QRIDA assistance as part of the National Disaster Relief and Recovery Arrangements
- current status of the Farm Business Debt Mediation program; the number of producers experiencing financial difficulties and QRIDA's involvement in the program
- assistance provided to the Queensland Country Women's Association for hall improvements
- relationship between Biosecurity Queensland and the RSPCA in enforcing the *Animal Care and Protection Act 2001*.²¹

²¹ Estimates public hearing transcript, Brisbane, 25 July 2018, pp 1 – 25.

6. Statement of Reservation

The non-government members of the State Development, Natural Resources and Agricultural Industry Development Committee submit this statement of reservation to express our concerns with the shortcomings of both the 2018 State budget and the estimates hearings that followed.

The 2018/19 Budget is a budget of taxes, debt and unemployment.

After three-and-a-half years, Labor's legacy for Queensland is no less than five new taxes, an \$83 billion debt bomb and the worst unemployment in Australia - at the time the budget was handed down.

This is a budget that shows Labor have given up and have no plan for Queensland, just a plan for more taxes and more debt. These five new taxes will rip \$2.2 billion out of Queensland's economy. These five new taxes will hit households and businesses in every corner of this State.

After three-and-a-half years in office, Labor has no economic plan for Queensland. To divert attention from Labor's lack of an economic plan and failure to deliver on its promises, Labor continues to attack the LNP Government, unable to defend their own record.

Disappointingly, the State Development, Natural Resources and Agricultural Industry Development Committee budget estimate hearings lacked openness and transparency with the Government members using standing orders and their numbers on the committee to limit the number of questions to Ministers and therefore limit the ability of LNP members to scrutinise the programs and spending of the Government.

The media coverage was scathing of the abuse of the process.
Chris O'Brian of the ABC reported on the 31st of July 2018

"The constant use of standing orders against questions containing arguments, imputations, opinions or hypothetical matters was the worst since the estimates process began in 1994 according to long-time observers."

"Former labor speaker John Mickel said the protection racket by Queensland government MPs at the hearings needed an overhaul to make the process more accountable to taxpayers."

The current Speaker the Hon Curtis Pitt stated'

"Members are put on notice that the use of props, framing irrelevant questions and frivolous or tedious points of order which only seek to disrupt the flow of proceedings, or unsustainable claims and counter claims, will be dimly viewed by the Queensland community."

Further to this, we believe the advice from the Clerk regarding process and procedure for questions was ignored by the government members.

The lasting legacy of estimates 2018 will be the total lack of any openness or transparency from this Palaszczuk government.

Minister for Agricultural Industry Development and Fisheries

There are grave concerns that staff are being cut from the Queensland's biosecurity defences. This happens while the Minister fails to properly understand his own budget papers which clearly show a cut in actual biosecurity staff for 2018-19 as well as an overall decrease in long-term funding for combating White Spot disease, Panama TR4 as well as other pests and weeds.

There are also concerns with the Minister's inability to accurately confirm the staffing levels across the department to be in line with the numbers outlined in the budget on multiple occasion in the media. The Deputy-General and Minister's inability to explain this apparent staff cut of more than 100 FTE positions in the department is very concerning and opens up broader questions around the competency of this Labor government in providing Queensland agricultural industry with the service it deserves.

On the topic of biosecurity, it was disappointing that the Minister refused to outline exactly when Queensland graziers will get the opportunity to participate in the now overdue review of the cattle tick line that was promised more than two years ago. While the Minister did indicate that there would be a 'road show' to discuss the issue with graziers, no details were outlined and no commitment was made as when and where these would be held. It is estimated that cattle ticks cost Queensland graziers more than \$160 million a year and there are strong concerns amongst graziers and industry about the Government's commitment to properly policing and funding the maintenance of Queensland cattle tick line program.

The decrease in state funding for research and development in the budget is disappointing and inexcusable. This is especially of concern when the issue of pasture dieback is impacting agricultural production throughout Queensland. The failure of the Government to sufficiently allocate additional extension officers to adequately deal with this biosecurity threat is not meeting community expectations.

It was very disappointing that the Minister did not properly address concerns raised by the around the inappropriate removal of the Western Downs region from the drought declaration list. Drought support for those areas in dire need is essential and should not be denied through government maladministration.

Perhaps the most outrageous outcome from the committee review process was that the Minister, as well as the Government members of the committee, refused to allow any questions around the agriculture department's complicity and due diligence in relation to the recent vegetation management laws, that directly impact upon Queensland farmers and the agricultural production and development in the state. The limiting of any scrutiny of the Minister's involvement and engagement on this issue is of significant concern and undermines the entire estimates process and fails the very sector the Minister is tasked with serving.

It is very clear to us that this Minister does not have a vision for Queensland agriculture and will do anything to avoid scrutiny. We have seen a reduction in biosecurity staffing and future funding, drought support funding and declarations as well as lacking vision in the implementation of a future strategy for our forestry industry.

Minister for State Development, Manufacturing, Infrastructure and Planning

The prevalence of evasive answers from both the Minister and Director General, and the raising of frequent tenuous points of order and irrelevant filibustering during the hearing, made a mockery of the estimates process for a senior economic Ministerial portfolio. The level of protection afforded to the Minister, made clear why so many of the Department's prior portfolio responsibilities have been transitioned to other Ministers – even though the Premier has claimed the Minister for State Development, Manufacturing, Infrastructure and Planning is part of her four-member economic team.

During the hearing the Government members made prolific references to hypothetical questions, limits were placed on the number of questions which could be asked of the Minister and the Department. This approach had the effect of limiting Ministerial and departmental accountability and transparency. The pinnacle of the Chair's approach in regard to protection were illustrated when he made light of the fact that he could have protected the Member for Glass House during the hearing.

CHAIR: I could have protected you, member for Glass House, but you are on your own now.

State Development

We learnt that the completion dates for the Building our Regions program is determined at the whim of the Department. Furthermore, no clarification could be provided as to whether over 40 Building our Regions website project pages were changed on 11 July to reflect more favourable timelines ahead of the estimates hearing. While re-writing history is a highly concerning governance practice for any administration, what's more troubling is the delay in critical infrastructure projects. It was uncovered that desperately needed water security project for a drought stricken region of Queensland, Yowah, was delayed without any trace of notification on the department's website.

The full extent of the Minister's apparent disregard for accountability and truth was uncovered during a line of questioning relating to the Government's Advance Queensland Industry Attraction Fund. Downplaying questions in relation to serious doubts over the suitability of a grant recipient, the Minister asserted that the cease and desist letter the department received, had come from the simulator manufacturer and not the aircraft manufacturer.

With the organisation in question, ATR, being established by Airbus and Leonardo in 1981 and now turning over \$1.8 billion USD per annum, the Minister couldn't be further from the truth. The fact that every 8 seconds an ATR turboprop takes off or lands in the world seemed an irrelevant fact to the Minister. Unfortunately for Queensland it's not just the estimates process that is damaged from any disregard for accountability, after these revelations it is doubtful that ATR-Aviation or its parent company, Airbus, will be looking to invest in our great state.

Manufacturing

Labor's do-nothing approach to Government was on full display when questioned about the 2017 election commitment to implement a comprehensive strategy for the Queensland meatworks industry. With over eight months passed since the election, the committee heard that a strategy hadn't even been started, let alone implemented. Over the same period of time, the committee heard that Queensland's meat manufacturing industry had lost 900 jobs in South East Queensland alone. Labor's approach to Queensland's largest manufacturing industry is appalling, the LNP was left wondering how many more jobs needed to be lost until the Minister actually delivered upon this Labor Government's promises.

Infrastructure

With most infrastructure related responsibilities being transferred to other Ministers as part of the machinery-of-government changes, the LNP uncovered few if any major capital works that are now managed by the Department of State Development, Manufacturing, Infrastructure and Planning. As a result of actions which restricted the LNP's time to examine the portfolio, a specific question requesting a quantitative number relating to the Bundaberg State Development Area was left unanswered. After a sufficient time of filibustering by the Director-General, without any effort taken to ensure the question had been answered, the LNP's allocated time for questioning was declared by the Chair to have concluded. LNP members consider that the actions of the Chair reduced the time for questioning and sought to avoid a scrutiny of questions that were of a contentious nature.

Planning

The LNP members of the committee were restricted in asking questions relating to better planning for Queensland. The Hansard extract from the estimates hearing demonstrates the difficulty LNP members had in pursuing a straightforward line of questioning. The question posed related to the Government's confidence in modelling that has led to a real increase in Gold Coast insurance premiums:

Mr POWELL: I have a follow-up on that. Director-General, thank you for the answer. Given the impact on insurance premiums as reported in today's media, is the department confident on that modelling and any advice the department has provided the Gold Coast City Council?

CHAIR: Just a moment. There are a couple of things with that question. You said 'given the impact'. You have a hypothetical there with regards to impacts. You have used the word 'consider' as well, so you are asking for an opinion. Can you rephrase that in accordance with standing orders?

Mr POWELL: Mr Chair, with regard to the first part of your concern, it is widely reported in the article that it is not a fictional impact; it is a real impact.

CHAIR: It is therefore hypothetical.

Mr POWELL: How is a real increase in insurance premiums hypothetical?

CHAIR: Member for Glass House, we have a hypothetical situation here, according to the front page of a paper.

Mr POWELL: No, if you read the article, Mr Chair, you would see that this is based on a very real –

CHAIR: I am ruling that that part is hypothetical. Do you want to get to the real part of your question?

Mr POWELL: Is the department confident on the modelling an advice it has provided the Gold Coast City Council?

CHAIR: Just a moment once again. You are asking if there is confidence; therefore that is an opinion that you are asking for. You have one more chance, member for Glass House, or I will rule that out of order.

The hard-line approach in managing LNP questions denied examination of the details on transport modelling for ShapingSEQ. No clear explanation could be provided as to why the Government's modelling for ShapingSEQ predicted a decrease in average travel times for vehicles, when the Queensland Audit Office had actually identified average journey times will increase by around 30 per cent in the greater Brisbane area.

Minister for Natural Resources, Mines and Energy

Natural Resources and Mines

The Minister's lengthy and verbose responses throughout the estimates hearing combined with constant interjections by Government Members on the Committee, severely restricted the ability of LNP members to ask relevant and probing questions regarding this portfolio. It was frustrating to have the Minister inaccurately convey and trivialise the impact that Labor's unfair vegetation management laws were having on Queensland farmers and his responses demonstrated a lack of understanding around this issue. It was especially disappointing to have legitimate questions around the extra allocation of resources to support affected landholders continually rejected under the guise that the issue was not relevant and contrary to advice received by the Minister's Department.

It is unclear whether the Government has any intention of providing additional extension officers, particularly in rural areas, to assist farmers in understanding and applying new Vegetation Management laws. Threats of enforcement action and widespread confusion across the industry around the new laws have not been alleviated by a Government propaganda campaign and the Minister's insistence that farmers have 'nothing to worry about' is causing widespread concern throughout Queensland.

On the topic of water, it was extremely disappointing that the Minister refused to rule out price hikes above the Consumer Price Index for regional bulk water prices after the Labor Government committed to increasing the price of water in the southeast three to five times higher than inflation over the next three years. This was a major blow for regional Queenslanders and particularly irrigators.

Water is the lifeblood of our rural and regional communities, especially for our agriculture industries, and it was disappointing that questions aimed at eliciting information around water price increases were deflected or went unanswered.

The unresolved issues around the viability of regional energy tariffs for small businesses through the transition of obsolete tariffs (T20, 21, 22, 37, 62, 65 and 66) after 1 July 2020 was brought to the Minister's attention by highlighting that the government was still operating 761 taxpayer-funded energy accounts, including more than 40 per cent of SunWater's water scheme operations. This revelation was particularly concerning and showed that significant issues existed with the business tariff offering post 1 July 2020 regarding the Government's inability to deliver affordable and reliable sources of energy. This information was at odds with the Minister's comments regarding Queensland farmers not transitioning from obsolete tariffs in order to access cheaper power.

Queenslanders were promised the 'Queensland Gas Action Plan' in 2015 when the Palaszczuk Labor Government first came to office, with this plan to be delivered in the first half of 2016. Despite the fact that some two years have passed, the Minister continued to assert that the delivery of this plan was 'imminent'. The Minister in his response continued to lay the blame for the delay on the Federal Government which was disappointing and showed a complete lack of commitment by this Government to deliver this plan. It is extremely disappointing that the Minister is holding up the productive Queensland gas industry through his department's inability to deliver this promised report more than three years after it was first announced.

In summary, the relatively short time frame allocated to this portfolio as part of the Estimates process, combined with constant interference by Government Committee members and lengthy prepared responses by the Minister, did not allow for a thorough and comprehensive investigation to be conducted of this portfolio which raises questions around transparency and accountability.

Energy

From the outset it should be placed on the record that for the Labor Government to provide just one hour to debate an issue that is at the forefront of consumers' minds is disappointing in the extreme. Under the Labor Government, Queenslanders are paying too much for their electricity and LNP members were seeking to scrutinise the Government's performance in this key portfolio. The Committee learnt that the Government generators earned in the order of \$1.24 billion which was well beyond forecast budget figures but specific financial information on how this money was being applied to funding other essential services was not provided.

Furthermore, the Government failed to explain why the estimated actual figures for 2016-17 financial year came in \$410 million in excess of the budget amount or why the actual amount in the June budget was \$349 million above earnings as at 30 June 2018. This raises concern from the LNP members that the Labor budget figures are rubbery at best and that electricity is being used by Labor as a secret tax.

In terms of mandatory fuel price monitoring, the Minister advised that even though they had originally criticised the LNP's policy, they were now going to implement a two year trial. Disappointingly, while Queenslanders are struggling with record fuel costs, it will take the Labor Government a further five months for the 'app' to be available on smartphones and web sites and until Easter 2019 before retailers will be required to comply. The Minister completely misrepresented the LNP policy that was announced in January this year, probably because he continues to label the policy 'an LNP thought bubble', despite having to commit an embarrassing fuel flip flop and adopt the plan. By the time Labor ends up implementing their policy, Queensland motorists could have saved hundreds of dollars. Furthermore, the Minister's contention that the LNP policy would have cost \$20 million is inaccurate.

In response to an LNP question on CleanCo, the Minister advised that this new renewable energy company would be a commercial GOC with a mandate to deliver 1,000 Mega Watts of renewable energy but it was still under development with no financials provided. This is a policy that the Electrical Trades Union has labelled 'privatisation by stealth' and it appears that the Minister is struggling to finalise the negotiations to establish this supposed key Labor election commitment. He has a history of being called out by trade unions and this is just another example.

LNP members are also concerned that under Labor, regional Queenslanders will continue to be denied the competition available in the South East corner of the State which has led to cheaper energy prices. It was recommended by Labor's own electricity pricing inquiry and yet they simply refuse to adopt the plan. It's just more evidence of a Labor Government that doesn't care about regional Queensland.

In response to a question about a Government direction to Stanwell on volume and price, the CEO confirmed that a direction was still in place. On Swanbank E, a key plank of the Labor Government's Powering Queensland plan, the re-opening of the Swanbank E gas generation plant proved to be false when the CEO of Stanwell advised that the plant had been on standby for the last month and generation figures show the plant has been operating a minimal generating capacity for months.

In relation to Wivenhoe, although the Minister had previously told the ABC radio listeners that the Government was using Wivenhoe pumped hydro as storage for solar energy produced during the day, the figures tabled at estimates show that isn't in fact the case.

Conclusion:

Instead of a plan for the future Labor continues with the politics of the past.

Unlike Labor, the Liberal National Party does have a plan for Queensland. Our plan is designed to make it easier for Queenslanders to get a job and get ahead.

The LNP economic plan lays out five goals and how the LNP would deliver each of them.

The LNP plan will:

- Bust congestion
- Provide cheaper electricity
- Ensure better health and education
- Deliver water security
- Guarantee no new taxes

The LNP's Economic Plan outlines what we would do right now, and what we plan to do from 2020.

It is the beginning, not the end, of our commitment to Queensland.

Because we want Queenslanders everywhere to have good jobs and great opportunities.

Only the LNP has a plan will get this State moving again and ensure Queensland's best days are ahead of us.



Pat Weir MP
Member for Condamine

