

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 8 OCTOBER 1985

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Mr SPEAKER (Hon. J. H. Warner, Toowoomba South) read prayers and took the chair at 11 a.m.

ASSENT TO BILLS

Assent to the following Bills reported by Mr Speaker—

- National Crime Authority (State Provisions) Bill;
- Tobacco Industry Protection Act Amendment Bill;
- Save the Steam Car Fund Bill;
- Canned Fruits Marketing Act Amendment Bill;
- Roman Catholic Church Lands Bill;
- Queensland Museum (Assimilation of Coomera Technology Centre) Bill.

PETITIONS

The Clerk announced the receipt of the following petitions—

Amalgamation of Nursing Boards

From Mr Austin (6 signatories) praying that the Parliament of Queensland will intervene in the proposed amalgamation of the Board of Nursing Studies and the Nurses Registration Board of Queensland.

[A similar petition was received from Mr McElligott (150 signatories).]

Abortion Laws

From Mr Tenni (16 signatories) praying that the Parliament of Queensland will amend all abortion laws.

Nurse Education

From Mr McElligott (206 signatories) praying that the Parliament of Queensland will provide funds for post-registration degree courses in nursing and for the acceptance of federal funding to provide for basic nursing training at colleges of advanced education.

Third-party Insurance Premiums

From Mr Warburton (837 signatories) praying that the Parliament of Queensland will revoke recent increases in third-party insurance and ensure future increases are determined after public hearing.

[A similar petition was received from Mr Burns (177 signatories).]

Concessional Third-party Insurance for Aged Pensioners

From Mr Fouras (194 signatories) praying that the Parliament of Queensland will institute a 50 per cent concessional rate on compulsory third-party insurance for aged pensioners.

Housing Commission Rents

From Mr Warburton (105 signatories) praying that the Parliament of Queensland will not take from pensioners and unemployed tenants of the Queensland Housing Commission by way of increased rents, supplementary income earned by them.

Electoral Districts Bill

From Sir William Knox (1 018 signatories) praying that the Parliament of Queensland will reject or amend the Electoral Districts Bill so as not to increase the number of electorates from 82 to 89.

Dawson Highway

From Mr Prest (964 signatories) praying that the Parliament of Queensland will allocate funds to upgrade the Dawson Highway from the Gladstone/Calliope boundary westwards to Williams Road, Burua.

Petitions received.

PAPERS

The following papers were laid on the table, and ordered to be printed—

Reports—

- Queensland Science and Technology Council for the year ended 30 June 1985
- Commissioner for Railways for the year ended 30 June 1985
- Director, State Emergency Service, Queensland for the year ended 30 June 1985
- Stock Routes and Rural Lands Protection Act 1944-1984 and Barrier Fences Act 1954-1984 for the year ended 30 June 1985
- Department of Mapping and Surveying for the year ended 30 June 1985
- Air Pollution Council of Queensland for the year ended 30 June 1985
- Noise Abatement Authority of Queensland for the year ended 30 June 1985.

The following papers were laid on the table—

Proclamations under—

- Second-hand Dealers and Collectors Act Amendment Act 1985
- Hawkers Act Amendment Act 1985
- Pawnbrokers Act Amendment Act 1985

Orders in Council under—

- Harbours Act 1955-1982
- Harbours Act 1955-1982 and the Statutory Bodies Financial Arrangements Act 1982-1984
- Rural Training Schools Act 1964-1984 and the Statutory Bodies Financial Arrangements Act 1982-1984
- Grammar Schools Act 1975-1984 and the Statutory Bodies Financial Arrangements Act 1982-1984

Regulations under—

- Public Service Act 1922-1978
- Traffic Act 1949-1984
- Second-hand Dealers and Collectors Act 1984-1985
- Hawkers Act 1984-1985
- Pawnbrokers Act 1984-1985
- By-law under the Harbours Act 1955-1982 and the Gold Coast Waterways Authority Act 1979-1982

Statutes under—

- Griffith University Act 1971-1984
- University of Queensland Act 1965-1984

Report and Financial Statements of the Gladstone Area Water Board for the year ended 30 June 1985

Reports—

Queensland Coal Board of its financial accounts for the year ended 30 June 1985

Uniform Practice Manual under the Electricity Act 1976-1984

Queensland Trustees Limited for the year ended 30 June 1985.

MINISTERIAL STATEMENTS

Local Government Act Amendment Bill (No. 2)

Hon. R. J. HINZE (South Coast—Minister for Local Government, Main Roads and Racing) (11.10 a.m.), by leave: A very serious allegation has been brought against me by the Leader of the Opposition, namely, that I deliberately misled this House by claiming that the proposals to streamline third-party appeals against rezoning applications under the Local Government Act had the support of the Local Government Association.

The relevant quote from *Hansard* upon which the Leader of the Opposition seeks to rest his case is taken from *Hansard* of 19 September, when I replied to a question from him and said, inter alia—

“The honourable member must realise that the Queensland Government takes cognisance of the Local Government Association of Queensland, which represents all of the 134 local authorities in this State. The chairman of that association is Sir Albert Abbott. From that association the Government has received communication asking for this change.”

I stand by that statement and I reject categorically—

Mr Warburton: Table the letter.

Mr SPEAKER: Order! For the benefit of honourable members, I refer to the relevant Standing Order on this matter, and I want them to give it consideration. I remind honourable members that, under Standing Order No. 108A, ministerial statements made in the House by Ministers, on behalf of the Government, regarding the administration of their portfolios should be heard in silence. There is to be no debate. I warn honourable members accordingly that I will take the appropriate action to ensure that Standing Orders are complied with.

Mr HINZE: I stand by that statement and I reject categorically and absolutely the charge that I misled this House when I made that statement.

On several occasions, Sir Albert Abbott, in his capacity as president of the Local Government Association, has raised with me the problems that have arisen because of the existing third-party appeal provisions under the Local Government Act. Sir Albert has publicly acknowledged that. There is no dispute about that.

On ABC Radio, on 3 October, Sir Albert was asked what exactly he did tell the Premier and me about this matter. He replied—and I quote from the transcript of that program—

“I said that I supported it personally. It has not come to the Local Government Association as such. We did ask the Department and the Minister to do something to expedite the determination that we felt that there were quite a number of unnecessary appeals being lodged, many of which couldn't be sustained anyway.”

Also, in that interview, Sir Albert was asked whether the Premier and I had been—and again I quote from a transcript—“slightly misleading” in saying that we had claimed

that the Local Government Association had supported the proposed legislation. Sir Albert replied—

“No I don’t believe that at all. They asked for my comment and I gave it. We did ask them to initiate some, well not the Premier, but the Minister to initiate some action in this regard and he’s done that. Now that specific legislation didn’t come back to us for comment but I support it fully.”

Further in that radio interview, Sir Albert said—

“Speaking from a Local Government point of view, I see nothing wrong at all.”

Mr WARBURTON: I rise to a point of order. Mr Speaker, I put it to you that the Minister for Local Government, Main Roads and Racing is attempting once more to mislead the House. In a media release issued on 1 October 1985 by Sir Albert Abbott, which I will table, Sir Albert said—

“. . . the Association had not sought the particular amendment to the Local Government Act now before the House . . .”

It could not be any clearer than that. The Minister is trying to cover up for the incorrect comments that he made to this House on a previous occasion. I table that document.

Whereupon the honourable member laid the document on the table.

Mr SPEAKER: Order! There is no point of order.

Mr HINZE: The House can now see why the Opposition is in that car-park college. Members of the Opposition do not know whether they are at the extreme Left, the centre Left, the right Left or whatever Left they like to call it.

Opposition Members interjected.

Mr SPEAKER: Order!

Mr HINZE: They have the old guard, the new guard, the inner guard and the outside guard. Do they know to which guard they belong?

Opposition Members interjected.

Mr SPEAKER: Order! The member for South Brisbane.

Mr Fouras interjected.

Mr SPEAKER: Order! I warn the honourable member for South Brisbane under Standing Order No. 123A.

Mr HINZE: Sir Albert replied—

“No I don’t believe that at all. They asked for my comment and I gave it. We did ask them to initiate some, well not the Premier, but the Minister to initiate some action in this regard and he’s done that. Now that specific legislation didn’t come back to us for comment but I support it fully.”

Further in that radio interview, Sir Albert said—

“Speaking from a Local Government point of view, I see nothing wrong at all.”

It should be clear to all honourable members that the allegation by the honourable leader of the Opposition falls to the ground, knocked out of the ring by the president of the Local Government Association himself.

On ABC radio on that day, 3 October, the honourable Leader of the Opposition followed Sir Albert. The honourable member made some quite outrageous statements, which, in summary, told Sir Albert Abbott to shut up because Sir Albert was not saying the sorts of things that the honourable member wanted to hear.

Mr WARBURTON: I rise to a point of order. I refute the suggestion that on any occasion I told Sir Albert Abbott to shut up. I did not use those words. I ask the Minister to withdraw them immediately. He should either prove his allegation or withdraw the words immediately. Again the Minister has been caught out.

Mr SPEAKER: Order! The Minister has been asked to withdraw that statement.

Mr HINZE: I will withdraw the words "shut up".

Mr Warburton: Because you know you are wrong.

Mr HINZE: But the inference is the same.

In that interview, The honourable Leader of the Opposition said that Sir Albert had no right to make statements on behalf of the Local Government Association and that Sir Albert's contention that the association would support the proposed legislation was "somewhat stupid". The Leader of the Opposition could not take it. That is an utterly disgraceful thing to say, and Sir Albert deserves nothing less than a full public apology from the honourable Leader of the Opposition, who is prepared to juggle quotes and take quotes out of context. When it suited the honourable member, he misquoted Sir Albert out of context and tried to build a shabby little argument in favour of the charge that I have misled the House.

Mr WARBURTON: I rise to a point of order. I ask for a complete withdrawal of the comment that I misquoted Sir Albert. Let the Minister either try to prove his allegation by laying the information on the table, or withdraw. I ask that he withdraw immediately. He is completely misleading the House, as he did previously on the local government appeal issue. So did the Premier.

Mr SPEAKER: Order! The Leader of the Opposition has asked the Minister for a full and complete withdrawal of those comments.

Mr HINZE: Mr Speaker, I have to seek your guidance. I place before the House the context of the replies made publicly. They are as I have stated them to be. Under those circumstances, I cannot withdraw them. It is entirely for the public to decide whether the Leader of the Opposition has tried to juggle the facts in this matter.

Mr SPEAKER: Order! I have to ask the Minister to withdraw those comments.

Mr HINZE: Mr Speaker, because of your request, I will withdraw the statement.

However, when Sir Albert's comments were reported in full and in context, the honourable member was so infuriated and frustrated that he could do nothing else than attempt to publicly denigrate Sir Albert by implying that Sir Albert was nothing more than a National Party hack. If any apology or withdrawal is necessary, it should be made by the Leader of the Opposition, not by me.

From the very beginning, it has been my intention that the final result of the proposed amendments to the Local Government Act would be the production of the finest piece of legislation of its type in Australia. As the Leader of the Opposition was involved in local government, he should know that. I believe that my handling of the matter has been beyond reproach.

Opposition Members interjected.

Mr HINZE: Listen to the laughing hyenas!

When concern was expressed from some quarters about the method proposed to streamline the hearing of third-party objections, the Government delayed the final debate on the Bill. I announced publicly that I would welcome submissions from any concerned organisation or individual during the current review and would consult with interested parties, if they felt that was necessary. I have held some discussions and will hold more. I have received some submissions and am awaiting others. All will be treated with the same degree of seriousness.

The Opposition, realising that its pathetic little attempt to discredit me over my claim that these proposals had the support of the Local Government Association and its president had fallen in an ugly heap, has tried to change tack. The latest charge is that unnamed developers—carpet-baggers, as they have been called—are bringing pressure to bear to force the introduction of this legislation. There have been vague mutterings that deals are being done. Yesterday, I challenged Opposition members to name names and to produce evidence. The reply has been an echoing silence. That tactic has not worked, either.

On 19 September, when I said in this House that the Government had received communication from the Local Government Association asking for the proposed change to the Local Government Act, I did not claim that the association supported the proposed amendments chapter and verse. It is not an exercise in semantics to say that; it is the undeniable fact of the matter.

In 1984, the Local Government Association sought to have the existing town-planning processes streamlined, and it initiated moves with the Local Government Department in that regard. On 9 September last, the director of the Local Government Department, Mr Harold Jacobs, addressed the executive of the association in Gladstone and informed it at that time of the proposed amendments. At that time, not one objection was raised by any executive member, and a reasonable person would draw a reasonable conclusion from that.

The Leader of the Opposition has shown again that he is not a reasonable person. I am not going to be used as the vehicle by which he tries to gain some remnant of lost respectability after his sell-out of his own mates and his own party's State secretary, Peter Beattie, in the battle for Labor Party pre-selection for Redlands. All honourable members know what happened down in the car-park with the Leader of the Opposition's car-park colleagues, as they are referred to.

In conclusion, I table a letter that I received yesterday from Sir Albert Abbott and seek leave to have it incorporated in *Hansard*.

Leave granted.

Whereupon the honourable gentleman laid the following document on the table—

Telephone Nos	Telex	Telegraphic Address:
52 5703 (4 lines)	44559	"Loggov" Brisbane

THE LOCAL GOVERNMENT ASSOCIATION OF QUEENSLAND
(Incorporated)

Address all Correspondence to
The Secretary
P.O. Box 130
Newstead. Q. 4006

Local Government House,
60 Edmondstone Road,
Mayne, Q. 4006

7th October, 1985.

The Hon. R. J. Hinze,
Minister for Local Government, Main Roads and Racing,
Queensland Treasury Building,
Queen Street,
Brisbane, Q. 4000

Dear Mr Hinze,

In view of the publicity being given to your proposed action to expedite determinations of Third Party Appeals to Town Planning Applications, I would like to clarify the situation as it relates to the Queensland Local Government Association and to myself as its President. As you are aware, the Association has been concerned at delays caused by appeals raised by objectors against Rezoning and other Town Planning Applications which can be motivated by personal or commercial interests, and which, if considered not sustainable in a Court, can be withdrawn at the time of the hearing at no cost to the appellant, but which has resulted in considerable cost to the applicant and sometimes the withdrawal of a proposal.

We endeavoured to have the Town Planning process streamlined and in 1984 initiated moves with your Department in this regard.

The present proposal did not originate from our organisation, therefore I cannot unequivocally state that the Association gives it full support, but in his address to the Queensland Local Government Association Executive Meeting in Gladstone on the 9th September, 1985, your Director, Mr Harold Jacobs informed the meeting of the amendment without one objection resulting. Additionally, I have not received a complaint from any of our Member Councils, and as President I see advantages in the move and nothing detrimental to those I represent, so I offer my full support to the proposed amendment.

Hoping this clarifies my position.

I remain,

Yours sincerely,

Sir Albert F. Abbott C.B.E.,
President.

White Paper on Legislative Proposals Relating to the Pre-payment of Monies for Goods and Services

Hon. N. J. HARPER (Auburn—Minister for Justice and Attorney-General) (11.23 a.m.), by leave: I have previously expressed concern in the House at the failure rate amongst businesses that require consumers to pay in advance for goods or services to be provided at a later date.

Unfortunately, there has been a tendency on the part of some business managers to divert those pre-paid funds to short-term rather than long-term purposes; for example, the funds are occasionally used to broaden the capital base of the business or to meet the immediate expenses of day-to-day operations.

Whilst such utilisation of pre-paid funds usually results from poor business practice and lack of experience, it appears that in some cases there may have existed an element of fraud.

Increases in operating costs, or the failure of the business to effect sales programs sufficient to generate an adequate cash flow, have often resulted in a gradual depletion of finances.

An obvious consequence is that, ultimately, such enterprises are forced to close their doors because of their inability to supply the goods and services promised. Upon liquidation, the pre-paying consumers become unsecured creditors with little hope of receiving even a partial refund of their pre-payments.

The White Paper, which I intend to table, outlines various legislative options that may assist in remedying the situation. The paper will be made available to all who have a genuine interest, and will be available on request to my department. I hope to receive comment from a cross-section of the community representing the interests of both the businessman and the consumer, and I ask that all submissions in this regard be forwarded to my office no later than 31 March next.

I table a White Paper on Legislative Proposals Relating to the Pre-payment of Monies for Goods and Services.

Whereupon the honourable gentleman laid the document on the table.

Absence of Minister for Transport Through Ill Health

Hon. D. F. LANE (Merthyr—Minister for Transport) (11.25 a.m.), by leave: During the last three or four weeks I have been absent from Parliament owing to illness. I thank honourable members on both sides of the House and the news media for the courtesy extended to me and my family during that period.

Inaccuracy in Press Article

Hon. P. R. McKECHNIE (Carnarvon—Minister for Tourism, National Parks, Sport and The Arts) (11.26 a.m.), by leave: I draw the attention of honourable members to an inaccuracy in a story on tourism in *The Sunday Mail* on 6 October. In the lead article, a so-called financial analyst named Austin Donnelly was quoted as saying that tourism in Queensland was down 17 per cent on the figure for the previous year, and that occupancy rates for hotels, etc., were below 50 per cent.

I should like to know where Mr Donnelly obtained his information. It certainly did not come from the Queensland Tourist and Travel Corporation or the reputable researcher Cameron McNamara Pty Ltd. Even the Australian Bureau of Statistics, which continually underestimates the value of tourism, has Queensland showing good growth rates.

I hope that Mr Donnelly has not used ABS figures to reach his conclusions on tourism. In determining accommodation figures, the ABS only takes into consideration licensed hotels and motels. As well, many hotels concentrate on meals and bar trade rather than push the accommodation side of their business. In ignoring units, flats and caravan-parks, the ABS is concentrating on only 33 per cent of the accommodation market. Mr Donnelly's article is a complete distortion of the facts and paints an untrue picture of tourism in Queensland.

For the information of honourable members, I point out that Queensland recorded more than 21.8 million visitor nights last financial year—an 18 per cent increase on the figure for the previous year. This is in stark contrast to the ABS, which claimed that there were only 4.8 million visitor nights.

All the other indicators show that Queensland is leading the way in tourism growth. At present, \$2 billion is being invested in the industry; about 25 000 new accommodation units are to come on stream in the next three years; an increase of 25 per cent in tourism-related employment in the past five years has been recorded; and increases well above the national average for overseas and domestic visitations have been recorded.

No doubt, in their bid to become known, the doom-and-gloom merchants, such as Mr Donnelly, will continue to look for negative aspects. However, it cannot be denied that tourism in Queensland is on the move and is well on the way to becoming this State's most important industry.

PERSONAL EXPLANATION

Mr WARBURTON (Sandgate—Leader of the Opposition) (11.28 a.m.), by leave: A short time ago, honourable members heard the Minister for Local Government, Main Roads and Racing (Mr Hinze) attempting in vain to suggest that my comments about the Minister and the Premier and Treasurer (Sir Joh Bjelke-Petersen) deliberately misleading the Parliament are incorrect. I believe that, in reading his comments in this Parliament on 19 September 1985, the Minister has in fact proved what I said to be correct.

On 26 September this year, *Hansard* records also the following statement by the Premier and Treasurer in relation to this very important matter—

“The Local Government Association has asked for the Bill as a matter of urgency. This morning, Sir Albert Abbott again said to me, ‘We want it as a matter of urgency.’ The Leader of the Opposition can quote me any time he chooses. This morning, Sir Albert Abbott also made representations to the Minister by telex. The present Act is holding up local authorities all over the State. The Government wants to get rid of red tape; no other State has it.”

The Premier and Treasurer further stated—

“I repeat: the Local Government Association wants the Bill introduced as a matter of urgency.”

I ask you, Mr Speaker, and all other honourable members: Who in fact misled the Parliament on those two days? It was the Minister for Local Government, Main Roads and Racing and the Premier and Treasurer.

Sir JOH BJELKE-PETERSEN: I rise to a point of order. It amazes me that the Leader of the Opposition persists——

Mr Davis: Is this a point of order, or what?

Sir JOH BJELKE-PETERSEN: It is a point of order.

It amazes me that the Leader of the Opposition persists in flogging the dead horse. There is nothing to it. There is no basis for his statement that either I or the Minister misled the House. I have two letters from the Local Government Association setting out clearly that its members wanted something done about the issue to which the Bill relates.

I checked again last night with Sir Albert Abbott, just as I checked with him the other day, and once again he indicated a firm statement and attitude. If it is thought necessary to do something about an existing measure, a change has to be made. That is exactly what the Minister is doing. We have not misled the House. I do not under any circumstances alter my stand or change my statement. The Leader of the Opposition is making an absolute fool of himself and his party by persisting with it, because here is the evidence.

Mr Warburton: You are misleading the House again.

Sir JOH BJELKE-PETERSEN: Go on, grow up.

QUESTIONS UPON NOTICE

Questions submitted on notice were answered as follows——

1. Rural Adjustment Scheme Funding

Mr NEAL asked the Minister for Primary Industries——

(1) What are the new arrangements pertaining to the raising of Rural Adjustment Scheme funds?

(2) Will the Federal Government be contributing to these funds other than by way of meeting the differential of interest component between commercial loan rates and the lower rate of interest charged to borrowers by the State authorities?

(3) In the event of loss, will the Federal Government be bearing any portion of loss?

Answer——

(1 & 2) The new Commonwealth/State Rural Adjustment agreement, effective from 1 July 1985, provides for the State to borrow funds for on-lending to farmers, under part A of the scheme for debt reconstruction, farm build-up and farm improvement assistance and, under part B, for carry-on finance. The Commonwealth will provide the State with an interest subsidy only, equal to 50 percent of the interest payable on and associated with costs of borrowings in respect of part A and 25 percent in respect of part B, limited to a period of seven years. Expenditure by the State under part C of the scheme for household support and rehabilitation assistance will be reimbursed by the Commonwealth.

Mr SPEAKER: Order! There is too much audible conversation in the Chamber and in the gallery.

Mr TURNER: This is an interesting subject, Mr Speaker. One would think that they would listen.

Answer (continued)—

(3) The agreement provides that contributions towards amounts not recovered by the State from borrowers under parts A and B of the scheme shall come from the Commonwealth and the State in equal shares up to a total amount equal to 10 per cent of borrowings and interest owing by the State at the end of the financial year in which the contribution is sought, and from the Commonwealth for amounts in excess of that total amount.

2. Deployment of Police Officers

Mr BAILEY asked the Minister for Lands, Forestry and Police—

With reference to public concern about the mounting road toll and a similar concern about the possible inefficient deployment of qualified police officers—

Will he consider a management review of the Queensland Police Force with a view to (a) reducing the administrative and clerical work-load of police officers and transferring that responsibility to clerical staff; (b) taking the responsibility for issuing licences and serving summonses for other Government departments away from the police force and making those matters the responsibility of the relevant departments; (c) using as policemen the many trained police officers who work as mechanics, storemen and clerks, and replacing them with civilians; and (d) ensuring that policemen involved in traffic enforcement are used for that purpose rather than involving them in criminal investigation, which is the province of the Criminal Investigation Branch?

Answer—

A management review of the Queensland Police Force is not considered to be warranted. The deployment to best advantage of staff within the Police Department is a matter which is being reviewed continually by the Management Services Branch and the Internal Operational Audit Branch. In more recent times, surveys have been conducted by members of the Public Service Board.

High priority is given to the matters raised by the honourable member and, where it is considered possible to reduce the work-load of operational police or to provide public service support staff, such action is being taken. Trained police officers are also released for operational duty where this is possible, and they are also available for operational duty during holiday periods.

As to traffic police being involved in criminal investigational work—as police officers, they cannot divest themselves of their sworn duty to enforce the law. However, because of the need to patrol roads and to reduce the road toll, where practicable, Criminal Investigation Branch assistance is available when criminal offences are detected.

3. Police Raids on Property of Mr Wood and Youth and Family Services House

Mr D'ARCY asked the Minister for Lands, Forestry and Police—

(1) What have been the results of investigations into police raids on the property of Mr Wood of Baldarch Street, Kingston, and those on the Youth and Family Services house run by Bro. M. Devlin?

(2) Will he take action to contain this type of police activity?

Answer—

(1) Inquiries indicate that police who attended the Kingston residence on 9 September 1985 acted in good faith on confidential information received that that was the address of a person wanted for an armed hold-up in Victoria. I have been informed that, when the wanted person was not located there, an explanation was given to the residents.

In relation to the second part of (1)—if the occupier of the Youth and Family Services House in question has any complaint, I should like him to contact the Inspector of Police, Beenleigh, or write to the Secretary, Police Complaints Tribunal.

(2) The honourable member will appreciate that police have a bounden duty to enforce the law and, prior to taking action, test information received as far as possible. However, in exercising their duty they are constantly reminded to conduct themselves with all due propriety.

4. Government Assistance to Sugar Industry

Sir WILLIAM KNOX asked the Minister for Primary Industries—

(1) As he has participated in the negotiations with the Federal Government in the last few days regarding rescue operations for the sugar industry, is he now in a position to report to the Parliament the result of those negotiations?

(2) In particular, will he indicate the amount of assistance each Government will be giving to the sugar industry?

Answer—

(1) I think I should trace some of the chronological sequence of events—

As honourable members will recall, sugar industry organisations met to consider the level of deregulation they would accept as part of an aid and restructuring package for the industry. The Queensland Cane Growers Council was not prepared to accept the demise of the assignment system or of the Central Sugar Cane Prices Board. Knowing that the Federal Minister for Primary Industry (Mr Kerin) had stressed these changes as a precondition of any price support, I asked Mr Soper, president of the council, to ascertain from Mr Kerin whether he would accept the resolutions of the council as a basis for deregulation. Mr Soper was told that they were not acceptable, and he then endeavoured to derive, in discussions with Mr Kerin, what could be acceptable and yet protect some of the major concerns of the growers. His compromise suggestions were embodied in a letter that he sent to me on 23 September.

I met with Mr Kerin in Sydney on 25 September. The Commonwealth's offer, mainly price support, is dependent on—

- (a) the sugar industry's agreeing to a greater degree of deregulation than it has so far been prepared to accept; and
- (b) the Queensland Government's contributing to price support for the 1985, 1986 and 1987 sugar seasons.

My understanding is that Mr Kerin was referring to the council's resolutions taken at its September council meeting.

At the meeting with Mr Kerin, I provided a document embodying the level of deregulation which I had understood had been negotiated by the president of the council with Mr Kerin. This was discussed with Mr Kerin. At the request of the Queensland Government, I took this document to a special meeting with representatives of the four sugar industry organisations. It became apparent that, despite my efforts and those of my departmental officers, this document did not adequately reflect the industry's consensus view, as modified by Mr Soper's negotiations. As a result, I convened a further meeting on 1 October with the presidents of the four industry organisations. Unfortunately, Mr Soper had gone overseas, but the council was represented by Mr Day and Mr Greenwood.

It was agreed that the whole matter of an industry position paper would be referred to the four secretaries, to draft a paper based on what would be acceptable to the industry and embodying the discussions at that meeting. The secretaries' document would then be used as a basis of consideration by the executives of the four industry organisations. It was agreed that their decisions would be conveyed to me on 14 October so that I could develop a Queensland Government position for further presentation to Mr Kerin.

I have also advised each sugar-grower by letter that there will be no deregulation of the industry without the complete acceptance of the proposals by the organisations representing the sugar-millers and the Queensland Cane Growers Council.

The provision of price support for the sugar industry should be met by the Federal Government in the same way as it has for the steel and motor industries. The Federal Government receives about \$70m annually from excise on sugar products, in particular rum.

Mr R. J. Gibbs: That is a stupid argument. You do not even understand the way it works.

Mr TURNER: Judging by the red face that the honourable member for Wolston has, it would appear that he has been imbibing in a bit too much of it lately.

Mr SPEAKER: Order!

Mr R. J. Gibbs interjected.

Mr SPEAKER: Order! That is the second warning I have given to the honourable member for Wolston.

Answer (continued)—

The Federal Government should be putting this money back into the industry to assist it through these difficult times.

(2) Since the 100-day committee report was handed to the two Governments in August, the Queensland Government has made available to the Rural Reconstruction Board \$20m for carry-on finance to the sugar industry at a quarter of the normal commercial rate of interest. I understand that the Rural Reconstruction Board has set the initial rate of interest at 4 per cent. The Queensland Government has agreed to provide \$400,000 for the evaluation of kenaf as an alternative crop to sugar in the lower Burdekin.

The Commonwealth has made an offer of \$462,500 as a 50 per cent interest subsidy to the Rural Reconstruction Board for debt reconstruction and farm build-up loans to the sugar industry. As the Rural Reconstruction Board still has low-interest loans available for this purpose, I have delayed acceptance of this offer until the whole assistance package is agreed upon.

So far, the Commonwealth has only promised its share of up to \$150m over three years for price support to, as yet, an unstated price level, subject to the industry's accepting a certain degree of deregulation. While Rome burns, the Commonwealth fiddles with deregulation. However, it is beginning to understand that it is extremely difficult to demolish even a part of the regulatory structure which has been part and parcel of the industry since 1915.

5. Banning of Non-union Architects from Public Building Sites

Sir WILLIAM KNOX asked the Minister for Employment and Industrial Affairs—

(1) Is he aware of action by the Victorian Labor Government to ban from public building sites any architect not a member of the Association of Draughting, Supervisory and Technical Employees?

(2) Have any requests from the trade union movement along similar lines been made to the Queensland Government?

(3) What is the Queensland Government's attitude towards any attempts to make members of long-standing and independent professions join trade unions contrary to their wishes?

Answer—

(1) Yes. It is understood that, in August this year, the Victorian Government advised the construction industry in that State that the Association of Draughting, Supervisory and Technical Employees was now a signatory to the Public Works Site Agreement in respect of architects other than those engaged in management or administrative functions. That means that the Victorian Labor Government has decided that unless employee

architects are members of that union, they will not be allowed on Government projects to supervise the construction of buildings they have designed.

The Victorian Government has not only given in to but has also sanctioned the campaign of industrial blackmail aimed at forcing architects to join a union completely inappropriate to their professional status.

I am wondering what will happen now that Norm Gallagher has been let out of gaol. He is talking about trying to do all sorts of things to the employers. He is talking about revenge and many other matters that will stop the progress of building in Victoria. Perhaps one good thing about it is that more people will come to Queensland and more buildings will be constructed here. We will make sure that we stand up to the Builders Labourers Federation. We will not give in to the threats of Norm Gallagher.

(2 & 3) I am not aware of any such request having been made in Queensland. The activities of the union appear to reflect circumstances peculiar to Victoria. Many odd things are happening in Victoria at the moment. Even the Governor has been sacked. However, I assure the honourable member that if any requests of the type mentioned in the honourable member's question are received, they will be strongly opposed by the Queensland Government, which will see that justice is done.

6. Sunday Trading Prosecutions, Gold Coast Area

Mr DAVIS asked the Minister for Employment and Industrial Affairs—

(1) Is he aware of a sports warehouse on the Gold Coast being fined, over a period, \$20,000 for opening and selling on Sundays?

(2) Is he also aware of allegations made by the owner of that warehouse and also by the television program *State Affair* that there are hundreds of other businesses on the Gold Coast which are illegally operating on Sundays?

(3) If the officers of his department were vigilant enough to ensure that the sports warehouse was prosecuted and fined, why is one business singled out and others allowed to operate with impunity?

Answer—

(1 to 3) The honourable member is no doubt referring to Sportsman's Leisure and Hobby Warehouse Pty Ltd at Bundall, which is not a sports warehouse in the normal sense but a large, non-exempt retail complex employing in excess of 60 persons. That firm has been fined a total of \$11,400, plus \$170 costs of court.

The majority of the offences related to blatant advertisements of the company's intention to disregard Sunday trading restrictions, despite warnings that had been given by my departmental inspectors. The remainder of the offences concerned illegal trading, mainly on Sundays.

The action taken against the company arose from complaints received from retail sporting goods competitors who were being financially disadvantaged through the company's illegal operations. We cannot have a law for one person and another law for other persons.

If the honourable member for Brisbane Central and his colleagues in the Labor Party wish to have a full-scale war on trading hours on the Gold Coast and other tourist centres and limit trading of small businesses, they should stand up and tell the people of Queensland that that is their policy. At the moment, they are trying to sit with a foot on each side of the fence. They change their tune daily, depending where they are and to whom they are talking. They do not know where they are going. They are in a state of total disarray. I ask them to stand up and be counted for one side or the other. They cannot have it both ways.

QUESTIONS WITHOUT NOTICE

Compulsory Third-party Insurance Statistics

Mr WARBURTON: I refer the Deputy Premier and Minister Assisting the Treasurer to compulsory third-party insurance charges that are to increase this month—on 22 October, to be precise—and remind him that in response to a previous question directed to him concerning the results of FAI's underwriting performance and investment returns from compulsory third-party insurance in Queensland for the last five years, he said that such statistics are not held by the Queensland Insurance Commissioner. I now ask him: As those statistics are vital if any accurate and responsible assessment of third-party charges is to be made, how can he possibly maintain that the Government has done its sums regarding the forthcoming insurance slug on motorists, and will he at least try to justify the increases by tabling all relevant information used by the Queensland Insurance Commissioner in making his recommendations?

Mr GUNN: I can only assume that Opposition members are very short of questions today. I thought that this matter had been regurgitated more than an over-seasoned sausage.

As the Leader of the Opposition well knows, the Government has appointed a committee to look into the matter. I stand by what I have said: the Queensland Insurance Commissioner does not have that information. It is available in the Federal sphere. If the Leader of the Opposition had tried, he could have obtained the information from the Federal sphere; but I guess that he has not even tried to do that.

The matter is with a committee under the chairmanship of Murray Winders. The Government hopes to receive a report from that committee in due course.

Meat Industry Strike

Mr NEAL: In directing a question to the Premier and Treasurer, I refer to the industrial action last week in which meat industry employees went on strike in other States and to the fact that the strike did not take place in Queensland because of the strong action taken by the Queensland Government, which was designed to support workers who did not want to lose a day's pay. I ask: Does the Premier and Treasurer feel that the other States should follow the lead given by the Queensland Government in that respect, to establish the authority of elected Governments over militant union-leaders?

Sir JOH BJELKE-PETERSEN: One of the great tragedies in this nation is that the Governments in all the other mainland States are subservient to the unions, and, in particular, to the union-leaders, and are not prepared to do anything to stand up against them. Queensland is out on its own. It has taken action to enable men to work every day of the week when they wish to work and when they are required to work. As a result, they are much more contented and happy. Of course, the workers in the other States lose a day's pay whenever the union-leaders tell them to go on strike. It is a great pity and tragedy that the Labor Party is so weak, inefficient and disrespectful of the wishes of the people in those States.

Transfer of Faction Support Within ALP

Mr NEAL: In directing a question to the Minister for Transport, I refer to the meeting held in the car-park outside ALP headquarters at the week-end, at which the Leader of the Opposition arranged for his faction to off-load support for Mr Beattie, who was a candidate for preselection for the Redlands by-election. I ask: Can the Minister inform the House how support within the ALP can be transported from one faction to another and what mode of transport was used in that case to give Mr Beattie a one-way ticket to political oblivion?

Mr LANE: When one talks about transferring support from one faction to another in the Labor Party, the word that comes to mind immediately is "surreptitiously".

Support is transferred in a car-park or in some dark, dingy corner in some lost part of the State. These days, those are the sorts of places where the dirty deals in the Labor Party are made.

Honourable members have it on good authority from the news-hounds of this city that a meeting took place in a car-park, at which support was transferred from the old guard of the Labor Party, which had been pledged presumably by Mr Ray Dempsey, who, according to the *Daily Sun*, is now the organiser and the numbers-man for the old guard of the Labor Party, to the new guard or the centre majority.

Mr Hinze interjected.

Mr LANE: I am coming to that. I ask the Minister not to get impatient. It will take quite a while for me to talk about this matter. If honourable members wish, they can go and have a cup of tea.

The Leader of the Opposition is also quoted mysteriously in the newspapers as saying that he does not know who the members of the old guard are. Just to record this for history, I refer to an article in *The Courier-Mail* of 7 October 1985, in which the Leader of the Opposition denied that he took part in any meeting in a car-park to transport the votes of the members of the old guard, which presumably come in boxes or packages. The votes are wrapped up in a box or package, tied with ribbon and handed to someone else. No-one in the Labor party thinks for himself; the votes are handed round en masse.

The Leader of the Opposition said—

“I don’t even know who the Old Guard are.”

He dissociated himself from the claim. That is rather surprising. We all know that the Leader of the Opposition is one of the pensioned-off trade union officials from Trades Hall who make up the old guard of the Australian Labor Party.

Mr R. J. Gibbs: Does this indicate that since your operation you are speaking through your backside?

Mr LANE: That shows the calibre of honourable members opposite.

I happen to have with me a copy of a pamphlet issued by the centre majority faction of the Labor Party, which is led by Mr Peter Beattie. Because it itemises the personalities in that faction and makes a few comments about the other factions, it is very useful. Despite the public denials by the Leader of the Opposition about the existence of the old guard and his knowledge of who the members of that faction are, this pamphlet makes mention of that faction.

Firstly, the pamphlet explains how the centre majority faction—the new guard—evolved. Depending on the attitude of the journalist concerned, members of that faction are called reformers or opportunists. For example, I think that Max Jessop used to call them opportunists, but, these days, some of the trendy members of the press call them reformers. Officially they are members of the centre majority faction.

Under the heading “Centre Majority—How It Evolved”, the pamphlet states that, because of those who ran the Queensland branch of the Australian Labor Party before Federal intervention, it had become ungovernable. It states that the old guard faction, also known as the traditionalists or Labor unity faction, is the group that opposed Federal intervention in 1980. On its own, that faction controls about 15 per cent of the vote at the State conference and the State council. These days, the old guard must control more than 15 per cent. I extend congratulations to Mr Warburton, because the old guard was able to dump Mr Beattie, and it would not have been able to do that with only 15 per cent of the vote. The pamphlet states that, in recent times, the old guard has been working in close co-operation with the socialist Left, leaving the party administration in a virtually unworkable position.

Further, in the pamphlet appears a list of the leaders of the centre majority faction. The first name in that list is that of Peter Beattie, who is the organisational leader.

Indeed, Mr Beattie probably wrote the pamphlet. Of his own faction, he wrote that it represents the broad spirit of the Labor movement. Presumably, the Labor Party members who control the caucus do not represent that broad spirit, because they are in an opposing faction. The pamphlet states that the centre majority faction is not locked away into any narrow sectional base, meaning that the old guard is. The pamphlet states further that, without a healthy centre faction to represent the aspirations of the ordinary ALP member, there is a grave danger that the party in Queensland will slide back into the irresponsible extremism that characterised the party up till Federal intervention in 1980. All honourable members know that the old guard controlled the Labor Party until 1980. That is what Mr Beattie thinks of Mr Warburton and his work. However, Mr Warburton got square on the week-end. "Revenge is sweet," saith the Lord, and Mr Warburton had his revenge on Mr Beattie to ensure that he was not the Labor Party's candidate for the seat of Redlands.

The evidence is in this pamphlet, and I will have much pleasure in tabling it. I hope that all members on both sides of the House will read it to see what the various factions think of one another. Mr Warburton will be able to read about the old guard so that, in future, he will not be able to deny its existence or his association with it.

Whereupon the honourable gentleman laid the document on the table.

Mr Fouras interjected.

Mr SPEAKER: Order! I warn the honourable member for South Brisbane under Standing Order No. 123A for persistent interjections.

Purchase of House in Ayr by State Government

Mr DAVIS: In directing a question to the Minister for Works and Housing, I refer to a recent report in the *Sunday Sun* concerning the purchase by the State Government of a home in Ayr previously owned by the member for Burdekin for the princely sum of \$92,600 with another \$7,000 to be spent on improvements and repairs. I now ask: Is it a fact that the northern representative of the Minister's department recommended against the purchase but was overruled? Is it also a fact that the reason for the departmental objection was that the price was too high and that a brand-new home could have been constructed much more cheaply?

What valuation was sought in relation to the house before the purchase? Does not the Minister find it coincidental that the sale was rushed through just before the Federal Treasurer revealed details of his capital gains tax?

Is the Minister aware that the original reason for the purchase by the member for Burdekin of the house at Ayr was to live in the electorate, as his property is in the Giru district, which is just outside the Burdekin electorate?

Mr SPEAKER: Order! Do I correctly assume that this is a question without notice?

Mr DAVIS: Yes, it is a detailed question without notice.

Mr SPEAKER: Order! At this time I remind all honourable members that questions without notice should be concise.

Mr DAVIS: Mr Speaker, you must appreciate that it is a detailed question and therefore must contain some detail.

In those circumstances, can the House now conclude that the honourable member's present reason for moving back to the property is that he has convenient, prior knowledge that the so-called impartial redistribution will include the Giru region in the new electorate of Burdekin?

Mr WHARTON: In answer to the honourable member's speech—it seemed more a speech than a question——

Honourable Members interjected.

Mr WHARTON: It was very nearly a Dorothy Dixier.

The department bought a house that was owned by the member for Burdekin (Mr Stoneman) in the same way and through the same regular processes as apply to any other housing purchase by the department. The department regarded the acquisition as an excellent purchase. The house was purchased to provide accommodation for a senior public servant.

The price paid for the house—the property also has a large shed on it—was \$92,600. The department could not construct the building for that price. In fact, the valuation was considerably higher than that.

Mr Prest: What was it?

Mr WHARTON: About \$97,000.

The house was offered for sale by a real estate agent. There was no contact with the honourable member for Burdekin. The purchase was handled on behalf of the Government by the Public Trustee. All dealings were with the real estate agent. As part of the process, the building was also inspected by the department's own officers to ensure its soundness. Certain works, such as fencing and the provision of doors to the shed to make it a lock-up garage, need to be done.

The house was purchased in the usual manner. That answer makes the honourable member's big speech sound flat.

Capalaba Greyhound Racing Club; Betting on Metropolitan Race-meetings

Mr DAVIS: I ask the Minister for Local Government, Main Roads and Racing: Will he inform the House why betting with book-makers on Brisbane gallops is not allowed at the Capalaba Greyhound Racing Club except when the metropolitan race-meeting is held at Bundamba? As that club is not situated in the metropolitan area, why is it discriminated against, in contrast to all other country or provincial areas, which are allowed that facility?

Mr HINZE: In the racing industry it has always been agreed that the attendances at the main metropolitan clubs should be preserved. I believe they are entitled to that. When the Capalaba club was granted its licence, it was told that it would have to stay in line with clubs such as those at Redcliffe and Rocklea, which are not granted the privilege of betting on metropolitan races. The club knew that full well at the outset. That does not take anything away from the Capalaba club. If it was granted that privilege, that would take patrons away from the Brisbane clubs, to which the Government has given millions of dollars to provide the wherewithal so that people can enjoy themselves at those race-tracks. In spite of that, the honourable member asks that betting on metropolitan races be allowed at Capalaba.

At 12 noon,

In accordance with the provisions of Standing Order No. 307, the House went into Committee of Supply.

SUPPLY

Resumption of Committee—Estimates—Third and Fourth Allotted Days

Estimates-in-Chief, 1985-86

Mines and Energy

Department of Mines

Hon. I. J. GIBBS (Albert—Minister for Mines and Energy) (12.1 p.m.): I move—
“That \$21,754,510 be granted for ‘Department of Mines’.”

In opening this Estimates debate, as the Minister for Mines and Energy—

The CHAIRMAN: Order! There is far too much audible conversation and movement in the Chamber. I ask those members who are standing to resume their seats.

Mr I. J. GIBBS: I shall be presenting, for the information of the Parliament, a review of the functions and ongoing responsibilities of the Government within this portfolio. I shall also present a resume of the budgeted expenditure for which approval of the Parliament is sought to enable the continued administration and development, for the benefit of Queensland and all Queenslanders, of these responsibilities during the 1985-86 financial year.

In this debate, I will be joined by four members of my committee. Each of them will develop significant aspects of the mines and energy industries. The honourable member for Mirani (Mr Randell) will examine in greater detail the historical development of the State's mining industry, the significance of its main economic mainstay—coal-mining—and also plans to revitalise its central Queensland gem-fields.

The CHAIRMAN: Order! I have already asked honourable members to resume their seats. The next honourable member who disobeys my ruling will be asked to leave the Chamber. I ask the honourable member for Toowoomba North and the honourable member for Townsville West to resume their seats.

Mr I. J. GIBBS: The honourable member for Roma (Mr Cooper) will demonstrate the increasing importance to Queensland's economy of the petroleum sector of the industry. Two other members of my committee—the honourable member for Lockyer (Mr FitzGerald) and the honourable member for Condamine (Mr Littleproud)—will examine aspects of the State's power industry.

In introducing this debate, I believe it is important to note that, in the three years since the Estimates for Mines and Energy were last debated, Queensland's mining industry has made outstanding progress. On 11 November 1982, when I last had the opportunity to speak on the Mines and Energy Estimates, Queensland's mining industry was at a point of significant expansion. At the same time, it was experiencing the pressures and dampening effects of the international recession.

Despite these international pressures, our mining industry has, in the last three years, continued to grow as the backbone of the State's economy and prosperity. Not only has it become a vital factor in the State's economy, but also it is making a major contribution to the national economy, particularly as a significant export-dollar earner.

Because the composition of this House has changed considerably since the 1982 Estimates debate, I believe that it will be helpful to members generally if I detail the present circumstances in which the Mines and Energy portfolio operates.

The Department of Mines is responsible for the promotion and monitoring of the Queensland Government's mining policies. Its main purpose is to regulate, encourage and assist the search for and development of mineral and energy resources. These resources include coal, petroleum and oil-shale. The department does this through a system of permits, leases and licences issued under Acts of this Parliament. In addition, the department is responsible for overseeing the health and safety aspects of the industries involved.

Although the Mines Department is a very small department, it services a vital industry. It has grown only very modestly in numbers, despite the increasing demands made on it. That it consistently achieves its objectives in a most professional manner is a tribute to the expertise of the 454 employees on the present staff establishment.

The allocation sought by the department for 1985-86 is \$21.86m, which includes the appropriation for the Miners Pensions Tribunal. This represents both a most reasonable and responsible increase of only 5 per cent on the 1984-85 figure.

It takes into account also the reorganisation and streamlining of the department's management structure that has occurred in the last three years. These operational improvements, together with the introduction of high computer technology, have pro-

duced even greater efficiencies in each of the department's five divisions. These divisions and their respective proposed allocations, including salaries, are—

	\$
The Mining Division	7,731,990
The Geological Survey Division	5,749,570
The Technical Co-ordination Division	4,201,210
The Administration Division	3,588,030
The Gas Operations Division	483,710

In the last decade, mining revenue has contributed significantly to Queensland's growth and development, and to the financial strength of the State's economy. Over the last five years, collections from royalties and other mining revenues have risen quite dramatically. In 1980-81, the figure stood at \$80.1m; in 1982-83, it rose to \$95.6m; and in 1984-85, it had reached \$153.2. The estimated return to the State for 1985-86 is \$191.4m.

In order that honourable members can appreciate these returns, I place on record some of the figures that highlight the value of Queensland's mineral production.

In 1984-85, Queensland's mineral production stood at \$2,998m. This was an increase of 22 per cent on the 1983-84 figure of \$2,465m, and it was due mainly to record production levels of coal and petroleum.

In 1984-85, coal production increased to a record level of 54.3 million tonnes. This was due, firstly, to established mines increasing production in response to new market opportunities and, secondly, to major new coal mines gearing up towards full capacity.

The State's petroleum industry achieved substantial growth during the year, with a fourfold increase in liquids production. A high level of petroleum exploration and development activities was also maintained.

New major mining projects which came on stream during the year included the Kidston gold mine, which recorded a profit of \$12m in its first four months of operation, the Gordon mineral sands operation at North Stradbroke Island and LPG plants at Wallumbilla and Kincora in the Surat Basin. During the year a number of small gold mines were commenced in various parts of the State. Minerals which recorded notable increases in the value of production included bauxite, gold and nickel.

The improved results of a number of companies in the mining sector during the year were substantially attributable to the benefits of the decline in the value of the Australian dollar.

Looking at the value of exports in the past 12 months—coal continued to provide over one-third of the total export value of \$6,602.5m. In 1984-85, Queensland shipped a record 45.4 million tonnes to 31 countries to gross \$2,700m for Australia. Despite difficult marketing conditions, the markets penetrated were such as those in Europe, South America, the Middle East and the South Pacific region. Additional markets included Greece, China, the Philippines and the countries of western Europe. Queensland now leads New South Wales as the nation's top coal-exporter.

Queensland also played a major role in Australia displacing in 1984 the United State of America for the first time as the world's largest exporter of coal. Australia's coal exports totalled 76 million tonnes compared with the United States of America's 73 million tonnes.

Queensland's tonnage performance during 1984-85 represented about 56 per cent of the national export income from coal.

It also represented a 37.5 per cent increase over the 1983-84 export figure of 33.1 million tonnes. In fact, it was the most significant percentage increase in more than 10 years.

Queensland coking coal exports in 1984-85 grew by 16.1 per cent from June 1984 to June 1985. The State's steaming coal exports grew dramatically in the same period,

increasing by 220 per cent from 1983-84. Queensland accounted for 54.3 per cent of Australian exports of coking and steaming coal for 1984-85.

Whereas 15 years ago the coal trade was essentially limited to the Japanese market, in the 1984-85 financial year the coal industry exported to 31 countries, which was seven more than in the previous period. That trend was particularly evident in the steaming coal export market, with sales to 22 countries compared with only 12 countries in 1983-84. Although Japan remained Queensland's main export market, taking 24.6 million tonnes (an increase of 24 per cent), its share of total coal exports fell from 60 per cent to 54 per cent. Excluding the Japanese market, the principal coal export markets in excess of one million tonnes were the Netherlands, France, Italy, Korea, Taiwan, Spain and Romania.

Over-supply in the international coking coal market during 1984-85 resulted in sluggish contract prices. Base prices for most Queensland hard coking coal shipped to Japan during the year were contracted at between \$US51 and \$US52 a tonne. However, one contract of 19 million tonnes of coking coal to be delivered over three years was made at a weighted average price of \$US54 per tonne.

Japanese requirements for coking coal appear to have reached a plateau in the short term, with steel production in that country having peaked for the time being at about 105 million tonnes. The possibility of further inroads into the new European and Asian markets represents the most likely avenue of expansion of the State's export coking coal industry in the immediate future.

In response to the healthy state of the spot steaming coal market, Australian prices for 1985 steaming coal exports, negotiated during the year with Japan's Electric Power Development Corporation, showed an increase of 12 per cent to about \$A48 a tonne. As those settlements were expected to form the basis of future contract talks between the exporters and other Japanese utilities and industrial users, a general rise in all steaming coal contract prices is expected. However, a moderating influence on these prices will be the continued weakness in the price of oil. I believe that, by the end of 1985, Queensland will be exporting 50 million tonnes of coal, maintaining its clear lead in the nation's coal export trade.

Domestic coal consumption during 1984-85 increased by a further six per cent to 10.4 million tonnes. Consumption by the electricity industry increased by eight per cent from 7.6 million tonnes in 1983-84 to 8.2 million tonnes in 1984-85. Coal requirements for cement production increased by 15.6 per cent to 290,000 tonnes.

It would be unfortunate if honourable members felt that I was concentrating unduly on coal. The fact is that the State's economy relies so heavily on coal-mining operations. For this reason, coal-mining receives prominence in this Estimates debate. Further details on development of the coal industry, and plans to revitalise the gem-fields, in the central Bowen Basin, will be presented by my colleague the member for Mirani (Mr Jim Randell).

The Government continues to maintain a close watch on the economics and competitiveness of the State's natural resources development. It has kept under review some of the short-term financial problems of some coal producers. Assistance granted to the industry in 1983 in the form of rail freight and port charge concessions amounted to many millions of dollars. This was supplemented by no escalation in coal rail-freight charges for the six-month period from 1 April 1985.

At the same time, the industry is to be congratulated for the successful manner in which it has implemented cost-containing measures in order to maintain its viability and competitiveness. It is pleasing to note that employment in the State's coal industry increased by 7.4 per cent from 9 674 to 10 393—contrasting with the New South Wales coal industry, in which employment figures dropped.

Having given an overview of the industry for which the department is administratively responsible, I shall now review departmental operations, and major continuing activities for which the appropriation is sought for 1985-86. I refer first to capital works expenditure. Although not a large component of the overall Estimates, it nevertheless covers activities

essential to the ongoing efficiency of the department. Works completed during 1984-85 included—

Construction of four new ovens and common flue at the State Coke Works, Bowen.

Two additional explosive magazine buildings at Helidon.

A container storage area magazine reserve at Helidon.

An explosives testing laboratory at Helidon.

For 1985-86, capital works estimated to cost \$2,350,000 (and funded from the Loan Fund) have been programmed. This capital works expenditure is expected to generate approximately 2 000 man-weeks of employment.

Coal Combustion Research and Testing Facility, Riverview

An amount of \$250,000 has been allocated in 1985-86 as a second contribution towards the development of the Coal Combustion Research and Testing Facility being built at Riverview, near Ipswich. This will bring the total contribution by the Queensland Government to \$750,000. The balance of the project cost—approximately \$1,350,000—is being funded by the Commonwealth Government through the National Energy Research, Development and Demonstration Council. When completed, the facility will permit research into and determination of the combustion characteristics of a wide range of steaming coals from coal-fields in eastern Australia and their potential performance in large coal-fired power stations. Assessments of this type have previously been contracted to overseas research organisations.

Safety in Mines Testing and Research Station, Redbank

The continuation of construction work on this new facility, to be undertaken by the Department of Works in 1985-86, is expected to cost \$2,100,000. This station, which is estimated to cost \$2,600,000 in total, and its facilities, will be referred to in greater detail by my colleague, the member for Mirani (Mr Jim Randell).

Operational Expenditure

The major expenditure incurred by the department is for the necessary continuing day-to-day operations in the various divisions.

Mining Division

The appropriation for the Mining Division is \$7,700,000. The department continues to be represented at a high level on various Federal and State Government regulatory and consultative bodies associated with the industry. Through the head of the Mining Division, who is also the State Director of Mining, the department is represented on the Commonwealth-State Consultative Committee for Nuclear Codes, and also on the National Occupational Health and Safety Commission mining subcommittee. New examination procedures adopted by the board of examiners will require closer liaison by the department with mining companies.

The Petroleum Engineering Branch of this division completed a high level of activity in oil exploration and development during 1984-85. This is expected to continue throughout 1985-86.

Major new products, which should commence during the next year, include a gas pipeline from Denison Trough (or Cooper Basin) to Gladstone, and an oil pipeline to connect recent discoveries near Eromanga to the Jackson pipeline.

Metalliferous Mines Branch—Mining Division

The value of mineral production in Queensland during 1984-85, exclusive of coal and petroleum, was approximately \$735m. This is a small increase from the previous year's production value of \$716m, but remains well below the figure for the calendar year 1980 of about \$1,034m.

These lower values continue to reflect the continuing low prices for base metals, although reduction of production—closure of Mary Kathleen Mine, partial closure of

Mount Morgan, etc.—also has contributed. A hopeful sign for the future has been the commencement of substantial gold production from Kidston, and the potential for further substantial gold-producers to be brought into operation.

Value of stone production from gazetted quarries is likely to be in excess of the value for 1983-84 (approximately \$54m). The total will include the value of production since gazettal of 12 quarries gazetted in the early months of 1985.

Employment in metalliferous mines is expected to have declined. The increases in employment in new mines, such as Kidston, is not expected to balance the decrease in persons employed by Mount Isa Mines Limited. However, there is expected to be an increase in the number of persons employed in gazetted quarries.

The principal function of the Metalliferous Branch of the Mining Division is the administration of the Mines Regulation Act 1964-1983. However, in each division, a considerable proportion of resources is devoted to providing assistance in the administration of the Mining Act 1968-1983.

The Mines Regulation Act 1964-1983 provides for the regulation and inspection of mines and for the safety and health of persons employed in mines and, since 1983, for the safety and health of other persons who may be affected by the operation of mines. In addition to mines, gazetted quarries and, from time to time, other gazetted excavations are subject to the provisions of the Act.

At present, 69 quarries, most of which are currently operating, are gazetted under the Act. Additionally, one major sewer excavation, which involves both deep-trenching and tunnelling, is gazetted under the Act. An extension to this sewer has also been gazetted. However, work has not yet commenced.

Assistance in the administration of the Mining Act 1968-1983 is provided in such ways as checking the compliance of miners with mining lease conditions, assessing the suitability of mine plans and investigation of complaints and disputes in respect of mining tenements. The branch, which has offices in Brisbane, Rockhampton, Cairns and Mount Isa, supervises the operations of the Government Assay Office, Cloncurry, which provides a valuable service to the small miner.

The Department of Mines provides assistance to the small miner by way of prospecting assistance, road grants, subsidy loans and hire of equipment. Each of these activities involves inspectorial staff who also provide technical assistance to the small miner.

Coal Mines Branch—Mining Division

The Coal Mines Branch has offices in Brisbane, Ipswich, Rockhampton and Mackay. Industry activity anticipated by the branch during 1985-86 should see steady growth in production and exports. Although no new mines are expected to open, there will be a resumption of operations by equipment which has been underutilised in the past year.

In addition, some major new and innovative equipment will be introduced into Queensland mines. This will include longwall mining at the German Creek central colliery, a new dragline unit at Curragh, which will be the second-largest in Queensland, and a unique conveyor system in the Box Flat No. 9 Colliery.

All of these developments will require substantial involvement of the branch's inspection and technical staff.

Expenditure contemplated by the branch during 1985-86 is proposed for three important areas. The first of these relates to noise surveys. Recently, the branch commenced a program of noise assessment in the coal industry, both surface and underground. While work has been possible on the surface and in open-cut mines, it is only recently that equipment suitable for use in underground mines has become available so that testing in this area can be commenced. It is intended to give noise assessment detailed attention in the 1985-86 financial year because work to date indicates that noise is a greater problem than has previously been recognised.

The second area relates to combustible dust. In an attempt to quickly identify areas of mine roadways which are not sufficiently treated to reduce the danger of combustible dust, the branch intends to employ a gamma ray back scatter instrument. The system is presently being examined by the Testing and Research Branch to determine corrections which may be necessary to cater for the various ranges of coal mined throughout the State.

The third area relates to legislation. The Coal Mining Act and rules will remain under constant review and amendment in order to meet the needs of a developing industry. Two of the major amendments proposed for 1985-86 are the amendment of electrical rules, for both open-cut and underground mines, and legislation to control hazardous substances (chemicals).

Drilling Branch—Mining Division

The departmental policy of drilling to prove coal and other mineral reserves will continue in 1985-86. However, this will be at a reduced level. This has followed an internal review of the department's exploration program and the role of the Drilling Branch relative to the current level of activity in coal exploration and regional geological investigation.

This will result in a reduction of approximately 25 per cent in all areas of the workforce, vehicles, portable accommodation, plant and stores, with a significant reduction in planned expenditure for the current financial year. However, coal exploration drilling during 1985-86 will continue to explore undeveloped occurrences of coal in uncommitted areas of the Bowen Basin.

In relation to stratigraphic drilling—one large rig will continue to be deployed in the Queensland portion of the Eromanga Basin to assess the stratigraphy of the region, evaluate ground water, provide data for heat-flow studies and core material for specialised studies.

A second rig will continue on three-shift operations on a program to assist the regional mapping program in the Clarke River 1:250 000 sheet area. This program is expected to be completed before Christmas 1985, when the results of the review will take effect.

In regard to research studies—it is planned that three holes be drilled to approximately 600-metre depth in a selected West Moreton coal-field area to evaluate current coal-extraction ratios permitted. Also, they will monitor and study ground movement caused by coal-mining operations.

This is the first time such a project has been attempted in Queensland. The Coal Mines Branch, the Main Roads Department and a number of coal-mining companies are interested in the results of this investigation.

Approximately \$160,000 is planned to be spent on the purchase of casing, drilling bits, mud powders and additives, and \$64,000 on non-recurring special plant items. Approximately \$202,000 will be spent on replacement motor vehicles, including a prime mover of a value of approximately \$93,000, to support the drilling operations.

A bulk store will be maintained at Redbank as well as a suspense store at Emerald, with expenditure on stores, fuels, etc., totalling approximately \$600,000.

The Drilling Branch expects to operate seven rigs (some part-time) during the year, employing about 86 drilling, workshop and stores personnel and 13 professional, technical and administrative office staff. However, it is planned that, before the end of 1985, these numbers will be reduced to 67 and 11 respectively.

The estimate for the 1985-86 fiscal year for the Drilling Branch was prepared to enable only the planned and approved drilling programs and other operations to continue throughout the year to meet the requirements of the State and the industry.

Mines Rescue Brigades

A vital component of the Mining Division expenditure is the appropriation allocated to the maintenance, training and development of mines rescue brigades. During 1985-86, \$1.33m will be spent for this purpose. About one-third of this figure relates to capital expenditure on rescue equipment, the replacement of motor vehicles and alterations to buildings, including \$60,000 for the extension and refurbishing of the existing building at Booval.

Equipment is to be provided at Rockhampton, which will make it possible to answer immediate calls from central and northern division mines for gas analysis in an emergency situation. The availability of equipment will considerably improve the ability of rescue brigades to assess the safety of underground conditions before or during rescue operations.

Continued emphasis on training and safety is highlighted by the fact that \$60,000 will be spent on rescue competitions. The E. K. Healy Cup for intra-state competition was contested this year in Ipswich, and the interdistrict (Queensland, New South Wales and Western Australia competing) competition will be held at Blackwater this month (October 1985).

One third of the cost of the brigades is met by the mining industry.

Research and Technical Services Branch—Mining Division

An amount of \$54,070 has been requested in the Estimates for the Research and Technical Services Branch for the period 1985-86 to continue the existing services provided for the Mining Division.

Further consideration will be given to the provision of an amount approximating \$1m for the establishment of the testing and research facility at Redbank. This will occur once further discussion takes place between the department and Treasury regarding costs of and revenue from operations, and the opening date of the facility is clarified.

The Redbank facility is presently under construction and is scheduled for completion to lock-up stage during the early part of 1986. Some staff appointments will be made, prior to occupation of the facility by the Department of Mines, in order to allow for detailed planning of services and selection and ordering of equipment.

Staff will be progressively recruited to provide, as soon as practicable, the flame-proof testing service and the occupational hygiene service (gas and dust analyses).

The department is supporting an application by the Department of Mining and Metallurgical Engineering, University of Queensland, for the National Energy Research, Development and Demonstration Council to undertake two projects at coal mines. One project is concerned with an investigation of respirable dust problems on longwall faces (German Creek central colliery), and the other with the establishment of a design rationale for partial extraction of coal seams (Westfalen collieries). Mines Department staff and equipment will be used during both projects.

Purchases of new equipment during 1985-86 will permit existing projects to continue and will provide equipment and materials for the services to be provided at the facility.

Explosives Branch—Mining Division

The Brisbane-based Explosives Branch is one of the smallest—it has only eight staff—but most vital and effective units in the Mining Division. Expenditure by the branch will involve continuing inspection on an increasing number of licensees—estimated to be up by 7 per cent on the 1984-85 figure. Continued contact and communication with users is considered essential.

Upgrading of Government magazines, which continue to provide revenue for the State, will continue with two new magazines being constructed at Bajool.

In addition, the Explosives Act 1952-1981 and Regulations will remain under review and amendment in order to meet the needs of a rapidly developing industry.

Geological Survey Division (Appropriation—\$5.7m)

Government policy to support and encourage private enterprise in the search for mineral and energy resources and their assessment and development continues to be implemented by the various programs of the Geological Survey Division.

In respect of the State's resources of fossil fuels, the department's coal exploration in the Bowen Basin of central Queensland has been somewhat reduced over the past year.

In addition to various reconnaissance drilling programs, from Red Hill in the north and Moorlands in the west to the Springsure area in the south west, there was continued assessment of the Lake Vermont area east of Saraji. A drilling program nearby at Vermont North indicates a reduced potential in this area.

At Lake Vermont itself, further drilling and a gravity survey have been undertaken to assist in elucidating the complex geological structure of the area. Total penetration was 18 300 metres, of which 8 990 metres was cored.

Coal Resources

During 1985-86, the exploration program for steaming coals in the Bowen Basin will continue. From the \$500,000 to be spent on coal resources, \$200,000 will be applied to geological services in relation to the drilling program. The principal areas of drilling activity will be in the Reids dome beds to the north and south of the Fairbairn Dam, and in the Rangal coal measures from Lake Vermont to Middlemount.

About \$250,000 will be applied to maintain the services provided to the mining industry by the core library at Zillmere. The remaining \$50,000 will be used to supervise the drilling of deep stratigraphic bores in the Eromanga Basin. This will assist petroleum exploration by the provision of fully cored reference sections of strata. In addition, new wireline logging equipment is to be purchased to improve the quality of data taken from these bores.

Petroleum Exploration

Despite a 10 per cent drop in total wells to 106, company exploration for petroleum in the last financial year comprises a 20 per cent increase in exploration wells and a 12.5 per cent increase in seismic exploration, particularly in the Eromanga Basin in the south west of the State. The exploration drilling totalled 72 wells spudded and resulted in 17 new field discoveries—nine of oil and eight of gas—for a success rate of about 1 in 4.2. Appraisal and development drilling also was very successful, with 34 wells spudded, resulting in 20 oil wells and 11 gas wells.

The oil discoveries over the past year indicate that the entire eastern zone of the Eromanga/Cooper Basin, from the South Australian border to the area of the Warrabin Trough and beyond, can be regarded as highly prospective for petroleum. The increased exploration in this area and the resultant successes can be said to have been prompted by the Government's decision to have the Jackson oil piped to Brisbane.

These industry efforts are being supported by research by the Geological Survey Division into the stratigraphy of the State's petroleum prospective basins and into sources of the petroleum. This is being done by means of drilling programs and by various organic petrological and geochemical studies of core material. Five fully cored bores were completed during the last financial year for a total penetration of 6 305 metres.

In the Bowen Basin, in addition to sedimentological and palaeontological studies, a major program is nearing completion to compile information from departmental and industry sources for presentation as a new geological map of the basin at 1:500 000 scale. Additionally, with the assistance of a national Energy Research Development and Demonstration Program grant, the computerised Queensland energy resource data base—a compendium of data from petroleum wells, stratigraphic and other relevant bores—has been established.

The growing importance to Queensland of its own petroleum resources will be developed later in this debate by my colleague the member for Roma (Mr Russell Cooper).

Regional Geological Mapping Program

The Regional Geological Mapping Program involves the updating of the first edition 1:250 000 geological map series, which was previously produced jointly with the Commonwealth Government. The Commonwealth has withdrawn from production of these maps.

The department has since accepted responsibility for meeting the continuing needs of the mining industry by the provision of additional personnel and support services. In 1984-85, expenditure on the program totalled \$340,000, which allowed for the establishment of base camps at Dimbulah and Greenvale, from which two geological parties conducted field investigation in the Cairns/Townsville hinterland.

Proposed expenditure during 1985-86 is \$410,000, which will cover the cost of three field parties. The Greenvale party has been relocated at the Charters Towers regional office, which is being upgraded, and the budget will provide for the third base camp at Mount Coolon. Field investigations will extend over a period of 16 weeks in 1985, with a similar involvement commencing in June, 1986. These parties are currently mapping the Mossman, Atherton, Einasleigh, Clarke River and Mount Coolon 1:250 000 sheet areas, and are being supported by palaeontological and geophysical specialists.

A new program of metallogenic studies has begun recently in these areas of historical, as well as current metalliferous, interest. Geological mapping in other areas of the State, particularly in the south-east and around provincial centres, will be continued, but at a reduced level. Maps at 1:100 000 scale about Brisbane, Gladstone, Mackay, Townsville and Cairns are at various stages of production. A map of the Rockhampton area was released during the last financial year.

Specialist areas of the Geological Survey Division, in engineering geology, geophysics, marine and coastal geology, and urban and environmental geology, continued to provide services and advice to various governmental and semi-governmental authorities. Projects undertaken during the last financial year included investigations for a proposed railway tunnel through the Toowoomba Range, a continuing program of seismic monitoring of large dams and dam sites, assistance to the Beach Protection Authority with coastal management studies of the Hervey Bay/Bundaberg region, and a landslide risk assessment in the Cairns area.

A service of importance to the mining industry is the provision of open-file information, principally from company exploration, in the form of photocopy or microform. Demand for information remains at a high level. The sum of \$137,500 was spent providing these data last financial year and returns to Treasury were considerably in excess of this figure.

The departments support of a derivative service made available through the Economic Geology research unit at James Cook University in Townsville has greatly benefited industry based in north Queensland.

The impending relocation of the department to the Queensland Minerals and Energy Centre has enabled the planning of improvements to the Geological Survey Division's information services, which include the departmental library, to provide a centralised information resource both for industry and the general public.

Technical Co-ordination Division (Appropriation—\$4.2m)

Electronic Data Processing

It is this division that has been responsible for co-ordinating and implementing the progressive development of computer technology throughout the department. Provision of \$249,000 has been allocated for 1985-86 to update its existing computer facilities. The allocation will cover—

- development and operating costs of the mining tenures data base in conjunction with land information system;
- software for Administration Division management system;
- hardware for Finance and Accounting Branch, accounting system;
- operating costs for Gas Operations Division terminal;
- hardware for Administration Division leave management system;
- computer assisted cartography; and
- hardware for Geological Survey Division.

The most significant expenditure will be on the further development of the mining tenures data base to incorporate mining leases. The first programming phase of the project (authorities to prospect) was completed during 1984-85, and its continued development will enable the department to more effectively control and monitor the use of mining tenures.

Survey Branch—Technical Co-ordination Division

The principal function of the Survey Branch relates to the role of the Mines Department as the registering authority for mining tenements.

Security of tenure in land is the basis of this society's commercial structure, and the definition of land parcels by survey guarantees that security. Public records of all current tenures are maintained so that the mining industry can operate, secure in the knowledge of a Government guarantee of title to leased land. New surveys are constantly being commissioned to maintain and update this valuable public record.

Mapping for the future development of the mineral potential of the State is another priority of this branch. The measurements and computer-based network analysis on which the production of modern topographic and other map types depend are the responsibility of the department's surveyors. In the last financial year, the area between Cloncurry and Mount Isa was surveyed for map production with the use of modern equipment and helicopter transport for cost-effective field production.

In this Budget, an amount of \$350,000 has been provided to maintain and update the survey record of mining tenements, and to further extend the mapping networks on which successful exploration techniques depend.

Solar Energy Research—Technical Co-ordination Division

The Queensland Government has undertaken to support the Solar Energy Research Centre at the University of Queensland, and a provision of \$183,000 has been made for 1985-86. This will allow for some staff salaries and administrative overheads, with additional funding from the university and industry to meet the cost of equipment and other materials for specific projects.

The Solar Energy Research Centre conducts research aimed at providing economically viable solar power systems for areas remote from the State power grid. Substantial savings can be made by perfecting the technology that would displace extremely costly and unreliable diesel generating systems used in these remote locations.

Miners' Homestead Development—Technical Co-ordination Division

The Department of Mines, under Division III of the Miners' Homestead Leases Act 1913-1982, has the responsibility of developing for residential and commercial use Crown land on mining fields. These lands are offered for sale by public auction and the proceeds are paid to consolidated revenue. Expenditure during 1985-86 will amount to \$460,000.

Development of 15 blocks in the Herberton region has proceeded, and these blocks will be offered at auction in the immediate future. Other auctions in the Charters Towers, Cloncurry and Mount Isa districts are under consideration. Returns on sale are expected to exceed expenditure by about 16 per cent.

Administration Division (Appropriation—\$3.5m)

The diverse support service activities provided for the department by this division are performed by five branches, which I will outline.

The Organisational Services Branch relates to the department's personnel function and provides a specialised service in the acquisition, management and development of the department's human resources.

The Legislation and General Administration Branch maintains up-to-date legislation facilitating the issue and regulation of tenures for the orderly development of the State's mineral and energy resources. It provides policy advice and information on the Acts

administered by the department and related activities. The branch also is responsible for records, purchasing, executive and general administration functions.

The Finance and Accounting Branch, in the year to 30 June 1985, monitored expenditure from consolidated revenue of \$20.7m. The 1983-84 figure was \$18.7m. Revenue collected in 1984-85 amounted to \$153.2m compared with \$117.9m for 1983-84. Numerous inspections during the year by officers of the Royalty Section resulted in net additional royalty revenue of \$996,230.

The fourth branch is the Tenures Branch, which comprises exploration titles and leasing sections. Those sections are responsible for processing and recording all relevant matters appertaining to authorities to prospect, mining leases, miners' homestead leases, deeds of grant and leases pursuant to the Mining Titles Freeholding Act, petroleum leases and pipeline licences as required by the relevant legislation. Computerisation of authorities to prospect on the mining tenures data base was achieved during the year. However, the manual system has been retained in parallel, pending final testing of the computerised system. This should be completed by the end of 1985.

The remaining branch is the Public Information and Editorial Services Branch, through which the department pursues an active communications and information function in advising the general public of the department's particular responsibilities in the administration of the State's mining industry. The *Queensland Government Mining Journal*, the one thousandth issue of which was published in February/March 1985, continues to play an important role in this area of public and industry information.

Gas Operations Division (Appropriation—\$483,710)

Total consumption of natural gas in 1984-85 was 18 432 terajoules, compared with 17 595 terajoules in 1983-84, a rise of 4.8 per cent. The major consumer, Austral Pacific Fertilizers Ltd (APF), consumed 11 316 terajoules of the total at its Gibson Island plant for synthetic ammonia production and process heating. This was 7.1 per cent less than the figure for the previous year, owing to a major plant maintenance shut-down in June 1985. Overall natural gas consumption would have been greater had it not been for the February power strike affecting industry and the APF shut-down.

New LPG production and storage facilities were constructed and commissioned this year at Wungoona/Wallumbilla and Kincora in the Surat Basin. Production from those plants, together with refinery production, will result in Queensland's being almost self-sufficient for the next two to three years. Shortfall gas supply will still come by sea tanker from Westernport.

Total consumption of LPG for all purposes in Queensland and northern New South Wales was 96 564 tonnes for the past financial year, an increase of 15.3 per cent on consumption for 1983-84. There has been a significant increase in sales of LPG for automotive use—25 141 tonnes in 1984-85 compared with 19 232 tonnes for 1983-84, an increase of 30.7 per cent. As well, there is increasing interest in the market-place in the use of compressed natural gas (CNG) as an automotive fuel in both petrol and diesel-fuelled vehicles. This fuel is being promoted by Allgas Energy Ltd for fleet use and already the State's first self-service CNG dispensing station has opened in Toowoomba. Allgas has three trucks running on diesel/natural gas, and four taxis in Toowoomba are now operating on CNG. The use of CNG in pleasure boats, under the name "Safgas", is also being promoted.

Owing to the large increase in LPG bulk and cylinder installations throughout the State, the safety inspection work-load of the Gas Operations Division has increased dramatically. The division now avails itself of computer and word-processing technology. When all records for licences, bulk tank plans and meter tests are entered, this will improve efficiency and allow rapid processing of information. The division continues to provide safety lectures and advice on gas matters to industry, to other departments and to the public, and produces a range of safety brochures.

The need to review the Gas Act 1965-1981 and the Gas Regulations 1976, will involve significant printing costs. Consideration is being given to the charging of a fee

for service on certain inspections, such as vehicles and caravans, and for the issue of gas-installers' licences and automotive LPG-installers' licences.

Queensland Coal Board

The Queensland Coal Board is provided with an annual administration grant through consolidated revenue. In 1985-86, the grant will total \$146,600. This grant, together with income from other sources, is used for administration costs as well as various programs in which the board is involved.

An area of particular importance is the coal miners' health scheme. This scheme is administered by the Coal Board, which provides finance to ensure its continuance. The board also makes grants for research into coal-mining technology, and as well providing a coal sampling program that monitors quality of coal supplied to consumers.

The coal board will continue to financially support the production of publications related to safety procedures in Queensland coal mines. Finance is also made available for a variety of welfare and community projects in the coal-mining industry.

Notwithstanding anything that has been stated by honourable members opposite, I believe that the facts and figures tabled by the Government in this Estimates debate speak for themselves. Queensland is indeed the lucky State of Australia. The rich and plentiful reserves of its principal natural mineral resources are still the backbone of the State's economy. The continued orderly development and successful marketing of these resources in today's highly competitive world markets are imperative for the ongoing expansion of Queensland's economy, and for the ultimate advantage and welfare of Queenslanders generally.

Speakers on the Government side will detail the considerable returns that the State derives from its natural resources and on which it so much depends. They will highlight the tremendous expression of confidence that both private and Government enterprise have invested in the continuing development of those resources.

I believe that it has been demonstrated to honourable members that the Government's Department of Mines plays a very professional and highly successful role in the effective administration and regulation of Queensland's mining industry. On behalf of the department and its dedicated staff, I put to honourable members that a favourable vote of the Parliament on these recommended Estimates for the next year will ensure the responsible continued growth of an industry so important to the future of our State.

I will discuss next the electricity industry section of my portfolio.

Sitting suspended from 1 to 2.15 p.m.

Mr I. J. GIBBS: I come now to the electricity section of my portfolio. In paying a tribute to the staff, I mention particularly Mr Jack Woods, the Director-General of Mines. He is eligible for retirement on 10 December.

Mr Scott: What age is he?

Mr I. J. GIBBS: I should say that 10 December is his date of retirement. He will then reach retirement age. I compliment him on the job that he has done for Queensland as a whole. I also compliment him on behalf of honourable members who have all been treated fairly by him. I say thanks to him from the people of Queensland and all members of Parliament.

The past year has been an eventful one in the electricity supply industry. It has brought achievements and changes, and some new directions.

The industrial situation that the electricity supply industry faced earlier this year was more significant because of the changes it produced. We have had a no-strike situation in the industry since March, which is appreciated by consumers and the vast majority of electricity supply industry employees.

An important milestone was achieved on 1 January this year with the formal completion of the amalgamation of the former State Electricity Commission and former Queensland Electricity Generating Board. These two organisations now form the Queensland Electricity Commission. The purpose of the amalgamation, which I foreshadowed in April 1982, was to bring the electricity supply industry closer to the Government, particularly with respect to prices, industrial relations and forward planning.

The Electricity Act 1976-1984 provides the legislative framework for the public supply of electricity to consumers in Queensland. In fact, 99 per cent of Queenslanders are now connected to public electricity supply.

In addition to its responsibilities for operation and development of the State's interconnected generation and high voltage transmission system, the QEC is responsible for the industry's forward planning and capital financing, and the determination of electricity prices.

The commission co-ordinates the activities of the State's seven electricity boards which receive power in bulk from the distribution system to supply almost 1 million individual commercial, industrial and domestic consumers.

The QEC is also responsible for safety matters, which include the approval of electrical articles, the certification of electrical workers and the licensing of electrical contractors.

Being publicly owned, the commission and electricity boards do not aim to make a profit. The operating expenditure of the commission and the electricity boards is funded by revenue from sales of electricity.

The Queensland Government imposes no levies on the income derived from electricity sales. In 1985-86, the commission's total receipts from the sale of electricity and other sources is expected to be \$816m to meet budgeted expenditure of \$812m.

Revenue not directed to meeting costs in the current financial year will automatically be applied to meeting costs in 1986-87. The major operating costs for 1986-87 are salaries, wages and related costs, \$143.9m; interest and redemption, \$338.7m; fuel consumed, \$236.9m; and operating expenses, \$42.9m. This is expected to bring the total to \$812.4m.

In the past five years, 183 000 new consumers have been connected to the State's electricity supply system, bringing the total number of consumers at 30 June 1985 to 981 000.

During the same period, the growth in electricity demand has averaged 8.5 per cent a year and energy consumed has increased by 10.9 per cent per annum.

In 1985-86, the commission expects that energy supplied will increase by slightly over 5 per cent. Despite this forecast being lower than that for the past five years, it is still significantly higher than that of any other State.

It is the Government's firm policy that consumers living in Cairns or Gladstone, for instance, do not have to pay more for electricity than people living in Brisbane. I am pleased to report that all domestic light and power consumers and most other consumers are now charged at uniform rates. The process of equalisation has meant higher than average increases for certain consumers, particularly domestic consumers in south-east Queensland. But the State Government has ensured that there will no longer be any second-class electricity consumers.

There has been much misinformed comment surrounding the tariff rise last June. The average retail tariff increase of 6.3 per cent is close to the level of inflation, and was the lowest level of increase for eight years.

The percentage rise in tariff revenue from 1977-78 to 1984-85 was lower in Queensland than in any other State. In South Australia, the percentage rise in tariff revenue for that period was 195 per cent; in Tasmania, 171 per cent; in Western Australia, 145 per cent; in Victoria, 134 per cent; and in New South Wales, in the Sydney County

Council areas, 132 per cent. Queensland's rise was only 117 per cent. When those figures were calculated, some other States had not announced their new tariffs for the current year, which only serves to accentuate the difference.

In Queensland, a typical all-electric household of four people runs for approximately \$1.65 a day. That includes lights, hot water, refrigeration, electric oven and stove and power for general appliances. The daily cost of power in many homes is cheaper than the cost of so-called necessities, such as four litres of super-grade petrol or two stubbies of beer.

Some domestic consumers pay more and others pay less for their electricity; it all depends on how much they use. Consumers need to realise that every time they flick a switch or turn on an appliance, they are making a purchase. In fact, each year most Queenslanders use more power. Over the past 10 years, the average annual domestic consumption of electricity has increased by about 25 per cent per consumer. This clearly reflects our reliance on electricity and the use of new and additional appliances in the home.

Under the Government's rural electrification scheme, in 1984-85, 547 consumers in rural areas were added to the 1 980 consumers already connected to the grid since July 1978, when the scheme was introduced in its present form. During the current financial year, works will be undertaken to add another 315 rural consumers to the State-wide system, at a cost of \$6.4m.

The long lead time for new power station projects requires planning decisions to be based on long-term forecasts of electricity requirements. Those forecasts depend, for instance, on the rate of economic growth, income and population trends, international demand for export commodities from Queensland, and the availability of alternative energy forms.

Present forecasts of electricity needs are based on population and economic growth rates lower than those experienced in the early 1980s. Queensland has considerable potential for industrial development, but further development of large industry using significant amounts of electricity will depend on the recovery of the Australian and international markets.

The three coal-fired power stations being built in Queensland—Tarong, Callide "B" and Stanwell—will meet the forecast increases in the State's power needs for at least the next 10 years; but more stations will be needed as the demands for power continue to grow.

Although Queensland has vast inland coal resources, the State's water supplies are less abundant. There simply would not be sufficient water to supply all future power stations if they were located on coal-fields. Following extensive investigations, the Government approved the acquisition of four sites on the Queensland coast to be reserved for future power stations over the next 40 years or so. All stations will use sea water for cooling. The sites are at Abbot Point (near Bowen), comprising 1 800 ha; Dudgeon Point (near Mackay), 1 700 ha; Broadmount (near Rockhampton), 1 865 ha; and Raglan (between Rockhampton and Gladstone), comprising 2 990 ha.

Base-load generation from coal-fired power stations will provide the bulk of the State's future electricity needs but there is a similar need to provide peak-load generating capacity from hydroelectric and pumped-storage sources operating in combination with coal-fired power stations. Investigations in south-east Queensland have identified pumped-storage sites which are being acquired to ensure that new pumped-storage projects can proceed over the next 30 years or so. The sites are at Borumba, about 40 km west of Nambour, and Mount Byron, near Somerset Dam. Each site will be able to accommodate an installation at least as large as the Wivenhoe Power Station.

Hydroelectric schemes will play an important part in future regional development, and the potential of north Queensland is being studied to determine the order of preference for possible future developments.

In 1985-86, the electricity industry has budgeted for \$667.8m to be spent on its capital works program, which includes expenditure of \$193.6m by the electricity boards. Total generation expenditure is estimated at \$358.3m

In October 1984, Wivenhoe Power Station was officially opened. Of the total estimated expenditure of \$245m, \$2.5m has been budgeted for the current financial year for various finishing-off works.

Construction continued on the three coal-fired power station projects, which, when completed, will provide a very secure base from which electricity needs throughout the State can be met until the mid-1990s.

Work on the Tarong Power Station is proceeding on time and well within budget. The first of four 350 MW units was commissioned in May 1984 and the second unit was commissioned 12 months later. Tarong's third turbo-generator unit will be commissioned in February 1986, which is a remarkable achievement for a project advanced by about 17 months.

Work on Tarong will continue during the current financial year at an estimated cost of \$97.3m. This will bring the total cost of the project, including power station, transmission works and infrastructure, to \$1,145m.

In 1984-85, \$114.9m was spent on Callide "B" construction work and associated infrastructure. Work on Callide "B", estimated to cost \$181.9m for 1985-86, will include construction of the cooling tower, boiler and turbine plant. The total cost of the power station is estimated at \$800m.

Stanwell Power Station's start-up date has been deferred to 1992—a cost-saving measure that will reduce capital expenditure by \$550m over the next four years. The flexibility that has been built into the Stanwell program allows the commissioning dates to more accurately reflect the demand for electricity.

In 1985-86, \$44.6m will be spent on construction and infrastructure works at Stanwell Power Station. Construction works will include the completion of a sewage-treatment plant and water-treatment plant.

An estimated \$32m will be spent upgrading existing power stations and on investigations into future power stations.

The industry's capital works program also involves major expenditure on the transmission network to ensure that it is capable of meeting the demands of consumers. The expected cost for 1985-86 of constructing new transmission and distribution works and augmenting the existing system is \$257.8m.

Major works include—

- \$16.3m for establishment of a 132 000-volt transmission line to Roma;
- \$7.6m for rail electrification between Goonyella and Hay Point;
- \$6.2m for the Ross-Turkinje 132 000-volt reinforcement;
- \$7.5m for the railway electrification between Blackwater and Gladstone; and
- \$4.7m for the Ross establishment.

One of the most significant projects undertaken last financial year was the extension of the commission's 275 000-volt transmission system reinforcing electricity supply to north Queensland and central Queensland. The northern extension increased the transmission system transfer capacity and greatly improved operational security. The central extension provided further high-voltage transmission capability to allow for increased loads for coal mines, extensions to the system further west and for the central Queensland rail electrification project.

In addition, \$51.7m will be expended on supportive miscellaneous projects, including plant and equipment, stores, land and buildings.

In the current year, more than 220 000 man-weeks of employment will be provided by the industry's capital works program.

In a concerted effort to reduce annual expenditure, the QEC is shutting down 400 MW of superseded, higher-cost generating plant early in 1986. The power stations affected are Bulimba "B" and Tennyson "A" Power Stations in Brisbane and 90 MW of plant at Collinsville Power Station in north Queensland.

These plant retirements will reduce QEC's operating costs by up to \$17m annually, with additional savings of about \$15m over the next five years resulting from reduced coal purchases.

Bulimba "B" and Tennyson "A", both very old stations, were originally to have closed in 1978, but continued operating because of an increase in electricity demand during the past few years. However, QEC has brought more cost-efficient plant into service at Tarong and Wivenhoe, which will allow it to retire this out-of-date plant.

A factor influencing QEC's decision to reduce Collinsville Power Station's capacity by half is the construction of a second 275 000-volt transmission line from Nebo to Ross, outside Townsville. This interconnection, to be commissioned before the end of the year, will further increase the security of the grid serving north and far-north Queensland. Although the Collinsville generating units have improved their performance recently, they are still a substantial cost burden to the industry now that more cost-efficient plant is available.

A few weeks ago, there were some misguided comments that north Queensland will suffer electricity shortages when the 90 MW of plant at Collinsville is shut down. Such claims are utter rubbish. The facts are that the remaining generating capacity in the north is over 250 MW, and the firm transfer capability of the high voltage transmission system is some 350 MW, giving a total of over 600 MW. Yet, the forecast maximum demand in north Queensland next year is only 490 MW, so honourable members can see that there will be more than 100 MW of reserve power available to meet the demand of the north.

Honourable members no doubt will be aware of my announcement yesterday concerning changes which Cabinet approved to the maintenance practices in Queensland power stations. These changes are aimed at saving the electricity supply industry costs of up to \$20m a year, which will become available to electricity consumers through containment of tariff increases in future years.

I must emphasise that these changes are yet another step in this Government's initiatives to reduce the costs within the industry still further so as to ensure no Queenslanders pay more for his or her electricity than is absolutely necessary. The main intention of the changes to power station maintenance practices is to achieve further reductions in the duration and cost of this work. A 40 per cent reduction in the length of time that power station generators are out of service whilst on maintenance will help the industry to defer installation of new generating plant.

The Queensland Electricity Commission estimates that \$8m or more could be saved each year for the first five years that the new maintenance practices are in effect. Deferral of new plant installations could be expected to save \$10m or more a year in the cost of servicing capital funds, and still more savings will flow from reduced overhead costs.

I have directed the Electricity Commissioner to introduce immediately the use of contractors for some maintenance work as well as the use of temporary shift work as necessary in maintenance work.

The Electricity Commissioner also called a meeting in Brisbane yesterday at which the unions were to be told of the remaining changes to maintenance practices and how they were to be introduced. As honourable members are aware, the unions did attend this meeting and agreed to meet again in a few days' time.

Resolution of various issues which are having adverse effects on the duration and cost of power station maintenance will contribute to more productive maintenance work at the stations. Most of the issues which remain to be resolved concern work arrangements which affect maintenance.

The changes now being introduced will lead to greater job satisfaction among the work-force by enabling workers to get on with their jobs. Already, the commission has worked with its employees in defining those issues which adversely affect maintenance practices. This work has helped a great deal in identifying the changes that had to be made to present practices. The changes in maintenance practices are highlighted in a joint study undertaken by the former Queensland Electricity Generating Board and a firm of management consultants, PA Consulting Services.

I must stress that the use of contractors and temporary shift work in maintenance are common practices in other capital-intensive industries, such as petroleum-refining, chemical manufacture, mines, metal refineries and smelters. In fact, the changes being introduced in the electricity industry are nothing new. Late last month, *The Courier-Mail* published a feature article quoting the executive director of the Electrical Contractors Association. The article suggested that the ECA seems to have reached an anguished and increasingly angry state of mind about what is happening in the electricity industry.

The provisions of the Electricity Act relating to the inspection and connection of alterations and additions have operated successfully throughout Queensland without anguish since 1977. Major buildings at Griffith University, Capricornia Institute of Advanced Education and at the Carindale shopping complex in Brisbane are examples of such work.

There is nothing to prevent any electrical contractor who is not confident in the standard of his work from using one of his own electrical mechanics, experienced in electrical installation work, to provide "independent expert examination". Quite simply, the electrical mechanic has the same qualifications as the installation inspector. The electrical contractor is the person who should profit from the work he does and he should be responsible for his own work and for any supervision that may be necessary if he is not confident that his qualified employees can perform quality work alone.

There is no evidence whatsoever of a decline in safety standards since 1977; in fact, the reverse has been the case. It is significant that of the many show-cause actions initiated by the Electrical Workers and Contractors Board for negligent, unsatisfactory or incompetent work over the past eight years, not one has involved a part-time electrical contractor. This Government remains steadfastly committed to the policy of maintaining a place in the electrical contracting field for genuine part-time contractors.

One area of concern continues to be electrical accidents amongst the general public, even though the number of fatalities in the past year was 12 fewer than the 1983-84 total of 24. During the same period, the total number of reported electrical accidents in Queensland fell from 487 to 432. Most of those accidents occurred on domestic premises.

A detailed analysis of accidents on consumers' premises showed the main causes of accidents were lack of maintenance, contact with overhead wires and unauthorised work. Through various publicity mediums, consumers continued to be advised of the dangers associated with misusing electricity.

During the past year, there were 44 accidents involving employees in the electricity industry, compared with 31 the previous year. Serious and fatal accidents received wide internal publicity, so that employees performing similar tasks were made aware of possible dangers.

The Electricity Industry Safety Advisory Committee and its various subcommittees continued to meet regularly to review training and to achieve safe working conditions in the industry.

In conclusion, I would like honourable members opposite to take note and duly acknowledge the recent achievements made by the electricity industry through astute direction by this Government.

Firstly, all domestic light and power consumers and most other consumers, whether they live in Cairns or Coolangatta, are now paying the same rate for their power. We

no longer have any second-class citizens in Queensland when it comes to domestic electricity charges.

Secondly, Queensland now has a strike-free electricity industry and not before time! The industry is now being controlled by industry management, not by a handful of militant union bosses. Those unions went to war last February and were soundly beaten. Unless the concerted move by the Hawke socialist Government enables the Electrical Trades Union to come under the umbrella of a Federal award, consumers no longer have to fear black-outs because of callous union action.

Thirdly, the industry is showing renewed commitment to providing an adequate and reliable electricity supply to almost 1 million consumers at the lowest possible cost. This reliable electricity supply is vital to the State's continued development and prosperity. The Queensland Government is ensuring that, through flexible forward planning and responsible management, Queenslanders will not be left in the dark.

I support the Mines and Energy Estimates for 1985-86, and I urge the Committee also to support the motion before it.

The TEMPORARY CHAIRMAN (Mr Booth): Order! I inform honourable members that, on the Vote proposed, I will allow a full discussion on all of the Minister's departmental Estimates (Consolidated Revenue, Trust and Special Funds, and Loan Fund Account).

For the information of honourable members, I point out that the administrative acts of the department are open to debate, but the necessity for legislation and matters involving legislation cannot be discussed in Committee of Supply.

Mr VAUGHAN (Nudgee) (2.41 p.m.): It is pleasing to note that, despite the world mineral market situation, last financial year the value of the State's mineral production reached \$2,998m, a 22 per cent increase over the previous year's figure.

It is interesting also to note that the value of coal produced in the State increased by a similar percentage, \$2,030m. However, the quantity of coal produced increased by 10.25 million tonnes, or 23 per cent, to 54.3 million tonnes, mainly as the result of further expansion by new and redeveloped mines and increased productivity.

Although Queensland's coal production was a record, contrary to what the Premier and Treasurer (Sir Joh Bjelke-Petersen) said in his Budget speech, Queensland is not the largest coal-producing State in Australia. My information is that in 1984-85, New South Wales produced 58.5 million tonnes of coal, or 4.2 million tonnes more than Queensland. However, Queensland exported 45.5 million tonnes compared with 38.3 million tonnes exported by New South Wales.

Unfortunately, the Premier and Treasurer has become so obsessed with his "We are the greatest" attitude that facts do not seem to matter to him. The 37 per cent increase in coal exports also contradicts statements by the Premier and Treasurer earlier this year that the unions had sabotaged possible billion-dollar coal contracts with Japan. The fact is that coal exports to Japan, which is Queensland's main export market, increased by 24 per cent last year to 24.6 million tonnes.

It is significant also that, despite claims last February by the Queensland Coal Owners Association that the SEQEB dispute was costing the Queensland coal industry \$9m a day, productivity throughout the industry increased from an average production per day of 184 251 tonnes in 1983-84 to 228 102 tonnes in 1984-85, resulting in a 23 per cent increase in production for the year.

Unfortunately, the Premier and Treasurer and some sections of industry are quick to make political capital out of industrial disputation when it occurs, but are conspicuous by their silence when productivity, production and exports increase.

Instead of bleating about what the SEQEB dispute was supposed to have been costing the State's coal industry, the coal-owners should have been telling the Premier and Treasurer and the Government to let the dispute be settled. If that had been done,

Queensland would not still be confronted with a situation which could have some really drastic effects on the State's coal industry.

Despite depressed prices, the Queensland coal-mining industry has had a good year, and I pay tribute to the coal companies, the workers in the industry and the unions, who have all contributed to the current position in this vital State industry. I sincerely hope that the current trend continues.

Of course, the State Budget has benefited from the increased value of mineral production. Revenue from mineral royalties totalled \$181.8m and rail freight from minerals added a further \$350m to \$400m.

As to the extent of revenue from rail freight on minerals, particularly coal—although the mining industry has been very critical of the Government over the freight rates charged by the railways, when it comes to the crunch, as it did last year, it backs off rather than confront the Government too directly. However, I understand that some mining companies currently owe millions of dollars in outstanding rail freight payments.

As the Liberal Party recently made some noises about coal rail freights, obviously to try to curry favour with the mining companies—not one Liberal is in the Chamber at present—I point out that it was a succession of Liberal State Treasurers who were responsible for the present coal rail freight structure, and that no changes would be made if the Liberals were able to worm their way back into coalition with the National Party.

It is pleasing to note that exports of steaming coal have increased from a mere 340 000 tonnes in 1979-80 to 11.1 million tonnes last financial year. Over the last two years, steaming coal exports have skyrocketed. If this trend continues, it will benefit those mines which will be affected by the recently announced closure of the Bulimba "B" and Tennyson "A" power stations and half of the Collinsville Power Station.

It should be recorded that, according to Queensland Coal Board statistics, the top five exporting mines last financial year were Saraji—4.49 million tonnes; Goonyella—4.08 million tonnes; and Peak Downs—3.97 million tonnes (all of which produce coking coal); Newlands—3.58 million tonnes; and Blair Athol—3.44 million tonnes (solely producers of non-coking coal).

As my time is limited to 20 minutes, I now say something about the State's electricity industry.

Mr Davis: And the Minister had an hour and a half.

Mr VAUGHAN: Yes. Perhaps one of these days I might be given the opportunity to make a more extensive response.

1984-85 will probably be recorded as one of the most eventful years in the history of the industry. In that sense, I agree with what the Minister had to say—but not for the same reasons. In the latter part of 1984, the Electricity Act was amended to provide for the amalgamation of the State Electricity Commission and the Queensland Electricity Generating Board to form the Queensland Electricity Commission, which came into being on 1 January 1985. The first annual report of the commission, which was tabled in Parliament on 22 August 1985, contains some interesting information and statistics. I will take this opportunity to comment on them for the benefit of electricity-consumers in this State.

Firstly, tariff equalisation for domestic consumers and most other consumers in the State was achieved following the increase in tariffs from 15 June 1985. Irrespective of whether he lives in Brisbane, Cairns, Mount Isa or Cunnamulla, the average domestic consumer on the controlled hot-water tariff—and I emphasise that—will now pay \$43 a month (\$129 per quarter) for electricity.

Although tariff equalisation has resulted in relatively cheaper electricity for most consumers throughout the State, it has meant a substantial increase in charges for consumers in the south-east corner of the State, who have seen their quarterly accounts increase from \$44.34 in 1977 to \$129 in 1985—an increase of 191 per cent over eight

years. I understand that, from mid-February next year, there will be a further increase of between 3.5 and 4 per cent in electricity charges.

Although the principle of tariff equalisation is an admirable one, it does of course cut across the Government's user-pays policy. The Government has often stated that there is no provision in the Electricity Act for one group of consumers to be subsidised by other consumers, but consumers in south-east Queensland are in fact subsidising consumers in other parts of the State. Furthermore, retail consumers—that is, consumers supplied by the seven distribution boards—subsidise large industrial consumers supplied in bulk by the Queensland Electricity Commission.

The seven distribution boards are required to pay a capital works levy of approximately 22 per cent of their gross sales revenue. That levy is not paid by large industrial consumers supplied in bulk by the Queensland Electricity Commission. Contrary to what the Minister has said in statements that he has made, that is a hidden State Government tax which the Government imposes on electricity-consumers. According to the Queensland Electricity Commission's report, in 1984-85 the capital works component of electricity tariffs amounted to \$225m.

I suggest to those reading my speech that, if they refer to page 22 of the State Electricity Commission annual report for 1984-85, they will see that figure of \$225m, which represented a third of the total expenditure by the industry on new capital works. I emphasise that one-third was subscribed by this State's retail electricity-consumers, but none was subsidised by the wholesale consumers.

Since 1977, when the South East Queensland Electricity Board was formed, SEQEB consumers have contributed approximately \$560m towards capital works. No doubt many of the speakers on the Government side who follow me will refute those figures. For the record, I point out that the Government has increased the capital works levy from 9.17 per cent in 1977-78, 17.5 per cent in 1978-79, 20 per cent in 1979-80 to 25 per cent in 1980-81. That is not a bad record for this supposedly low-tax Government. Approximately 20 per cent of every consumer's electricity bill goes to this hidden State Government tax.

Notwithstanding that, since the reorganisation of the electricity industry in 1977, this so-called low-tax Government has progressively increased the capital works levy, thereby milking electricity-consumers of hundreds of millions of dollars each year. The total loan indebtedness of the Queensland Electricity Commission has also increased dramatically from \$920.6m in June 1979 to \$3,100m in June this year, or an increase of 236 per cent in six years. Anybody who wishes to check the figures I have mentioned will find them on page 22 of the document titled *First Annual Report of the Queensland Electricity Commission*.

Most of this huge debt has, of course, been incurred by building huge new power stations to supply industries which have not materialised, as the Deputy Leader of the Opposition (Mr Tom Burns) pointed out in his speech on the Budget.

The Queensland Electricity Commission's report states that the second 350MW unit at the Tarong power station, which came on line in May, increased the State's total installed generating capacity to 4,824MW. As the maximum demand in 1984-85 was 3,308MW, according to my calculations, this gives the State around 650MW of effective—and I emphasise the word "effective"—spare generating capacity. With the remaining two units at Tarong coming on line next year, installed generating capacity will be increased by a further 700MW.

This, of course, is the reason why the construction of the Stanwell Power Station has been deferred again and Bulimba "B", Tennyson "A" and half of Collinsville power stations are to be closed down next year, despite the fact that over \$30m has just been spent on them. I certainly hope that the millions of dollars being spent currently on Swanbank Power Station will not be wasted. The Callide "B" Power Station near Biloela is scheduled for completion in 1989 and will add a further 700MW to the State's power system.

Despite the fact that, in December last year, the Minister for Mines and Energy (Mr I. J. Gibbs) announced that it appeared certain that the next power station after Stanwell would be built on the Darling Downs and that tenders for the supply of coal to that station should be called this year, no mention about such a power station appeared in the Queensland Electricity Commission report. In view of the Minister's announcement, I expected to find some reference to the plans for a Darling Downs power station, under the heading of either "Generation Planning" or "Fuel Supplies". However, reference was made to the purchase of four sites on the coast for future power stations, which was also announced by the Minister in December last year. In this regard, I believe that the next power station after Stanwell—whenever it is built—should be built in north Queensland, and the Abbot Point site seems to be appropriate.

I notice that the introduction of alternative coals at Gladstone Power Station caused an increase in the amount of ash for disposal, necessitating major modifications to the ash-handling system at a cost of more than \$7m. It will be recalled that, when it first came on line, Gladstone Power Station boilers had major problems, which were attributed to the type of coal being used. However, I thought those problems had been solved—at considerable expense to electricity-consumers, I might add.

Initially, Gladstone Power Station was to use cheap overburden coal, mined in conjunction with coking coal, from Utah's Blackwater mine. Currently, of course, only about 25 per cent of Gladstone's coal comes from this source. Not only is this apparently causing costly ash problems but also, according to my calculations, the Government is ripping off electricity-consumers by charging export rail freights for coal railed to Gladstone Power Station.

The disposal of ash is, of course, a real problem. I understand that, because of the poor quality coal that Tarong Power Station uses, about two million tonnes of ash will be produced each year, amounting to 50 million tonnes over the 25-year life of the station.

Although the usual steps have been taken to control likely pollution, I understand that, because of the amount of waste, there is a real concern that leaching will occur and that the water table will be affected, resulting in possible increases in salinity. A similar problem will occur at Stanwell and possibly Callide "B".

Although the Government will not admit it, the situation in the State's electricity industry leaves much to be desired. Apart from the huge financial problems of the industry, there is a very serious morale problem throughout the industry and particularly within the South East Queensland Electricity Board.

The sacking of the SEQEB workers last February has had a detrimental effect not only on the South East Queensland Electricity Board but also on the industry as a whole. The Government would have us believe that the South East Queensland Electricity Board, the largest electricity distribution board in the State, is functioning normally, but the fact is that it is gradually falling apart.

All Opposition members are now aware that the aim of the Government, right from the start, was to farm out as much SEQEB work as possible to private contractors. In answer to a question I directed to the Minister on Wednesday, 25 September, about the work that contractors were performing, he listed the following work: tree-trimming, pole replacement, street-lighting maintenance, consumer services, line faults, blanket-testing, cable-jointing, pole inspection and treatment, substation maintenance, Zellweiger relay connection, overhead estate extensions, overhead service connections and miscellaneous line work. That does not leave much work for the permanent SEQEB work-force. As the Minister indicated in his answer, some contractors are working on a labour-only basis and others on a unit basis. In every instance, most of the material is supplied by the South East Queensland Electricity Board.

Although rates of up to \$35 per man-hour have been paid, according to the Minister the current contractors rate is \$25 per hour for a tradesman and \$15 per hour for an

assistant. However, I point out that work performed by contractors has to be supervised by SEQEB staff. That is a cost in addition to the cost of contracts.

According to information I have received, the work performed by some contractors, if not all, has to be supervised closely and in quite a number of cases, faults have had to be rectified at considerable cost.

I also understand that SEQEB is losing a good deal of equipment because it is being used by anyone and everyone. No-one is responsible for it and, what is more, no-one cares. I am advised that up to \$10,000 worth of equipment is missing from one depot alone.

Under the circumstances, I find it extremely hard to believe recent claims by the general manager of the South East Queensland Electricity Board, who I understand is being mooted to move up to the position of Electricity Commissioner when he is finished with the South East Queensland Electricity Board, that SEQEB cut its operating costs by \$26m a year by using contract labour.

The recent attempts by the general manager of SEQEB to entice SEQEB employees to enter into a contract of service must surely be indicative of the situation which exists within that organisation. The honeymoon period that has existed since February between the South East Queensland Electricity Board, the new employees and those who accepted the Government's terms and returned to work appears to be drawing to a close.

Discontent is simmering within the SEQEB work-force. It was inevitable that, sooner or later, those persons who were engaged by SEQEB under the terms of the Electricity (Continuity of Supply) Act would become discontented at having to work a 38-hour week, 10-day fortnight, whilst other employees of SEQEB worked a 36½-hour week, nine-day fortnight.

Despite the monetary carrot to encourage people to enter into a contract, and the elaborate and expensive sales campaign, I cannot see any thinking person doing so. Anyone who did so would have rocks in his head. For a lousy 7½ per cent of their normal wage/salary paid annually, which is the extent of the offer of the employer, in addition to foregoing their 36½-hour week, nine-day fortnight, employees are expected to perform any work as directed by the employer, work a spread of hours determined by the employer, work shift work as required by the employer, work anywhere required by the employer, and live and work away from home as required by the employer.

Quite frankly, I believe that the contract offered by the South East Queensland Electricity Board is in breach of the award and the provisions of the Industrial Conciliation and Arbitration Act. I do not know that that is of concern to the Government.

It is significant that the Minister, in the statement he issued on the subject, deliberately omitted mentioning these terms of the contract. It has been stated that the contracts are voluntary. Because I very much doubt that many, if any, employees will enter into them, I can but wonder what the Government's next move will be.

Despite the protection the general manager enjoys under the various pieces of legislation hastily introduced by the Government earlier this year, he has a tiger by the tail. I know that, while he would have the South East Queensland Electricity Board believe that morale generally is good, he admits that there are some uncertainties in employer/employee relationships when there is no union structure. SEQEB indeed is in a sad and sorry state. If it is the Government's intention to hand SEQEB over completely to private enterprise, as is being suggested round town, the Government should come clean and tell SEQEB consumers that that is what it is about. Quite frankly, I do not think that such a proposal would go down very well with consumers, who, if that took place, would certainly be looking at paying even higher electricity charges.

The Government made a grave mistake in sacking the SEQEB workers last February. It is now realising the ramifications of its action, but it is too bloody-minded to do what should be done to correct the mistakes that it has made. However, for the sake of the South East Queensland Electricity Board and the electricity industry in this State, I

appeal to the Government to reconsider its position. I personally would be prepared to do whatever I could to help resolve the situation that exists.

In closing, I wish to comment on the statement that was made in the press and on the radio this morning about SEQEB's having to pay out \$1m a year.

Time expired.

Mr LITTLEPROUD (Condamine) (3.1 p.m.): It is my intention in this debate on the Mines and Energy Estimates to outline in some detail the power-generation system of Queensland.

The member for Nudgee (Mr Vaughan) has on many occasions in the past, and again today, made allegations of mismanagement, oversupply and high tariffs and laid numerous other charges against the Queensland Electricity Commission and the various regional electricity boards, including, in particular, the South East Queensland Electricity Board. At this stage, I must make the comment that I have been informed that, as Opposition spokesman on Mines and Energy, the honourable member for Nudgee has the unfortunate task of presenting to this Chamber material with which he does not always necessarily agree. I hold the honourable member in high regard, and I believe that he has a good understanding of the electricity industry. However, honourable members must bear in mind that some of the statements that he has to make in fact emanate from the Electrical Trades Union and other sources close to the trade union movement, who purposely set out to provide falsified material in an attempt to mislead the public.

I have just such a false statement to quote from. It does not involve the honourable member for Nudgee. It is a direct quote from a publication titled *ETU NSW '85*, which is a communication sent to members of the New South Wales branch of the ETU. The headline in that publication reads, "Six alleged dead—SEQEB safety shock". The lead paragraph gives a summary of the tenor of the whole article. It reads—

"It has been alleged that there have been at least half a dozen deaths caused by the ignorance of some contract labour employed to replace the sacked Queensland SEQEB workers."

Honourable members would know that that allegation made by a Mr Brian Saunders, a former member of the SEQEB, is quite untrue. It typifies many stories that are spread about the electricity industry, so it is high time that the facts were revealed.

Queensland's power generation comes from four sources. Three of these—coal-fired power houses, gas-fired power houses and water-powered generation—feed electricity into the State-wide grid system. A system of diesel-powered generators still provides power to some isolated communities. Of the 4 424 MW of power that this State will have in 1986, 3 622 MW will be supplied by coal-fired generators at Swanbank, Tarong, Gladstone and Callide. It must be remembered that by then Tennyson "A", Bulimba "B" and Collinsville will be decommissioned.

The greatest portion of the State's electricity—nearly 82 per cent—is provided by those coal-fired generators, because they are the most efficient source of large amounts of electricity. Hydroelectric power is cheaper to generate, but Queensland's limited supply of water prevents the State from providing any more than 14 per cent of its electricity needs from that source.

Mr Scott: What is the potential?

Mr LITTLEPROUD: Not very great.

Currently, there are three hydroelectric stations—Barron Gorge, Kareeya and Wivenhoe. The Government has brought land for future hydroelectric sites at Mount Byron and Borumba. Both will be pumped-storage sites—similar to Wivenhoe. Whereas a coal-fired power house needs 14 hours to come on stream totally, hydroelectric power stations are able to generate to their full capacity within minutes.

Gas-fired turbines have the same capacity for quick generation. Currently, there are gas-fired power generators at Rockhampton, Gladstone, Tarong, Mackay, Swanbank and Middle Ridge. Those gas-fired generators have the capability of producing 170 MW.

Honourable members would be aware that the demand for electricity fluctuates throughout the 24 hours of a day. Usage is highest early in the morning and late in the afternoon. The Queensland Electricity Commission has planned its generating capabilities to meet such fluctuations. In general, the coal-fired stations provide power all day, with some variation in generation as load demands. The QEC uses the hydroelectric stations and the gas-fired generators for quick surges in demand. By carefully monitoring electricity demand and using its variety of generating sources to best advantage, the QEC is able, through the State-wide grid, to deliver power as needed to consumers all over the State.

Criticism has been made of the planning of the QEC. The Queensland Government realised many years ago that modern development in all its forms uses huge amounts of electricity. Bearing in mind that it takes something like eight years to plan and build a power station, the Government has the responsibility to plan so that power will be readily available when new developments are completed.

The QEC then ensured that its expansion program was flexible in order to safeguard against sudden increases or decreases in demand for electricity. Unfortunately, there has been a decrease in demand below what was expected, although overall demand is increasing at about 6.5 per cent per annum. This rate is below the expansion projected some years ago.

The Minister for Mines and Energy (Mr I. J. Gibbs) stated to the Committee that, by deferring development of the Callide "B" and Stanwell Power Stations, the QEC has slowed down its generating program to balance with demand. The decommissioning of Bulimba, Tennyson and Collinsville is part of the same planning for flexibility. In fact, Bulimba and Tennyson were to go out of service in 1978, but they were given an extended life to meet increased demand until the Tarong Power Station came on stream. With Tarong offering more and cheaper power in 1986, it only makes sense that the less efficient Tennyson and Bulimba Power Stations be phased out. Those power stations reached the end of their planned lifetime in 1978 but, after some overhauling, gave extended service. Now it is no longer necessary to use them.

Mr Vaughan: Why did you spend \$30m on them?

Mr LITTLEPROUD: That was explained to the Committee earlier.

The member for Ipswich (Mr Hamill) fights hard in the interests of his electorate, and that is especially so of the Swanbank Power Station. I am sure that the honourable member is aware that Swanbank is now one of the most inefficient stations in the power-generating system. That is because underground coal-mining is far less efficient than open-cut mining. I hope that the honourable member realises that and bears it in mind if he launches into an attack on equal tariffs, because it could be argued theoretically that the consumers in Ipswich should have the most expensive power in Queensland.

Opposition Members interjected.

Mr LITTLEPROUD: It is about as simple as the argument that the honourable member puts across.

Planning for the future needs further explanation. Bearing in mind that the life of a power station is about 25 years, it is essential that the QEC acquires sites for power generation in the future. In 1983, I accompanied the Minister on a trip to a number of sites that were being considered and were bought by the QEC. Those sites are at Abbot Point near Bowen, Dudgeon Point near Mackay, Broadmount near Rockhampton and Raglan between Rockhampton and Gladstone. As the Minister said, all four sites will use sea water as a coolant and can be readily supplied with cheap coal from open-cut coal mines in the hinterland.

The Minister has stated that the QEC is looking at a possible site on the Darling Downs for a future power house. A number of coal reserves could be used, but the

availability of water is a real problem. That being the case, it is my hope that an increase in the capacity of the Boondooma Dam in the South Burnett could provide water to a site in the Condamine electorate.

Mr Price: Do you go along with the Tarong Power Station?

Mr LITTLEPROUD: My word!

Three or four coal deposits are located within my electorate and I make no apology for being keen to have a power house and all the associated development come to my area.

Mr Milliner: What are you talking about?

Mr LITTLEPROUD: I am talking about Condamine.

From my speech, which is a statement of the true picture—a statement of fact—it can be seen that the QEC has planned with vision and flexibility. Queensland's demand is growing at twice the national average, yet it can be said with confidence that the Queensland Electricity Commission is on stream with its planning well into the 1990s.

I wish to draw the attention of honourable members to some issues in the New South Wales electricity industry. Both before I entered this Assembly and while I have been here, I have heard members of the Opposition attack the Queensland Government over its alleged sweetheart deals with large industries. On a number of occasions the Minister has acknowledged that industries using large amounts of electricity receive it at favourable tariffs because of the predictability, the volume and the timing of their usage. Recently I was interested to read that the Wran ALP Government in New South Wales has offered reduced tariffs for industries using large amounts of electricity. In fact, I read that that Labor Government has seen fit to entice new industries from overseas by offering cheap electricity. As an ALP Government sees fit to give some industries favourable concessions for electricity, let this Chamber hear no more from members opposite about the Queensland Government's doing the same thing and, because of that, being branded as a friend of big business.

I am also informed that the New South Wales Electricity Commission is offering a subsidy of \$100 to any house-holder who will install a hot-water system. Honourable members might well ask, "Why would it do that?" The reason is that the New South Wales Electricity Commission has an over-supply of power and is out-and-out touting for business. If New South Wales has an over-supply of electricity, that is unfortunate. It is also understandable, because New South Wales, too, has suffered an economic downturn. I mention this not to be critical of the New South Wales electricity authorities but merely to highlight the fact that the planning by the QEC shows that it has been alert enough to avoid such contingencies.

I also point out that, not too long ago, the member for Nudgee (Mr Vaughan) made the accusation—he did it again only a few minutes ago—that Queensland was grossly over-supplied with electricity. I refer him to a press release from the Minister dated 23 August 1985. In reply to an allegation by the member for Nudgee that the State's generating power was about 4 800 MW and the maximum demand was about 3 500 MW, the press release stated—

"Mr Gibbs said it was essential to have an excess of generating power to meet sudden demands in cold periods and also while power plant machinery was being serviced.

. . .

In Victoria, for example, the State Electricity Commission had 6753 megawatts of installed plant while the demand was 4837 megawatts, representing 40 percent in reserve, which was far above the Queensland figure.

'Furthermore, another 500 megawatt unit has now been installed at the Loy Yang power station in Victoria which will soon be operating, giving that State's power supply system a 50 percent reserve', he said."

The cost of electricity to the consumer is closely related to the ability of the generating bodies to produce the amount of power in demand at the cheapest possible price. A number of factors have a bearing on the end result, but I put it to honourable members that a comparison of electricity tariff increases in all States since 1977-78 shows Queensland in a favourable light. Since that year, tariffs in South Australia have increased by 195 per cent; in Tasmania, by 171 per cent; in Western Australia, 145 per cent; in Victoria, 134 per cent; in New South Wales, 132 per cent; and in Queensland, 117 per cent. Those figures speak for themselves. The Queensland Government and the QEC can say with justification that they have served, and will continue to serve, the electricity-consumers of Queensland efficiently.

The question of equal tariffs is sure to be criticised by honourable members opposite. My colleague the member for Lockyer will very capably put the facts regarding tariffs. I am sure that many other members of the Government will, in their contributions, highlight the fact that the Minister, the Electricity Commissioner (Mr Neil Galwey) and all their staff are most competent in providing power to the various regional electricity boards through a State-wide grid that was initiated by an earlier conservative Government of this State. I congratulate the Minister on his stewardship of this portfolio and, now that equality of tariffs is almost a complete reality, can assure him that the electors of Condamine fully support that initiative.

To this stage I have spoken about the generation of power. Now I wish to comment on one of the regional distribution boards, the South West Queensland Electricity Board, which services my area.

Mr Scott: The staff of the department really put their minds to work to provide you with that brief, didn't they?

Mr LITTLEPROUD: I put this speech together myself.

The SWQEB services an area of about the size of Victoria—413 000 sq. km. That makes it unique. In providing power to those 74 000 consumers, QEC is supplying electric power to some people for the very first time in their lives. Opposition members should not think for one moment that those persons are receiving power cheaply because, in fact, a huge capital outlay is required by many people to have electricity connected. In spite of that, they still realise the advantages of being connected to the State grid.

Mr Price: You know those people were ripped off \$12m in capital works repayments last year.

Mr LITTLEPROUD: It is funny how the people keep putting in their money. They keep putting in because they want to be part of the system. As there is no alternative, they realise the advantages in being part of the system.

The SWQEB area contains 30 000 km of supply lines. It is interesting to note that there is approximately 275 km of line per consumer.

In 1985-86, revenue of \$74m is expected. The Capital Works Program will amount to \$20.5m. The SWQEB is representative of the whole area that is serviced, which stretches from Warwick, through Toowoomba and Dalby, and farther west to Charleville and Quilpie.

The Queensland Government's policy is decentralisation. The SWQEB also believes in decentralisation, and has established its headquarters in Dalby. In addition, it tries to provide a certain amount of autonomy in various areas. Large depots and offices are located at Toowoomba, Warwick, Chinchilla, Roma and Dalby.

The Minister referred to a high voltage line being built from the Tarong Power Station through Chinchilla to Roma. Because of that, Chinchilla will become a major switching station in the State-wide grid. Currently, extensions are being carried out to the switching station at a cost of more than \$1m.

Mr Scott: What voltage?

Mr LITTLEPROUD: The Minister referred to the voltage earlier. I cannot bring the figure to mind. I am not a specialist in that matter, nor do I pretend to be.

I turn now to the ETU issue. The Minister referred to the industrial relations in the industry since March this year. The cause of the dispute was the use of contractors by the South East Queensland Electricity Board. The reason for the use of the contractors was that there would be more cost-efficient production and servicing of the electricity industry. The Government had a responsibility to the public—the consumers—to ensure that electricity costs were kept as low as possible.

Since then, there has been a great deal of strife. Despite that, it can be seen clearly that the public are behind the Government's action. Editorials in newspapers have condemned irresponsible union-leadership. Recently, the ACTU has stood back afar, assessed the situation, and recommended to the ETU to drop the issue.

The Queensland Government has a plan to make sure that consumers receive a continuity of supply. Yesterday I was interested to hear Cabinet's decision to carry that promise further.

Mr Price: No political motivation in doing that?

Mr LITTLEPROUD: There is a demand from the public for continuity of supply.

Legislation has already been introduced into this Parliament making unions answerable under civil law. The Queensland Government is the leader in Australia in being able to bring irresponsible union-leaders to heel to make them answer. Of course, since then, no strikes have occurred.

The Government's initiative is another step along that line whereby contract labour will be introduced into the generating side of electricity. It is obvious that, should the unions go out on strike, contractors trained in maintenance will be able to ensure continuity of supply. I can assure the Minister and all other honourable members in this Chamber that that initiative has been very well received in my electorate.

I have much pleasure in supporting the Minister in this debate on the Estimates.

Mr SCOTT (Cook) (3.19 p.m.): It certainly gives me great pleasure to take part in this debate. At the outset, I must indicate that I enjoyed very much the speech of the honourable member for Nudgee (Mr Vaughan). Once again, limited only by time, he gave a very capable resume of the Minister's portfolio. He had to admit that his speech was a precis of that he would like to have said. His allotted time should have been extended so that honourable members could have enjoyed listening to an informed discourse. Instead, from the honourable member for Condamine we heard a speech written by a public servant. I think that is scandalous. I will inform the Committee how one can prove that his speech was written by a public servant—the words were just too kind!

Mr LITTLEPROUD: I rise to a point of order. I find the remarks made by the honourable member for Cook offensive. They are quite untrue, and I ask that he withdraw them.

The TEMPORARY CHAIRMAN (Mr Fouras): Order! Will the honourable member for Cook withdraw those remarks?

Mr SCOTT: Out of deference to the Chair, I will withdraw those remarks. I accept that the speech made by the honourable member for Condamine was not written by a public servant. Perhaps it was a precis of something that the honourable member had read somewhere. Honourable members could tell by the use of the words that it did not come from the heart. When words come from a National Party heart, every second phrase is "those dreaded socialists", referring to Labor Party members in Queensland, New South Wales or anywhere else.

Mr Hamill: They do not transcribe speeches very well.

Mr SCOTT: I take the point made by the honourable member for Ipswich.

The Estimates being debated are those of a most important department. I would not like to give it a rating relative to its significance to my electorate. On a scale of one to 10, I would rate the Department of Mines and Energy at about eight or nine. Other departments such as Main Roads, Education and Health are also important. I repeat that the Department of Mines and Energy is an important department. By and large the department is administered by very capable public servants. I will return to that very shortly.

I admit that I do not like the direction in which Government policy is pushing the department. The way in which the department is going is of great importance to the future of this State. For a long time, the Government has been heading down the wrong track. The road has taken a sharp turn for the worse and, if I may mix the metaphor, it will undoubtedly rebound on the heads of Government members in time to come.

I will speak mainly about mining as it affects the Cook electorate. I repeat that mining is very important to this State. All aspects of coal-mining and oil production were capably handled by the Opposition spokesman (Mr Vaughan). Those industries are very important to the State.

The electorates of many Government members are involved in primary industries. Those industries have their ups and downs in productivity. At present, because of the weather and over-production in other parts of the world, they are going through a difficult period.

The mining industry is facing a similar problem. Queensland, in particular, is fortunate in the mining products that it produces. I do not say that the way ahead is very promising. Undoubtedly, production difficulties will be experienced and will have to be faced, and they are being faced at present. I cite briefly Comalco at Weipa as an example of good management, planning ahead, looking to the future and capable administration giving some prosperity to the industry.

The officers of the Department of Mines are very conscientious. Those officers feel a responsibility towards the State's mineral resources. I compliment them. I have many dealings over the telephone with officers of the Department of Mines. As I have mentioned many times, one should first obtain background information from a departmental officer and then take the matter up with the Minister.

I am sorry to note that Mr Jack Woods is retiring. He has given long and conscientious service to the industry. He has reached retiring age, and all honourable members will be sorry to see him go.

I have extensive dealings with many sections of the Department of Mines, such as the leasing section. The inspectorial section in Cairns has very good officers. Every now and then I have reason to ring those officers about environmental complaints, leasing complaints and other aspects of the administration of the mining industry. It is very easy to deal with them.

Although I worry about his administrative capacity, I must say that, in personal dealings, Ivan Gibbs is a gentleman. Former employees of SEQEB simply would not agree with that, but honourable members think that he is a nice bloke to deal with.

The Minister will be landed with the opprobrium of having virtually destroyed the morale of the electricity supply industry. I must make a very strong comment about the fate of the people who the Minister—at the Premier's behest—was responsible for sacking from the industry—men who put a great deal of time into serving the industry and who lost the benefits for which they worked so hard. I refer not only to personal benefits such as superannuation but also to what those men were able to contribute to the State—their knowledge of the electricity supply industry. It is a shame that they are now on the breadline and probably, in the end, will have to turn in other directions for employment. Responsibility lies immediately with the Minister. History will remember him for that, although those a little more perceptive will realise that his riding instructions

came from no other than that most destructive force in this State—the Premier and Treasurer (Sir Joh Bjelke-Petersen).

The Cook electorate contains a major part of the mining activity in this State other than the coal and oil segments. A major Australian gold mine is located at Kidstone. A strong prospect exists for the further development of the Mungana mine. I would like the Minister, when he winds up the debate, to give an undertaking of some sort that Mungana will proceed. I realise that, being an economic decision to be made by the company, it is largely out of his hands. I hope that the Elders consortium has not over-extended itself financially. I know that there has been a rearrangement of its financial commitment to industry as a whole and a consolidation of its mining interests. It is a major share-holder in the Kidston development and will be a major partner in the Mungana development.

Mr Price: Do you think that Mr Gibbs has shares in Mungana?

Mr SCOTT: I would not really know where the Minister might invest his money. It would not be beyond the bounds of possibility. If he does have shares, he may be able to tell me in all honesty whether it will proceed or not. If he has shares in it, I am quite certain that the management makes sure that his interest relates solely to his share contribution and not to any management decisions. The company would not entrust him with them. It would not trust his management capabilities.

The Cook electorate benefits from widespread production of tin from both alluvial and hard-rock mining. It is a very important industry, being carried out in the Irvinebank/Emuford area, Rossville and a number of other places. The industry, which provides a great deal of employment, is worried about its future. Everybody is concerned about the direction in which the tin industry is heading and hopes that the price holds so that the profitability of the mines, together with employment, continues.

A new town is likely to be developed either at Rossville or as an extension of Cooktown itself when Shell proceeds with the development of what has so far been merely a major mineral investigation in the Rossville area. It is a most important development for far-north Queensland and I certainly hope that it proceeds. It will increase employment prospects and have a bearing on the general economic well-being of the area.

Major prospectors are still active on Cape York Peninsula. There is every possibility that mining will be reactivated, even in an area as small as Horn Island. Prospecting companies are active all over Cape York. I cross their tracks every now and again when I am driving through my electorate. I hear reports of the activities of geologists and others.

I now mention Comalco's activity at Weipa. The development of kaolin clay on the Comalco lease is exciting. It is an example of the initiative of Comalco in its mining enterprise. For quite a long time the company has known of the presence of a very fine quality of kaolin clay as part of the substratum. Doubtless it has considered the economics of developing the deposit and marketing the product. It is known to be of top quality. For the information of honourable members, I indicate that it is used in the production of such widely diverse items as paper and paint. I am very pleased about the kaolin development, which will lead to increased employment at Weipa. That is beneficial for my electorate.

In passing, I remind honourable members that the Queensland Government has the barest input into the town of Weipa. That is a shame. The Government is quite happy to grab the results of productivity up there, the benefits of which flow to the State. I do not mind that; a Labor Government would certainly be happy to do that. However, it has been a hopeless battle to have the Government do anything for the Weipa community. The town does not have a high school; it has only a secondary department. The Education Department runs that facility well, with competent staff, but a full high school should be provided for the town. A pre-school has been needed for

some years. The Government equivocated about it. I am pleased that the Minister for Works and Housing is in the Chamber. Does he have something to tell me?

Mr Wharton: It is coming.

Mr SCOTT: Not like Christmas?

Mr Wharton: No. It is on the way. It will be all right.

Mr SCOTT: I hope that is so. I must say that the Government does very little for the Weipa community. It is known to be a mining town.

Mr Wharton: We'll take that pre-school away.

Mr SCOTT: No, I have fought too hard for it. The Minister should accept fair criticism.

Mr Prest interjected.

Mr SCOTT: That is so. It is a petty attitude: "If you don't want it, we'll take it away." I have given the Minister for Works and Housing credit for what he has done, but he is doing nothing in Weipa.

Mr Wharton: You do not want it?

Mr SCOTT: That is not so, and I very strongly refute it. I have given the Minister for Works and Housing credit when his performance has been reasonable, but it is not reasonable at Weipa.

I challenge the Minister for Mines and Energy (Mr I. J. Gibbs) to go to Weipa and talk to the people about what the Government is not doing for that town. The Minister should then come back and talk to his Cabinet colleagues and say, "Look, because of the wealth that is produced for the State in that region, the Government should do more. We should take note of what the honourable member for Cook is saying, and do more for that area."

I am happy to compliment Comalco Ltd on its regeneration program, which forms a major part of that company's activities. That company adopts a scientific approach and applies a high level of expertise in choosing the right plants and the right methods for carrying out regeneration, and it does a first-class job of restoring the ground surface after mining operations have ceased. That company has a dedicated team of workers, both at the top and at the working level of its structure, in the regeneration section, and its activities are of benefit to the region in north Queensland.

The same thing cannot be said, however, for other mining operations in the peninsula. There are very large areas of bare ground in various places, and I understand that those mining operations were established during an earlier period, and that requirements imposed today did not apply to them. I ask the Minister to take his attention from coal-mining and travel up to the peninsula area, fly over the area, as I do, and see what is going on.

Mr I. J. Gibbs: Where is that?

Mr SCOTT: Mount Amos, for example. Every time I fly over that area, it hurts me to see the great scars on the landscape that have not been cleared up.

I mention a prospect that is ahead of us—the proposal to mine silica at Cape Granville. I oppose that development for very sound reasons. Enough silica is being produced at Cape Flattery, and that material is being exported to Japan, largely for the benefit of the Japanese nation. Queensland is contributing its share and, because of the ecological damage that will be done to that most valuable tract of land at Cape Granville, I ask the Minister to take those factors into consideration when he is evaluating the need to mine silica there. I believe the development should not go ahead.

I understand that the stage has been reached at which the mining warden has carried out a hearing. In assessing the proposal, I know that the mining warden will give due weight to the matters that I have mentioned but, in the final result, the matter will be placed on the Minister's table. I ask the Minister to inspect the area before he makes a decision on that proposal. Not only are there to be found, in that region, irreplaceable ecosystems which have not yet been fully evaluated and which will positively be destroyed by a mining operation, but also there is the likelihood of damage to the fringing reef in that area. I understand that the reef now forms part of a marine park and that that designation may even be changed to allow mining to be carried out.

The Cape Granville area is virtually untouched, except by the original inhabitants, the Aborigines, who knew how to live without disturbing nature. The Aborigines are at one with nature, and we are not. I must say that the Minister for Mines and Energy is not very strong in his support for conservation, and that is a shame. I point out that the Minister is not in a position to evaluate properly the conservation needs of areas of this State. Moreover, pressure is on the Minister to open and develop more coal mines, and he regards that as his main role.

I do not believe that the Minister pays enough attention to the other aspects of mining. However, I wish to make it clear that I am not against sensible mining operations.

Mr Randell: Coal-mining companies are rehabilitating the land. Go and have a look.

Mr SCOTT: Whereabouts?

Mr Randell: In the central coal-fields. Come up and I will show you the areas round Saraji.

Mr SCOTT: Certain mining areas can be rehabilitated, and there is a much better possibility of doing that on the mainland. However, there is very little chance of rehabilitating a beachfront area.

I repeat that I support sensible mining, and a great deal of it is carried on in this State. Mining is vital to the basis and structure of this society, and I certainly would not wish to live in a society that is without the benefits provided by the mining industry. I say that after having given the matter due consideration.

Open-cut mining can be a destructive activity if it is not controlled. It certainly cannot be controlled effectively in beachfront areas, and I refer particularly to Frazer Island. I read in the press of renewed pressure to allow sand-mining to proceed on Fraser Island on the basis that regeneration techniques had improved. I do not think that they have. It is one thing to regenerate the open forest country at Weipa or a coal-mining area where topsoil can be removed and stored, but it is another thing to try to restore a beach area. The proposed mining operation at Cape Granville will destroy many things of inestimable value that cannot be replaced. When I use the word "inestimable", I mean that their value has not been estimated. Time should be allowed to evaluate the position fully. I can only repeat that silica from that site should not be exported.

Damage is being done by the Cape Flattery mining venture. I will write to the Minister and ask him to investigate what is happening. I have been told that two fringing reefs have been almost annihilated by the four large barges that move from the loading ramp to the ships at sea. In addition, oil from the diesel engines used in the barges is dumped into the sea. I ask the Minister to note that. Each barge is fitted with two large diesel propulsion engines and smaller power generators and pumps. I have been told that oil from the engines is drained into the bilges of the barges and, at night, the dreadful mess is pumped out at sea. I should like the Minister to give me an assurance that these matters will be investigated.

I could say so much more on these matters but, in the short time remaining, I wish to deal with the electricity supply industry. I said by way of interjection during the

Minister's speech and the speech of the member for Condamine that the Government is destroying the morale of men in that industry. I can only emphasise that statement. I worked for an electricity board for a number of years. At that time, and subsequently, it was a great industry. The people who worked in regional electricity boards and supply authorities had a great sense of achievement and a sense of fellowship. The Government is trying to destroy those and other aspects of this important industry. It will rebound on the Government.

People doing the same work are being paid different rates and are enjoying or suffering working conditions different from those of their fellow workers. Both groups are forced to work with contractors who, again, may work under different conditions. That is bad for the industry. The problems are about to be compounded. As the honourable member for Nudgee said, board employees are being offered a loading. If they accept the loading, they have to accept, concomitantly, longer hours and the abominable no-strike clause. That is aimed solely at destroying the morale of the workers. The Government will never hold workers to such conditions. Australian workers are too proud to work under such conditions.

Amongst other matters relating to the industry, the Minister referred to the inspection of installations, but he had very few constructive comments to make about the industry. He misled the house in saying that an electrical inspector has the same qualifications as an electrical mechanic. That is simply not so. Inspectors have to undergo training that is not required of mechanics. I ask the Minister, "To whom do mechanics turn for advice on the finer points of installation work?" They certainly turn not to electrical engineers but to inspectors. The inspectors are knowledgeable because of their training and their experience in the industry. The Minister's policy of not requiring such rigorous inspections will lead to an increasing number of hazardous installations. I am very worried that the hazards will remain undetected. People who have worked in the industry as electrical mechanics and fitters are proud of the work that they have done. In my day, a five-year apprenticeship was required, and people served their apprenticeships with pride.

Time expired.

Mr FITZGERALD (Lockyer) (3.40 p.m.): It is with pleasure that I join in the debate on the Estimates of the Minister for Mines and Energy (Mr I. J. Gibbs). I have listened with a great deal of interest to what has been said by Opposition members. Over the last couple of months, from snippets in the newspapers I have noted their attitude to the problems facing the electricity industry and I have also noted the attitude of the Liberal Party spokesman on Mines and Energy. Honourable members and the general public should be made aware of some matters. They are the generating capacity in Queensland, the tariffs that electricity-consumers in Queensland pay and the initiatives that the Government has taken.

I will not speak about the electricity industry dispute. That is over. I noted that Opposition members spoke very little about it. It is a dead issue. The Government has realised its ambition. The electricity industry will settle down and the people will see the benefits.

Firstly, I wish to refute absolutely the claims about mismanagement in building multimillion-dollar power stations. An article on the front page of *The Chronicle* in Toowoomba of 5 October last stated—

"But Opposition Energy spokesman Mr Ken Vaughan said yesterday Queensland's already high power levies stemmed from Government mismanagement in building multi-million dollar power stations that were not needed."

I do not know whether the honourable member was quoted correctly. I note that he is nodding his head, so he must have been reported correctly.

A similar article appeared in *The Courier-Mail* on 30 July 1985. It quoted the honourable member for Sherwood (Mr Innes), who is the Liberal Party spokesman on Mines and Energy, and stated—

“ . . . electricity consumers would have to carry the financial burden of the government's ‘massive’ mistakes in assessing the growth of electricity demand.”

Obviously it is a “me, too” situation.

I repeat what the previous speaker on this side of the Chamber said. According to the first annual report of the Queensland Electricity Commission, when the second unit at Tarong came on stream, Queensland had a capacity of 4 824 MW. The maximum demand in Queensland of 3 308 MW occurred on 3 July 1984. That was an increase of 14.8 per cent on the previous peak demand.

I also note in the report that on 25 June this year, which was a winter's day, a new morning consumption peak of 3 038 MW was reached, which was 72 MW greater than the previous mark. Some people either do not understand the need to have a capacity higher than the maximum demand or are deliberately trying to confuse the general public. They are saying, “All capacity will be running at all times so, therefore, the Electricity Commission and the Minister and his officers have mismanaged the industry in planning the capacity.”

The previous Government speaker also pointed out that, at present, Victoria's capacity is 40 per cent above demand and that the figure will rise to about 50 per cent. The position is different in Queensland. Queensland has a smaller safety margin. I hope that the Minister will not get too upset about what I am saying. I believe that, in the past, Queensland had an undercapacity. We just scraped through that cold spell in July 1983 or 1984. We got through because of one factor: although consumption had risen quite rapidly in previous years, maintenance was carried out on the small power stations that are being decommissioned and problems were not experienced. At the same time, in New South Wales, because maintenance had not been carried out in the power stations, there were “grey-outs” and threats of black-outs. As I say, because of the very good maintenance record in power stations in Queensland, there were no problems. As has been pointed out, the old power stations are being decommissioned so that the more efficient power stations, such as Tarong, and the new power stations can come on stream. In fact, the old power stations should have been decommissioned earlier.

Because of the good planning of the Queensland Electricity Commission, the system is flexible enough to allow the new stations to be brought on to meet demand. However, no-one can determine exactly what electricity consumption in 10 years' time will be.

Another argument put forward by Opposition members is that Queensland has among the highest, if not the highest, electricity tariffs in Australia. It is very difficult to establish an overall comparison.

Mr Yewdale: We have the highest debt in Australia.

Mr FITZGERALD: I am talking about electricity tariffs. Opposition members claim that Queenslanders are paying very high tariffs.

An Opposition Member: We are.

Mr FITZGERALD: Well, that is for the honourable member to say.

Electricity tariffs are assessed in different ways. In Tasmania, the number of rooms in a house are counted, and that has a bearing on the tariff. In another State, consumers pay a daily charge and then pay a tariff rate on top of that, but most of the States have a tariff rate. In other words, it is very hard to compare the various electricity charges.

Using my most recent electricity bill, I calculated, on a units-used basis, what the charge would be in the other States. At home at 12 North Street, Gatton, the quarterly domestic consumption was 2 385 kWh of lighting and power and 1 334 kWh of continuous hot water. In that quarter, my bill from the South East Queensland Electricity Board for 3 719 kWh of electricity, before discounts were taken into account, was \$303.56.

Mr Vaughan: What discounts?

Mr FITZGERALD: The discounts to which I refer relate to the interest on the security deposit held by the board. I am just using the raw units.

For the same amount of electricity, the State Electricity Commission of Victoria would have charged me \$335.86; the Electricity Trust of South Australia, \$324.83; the Hydro Electric Commission of Tasmania, \$225.75; the State Energy Commission of Western Australia, \$342.35; the Sydney County Council, \$265.69; and the North West County Council, which supplies part of Queensland, \$336.05. However, despite those figures, Opposition members try to convince me that, because I live in Queensland, I pay a lot more for my electricity than people in other States do. I point out that New South Wales, with 25 different tariff areas, is the only State that does not have uniform electricity charges. Opposition members only quote figures from one particular supply area in Sydney; they do not refer to electricity charges in Bathurst or Mudgee. However, in fairness, I quoted the lowest figure that I could find in Sydney and compared it with the charges levied by the North West County Council, which supplies part of Queensland.

Mr Hamill: You did say that you are paying more.

Mr FITZGERALD: I am certainly not paying more. Honourable members opposite are trying to convince me that I pay more.

Mr Hamill: You gave us the figures.

Mr FITZGERALD: I suggest that the honourable member read those figures in *Hansard*.

I point out that my comparison was based in part on continuous hot water tariff. Had I based my figures on the straight general supply, my electricity bill from SEQEB would have been \$308.63. Yet, Opposition members try to convince Queenslanders that they pay more for their electricity than people in other States pay.

With different levels of consumption, the same sums would indicate that there is very little difference between costs in Queensland and those in most of the other States, although I admit that the cost in Sydney is generally a fair bit cheaper than that in Queensland.

Mr Hamill: We do have a lot of cheap coal in this State.

Mr FITZGERALD: The honourable member for Ipswich said that we have a lot of cheap coal in this State.

Mr Hamill: Compared with Western Australia and South Australia.

Mr FITZGERALD: Yes, our coal is cheap, compared with that in some other States. The idea is that this cheaper coal will be used for the generation of electricity. Not only have tariffs been equalised for domestic use—equalisation will come on to the other areas throughout the State as well—but also power generation from all parts of the State is hooked up.

The critics of tariff equalisation must remember that having cheaper tariffs for the Brisbane area would be all right only if the electricity used in Brisbane were generated in Brisbane. The cost of carrying coal to Brisbane from Ipswich and Tarong would also have to be taken into account. That would be absolutely ridiculous.

Mr Price: Why do farmers get cheaper tariffs?

Mr FITZGERALD: I will speak about farmers a little later.

I believe that equalisation has become feasible through the interconnection of the State-wide electricity generation and transmission system. The interconnection has ensured that the electricity that is the cheapest to produce is just as available as the electricity that is the dearest to produce. Tarong, which is just outside my electorate, produces the cheapest electricity. I wish honourable members opposite would inform

the Federal member for Rankin that the Tarong Power Station is not in the electorate of Barambah but in the electorate of Somerset. I have listened to some of his speeches in the House of Representatives, and I would have thought that honourable members opposite would educate him a little better.

In setting tariffs, the electricity supply industry has to juggle the need to supply electricity reliably with the need for the lowest possible cost of production. Another consideration is plant availability versus tariffs. Queensland cannot afford the risk of being short of sufficient generating plant or transmission facilities to ensure a reliable supply. The serious consequences of being left with insufficient plant to meet demand are disruptions and black-outs. That is exactly what occurred in New South Wales in 1982. I have already spoken of the major black-outs that occurred at that time in that State. The supply disruptions that occurred there were very, very severe and the Queensland Government does not want that to happen here.

The New South Wales Government has acknowledged the inequity of inverted tariffs. On the last occasion I spoke on this matter in this Chamber, I got the response from the member for Nudgee that he supported the concept of inverted tariffs. Now that I have looked at the tariffs in all States, I know that Victoria is the only one of the major eastern States that has anything like inverted tariffs. Even that State is gradually phasing out inverted tariffs. An inverted tariff has a primary rate, a secondary rate and a balance rate, which is greater than the secondary rate. New South Wales now has only two rates—a primary rate and a balance rate. It used to have inverted tariffs. The member for Nudgee used to defend that policy. The New South Wales Government has scrapped that policy. So the honourable member for Nudgee should not try to push it any longer. In Victoria, the secondary rate and the balance rate are now almost the same, so it has virtually eliminated inverted tariffs. It is moving to the system that Queensland has used all the time. In Queensland, the more electricity a consumer uses, the cheaper it becomes. That provides for better economy.

Queensland's flexibility in planning for power stations has allowed for the equalisation of tariffs throughout Queensland. New South Wales has 25 different tariff areas. If a Government is serious about promoting decentralisation, it should offer equal tariffs for similar consumption, particularly domestic use. That is what has happened in Queensland.

I wish to bring to the attention of farmers in Queensland the new types of tariff available to them—the time-of-day tariff, the night tariff and the week-end tariff. Farmers should estimate their consumption and work out which will be the cheapest system for them. The night and week-end tariffs have come about because of the cost of providing for demand at peak periods. Honourable members would know that the pump station at the Wivenhoe Dam has been designed for use during the periods of low demand for electricity so that the hydroelectric station can supply electricity during peak periods.

That can be done not only with that type of generation but also by encouraging consumers to use electricity during those troughs. It is quite effective. If electricity costs are very high during the peaks, it is important that consumers be encouraged to use electricity during the troughs. That is why night tariffs were introduced for water-heating. As farmers are reasonably large consumers of electricity, they can organise their farms to use the off-peak tariffs.

Over the years, in the Lockyer Valley, there has been an extension of the use of watering systems that can work unattended for 12 hours or even longer. To those persons who are not familiar with irrigation systems, I say that a solid-set irrigation system is a system of putting on the ground semi-permanently, or for the duration of a crop, small spray lines about two inches or 50 mm in diameter, which have very slow application rates of about 10 points an hour. A run can go from eight to 10 hours, or maybe longer. The system can be turned on and left unattended all night. Therefore, farmers can benefit from the night tariff that attracts a lower charge. It is important and sensible for the Queensland Electricity Commission not to direct when people should use electricity but,

by the use of the tariff mechanism, to encourage farmers and businesses to use electricity when the commission prefers them to use it.

Farmers now have a choice between two time-of-day tariffs. One offers a lower night rate and the other offers the lower rate at night and all week-end. The new tariff provides 28 more hours during which the low charging rate applies, making a total of 98 hours available.

To benefit from the tariff, a farmer will have to use more kilowatt hours at the low rate, so the minimum low-rate consumption was set at 4 000 kWh per year. This consumption is 33 per cent higher than the minimum consumption required under the tariff with the low rate at night only.

The consumer also will need to contribute \$100 for each point of supply—up to a maximum of \$500—to which the tariff will apply. This contribution covers the cost of additional control and metering equipment and is to be paid at the time the change in tariffs is made.

Another tariff applying to the use of larger irrigation pump motors has also been introduced State-wide this year. Previously, this special irrigation tariff had been available only in the Wide Bay-Burnett Electricity Board area. The tariff encompasses an annual fixed charge related to the size of the motor as well as an electricity consumption charge. It benefits those who use larger irrigation pump motors in several specific ways, so the various electricity boards are expected to offer the advice that farmers need to help decide whether to apply for the tariff. I believe that all farmers should examine their present situation to see whether they can benefit from that tariff.

A great deal of criticism has been levelled by the Opposition at the siting of the Tarong Power Station. Those critics who believe that it should have been sited elsewhere should ask themselves whether the water supply coming from elsewhere was an acceptable alternative. From where was it to come.

Mr Vaughan: Millmerran.

Mr FITZGERALD: From where was the water supply to come?

Mr Vaughan: Ask the Queensland Electricity Commission. It recommended it.

Mr FITZGERALD: I said, "Where?" I am asking the honourable member. Now he is chanting. Where was the water to come from? Opposition members probably supposed that it would come from underground. Were they going to suck up all that water and blow it up in the air as steam? No way in the world!

Water on the Darling Downs is a scarce commodity. The next power station in Queensland should be located on the Darling Downs, and it probably will be. It may be a dry-type cooling system, which uses only a fraction of the water that the wet coolers use. There is a new South African concept in cooling power stations. The honourable member for Nudgee may not be aware of that.

The water for a power station on the Darling Downs would need to be piped long distances. It cannot come from the Darling Downs area; it cannot afford it. The cost of generating electricity at Tarong is low compared with the cost at other power stations in Queensland. For instance, the cost of producing electricity at Tarong is about two-thirds of the cost of producing electricity at Gladstone and about one-third of the cost of supplying electricity from Swanbank "B" and Collinsville. The coal at Tarong was virtually useless for export because it was—

Mr Vaughan: What about the ash problems?

Mr FITZGERALD: As the honourable member said, it has a very high ash content. Has the honourable member seen the dams there? Does he believe that it will be possible to go down into the aquifer? How much water is taken out of the aquifer for the Tarong Power Station? Has the honourable member seen the site? It is extremely poor agricultural land.

Time expired.

Mr HAMILL (Ipswich) (4 p.m.): Recently, in this Chamber, I had occasion to talk about the significance of the mining industry to this State. There seems to be no more appropriate occasion on which to talk about the mining industry than the debate on these Estimates.

I noted with some interest that, in 1982-83, whereas mining contributed about 4.7 per cent of gross domestic product at factor cost for Australia as a whole, its significance for Queensland was greater, having contributed 6.7 per cent of gross State product at factor cost. That may not sound very significant as a percentage. However, one has to consider the contribution to the State of the mining industry as an export-earner, as a revenue base.

Approximately 12 months ago, an editorial in *The Courier-Mail* stated that the State Budget of that year was underpinned by the mining industry. An examination of these Estimates in the context of the total Budget for the State discloses that the point made in the editorial in *The Courier-Mail* 12 months ago is no less accurate today.

The mining industry is, of course, a very significant employer, perhaps not directly, because today so much of the mining in this State is capital intensive, but in terms of the spin-off jobs, the multiplier effect of employment in other sectors of the Queensland economy. Its significant contribution is revealed by an examination of the Budget papers.

I turn to revenue from mining and railways. It must be recognised that a very large proportion of the revenue of the Railway Department—it is a shame that the Transport Department's Estimates will not be debated this year—is actually derived from the mining industry through rail freights. I will go into that in more detail later.

The Budget figures indicate that in excess of \$191m will be derived from the mining industry by way of general taxes and charges. In the case of the Railway Department's revenue, a very significant proportion of which is contributed by the mining industry, \$916m is expected to be recouped by the department over this financial year.

The over-reliance of the State Budget upon the mining industry illustrates one clear fact to all honourable members and the people of Queensland, and that is that the Government is living in its own little dream world of economic management. It believes its own propaganda, that is, the propaganda spread in the late '70s and early '80s that a mining boom would be the future for Queensland, that it would solve all economic ills and the State would ride to prosperity on the back of the mining industry.

Unfortunately, as with so many other facets of economic management in this State, the Queensland Government has failed to address the economic realities. If honourable members need some evidence of the problems faced by the mining industry in this State, they have only to consider a range of economic indicators. For example, in 1983-84, investment in the mining industry in Queensland fell by 47 per cent. Over recent years, employment in the mining industry has tapered off. The reason for this is that the massive employment generation capacity of the mining industry—given that it is a capital-intensive industry—lies in the construction phase of new projects. New projects have not been coming on line, and the prospects for new projects in Queensland at present are very gloomy indeed.

If any more evidence is needed, honourable members need only consider the Estimates under debate. I refer to the Railway Mineral Projects Fund, which is one of the funds by which the Queensland Government extracts moneys from the mining industry for the construction of railway lines, the purchase of railway rolling stock and a whole range of other purposes associated with the servicing of the mining industry.

The estimated appropriations from the fund for this year amount to a little over \$105m. That is a significant drop from the \$189m expended under that fund last year. It indicates that the employment factor of the mining industry and the expansion factor of the mining industry have greatly diminished from the situation that prevailed two or three years ago. As I have said, mining is facing serious difficulties across the board.

I address the issue in terms of problems facing coal-producers in the West Moreton area. Last year, a special committee reported to the Government on a feasibility study of the West Moreton coal industry. Tragically, like so many other worthwhile reports presented to the Government, that report has been pigeon-holed to accumulate dust. None of its recommendations has been acted upon.

A number of significant points were made, highlighting the problems in West Moreton but having State-wide significance. The report spoke of a contracting domestic market. It referred to a reduction of the amount of coal required by the Swanbank Power Station. In the macro-economic sense, the problem is that the power industry has not expanded according to the level projected only a few years ago. Consequently, the mining industry has considerable excess capacity, and its focus must be directed to export.

Recently, West Moreton has been quite successful in obtaining spot orders on export markets. Once again, it must be realised that the coal export market is highly competitive. At a time of comparatively low world prices and very strong competition, it is extremely difficult for mining companies to obtain additional orders or increase their penetration of world markets.

The third, and very significant, factor is the Government's role. I refer to its taxes and charges and, in particular, to its imposition of rail freights. I shall amplify the point.

The West Moreton feasibility study addressed at length the issue of rail freights, which has been a matter of considerable disputation between the mining industry and the Queensland Government. It is an ongoing controversy. The mines most recently brought on stream are paying the highest rates.

In June 1984, an article appeared in the journal *Australian Coal Miner* under the caption, "Queensland coal producers take on State Railways". I shall quote from it, as it is very instructive on the matter of freight rates. It states—

"Thanks to the government's profit margin—\$8 to \$11 per tonne of export coal railed—it costs twice as much to rail coal from the mines to the ports as it does to ship the coal to Japan."

Further, it states—

"For instance, coal producers in Canada pay a mere 1.6 cents per tonne/kilometre, in South Africa 2.1 cents per tonne/kilometre, while in Queensland they pay 7.5 cents per t/km, some three to four times higher."

The point graphically illustrated by the article is that the cost infrastructure being imposed upon the mining industry in this State threatens its capacity to compete effectively on an already very competitive world market.

The same article rejected the argument put forward by the State Government that the problem of the mining industry was one of labour costs. The article pointed out that of the returns on coking coal, for example, 31 per cent of the revenue is required to pay State Government rail freights and an additional 10 per cent for other State Government charges. In other words, 41 per cent of revenue is consumed by the State Government, whereas only 10 per cent of the revenue is required to meet labour costs.

When MIM Holdings had the temerity to wince publicly over its reduced profits and blame rail freights, in September last year its comments were reported in these terms—

"Mr Watson estimates that half the amount paid in freight is pure profit for the Government and this, added to mining royalties of \$33.5 million, meant the Government was making a great deal more from MIM's operations than were the shareholders."

The points addressed by the Government were intriguing. Rather than coming to the aid of the mining industry, the Premier threatened Mount Isa Mines. It was reported that he—

"... threatened to wage a public campaign against MIM Holdings Ltd. . . ."

The criticism has continued. I illustrate with another quotation—

“It must be unique in business to have an industry provide the initial capital of a transport system in which after construction, it has no equity. A system to which it pays not only operating costs but a capital repayment charge and a profit component which would gladden the heart of most businesses. A system in which a large proportion of the total payments are escalated at rates beyond national inflationary levels in some cases by association with circumstances not connected with the industry it serves.”

Those words do not come from a member of the Opposition; rather are they the words of Mr G. S. McDonald in the *Queensland Chamber of Mines Ltd. Annual Review 1984*.

The problem has been amplified by industry spokesmen as well as by members of the Opposition; yet the Government has maintained an attitude that rail freights are part of a proper return to the people of Queensland.

Mr Price: They are a tax.

Mr HAMILL: The Government maintains its attitude that rail freights simply meet the costs of transporting the ore and the coal. My colleague the honourable member for Mount Isa is quite correct in saying that the charges are simply a tax. It is not very often that the honourable member for Mount Isa would agree with the Minister for Transport (Mr Lane)—but the Minister revealed all about the hidden taxation policies of the Government when, in reply to a question asked on 24 November 1983, he said—

“The rail freights will inject into the revenue of the State funds that will help to finance hospitals and the special welfare schemes provided by the Government, and will allow the Government to undertake initiatives to attract further business to the State.”

They are highly laudable objectives. However, the fact is that what the Minister did not say is that those moneys were going to the Consolidated Revenue Fund and would be expended according to the priorities of the Government.

The Australian Labor Party has expressed strong views about the matter of rail freights, and it accepts that the mining industry must make a significant contribution to the welfare of the people of Queensland. After all, the industry is exploiting a non-renewable resource. The ALP has advocated consistently that a two-tier royalty structure should operate with a base rate and a rate that would be averaged over the profit margins that are attained over five years. That reflected the Labor Party's recognition of the cyclical nature of the mining industry. It is recognised that, in dealing with the mining industry, one is not dealing with constant economic conditions. Conditions change very rapidly, as do the returns and profitability. In the same way as an individual's income rises and falls, the level of taxation rises and falls accordingly, and that formula should also apply to such a volatile industry as the mining industry.

In June 1985, the Queensland Chamber of Mines, in its journal *minetalk*, described mining as the State's largest single source of revenue. It estimated that about 20.7 per cent of all Queensland Government revenue that is derived from State sources is derived from the mining industry, and stated that that outstripped the \$437m reaped by way of pay-roll tax in 1984-85.

When the estimated \$500m in revenue is examined, and when regard is had to the other outlays that would be met from the Consolidated Revenue Fund, as outlined by the Premier and Treasurer in his Budget speech, it can be seen that the receipts from the mining industry are paying for the total outlays under policies implemented by the departments within the portfolios of Works and Housing; Welfare Services, Youth and Ethnic Affairs; Employment and Industrial Affairs; and Lands, Forestry and Police. That means that a quarter of the revenue needed for the Queensland Government's activities is being derived from one sector of the Queensland economy.

Furthermore, the position is seen to be even more difficult when one recognises the contribution made by the mining industry to the Queensland Budget each year. It is

totally impossible to reconcile the low-tax rhetoric of the Queensland Government with the facts as they pertain to the mining industry.

Over the last two years, State royalties and charges derived from the mining industry have increased by 54.7 per cent, to \$147,470,000. Over the same two years, rail freight revenues have increased by 125 per cent, to \$352m. The Queensland Government is pretty good at increasing taxes and charges in a very covert way. For those honourable members who want to know about other taxes and charges, I will quote a few more from the journal *minetalk*—

“In less than four years:

- Rents on mining claims have increased by 120%, or an average of 23% per year. (The latest one year increase is 9%).
- Rents on mining leases have jumped by 95%, or an average of 19% per year. (The latest one year increase is 7%).
- Registration Fees have increased by between 43% and 120%, or 12% per year on average. (The latest one year increase is 8%).
- Wardens Court Fees have climbed by between 50% and 80%, an average of 12% per year. (The latest one year increase is 8%).
- Survey Fees have risen by between 39% and 55%, or an average of 11% per year. (The latest one year increase is 7%).”

It goes on to point out that in the same period the Consumer Price Index, the measure by which price rises are determined in Australia, rose by 35 per cent, which makes an average rate of 9.4 per cent. The 7, 8 and 9 per cent increases in taxes and charges that I have outlined do not compare well with the CPI increase of 4.5 per cent.

The point is that the mining industry is feeling the pinch because of the Queensland Government's deliberate taxing policies. Those policies take no cognisance of the fact that the mining industry is facing peculiar difficulties at this time. The overall problems are being felt acutely in the West Moreton district, where, in response to the high level of State Government charges, particularly rail freights, some companies are resorting to taking coal down river by barge to avoid the heavy impost that the State Government is foisting on them.

Mr Price: What about the 1 100 people out of work in Mount Isa Mines?

Mr HAMILL: As the honourable member for Mount Isa has pointed out, the problem is State-wide.

The West Moreton area is beset by problems that are common throughout Queensland. Unfortunately, as in so many other areas of its policies, the Queensland Government has plugged its ears and closed its eyes to the plight of the mining industry and all those who depend on it for their livelihood.

Opposition members have spoken at length about the Government's hidden taxation policy. It applies in mining and in electricity tariff-fixing arrangements. The speech of the honourable member for Lockyer was very strong on rhetoric and very short on substance. I pointed out to him that Queensland should have very cheap electricity because of the accessibility of cheap, exploitable coal resources. I have already pointed out that the comparative advantage the State enjoys through its coal resources being close to the coast ought to make Queensland a very favourable competitor on world markets. In these difficult times, if the State Government took a more sympathetic attitude relative to taxes and charges, Queensland coal-exporters would probably have a better chance on world markets.

Domestic electricity prices in Brisbane are the dearest of all capital cities. It is an indictment of the Government, with the cheap natural resources available, that Queenslanders should be paying the highest electricity prices.

Mr Vaughan: It indicates bad management.

Mr HAMILL: It indicates mismanagement in the electricity industry as well as general economic mismanagement.

The people in my electorate are heartily fed up with the Government and its energy policies. Pensioners, in particular, are fed up because, unlike other aged Australians, pensioner discounts are not available to them in Queensland. The people in my electorate are tired of paying for the mismanagement of the power industry and the mining industry in Queensland. They are tired of paying through the nose for their domestic power; they are tired of subsidising the big industrial consumers of electricity and the interest repayments on the borrowings that the Government has authorised the electricity authorities to undertake to build up the excess capacity about which honourable members have heard so much. The people in my electorate are very disappointed with the Government. They are tired of not having access to the H56 tariff.

Mr Vaughan: It's a scandal.

Mr HAMILL: It is a scandal. The people of Brisbane have enjoyed that tariff for many years, but the people of Ipswich continue to be denied cheaper hot water under the H56 tariff.

I have here an open letter to the Minister for Mines and Energy signed by 525 constituents of mine in Ipswich, expressing quite clearly how fed up they are with the Government on these issues and how fed up they are with paying through the nose because they do not get discounts or rebates.

Mr I. J. Gibbs interjected.

Mr HAMILL: The tenor of the expressions in this open letter indicate that they are heartily fed up with the Minister and with his administration of his portfolio. I will table the document.

Whereupon the honourable member laid the document on the table.

Mr McPHIE (Toowoomba North) (4.20 p.m.): In this debate I wish to deal with the mining aspects of the joint responsibilities of the Minister for Mines and Energy (Mr I. J. Gibbs). I will refer to some of the comments made by the member for Ipswich (Mr Hamill) and put a different interpretation on some of the points that he made, which will clearly establish that he is wrong and we are right.

Mr Stephan: He wrote those letters that he had.

Mr McPHIE: I think he did. He makes up a lot of the figures that he gives.

Other Government members have already dealt at length with the Energy part of the Minister's responsibilities and have answered more than adequately the inept comments from the Opposition spokesman in trying to criticise the excellent record of the Minister and his department in the electricity-generating area. Suffice it for me to say that the Government made a forward move in amalgamating the former Queensland Electricity Generating Board and the State Electricity Commission into the Queensland Electricity Commission on 1 January this year to make one overall body responsible for the operation, planning, development and financing of Queensland's integrated electricity generation, transmission and distribution system.

I note, in the Works Department Estimates for 1985-1986, that more than \$667m has been allocated to the electricity area, which includes \$324m for further development of the vast Tarong, Callide "B" and Stanwell power complexes, plus a further \$32m for modification to existing power stations and investigations into future power stations to replace old ones that are no longer cost-effective to operate. Surely that is a forward and successful move by a progressive Government with sound planning and fiscal policies. I congratulate the Minister and the departmental personnel on an excellent job well carried out.

The mining area is somewhat different, however, as the department is principally involved in the promotion and monitoring of the industry through encouragement and

assistance in the search for and development of mineral resources, and in the issuing of a system of leases, permits and licences under various Acts to ensure the orderly and safe operation of the many and assorted mines in Queensland.

What a healthy and vibrant area it is. The department has an allocation of \$21.86m in the 1985-86 Budget against an expenditure of \$20.66m in 1984-85. That is an increase of 5.78 per cent for the year, which is about par with the increase in the Consumer Price Index for that period.

The value of mining to Queensland is in no way connected with those figures. In 1984-85, the value of mineral production increased by 22 per cent over the value for the previous year to a total record figure of \$2,998m. That was very much due to the highest figure ever recorded for the production of coal and petroleum. Those figures should be improved upon in the coming year, with increased activity in some established areas, better prices for a number of minerals and large new undertakings, such as the Kidston gold mine, coming into full production.

Queensland mining is perhaps best known today for coal, bauxite and copper production. Tin, in which we lead the world, uranium, gold, lead and mineral sands have all had their days of leadership in the mining area, and other minerals have contributed, too.

Australia's first-ever exports came from the mining industry when coal was sent to India in 1801. Since then, mining has contributed steadily to our export earnings. In the 1850s and 1860s with the gold rushes, and later in the 1890s and the early part of this century, mining provided the export earnings that kept this country going during the depression years.

Today, mining contributes 40 per cent of Australia's export earnings. The size of the total investment is staggering. Contrary to the figures given by the member for Ipswich, who quoted percentages that do not give a realistic picture, in Queensland alone the coal industry has spent about \$1 billion annually for the past 10 years in developing new mines, while the aluminium industry has spent \$6 billion over the past 20 years on development. But, although large investments and large earnings are applicable to the mining industry as a whole and although the State receives handsome direct and indirect income from the industry, it is one which must be allowed flexibility to adjust to world market factors if it is to remain viable and if its many benefits are to continue to flow to the State.

In this area, the Government has a difficult task in continually assessing market influences affecting the various facets of the mining industry during these times of Australian and world economic difficulties. It is handling the task in a capable and business-like manner.

As an example, I will deal with some aspects of the coal industry and consider the economic factors involved. Australia is the leading coal export nation in the world and Queensland is the leading coal export State in Australia. The coal boom in Queensland started in the 1960s and was responsible for a significant part of the State's recent development and prosperity.

Today, black coking coal from the Bowen Basin in central Queensland is responsible for more than one quarter of the State's export earnings. It is taken from open-cut mines and railed to special coal export ports between Gladstone and Mackay. Steaming coal is used to generate electricity for the State's power stations as well as adding to the export total. Queensland has coal reserves that are capable of being processed for the production of oil when the new technology makes it cost effective.

Mr Randell: You know that most of the development is in my electorate.

Mr McPHIE: I know that most of the development is in the electorate of the honourable member for Mirani, and he oversees it in an excellent manner.

Coal production in 1984-85 was an estimated 54.3 million tonnes, which is an increase in volume of 23 per cent on the previous year's figure. Queensland is the largest

coal-producing State in Australia and has massive reserves to ensure that that position is maintained for years to come.

Exports from the State during 1984-85 were a record 44 million tonnes, which went to 24 countries and grossed \$2,500m for this country. This position has been achieved in under 20 years, with the Government and a number of private enterprise companies investing hundreds of millions of dollars in substantial new towns, hundreds of miles of roads and railways and port facilities, in addition to the actual mine developments themselves and the massive equipment required to work the mines.

In each case in which a new mine or mining complex was to be developed, an agreement on the proposed development was negotiated by the company or companies concerned with the financial houses backing the project and with the State Government. As an example, I will refer to the figures released by Mount Isa Mines concerning that company's development at Oaky Creek, Newlands, Collinsville and Abbot Point.

At Oaky Creek, eight banks provided term loans of up of \$US230m, and another four banks provided term facilities of \$A100m. In that instance, the loans were for 10 years.

At the time, the Newlands and Collinsville coal mines and the Abbot Point port facility made up the largest single coal-financing project undertaken in Australia. That project involved the borrowing of up to \$A730m through four different types of financial arrangements, namely: Euronotes, \$US280m; commercial paper, \$US155m; term loans, 25 billion yen and \$US77m; and commercial bills, \$A50m. In all, 26 banks were involved.

It is a significant acknowledgement of the ability, integrity and business standing of the management of Mount Isa Mines that such a massive loan program could be negotiated. For these financial houses to extend this credit to MIM is also an endorsement of the strength of the Queensland economy and the stability of the State Government.

A number of special provisions were written into these agreements to protect MIM and the financial houses. They were limited recourse project financing packages with the debt ratio determined by the underlying economics of the respective projects. Provision was made for the adverse impact of any currency fluctuations during the term of the agreement.

Despite the size of the projects, these could be termed normal financial arrangements between developer and financier.

However, Government imposts are another matter. Negotiated at the outset, they are usually agreed to by both parties and are contained within the sale price of the mineral so that the company involved is not unduly penalised while the State benefits. That is surely the way in which a State's assets should be developed for the benefit of all. In these instances, Queensland received new towns and ports and associated infrastructure in previously undeveloped areas. Jobs were created and revenue was gained by both State and Federal Governments. The companies involved in the developments also prospered, which was to the advantage of their employees and their share-holders.

The requirements of State and Federal Governments can, however, have a significant bearing on the success or otherwise of a resource project, especially when world prices fall for the commodity or Governments change their charges, such as taxes. They can become penalties capable of wrecking the finely balanced economics of a project and its financing.

The rail freights paid by the Mount Isa Mines operation have been debated in this Assembly. Honourable members know that record tonnages are being mined by the coal industry and that record tonnages of more than a million tonnes per week are regularly being hauled by the State's financially buoyant railways. The mines at Oaky Creek, Newlands and Collinsville, as well as a host of others, are highly successful undertakings. Substantial benefits have flowed to both State and Federal Governments. The State has gained from rail revenue and the associated upgrading of rolling-stock, as well as from royalty payments. However, Federal tax is payable in the usual manner by companies.

Because of the Federal Government's unpredictability in taxation and its willingness to increase charges, the amount of tax payable in any one year is very doubtful.

Some of those imposts are production-based and, thus, completely ignore the profitability or otherwise of the undertaking and can threaten the ability of companies to service their massive capital borrowings. In 1983-84, Mount Isa Mines paid a total of \$102m to the Federal and State Governments in direct taxes, royalties and charges. In that period its net profit was \$27m. In 1984-85, Mount Isa Mines paid \$134m in Government taxes but lost \$18m on its overall operations. Those figures seem to be chicken-feed when they are compared with the contribution by BHP in 1984-85 of more than \$1 billion in Government taxes and levies plus another \$2 billion in crude oil excise charges. Those are massive earnings for a Government at any one time.

Mr Randell: The Federal Government intends to tax housing provided by mining companies.

Mr McPHIE: Yes, that is right, whereas the State Government has been moving to assist in that area. I am sure that the member for Mount Isa will agree with that and with what I have said about the railway freight figures.

Mr Milliner: It's not true, and you know it.

Mr McPHIE: I have the figures with me. Shortly I will quote what Sir Bruce Watson said. When the honourable member hears those figures, he will discover the truth.

Arbitration Commission rulings on wages and allowances also have an effect on mining companies. With Federal interest withholding taxes on offshore funding and Australian ownership requirements increasing the need to resort to foreign money to finance projects, it is really a wonder that any of these projects ever get off the ground. Certainly, Government policies significantly influence the way in which projects are funded and, in difficult periods, such as the present time, can destroy the economics of a resource project that is too finely balanced.

In the annual report of Mount Isa Mines, the chairman (Sir Bruce Watson) stated—

“The export sector, upon which the Australian economy relies heavily, cannot pass on to international customers cost increases resulting from wage rises or tax changes.”

Yet, so often, companies involved in exporting, particularly mining companies, are faced with Government imposts.

The chairman also said—

“MIM supports the view that taxation should be borne by all groups on a fair and equitable basis. Companies should pay according to their profitability. Governments, when levying taxes, need to recognise both the cyclical nature of activities of a group such as ours and the economic benefits that flow to the community from its operations and those of the resource industry generally.”

He also said—

“Australia's high current account deficit and foreign debt provide real incentive for the Australian Government to resist such cost increases which would damage Australia's export competitiveness.”

Despite that, the Federal Government has suggested a resources rent tax. How that could ever be seriously suggested only a socialist Government could explain. As the continued viability of the mining industry is essential for continued employment, export earnings and the general well-being of Queensland and Australia, that must be guarded against at all times.

The environment for the continued economic operation of our mining industries must be maintained at all costs. Some sections are in enough difficulty containing costs at present without any increased Government charges to add to that burden. A short

time ago, it was announced that mining companies will have to pay a further tax on any housing, accommodation or travel arrangements that they offer to their employees in remote areas. It is of paramount importance that Governments, both State and Federal, play an active and balanced part in ensuring this continued viability.

The Queensland Government is doing something in that area. I refer again to Sir Bruce Watson's report about rail freights. He notes that the increases in total payments to Governments were in a large way due to increased rail freight payments resulting from the coal mines' lifting their production. As I mentioned earlier, that is a production tax. He noted that, on the coal lines, rail freight rates were reduced by the Queensland Government in December 1983 by 10 per cent on operating costs and have been maintained effectively at that level. That is a significant help to MIM and to the industry. Sir Bruce Watson stated also that rail freight increases were not applied to the Mount Isa mine in September 1984 when other rail freight rates were changed. The Mount Isa run takes a great deal of copper from the Mount Isa mine to Townsville for further processing.

I am delighted that the Queensland Government is committed to the continued support and encouragement of private enterprise mining undertakings in this State. I note in the Budget papers mention of an ongoing program for the continuing updating of the 1 in 250 geological map series—despite the withdrawal of Federal Government funding from this previously jointly shared sphere. I note also mention of continued exploration for steaming coal in the Bowen Basin, provision for computerisation updating in the Mines Department, additional capital expenditure on rescue equipment for mines rescue brigades, and the continued operation of the Queensland Coal Board. They are all measures aimed at supporting and assisting this excellent industry, which is prospering in this State at the moment.

I note, too, that Queensland companies are spearheading a major Australian coal technology and equipment drive into China and that our coal industry has become one of the most efficient in the world, with an output per miner far ahead of that of most other countries. However, there is cause for caution and warning in that area, because those miners who have the highest output per head are also the highest paid in the world.

All in all, a progressive and healthy program lies ahead for a relatively small but most important department. I compliment the Minister and his staff on a job well done in the past and one so effectively projected for the future.

Mr PRICE (Mount Isa) (4.38 p.m.): Firstly, in joining in the debate, I commend the previous speakers on this side of the Chamber and concur fully with the Opposition spokesman on Mines and Energy, who gave a very good coverage of the activities of the Mines Department.

The Queensland Government's overt commitment to the free enterprise ethic makes one wonder when one examines the machinations of the Government in administering this portfolio. Notwithstanding its grandstand mouthings, the National Party Government is financially locked into a taxation system involving rail freight charges, a system which is seen by most as anything but free enterprise, free market. Its treatment of the mining industry is essentially very pragmatic, controlled more by State budgetary considerations than by any deep commitment to unrestricted free enterprise activity.

The Premier himself seems to see things that way. I quote from one of his own comments in that classic, *Speaking Personally*, dated 14 July 1984, in which he stated—

“Our aluminium, coal industries have come of age and are today major contributors of State wealth.”

In taxing mining by way of royalty payments, not connected to profitability, the Government is effectively franchising mineral discoveries and taking the cream off the top of production before operational costs are even considered. In other words, the McDonalds hamburger franchise system is applied to the mining industry in Queensland.

When MIM Holdings asked for royalty relief, a right enshrined in the Mining Act, and when that company was being squeezed between low copper and coal prices and record high interest rates, this Government refused that relief and more than 1 000 jobs were shed as a result. In other words, this is free enterprise after the Government gets its cut, and jobs have no priority. It could be seen as the act of a nation in the eastern European bloc.

In his preamble, the Minister mentioned the job-creation potential of the mining industry. Despite the fact that in Mount Isa and other places throughout the State where MIM Holdings operates more than 1 100 jobs were lost as a result of this Government's actions, recently 50 more jobs were lost in Collinsville as a result of the halving of the power output of that power station. I mention also the 600 SEQEB workers who were infamously put out of work in Brisbane in the last 18 months.

That makes a total of 1 750 people who have lost jobs as a result of this department's attempts to make its industry efficient. The Minister considers that this particular portfolio will create jobs in the future. My estimate is that in the next 12 months the Minister will have to open at least two new coal mines with, say, the capacity of Blair Athol, which has 700 employees, to create anywhere near the 1 600 jobs that have already been cut out of the industry or the Department of Mines, directly or indirectly, in the last 12 months. The Minister will have to open at least two new mines to counter the loss factor, before he even gets going.

The mining industry is not considered to be a great employer. As a matter of fact, in May 1985 the statistics show that only 17 600 persons were employed in the mining industry in Queensland, which is a mere 1.7 per cent of the total number of employed persons in this State. At the same date in the manufacturing industry, 9.4 per cent of the work-force was employed; in construction, 7.5 per cent; and in the wholesale and retail trade, 12.2 per cent. In addition, since 1979 the Government has been increasing fees and charges to the mining industry at between two and four times the rate of inflation, to the point where Queensland is now one of the most expensive places to mine in Australia.

The annual report of MIM Holdings, released only this month, shows major Government revenue from the company for 1984-85 amounts to \$134.1m, of which the State Government scoops \$125.1m, at a time when the company's profitability is in the red to the tune of \$18.3m.

The honourable member for Toowoomba North (Mr McPhie) mentioned the strength of MIM Holdings and its ability to raise the massive loans that it needs to carry on and support the Queensland Government. I concur that the company must be extremely strong to do that. I cite some taxation statistics from the annual report of MIM Holdings. Major Government revenue from MIM in 1984-85 was—

	\$m
Pay-roll tax	11.8
Land tax	0.1
Royalty	37.9
Coal rail freight	52.0
ISA rail freight, which totals \$62.5m— estimated Government profit	23.2
Total	125.1

\$125m to this State Government out of a total tax bill of \$134m.

The National Party Government perceives the mining industry as being, apart from a source of natural resources, a source of employment—a fact reinforced by the Minister's speech. On the contrary, it has been shown that, in reality, it is a very poor employer in Queensland. The Government sees the industry as a source of electricity. Naturally, all of Queensland's power is thermally generated by coal produced in the State. The

Government also sees the industry, however, as a huge source of revenue and as a source of image-building propaganda.

The mining industry has supplied many of the big projects used by the National Party-dominated State Government in the last 15 years to create that image of Queensland, which is subscribed to today by most Queensland residents. The image of natural resource development creating abundant wealth and jobs was pushed along by numerous official openings of mines, railway lines and ports, as well as by copious press releases filled with reports of increased and record tonnages, earnings and exports, with long lists of new contracts and new markets. Although the development of coal and metal mines has finished in Queensland—at least until 1990—the Minister still managed 13 press releases in 1984 alone outlining production and export records and new export markets. The National Party has, throughout the entire period, made itself synonymous with that image in Queensland.

As the time available for debate is restricted, I turn now to the electricity industry. It is a pity that our contributions must be shortened because of time constraints. Again in the electricity supply industry the image of socialisation is evident. The State Government's word for it, however, is "rationalisation". That led to industry borrowings by 1984 of \$2.6 billion. An additional \$761.4m was raised for the industry in 1985, raising the total to \$3.352 billion. In other words, one Queensland quango has a total debt of more than half the national deficit.

Earlier it was mentioned that 20 per cent of a house-holder's electricity bill went towards capital repayment. According to figures I have, the financial arrangements of the electricity supply industry require that 25 per cent of electricity accounts is directed towards capital repayment. That is a tax included in the electricity account. Queensland already has the highest electricity charges in the nation, although it has most of Australia's coal. Where else in the world is there to be found such a bounty and a chance to generate cheap power for the people? Such expensive power is totally unnecessary. The Government has succeeded in milking SEQEB dry and is now turning its attention to the remaining regional authorities to finance rationalisation.

In his speech, the Minister claimed that there were now no more second-class domestic consumers. That statement adverted to one of the Premier's promises in 1976 when the Electricity Act was introduced. He said, firstly, that all Queenslanders would pay the same tariff and, additionally, that they would have cheaper power. He said that rationalisation would result in cheaper tariffs. The Minister claimed to have honoured the first of the Premier's promises; but, in my opinion, he has fulfilled neither promise.

The Aboriginal communities in my electorate still do not enjoy power at the same price as that paid by consumers in the rest of Queensland. The more remote communities are considered in the same light as mining companies. They must pay for their own power generation and distribution. Because of the high cost of freight to isolated areas, generally they pay far more for power than does the average Queensland consumer. Second-class domestic consumers still exist in Queensland, and they are principally the Aborigines and those people who live mainly in the more remote communities of the State.

I turn now to the promise of cheaper tariffs, and the position taken by the Government on this matter is self-evident. One has only to compare a present-day power bill with one that was received in 1976 to see that far more is being paid for electricity supply than has ever been paid before. Nowadays, however, the Minister for Mines and Energy (Mr I. J. Gibbs) has an insane desire to promote confrontation throughout the industry. To carry over the dispute between the South East Queensland Electricity Board and members of the Electrical Trades Union, the Minister will now introduce contract labour into power stations. The electricity industry is being used as a pawn in the wide world of politics, and the Minister is willing to use human beings as pawns to bash the unions. Anything that is to the left of Genghis Khan, of course, is anathema to this Government and is treated accordingly.

I raise the matter of the recent decision made by the Queensland Cabinet to transfer the administration of the Miners' Homestead Leases Act to the Land Administration Commission. The subsequent proclamation that subjects all vacant Crown land on all mining fields to the auction provisions of the Miners' Homestead Leases Act has led to considerable concern among people in my electorate.

Simplistically, I consider that my objections would dwindle if some assurances could be obtained from the Minister in regard to procedural matters in particular. Should that change ever occur, with only a change of name and, perhaps, personnel, and should budgetary commitments on the part of the Mines Department be met prior to that change-over, then matters come down to basic explanation. Of the 25 000 mining homesteads in Queensland, nearly 10 000 are located in the Cloncurry and Mount Isa mining fields. By fleetingly mentioning change that carries such great potential by issuing a press statement that was not reported State-wide, the Minister leaves considerable scope for concern as to the implications of that change.

Cloncurry has a Land Commissioner. Will Mount Isa have a Land Commissioner and staff, in addition to the existing establishment associated with the mining warden? Will files be retained in Mount Isa to ensure regional control, or will searches have to be referred to Brisbane? Will delays be occasioned through referrals to the Mines Department on all new land grants? What assurances can I give to my constituents in regard to security of tenures? How can the Government ensure that the cost of transactions will not rise for applicants, especially as solicitors and others have taken time to become familiar with charges? Those are but a few of the more pressing worries.

The Mount Isa electorate is an active mineral field that is far from defunct. The Mining Act and the Mines Department were designed to accommodate such activity.

Other concerns have arisen in the area of applications for land. Under the provisions of miners' homestead leases, any person can place a datum post and apply for a homestead, although within designated auction areas the Minister's approval must be obtained before the application can proceed. Assuming that miners' homestead perpetual leases will be replaced by perpetual town, country or suburban leases, as the case may be, as far as I am able to ascertain, no provisions exist under the Land Act for a person to make application for land except through the auction system. Perhaps the Minister can clarify that matter also.

Under section 28 of the Miners' Homestead Leases Act, the subdivision of land requires consent of the local authority before approval of the subdivision can be granted either under the Land Act or the section I have mentioned, and subdivision is wholly at the Minister's discretion, which removes control from the local authority. That is the source of more worry. In cases of requests for additional land that is the subject of a miner's homestead perpetual lease, under the provisions of the Land Act, that addition cannot be granted to the perpetual lease although it may be effected by application being made and negotiations taking place. Under section 28 (b), the Miners' Homestead Leases Act provides for such action to be taken.

Some time last year, I approached the department to have a survey undertaken of saleable land in Cloncurry. The Minister mentioned that in his preamble, and included Mount Isa. In the Cloncurry shire, where land values cannot stand the imposition of private enterprise survey costs, the need was evident. The department applied for, and received \$100,000 to assist the shire. It was confident that the job could be done and an auction organised before Christmas this year. It is now feared that, under the Lands Department, the shire might miss out on its survey. The record of the Land Administration Commission indicates that it is not interested in the western shires and townships and that it becomes involved only when a clear return on the land is evident. In smaller shires, no guarantees can be given; certainly not in the short term.

I ask the Minister to assure me that the Budget commitments will be honoured. The Mines Department has participated in designing and constructing roads, and so on, and selling at auction developed MHPLs to meet housing requirements in mining fields. That is the usual procedure in the Cloncurry and Mount Isa fields. In such developments,

the Mines Department has set a reserve price that covers the cost of development, without any component included for the value of the land, because it is fully aware that when mining is over the land will revert to the Crown. The Land Administration Commission has been known to include that component, and, in smaller shires, it could put the land out of the reach of residents.

I should like to get the Minister's assurance on this matter because all the land in Mount Isa and Cloncurry is auctioned in that way. In Collinsville, when the land set up by the Mines Department was taken over by the Land Administration Commission, the value jumped from about \$8,000 to \$12,000 a block, simply because a new name was put on the auction. Under MHPLs, mining fields could offer the cheapest land in the State. That encouraged decentralisation and settlement. In areas in which land was freely available, mining settlements were never pushed for space. It seems so unrealistic now to deny that privilege under the new rules. At this stage, the bringing of the Miners' Homestead Leases Act under the Land Act is an ill-thought-out, short-term decision. The rationalisation of tenures might be desirable, as departments other than the Mines and Lands Departments issue them. Nothing short of a full commission would accomplish that.

Mr RANDELL (Mirani) (4.58 p.m.): It gives me great pleasure——

Mr Comben: You intend to talk about sugar.

Mr RANDELL: I could talk about sugar. The honourable member knows very little about sugar or mining; therefore, I do not expect intelligent interjections from him.

It is a pleasure to support the Minister's Estimates. In leading the debate, the Minister stressed the great economic importance to Queensland of the State's mining industry. It is no coincidence that, in the 126 years since Queensland was granted separation from New South Wales, both the geographical pattern of decentralisation and economic growth of our State has followed the industry's historical development.

In supporting the Minister, I shall speak on four matters. Firstly, I will outline broadly the historical development of the industry. Secondly, I will be looking closely at coal-mining, a vital industry that is carried on strongly in my electorate. Thirdly, I will look at the importance placed on safety by the Mines Department, the mining companies and the trade unions represented in the industry. My fourth point relates to the revitalisation of the gem-fields.

In its historical development, the mining industry has been marked by two great booms. The first of them was the gold boom. It began in the 1860s and helped establish the then infant colony. In the southern part of the State, the first sporadic finds of gold, which occurred at the time of Queensland's separation in 1859, led to the Gympie gold rush in 1867 and the search for other minerals. Copper was being worked in central Queensland, and tin was being worked in the south of the State near the New South Wales border.

My grandfather engaged in the carting of copper from Clermont to Rockhampton. My father told me many a tale that he heard from his father about when he went down the old St Lawrence Range road. The member for Mackay should know the range. It was very steep. In those days, to get down the range, a tree was cut and tied behind the wagon to act as a brake. That was before the turn of the century. Anyone can still see where the trees were cut at the top of the range.

Mr Casey: He was not involved in the mail-coach gold robbery, was he?

Mr RANDELL: No. We are very highly respected people.

Mr Casey: There are a few bush-rangers in the National Party.

Mr RANDELL: The bush-rangers came along later, when the Caseys migrated to Australia.

In the north, the discovery of gold at Ravenswood, just south-west of Townsville, in 1868, and subsequently at other northern centres, was followed by the discovery of valuable deposits of tin, copper and silver-lead at mineral-fields such as Walsh, Tinaroo, Chillagoe and Cloncurry.

Mr Eaton: Now you are getting into good country.

Mr RANDELL: That is right. Queensland is all good country. However, Opposition members do not realise that.

By 1875, the value of the mineral production of the colony had reached that of wool. Even in those days, mineral production was significant. At that stage, coal formed only an insignificant component.

In 1923, the lone prospector John Campbell Miles discovered deposits of silver-lead carbonate ore in the north-west of the State and named them the Mount Isa leases. The companies established to mine the leases and which, since 1970, have been incorporated under the banner of MIM Holdings Ltd, have developed a mine that today rates first among the world's lead and silver producers, and among the top ten in copper and zinc production.

The second boom was the coal boom that began in the 1960s. It is a significant element in Queensland's prosperity today. Also, in 1962, construction work by Comalco began at Weipa on what has become one of the world's largest bauxite operations. Earlier this year, I visited Weipa with the late John Goleby. Contrary to what the member for Cook (Mr Scott) said, I found the people in that area very happy and contented.

However, for more than 20 years, the Queensland coal industry has been at the heart of the State's economic expansion. But the industry as we know it today is a far cry from the primitive operations that marked its foundations at Redbank near Brisbane 140 years ago. It was at the edge of the Ipswich Basin that a small pit was opened in 1843 to supply the trading vessels that plied the Queensland coast. As the coal need grew, more coal mines were established at widely scattered centres to service local industry, a small export market and the railways.

An arduous, ill-equipped and labour-intensive industry, coal-mining survived the First World War only to enter the Second World War unprepared for the demands to be made on it. It was an enormous demand, as producers attempted to answer the call of the war effort. The industry entered the post-war era in a state of exhaustion, disarray and depression. Mines closed and the future of the industry looked grim.

As part of the State's post-war reconstruction, the Queensland Government commissioned a firm of British consultants to carry out a broad study of the coal industry. This brought about an immediate expansion of coal exploration by the Department of Mines, with the establishment of a coal section in the Geological Survey Division and the expansion of the department's Drilling Branch.

Since then, the department has drilled 7 500 coal exploration bores, totalling almost one million metres. The Queensland Coal Board, which was formed in 1949, was charged with modernising the industry and bringing in orderly domestic marketing and pricing arrangements.

In the 1960s, significant changes took place. Many small mines were forced to close as the railways converted to diesel fuel, and a ready supply of fuel oil and gas further eroded the industrial market.

I wish to refer to the little town of Ogmoo. The member for Mackay would probably know the town. I played cricket and football against the miners from Ogmoo and had a great liaison with them.

The Ogmoo State Mine was established on the Styx River coal-field in 1922. It was boosted by the opening of the north coast railway line in 1919.

Honourable members should recall that the Ogmoo State Mine consistently lost money from 1936 onwards. In September 1963, the Government decided to sell the

operation, and it received a lot of flak from the unions. Eventually, it offered the mine free to the unions; they could work it themselves. They refused the offer because they knew that they could not do it. In March 1964, a 12-month trial lease of the mine was negotiated with Thiess Bros. That company could not make a go of the mine, and the last State-owned coal mine in Queensland closed in July 1964. That was mainly due to the introduction of dieselisation in the railways.

As a result of the closure of the mine, the coal-miners had to leave the area. The State Government of the time assisted those miners to leave, and that assistance was a forerunner of the way in which the National Party Government has assisted other workers to establish homes in other parts of the State.

It was at about this time that the Thiess organisation began large-scale open-cut mining at Moura, which led to sales of coking coal to Japan. This was the beginning of today's coal export trade with Japan and many other countries.

With the rapid growth of the Japanese steel industry in the 1960s, there was an equally rapid demand for high-grade coking coal, and, as is now known, the Japanese found that Queensland could supply the right product in the quantity required.

As the industry entered the 1970s, there were a string of large-scale open-cut developments in the Bowen Basin, accompanied by the construction of new towns, railways and coal export facilities.

In the 1984-85 financial year, coal production reached a record 55 million tonnes of saleable coal, compared with 4 million tonnes in 1965. That is not a bad jump in 20 years. Exports in the 1984-85 financial year were a record 45.4 million tonnes to 31 countries. This is a far cry from the 1.2 million tonnes exported in 1965, when Japan was the only customer.

The largest production increases were in the Bowen Basin, where mines, including several opened in the last three or four years, expanded production close to their operational potential. In fact, according to Queensland Coal Board figures, total coal production by the seven mines in the Mackay mining district increased from 16.9 million tonnes in 1983-84 to 21.5 million tonnes in 1984-85. In the adjoining Blackwater mining district, total production from the 10 coal mines in that area increased from 22.3 million tonnes in 1983-84 to 26.7 million tonnes in 1984-85.

This represents a wonderful achievement of which any industry in any country could be proud. It is an achievement that has been made possible with the encouragement and practical assistance of the Department of Mines and the Queensland Coal Board. As I keep saying, it has occurred as a result of the good policies of the Queensland Government. If the ALP had been in power, this development would never have started. Thousands of jobs have been created, and entire new communities have been built. Mining towns, each with a population of several thousand people and with high standards of community facilities, have been established throughout the Bowen Basin region to house mine employees and their families.

The towns of Middlemount, Dysart and Glendon, which are in my electorate, have benefited, and, as chairman of the Broadsound Shire Council, I took part in their development. With regard to Middlemount—I bargained with some of the graziers in order to acquire land so that roads could be built into the area. I saw the first houses built there and I have seen Middlemount develop. These towns have modern schools, fire stations, police stations and swimming-pools, and I am very proud to be associated with their development.

The development of these towns has meant a spin-off to rural people. Although they were once considered to be living in the outback, they now have telephones, electricity and television. Now, a man can do simple things such as drop down to the pub and have a beer or take his wife and family out to have a meal.

In 1984 alone, 700 new jobs were created, bringing total employment in the industry to more than 10 000.

It is in central Queensland that most of the State's recoverable coal exists. The estimated reserves of coking and steaming coal total more than 30 000 million tonnes. Almost all of the coal in the Bowen Basin is being extracted from open cuts likely to remain productive for many years.

However, the future importance of underground mining cannot be overlooked. At one location in particular, the German Creek central colliery, planned introduction of the longwall mining technique in 1986 will make this the largest underground coal mine in Queensland.

Today, the central Queensland coal-fields present a vastly different picture from that which existed 20 years ago. Nearly 1 500 km of railway track links 18 major open-cut and underground coal mines owned and operated by about 12 companies or joint venture operations involving Australian and international investment.

In the last two decades, the Queensland Government and private enterprise have jointly developed an efficient rail and port network that is equal to and probably better than any in the world. The \$700m four-year program to electrify the central Queensland coal lines, announced in August 1983, is on schedule and making steady progress. I am very proud to say that much of that development is in my electorate.

Construction work is proceeding on the first 1 000 route kilometres represented by the first three phases of the four-stage development. The balance of nearly 500 km is scheduled to be completed to allow the first electrified coal train to operate in January 1987. That will bring about great savings.

Altogether, Queensland now has loading facilities at five ports, from Brisbane to Bowen, with the capacity to load 80 million tonnes of coal annually. The great thing is that those facilities can be expanded as required. The State's leading coal-exporting port during 1984-85 was again Hay Point, south of Mackay, with 15.6 million tonnes. Another leading port was Dalrymple Bay, with 11.2 million tonnes. Both of those ports are in my electorate. The other leading port was Gladstone, with 12.8 million tonnes. Abbot Point, which is north of Bowen, handled 4.3 million tonnes, compared with only 48 000 tonnes in 1983-84. That indicates the growth of the mine at Newlands, which was recently developed by MIM Holdings Ltd. In the light of such achievement, it is significant to point out that the total investment by private enterprise in Queensland's Bowen Basin coal-mining industry, including supporting infrastructure such as towns, ports and railways, presently amounts to \$3,200m. That is a staggering amount and has been brought about by Government policies and Government decisions.

When I rose to speak in this debate, I indicated that one of the four points on which I intended to comment was safety. Everyone involved in our mining industry—from companies to trade unions and the State Government—realises its great importance. In no section of the industry is more importance place on safety than in our underground coal-mining operations.

I doubt whether anyone believes we can ever achieve an accident-free industry, bearing in mind the hazards that exist in mining operations. However, certainly everyone in the industry is aiming to achieve a reduction in accidents. All that can be done is to design and plan the methods of mining and the equipment necessary to provide the best possible protection for mine-workers.

The miners themselves must be congratulated on their own interest in their involvement in that training. I remind the Minister that a couple of years ago he and I witnessed a rescue exercise at Dysart. The rescue chamber was filled with smoke and heat. The miners crawled in and brought people out. That was a wonderful experience for me. I was very impressed by the dedication of the miners. I am sure that the Minister was proud of that demonstration. I am very pleased that the miners undertake that sort of training and take safety so much to heart. I am the first to congratulate them.

The role of the Mines Department in this vital operational function is one of regulating, encouraging and providing such awareness. Together with other representative industry groups to which I have already referred, the department and the Queensland

Coal Board have supported the production of educational publications specifically aimed at avoiding, and thus reducing, accidents. I understand that, within its proposed 1985-86 budget, the department has made provision for continued financial support of the mines rescue brigades, with an allocation of \$1.3m. In addition, it is proposed that construction work will commence on the \$2.6m Safety in Mines Testing and Research Station at Redbank. The new station will provide facilities to—

undertake approvals testing, provide occupational hygiene services and conduct research and other investigations requested by the department;

promote and facilitate the establishment and maintenance of a safe and healthy working environment in Queensland mines;

provide assistance to the Queensland mining industry, mining equipment manufacturers and suppliers; and

develop increased awareness of occupational health and safety in mines through information and educational activities.

I now move to my fourth and final point. Located not very far west of the rich coal-bearing deposits of the central Bowen Basin is another important segment of our mining industry which the Government is keen to revitalise. I refer, of course, to our central Queensland gem-fields, which have a very colourful history.

Since commercial mining of sapphires began there in the early 1880s, it has also experienced fluctuating fortunes. There have been boom times and slumps—prior to, during and since two world wars. Both machine and hand mining have prevailed over the years. Activity peaked in the mid-1970s. Names such as Rubyvale, Anakie, Tomahawk Creek, Graves Hill, Glen Alva, Big Bessie, Middle Ridge and The Willows have become synonymous with the region that is well known throughout Australia and overseas for producing excellent blue and yellow sapphires.

Each year, millions of dollars worth of gemstones are mined. However, late 1977 saw the start of the downturn that has continued to the present time. Years of over-supply and the opening of Sri Lankan deposits to mechanised mining contributed to falling demand in Thailand, which is Queensland's main market.

Earlier this year, the Queensland Government and sections of the industry realised the potential prosperity that could flow to the region from an active tourist industry, with sufficient sapphire-bearing ground to support it.

On 20 August last, the Government announced that Queensland had adopted the sapphire as its official State gem. Members of this Assembly might recall—

Mr Davis interjected.

Mr RANDELL: The honourable member for Brisbane Central might recall that last month—if he can think back that far—in a further positive move to stimulate the sapphire-mining industry, the State Government had passed through this Chamber the Mining (Fossicking) Bill 1985, which is presently awaiting Royal assent.

Mr Davis interjected.

Mr RANDELL: I am speaking carefully so that the honourable member will understand what I am saying. If he listens, he might understand.

The Department of Mines played a leading role in the planning of this proposed gem-fields development, and in the drafting of the legislation. It will continue to liaise closely with the industry in its subsequent implementation. Once enacted, this legislation will protect certain gem-bearing areas for fossickers only.

If the honourable member for Brisbane Central ever visits that area, he will notice that many families derive great enjoyment from it. Families go to the area, do some fossicking, camp overnight and have a wonderful time together. Families return home with a beautiful gemstone that can be made into a brooch or a ring.

Mr Davis: I'm a city-bred person.

Mr RANDELL: Of course the honourable member is. It is well known that, once he travels 10 miles north of Brisbane, it is necessary to send out a search party for him.

Early next year, in time for the 1986 tourist season, a promotional campaign will be launched within Queensland and interstate, with the support of the Department of Mines, to encourage tourist gem-fossickers to the central Queensland gem-fields. That is a wonderful thing. It will help this State and business houses. It will provide great benefits for everyone.

In conclusion, I believe that, although some of our natural mineral resources still are subject to the vagaries of international market pressures, generally speaking, there are grounds for cautious optimism in the future.

I commend the highly professional role being played by the department, particularly the initiatives it continues to display in encouraging and promoting the industry's development.

It would be remiss of me if I did not make special mention of the department that assists the Minister. I particularly mention Mr Jack Woods. He is an efficient and hard-working gentleman. I parallel him with many men in the Mines Department who are very courteous and hard-working. These Estimates have my strong support.

Ms WARNER (Kurilpa) (5.18 p.m.): I rise in this debate to point yet again—tediously, I know—to the Queensland Government's policy in respect of energy and mining, which is inextricably tied to the interests of people who do not live in Queensland—namely, the multinationals—and to the subservience of the Government to the interests of those groups and the rich in the world, as opposed to the interests of the ordinary people of Queensland, of the poor people of the world and of people who are disadvantaged in some way. The Queensland Government has no interest in those latter groups; it is interested only in the groups that support it and in those persons who pour money consistently into the coffers of the Bjelke-Petersen Foundation. The Queensland Government designs its policies in respect of energy, the Totalisator Administration Board, the Queensland Police Force, welfare, housing, and every other aspect that one cares to name, in line with the interests of a group of people who do not even live in Queensland. One way to highlight that ongoing public scandal, which is leading this State to economic ruin, is by referring to electricity charges.

The people of Queensland pay directly and heavily for the incompetence and dishonesty that have become the distinguishing features of the Bjelke-Petersen Government. Queensland has large deposits of good steaming coal. The Premier and Treasurer usually likes to claim that that is because of his actions. Of course, that is not the case. Those coal deposits are produced naturally and they are naturally available. The steaming coal in Queensland is so cheap to mine that, despite the very large hidden taxes of this so-called low-tax Government, it can be successfully exported to Japan and Europe. Although the Queensland electricity industry is based almost totally on the use of this cheap fuel, Brisbane house-holders pay higher electricity prices than domestic consumers in any other State capital city.

Prices have risen much faster than the CPI, so that ordinary consumers are now being charged rates averaging more than 10c per kilowatt hour. Consumers using little electricity are being charged as much as 25c per kilowatt hour. The blame lies entirely at the feet of the Government. That is partly because of the dishonest way that the Government diverts funds to its supporters in rural areas. Despite the Government's attempts to hide the facts from the electorate, most people now know about the scandal of the Tarong Power Station, with or without adequate water, built in a National Party electorate at an additional cost to the public purse running into many millions of dollars.

More recently, the Government has brought in its tariff equalisation scheme, by which pensioners and single families in Brisbane are systematically overcharged to subsidise the cost of electricity used by the affluent graziers. The dishonesty does not even have the saving virtue of consistency. In a recent pamphlet distributed to electricity consumers announcing the latest of the outrageous increases in charges, the Minister for

Mines and Energy justified the continued subsidy on electricity supplied to the aluminium smelters by saying that those smelters cost less to supply. Brisbane consumers cost less to supply than National Party voters in country areas. Why do not city consumers get the benefit of costing less to supply, as does Comalco, when that is the reason given by the Minister for his extremely generous treatment of the aluminium industry?

The dishonesty of the Government and its systematic rip-off of the people of Brisbane are quite outrageous. Undoubtedly, Brisbane electors will soon be showing the Government what they think of this treatment. National Party members currently masquerading as representatives of the Brisbane area will not be saved by the crude manipulation of boundaries currently being carried out by the Government. The people know that they are being ripped off and, as a direct result, several Government members will soon be swelling the growing ranks of the Queensland unemployed.

However, the dishonesty of the Government is only the minor cause of the electricity price rip-off. The major cause is its incompetence. The scandal of continued mismanagement of the electricity industry has been thoroughly documented by Mr Doug Tucker, senior lecturer in public administration at the University of Queensland, and associate professor Ian Lowe, director of the science policy research centre at Griffith University.

Mr Tucker and Dr Lowe show this Government to be directly to blame for—

- the destruction of the efficient Brisbane electricity system;
- the bloated, highly paid bureaucracy of SEQEB—currently brawling amongst themselves;
- the industry's appalling record in industrial relations—which is continuing on a daily basis;
- the continued construction of unnecessary power stations, when previous existing power stations will adequately serve the purpose; and
- the scandalous accumulated debts of the industry.

As a record of consistent mismanagement, the Government's efforts in the electricity industry are truly world-class. It is no wonder that a call for a public inquiry into the Queensland electricity industry recently came from Dr Ian Lowe. In a paper to a national conference in May, he pinpointed inept planning as the major cause of the ridiculously high electricity charges in Queensland. As long ago as 1977, Dr Lowe publicly warned that the industry was using out-of-date and generally discredited methods to forecast future electricity needs. He predicted then that the power stations being planned would prove an unnecessary and expensive burden on the consumer, and that has certainly happened.

The Minister tried to deflect criticism by telling the media that distribution costs in Queensland are high. Although that is true, it is the sort of misleading statement that honourable members have come to expect from this Minister.

In 1983, the Fraser Government's National Energy Advisory Committee blew the whistle on the cost structure of the Queensland electricity industry. The committee's figures showed that the total cost of supplying electricity, including fuel, wages, operating costs and distribution costs, are lower in Queensland than in New South Wales or Victoria, as it should be, given this State's cheap fuel.

The clear reason for our high electricity price is the huge burden of capital repayments, interest costs and depreciation charges, resulting from the ridiculous expansion of the industry, approved and indeed encouraged by the Government. In 1980-81, those costs accounted for 40 per cent of the total cost of electricity, were almost double the average figure for all other States and were almost 50 per cent more than the next highest State. What has happened since then? The position has steadily worsened so that half of all of the money collected from consumers is now required to pay the industry's capital charges, interest bill and depreciation. The total debt of the industry is almost \$3,000m, and the annual interest bill is \$400 for each consumer. In other words, the typical consumer now pays each quarter about \$100 in interest on the accumulated debts of

the industry. The industry now has to borrow more money to meet its repayments on earlier borrowings, thus going deeper into debt.

Unlike a small business, the electricity supply industry does not suffer from its incompetent planning. With the complicity of this tired and discredited Government, it simply passes the bill on to long-suffering consumers, especially those in Brisbane.

My colleague the member for Nudgee (Mr Vaughan) has pointed out how long it has taken the protected industry to realise that its planning has been hopeless. Only three years ago, millions of dollars was spent on refitting the Bulimba "B" Power Station and the Tennyson "A" Power Station, both of which are now expensively mothballed. Two years ago, the industry was still predicting an absurd annual rate of growth of 8.3 per cent, equivalent to a doubling of the State's capacity in about 8½ years. With the average customer now paying \$8 a week merely to meet the accumulated debts of the industry, it is surely time to call a halt and to instigate a public inquiry into the disgraceful mismanagement that has been allowed by the Government.

There ought to be an inquiry at all levels of energy production in Queensland. A further inquiry ought to be held into what is happening in SEQEB right now. It is grossly hypocritical for the Government to argue for changes in working conditions within the Queensland Electricity Commission on the ground of efficiency, when it can be demonstrated clearly that planning and policy decisions are costing consumers massive hikes in electricity charges. That inefficiency, at a macro-policy-making level, means that ordinary people have to suffer. Those ordinary people are the consumers of Brisbane and the electricity workers themselves.

The Government is so tied to the interests of large consumers, such as Comalco, that it uses the excuse that that massive multinational is an industrial toddler of only 13 years of age. It gives, as its reason for Comalco's preferential treatment in electricity costs, that it is a pioneer industry. Now that Comalco's expected rate of growth has not materialised, someone has to pay. It would hardly be the boys in the back room, who so lavishly fund the Bjelke-Petersen Foundation coffers. Necessarily, it must be the Queensland public through electricity tariffs and the power workers through their jobs and conditions. The only value of the public and the workers to the Queensland Government is that they may be exploited with impunity for the benefit of large subsidised consumers whose primary interest is in the removal of wealth from Queensland, with the assistance of the present Queensland Government.

The savage attacks on SEQEB workers earlier this year occurred as a direct result of the Government's overall energy policy. What a disaster that turned out to be for the workers in this State, and specifically for the 1 000 sacked men themselves. In order to execute that decision to sack workers who were legitimately on strike, the Government had to alter radically the system of industrial relations within the power industry. Honourable members will see more of such radical alterations tonight when the Government introduces more legislation to that effect.

The Government had to smash the power of the unions because the unions are democratically elected and often represent the interests of the public, over and above the self-interests of management. What has occurred within the South East Queensland Electricity Board is a crime in the view of any democratic society. It has transformed SEQEB into what could almost be described as a secret organisation within the State. Security is tight, information is embargoed, and employee relations in SEQEB have almost reached those of indentured labour.

I wish to enlarge on the way in which information is embargoed. I had occasion to telephone SEQEB and ask why certain faults had not been rectified and power had not been restored in my electorate as quickly as possible. I was given the runaround for 24 hours, but I could not get an answer, because no employee was allowed to talk about simple things such as how many people were on roster, how many people were employed there, and so on. People employed in that industry cannot talk to one another about ordinary things such as how many people they work with and how many hours they work and the like. Those arrangements are matters for general discussion in hotels and

other places, but SEQEB employees live in fear of disciplinary action should they disclose that kind of information to a member of the general public or even to other staff members. If they were to speak to one another about such things, that could constitute a kind of subversive activity within the view of SEQEB, and would be frowned upon by management to the point that people would be in fear of losing their jobs.

A considerable degree of fear exists in the industry, which causes considerable harm to employees, and I feel sorry for them. Because the alternative is to be unemployed, the employees are forced to work at SEQEB. Of course, SEQEB employees have witnessed a thousand men being thrown onto the unemployment scrap-heap, and they remain at SEQEB because of financial necessity, which is a form of coercion and force. The people are forced to stay in those jobs, despite the fact that they know that the conditions they work under are tyrannical. For instance, employees are told not to discuss their working conditions with members of the public, members of the media or members of Parliament. I have been denied information by SEQEB employees because I told them that I was a parliamentary representative for the electorate of Kurilpa. The employees could not even tell me how many workers were on a shift at a given time. That illustrates the real thuggery that is going on in Queensland; it highlights the oppression and coercion that is being used in SEQEB to keep the lid on its operations right now.

How absurd it was for the Minister for Mines and Energy (Mr I. J. Gibbs) to openly admit this morning that the routine work of SEQEB employees, who are going about their ordinary business by fixing up electrical installations, requires the protection of a posse of police at a cost of \$1m a year, paid by the Queensland tax-payers. That is another example of a hidden tax. Queenslanders have to pay the police to protect the electricity workers because of the Government's industrial relations policy. What the Government has done is turn worker against worker within that industry.

What reasonable management would expect workers to sign away their rights by agreeing to a contract that is so bad that it cannot be allowed to be seen by a lawyer or a union official? Apparently, draft contracts were recently presented to employees of SEQEB and those contracts were not allowed to be taken off the premises. One employee who was caught photocopying a contract was admonished and told that the contracts were not available for any independent scrutiny. I challenge the Minister to allay the fear that has arisen with respect to those contracts, and to make a contract available to Parliament. If the contracts are proper, the Minister should table them in the House so that all honourable members can examine them. There should not be any need for secrecy.

The Queensland Electricity Commission has also set aside a considerable sum of money to establish a staff association. Employees are forced to attend meetings during working hours and are under considerable pressure. Apparently, considerable pressure is also applied to induce people to resign from their respective unions. The staff association fees are \$10 a week, and an industrial consultant by the name of Roley Livingstone, who was hand-picked by the management of SEQEB, has negotiated, or imposed—he has not spoken to anybody in a free spirit of negotiation—a contract which contains no penalty rates for overtime worked and under which employees can be called upon at any hour to go to any place and work. The remuneration for that kind of slave labour is a measly 7.5 per cent increase, which does not even meet the cost of inflation.

In time, contract workers will become the new poor, with a new, small aristocracy of labour being employed on a permanent basis. The policy is intended to divide workers and to destroy their collective identity and might. The development of a new hierarchy, a new elite, will lead to further conflicts, and more coercion will be needed to keep the poorer workers down and insecure and to bolster the hand-picked chosen few to protect the management's interests. This creeping elitism is anathema to the egalitarian principles of which this State was once proud. The symbols of the new elitism are the present conditions in SEQEB, that organisation which acts like an undercover agency, where workers have to creep out under the protection of the police, away from the democratic gaze of ordinary citizens. The workers in SEQEB have been coerced into selling out

their comrades and they are earning for themselves the odious tag of "scab". These people will have to suffer the consequences of what the SEQEB management is dishing out.

SEQEB is acting like a conscription office, with forced labour under pain of penalty. That is what is involved in the Electricity (Continuity of Supply) Act. The person who has effected this radical change in SEQEB industrial relations, the man who is primarily responsible for executing the Government's design, is Mr Wayne Gilbert. I call for his resignation. He has turned SEQEB into a travesty, into a secret organisation, setting worker against worker and putting people in the State into conflict, one with the other. That is an appalling state of affairs, and he is directly responsible for implementing the policy of the Queensland Government. That policy is not in the best interests of Queensland; it is in the interests of people elsewhere.

It is a long time since I have expected any ministerial responsibility for this state of affairs. All Opposition members know that, in Queensland, the Westminster principle of ministerial responsibility died a long time ago, and certainly before I came into this Assembly. I will not waste my breath in calling for it now. However, I call for people who may pride themselves on having some kind of efficient management skills to recognise that the Government's policies cannot be implemented because the Government is totally inefficient.

Time expired.

Mr COOPER (Roma) (5.38 p.m.): I will allow the Minister to deal with the speech made by the member for Kurilpa, but I could not help but note the usual, unfortunate, negative and derogatory socialistic diatribe that always seems to emanate from the Opposition benches. It is extremely unfortunate that Opposition members do not apply their minds to making more constructive comments.

As to the remarks about Mr Wayne Gilbert—I only wish that we had men like Wayne Gilbert in most of our departments and statutory organisations, because he has made SEQEB one of the most efficient organisations in Queensland and throughout Australia. He has saved Queensland tax-payers and consumers millions of dollars.

Mr Borbidge: They rubbish Wayne Gilbert but they dare to ask for cheaper electricity.

Mr COOPER: I take the point made by the honourable member for Surfers Paradise.

Mr Vaughan: Down at the coast he said that all SEQEB workers should be lined up against a wall and shot. That was on TV last night.

Mr COOPER: Was it really? Unfortunately I was flying down here from Roma and I did not hear it.

I have made my point about the remarks made by the member for Kurilpa. I am sure that the Minister will have a heap of fun in tearing them apart.

I support the Estimates presented by the Minister for Mines and Energy. The Minister provided a graphic insight into the vital dependence of the State on its mining industry generally. It is an industry that has been encouraged, promoted and developed by the Government over many years. The Minister outlined the tremendous contribution that the industry continues to make to the prosperity of both the State and national economies.

I propose to give a more detailed picture of one facet of the industry that is pertinent to the electorate of Roma. It concerns a development that is proving highly encouraging for the Government and for private enterprise, which is investing risk capital to develop it. I refer to petroleum exploration. Our diverse natural resources are important not only to Queensland but also to the overall future development of Australia. Much of Queensland's resources forms a vital part of Australia's export trade.

Unfortunately, our petroleum industry is something of a Cinderella in this regard, but we are still very hopeful for its long-term development and prosperity. That view

is also shared by private enterprise which, since 1960, has spent \$1,447m—that is based on 1984-85 money values—on petroleum exploration. Although that has not yielded anything like the returns that other resources have brought to the State and to private investors, there are real signs that the 1980s will end with our petroleum industry playing a much more important role in the State's economy.

In the last five years since 1980-81, for example, the royalty received by the Queensland Government for coal has more than doubled from \$35.1m to \$79.5m. In the same period, because of the production surge, particularly last financial year, the royalty received from petroleum has jumped from \$1.69m to \$21.4m.

It is appropriate to examine the historical background to discovery and utilisation of petroleum in Queensland before examining the current and future developments. Like many of our early resource finds, the first petroleum discovery occurred by accident. A Government water bore on Hospital Hill at Roma encountered flammable gas which, in 1906, was used for lighting the town. Unfortunately, the supply failed within two weeks, owing to a blockage and, because of mechanical difficulties, other bores could not be effectively completed.

Subsequent commercial ventures could not be sustained, and exploration in the first half of the century was frustrating and disappointing. Towards the end of the 1950s, three main factors helped turn frustration into success. They were: the introduction of commercial seismic services; the Commonwealth Petroleum Search Subsidy Act 1915-1959; and an increasing awareness of Australia's potential and political stability by large overseas interests, particularly after the discovery of oil at Rough Range in Western Australia.

At that time, the major overseas company taking up land in the Surat/Bowen Basin was the Union Oil Company of California in co-ventures with Australian Oil and Gas. The major overseas explorer in south-west Queensland was the Delhi Taylor Oil Corporation which, with others, joined the Australian company, Santos Ltd, in exploring areas in both Queensland and South Australia. Also operating in the Surat/Bowen Basin was Associated Australian Oilfields NL. In the early to late 1960s, all three groups were successful and, because of earlier proved occurrences, some of those successes were in the Roma region.

In 1961, Australia's first viable oil-field was discovered at Moonie in the Surat Basin, and the Surat Basin finds were quickly utilised. An oil pipeline from Moonie to Brisbane was completed in 1964, and a pipeline to Brisbane from the gas-fields in the Roma/Wallumbilla area was completed in 1969.

Despite this high level of activity with reasonable successes, exploration gradually waned. This was mainly because of negative Commonwealth Government policies and the lack of success in finding large reserves.

Changing economics for both oil and gas caused a major resurgence in exploration in the late-1970s and early-1980s. Not only has the renewed activity been sustained to the present but also it has produced spectacular results both in the number of fields discovered and in proven reserves, particularly of liquids.

As honourable members will be aware, although Queensland is very rich in coal, by comparison it is still a relatively petroleum-poor State. At present, more than 80 per cent of this State's annual consumption of liquid petroleum products is used directly as fuel for transportation or for mobile machinery.

Prior to 1983, our annual production of liquids was less than 100 million litres. That was less than 2 per cent of our requirements, which are 5 750 million litres a year. However, with the Jackson field being developed, in the financial year 1983-84 the State's self-sufficiency in oil rose to 5 per cent and, with the Jackson to Moonie pipeline now being on stream for 12 months, according to my advice our self-sufficiency will be over 15 per cent.

Queensland has not reached the stage of the nation's overall 76 per cent self-reliance in oil, but it is nevertheless a great step in the right direction.

The success rate that Queensland has achieved in self-sufficiency is attributable to the investment and hard work of the petroleum exploration industry. I am sure that many honourable members will recall how the former Whitlam Labor Government frightened off oil exploration in this country for many years.

Fortunately, these days there is not the same anti-mining bias in Canberra as there was in the 1972-74 period, but the socialist concept that making a profit is a bit un-Australian, particularly when it is made by a mining company, still prevails. That is probably the biggest problem facing us as a Government committed to mining development and facing the industry in the years ahead.

The current daily output from the Jackson field is about 3.5 million litres. It is now supplemented by about half a million litres from the recent discoveries in the Tintaburra and Bodalla South regions. This gives the State good reasons for feeling optimistic about its future. It means that not only do the State's oil imports from interstate decline, but also that many other potential fields in this area are waiting to be discovered and developed.

It was back in 1982 that the Queensland Government showed its faith in the petroleum potential of the south-west region of this State by proposing a pipeline to the east. At the same time, the petroleum explorers showed a willingness to accept the challenge.

Since the construction of the pipeline began early in 1983, there has been a marked increase in exploration in the Jackson field region and also to the east of it. That exploration is now producing its own rewards.

Since the construction of the pipeline was announced, there has been a steady shift in exploration to the Eromanga/Cooper Basin region. This means that, as at 1984-85, more than 60 per cent of the State's 72 exploration wells were drilled there, together with about 75 per cent of the State's 34 appraisal and development wells.

In fact, in the same period, more than 75 per cent of the total Queensland seismic survey of 24 000 km was carried out in that region. The exciting finds in the Eromanga Basin have turned this barren region into the major onshore oil exploration centre in Australia.

Records show that, during 1984, nearly 55 per cent of the total onshore seismic activity in Australia was undertaken in Queensland. This was as well as 35 per cent of the total onshore wildcat exploration, together with 50 per cent of the total onshore appraisal and development wells. New field discoveries in 1984 totalled 18. They included gas as well as oil-fields, and represent 45 per cent of the Australian total.

Queensland now has 132 known petroleum-fields throughout the State, of which 60 have been discovered since the Jackson No. 1 well in late 1981. I note that 22 of these oil-fields are in the Eromanga Basin. Several others, of course, are gas and condensate fields in the underlying Cooper Basin.

During that comparatively short space of time, 208 wildcat wells have been drilled in Queensland to give a success rate during the past three years of 29 per cent. This is a very exciting discovery rate.

Appraisal and development drilling successes have been even more spectacular with an 87 per cent success rate for 1984 and 94 per cent during the last financial year. Of the 18 appraisal and development wells spudded and completed so far this year, all have been successful. The most spectacular has been in the Jackson area where all 29 wells drilled have intersected one or more oil pools.

It is true that the events in the Eromanga/Cooper Basin have overshadowed exploration in the State's traditionally most prospective area—that of the Surat/Bowen Basin—which now has been supplanted in that role. However, the shift westward in exploration activity does not downgrade either the prospects of the Surat region or the efforts of those explorers seeking to find petroleum in it.

Considerable exploration is continuing in the Surat/Bowen Basin, with increasing activity throughout the entire basin rather than on only the most prospective western side.

Although the level of wildcat drilling last year was constant, there were increases of 50 per cent in appraisal drilling and over 15 per cent in seismic acquisition compared with the previous period. Six good gas discoveries resulting from this work suggest that there are still large gas-filled structures yet to be discovered.

Although there have been disappointments and frustrations on the eastern side of the basin, the hope of a field similar to Moonie is a continuing drawcard for explorers. Additionally, explorers are paying more attention now to the deeper parts of the Taroom Trough within this region.

Earlier I mentioned 132 petroleum-fields in Queensland. They comprise 35 of oil, 85 of gas, and 12 of oil and gas combined. Fifty-five per cent of them have been discovered since the exploration upsurge in 1980.

With respect to LP gas, production for 1984-85 totalled 10 709 tonnes, or 20 ML. No production was extracted from gas-fields the previous year. Production figures for liquid petroleum rose dramatically for the year 1984-85, reaching 1 260.6 ML, compared with 284.3 ML for the previous period. This was an increase of 350 per cent, and was due to a full year's production from the Cooper/Eromanga basin oil-fields. Production from this area now totals 90 per cent of the crude oil produced in Queensland and a further increase will take place as other recently discovered fields are brought into full production. There are now 19 fields capable of producing crude oil in the Cooper/Eromanga Basin region.

The bulk of the oil is transported to Brisbane via the Jackson to Moonie pipeline and thence via the Moonie to Brisbane pipeline. The remainder is being trucked to Moonie and then transferred to Brisbane through the pipeline. In April 1985, the Government sought expressions of interest for the construction, ownership and operation of a pipeline for transporting crude oil, from the Bodalla South and Tintaburra fields, with the closing date being 1 July 1985. It is proposed that this pipeline will open up the area round Eromanga and further north.

Estimated remaining recoverable reserves of crude oil and condensate at 30 June 1985 totalled 11 089 ML, or 70 million barrels, compared with 10 377 ML, or 65 million barrels, a year earlier.

Mr Vaughan: Where did you get that information from?

Mr COOPER: From the notes that I have here and stacks more up in my office. One thing I have done is put it together reasonably well. It is not like a chook's breakfast.

With respect to natural gas, on several occasions the Minister has stated publicly the determination of the Government to build a natural gas pipeline linking the south-west Queensland gas-fields with Gladstone through the Denison Trough. A number of other honourable members and I have spoken previously about this. It will be a very great project, which represents a possible overall investment in the State of \$400m. For some time the Government has been negotiating with producer groups and potential users. My understanding is that a successful outcome will be announced in the not-too-distant future.

In the meantime, drilling in the Denison Trough has been suspended temporarily, and considerably reduced in the Surat Basin, where reserves are considered to be adequate for the time being.

Gas production for 1984-85 of 482.5 million cubic metres showed only a marginal increase on the previous year's output of 435.2 million cubic metres. Allowing for an increase for the last six months' discoveries and extensions, these proven reserves represent little more than our current consumption requirements for liquids for two years, which shows why the Government is keen to encourage further exploration. There

is considerable optimism that the situation can be improved, as reserves of liquids have increased twelvefold since the start of 1980, and, for gas, about threefold.

As may be expected, more than 85 per cent of the liquids reserves are located in the Eromanga/Cooper Basin, with the remainder in the Surat/Bowen Basin. On present consumption rates gas reserves are adequate for many years, but only about 25 per cent of these are presently connected or easily connected to the existing pipelines in the Surat/Roma region. Another 25 per cent occur in the Denison Trough north of Injune and 50 per cent in the Cooper Basin in the south west.

Representations have been made to the Queensland Government concerning the marketing both within and beyond the borders of the State of the unconnected gas reserves. To this end, a preliminary study was commissioned during 1984 for long-term planning on gas utilisation. This, together with submissions from interested companies, is being examined by senior officers of the Premier's Department, Treasury, Mines and Industry Development. Clearly, the eastern part of the State should contain potential markets, particularly in expanding regions such as Gladstone.

The Government also recognises that considerable quantities of liquids as condensate are locked in with the gas reserves, particularly in the Cooper Basin. It hopes that an economically viable solution to this question, with optimum benefit to Queensland and the producers, will soon eventuate.

Two important developments since the Jackson-Moonie pipeline and associated works about Jackson have been the construction of two LPG plants in the Surat/Roma region and the construction of a small oil refinery at Eromanga.

On 14 March this year, the Premier and Treasurer (Sir Joh Bjelke-Petersen) opened the Bridge Oil LPG plant at Wallumbilla, which is my home town. The plant represents an investment of over \$12m and is capable of producing 35 000 tonnes of LPG per annum.

An Opposition Member interjected.

Mr COOPER: The honourable member should wait for the pipeline. He should not laugh too loudly.

Mr Prest: You should go and talk to the Premier. He has issued a news release.

Mr COOPER: I know what it would be.

Further south on the Kincora gas-field, Hartogen Energy Limited has also constructed an LPG-processing plant at a cost of \$6.2m. That plant commenced operating in May 1985, and will produce about 13 000 tonnes of LPG a year.

Mr Vaughan: Where are they going to sell it?

Mr COOPER: The honourable member should not worry about the marketing side of it.

The output from those plants, together with the combined output of 48 000 tonnes a year from the Ampol and BP refineries in Brisbane, will more than meet Queensland's annual consumption, which in 1983-84 was a little more than 80 000 tonnes a year. That will save costly shipping charges for importing LPG from the southern States, notably Victoria, which have been an impost since the late 1970s.

As the use of LPG is expected to expand in the future, the need for imports may again arise. It is worth noting that about 10 per cent and 12 per cent of our consumption is actually sold to northern New South Wales and the Pacific islands respectively.

In the second quarter of this year, Inland Oil Refineries (Qld) Pty Ltd was given approval to operate a mini-refinery at Eromanga. The plant, which cost \$2.5m to bring to the operating stage, produced its first product on 19 August, but the testing of various blends of feedstock is continuing. The main source of feedstock is from Bodalla South,

and the product, which is sold to BP at the refinery gate, is 60 per cent distillate. Output is expected to be 880 barrels a day.

The major periods of exploration in Queensland cover the years 1960-1966 and 1980 to the present. Most discoveries have been made in those periods, particularly the latter. That demonstrates clearly that coherent and co-ordinated exploration, together with an improved knowledge of the geology, are factors that determine success.

The optimism on Queensland's petroleum future that is obviously held by companies continuing their involvement here is shared by our own Department of Mines. The department, although not actively involved in direct exploration as such, is nonetheless contributing significantly.

Apart from the wealth of data, from both company and in-house operations, held by the Geological Survey Division, that division also is, and has been, engaged in considerable stratigraphic drilling operations.

Time expired.

Sitting suspended from 5.58 to 7.15 p.m.

Mr EATON (Mourilyan) (7.15 p.m.): During the last 12 months, much has happened in the mining industry. Communications between the department and the miners has been improved. I compliment the Minister and his staff on their tour to north Queensland and their meeting with the miners in Cairns. I attended that meeting. It helped to solve many of the problems between the miners and the Mines Department. Quite often, a good deal of dead wood between the miners and the department is removed at such meetings. On trips such as that the Minister and his officers can see things at first hand, and they can talk with the people in the industry.

Communication goes half way to overcoming many of the problems facing the industry. The industry still has many problems, and I do not refer only to the market. Today it is well known that the mining industry has a very tight market. The big coal mines are having a hard time despite the Government putting out figures to show that sales are increasing. The Government does not mention the increasing competition facing the mining industry which, in the long term, must have a detrimental effect on the overall benefits to Queensland. The Government must try to hold onto those markets. Government members should move round the State, meet with the people in the industry and discuss with them off the cuff the problems that the industry faces.

Many problems can be talked out. The first one to which I refer was raised at the meeting in Cairns. It relates to the small miner, although it extends to those people who would be considered big miners, although not the multinational companies, which run the really big mines in Queensland and other parts of Australia. I refer to pollution of the river, one problem that the meeting in Cairns helped to overcome.

From time to time in my electorate I receive complaints about this type of pollution, which does not get as far as the Herbert River at Ingham. By that time, it has been dissipated in the water along the way and it does not cause the problems that are experienced higher up in the stream, where the pollution affects house-holders whose only water supply comes from the Herbert River. If a mine is situated within a few miles of that area, the colouring and turbidity of the water make it unfit for human consumption. Following a big storm or monsoonal rains, the river would be dirty whether or not mining was carried out in the area. Even after mining has ceased, pollution in the form of colouring and dirt in the river continues to pose a problem.

I was pleased that the Minister did take up the cause of the miners in my electorate with the Hinchinbrook Shire Council. I met with the previous council and a rather frank discussion took place. An effort was made to solve this problem in conjunction with the Mines Department. I believe that, in the long run, it will be solved. However, the only solution to that problem is a water-treatment plant in the township of Ingham. I realise that it would be costly. However, I hope that, in the near future, the relevant Government

departments will establish a treatment plant to provide the people of Ingham with the healthy, clean water that is needed in a growing area, such as the Herbert River area.

Another problem matter is the delays that have been experienced in the past regarding applications for mining claims and mining leases. To emphasise my point I will read advertisements in *The Cairns Post* dated Friday, 13 September 1985—not quite a month ago—inviting objections against the granting of mining leases. The advertisement on page 18 reads—

“This is to certify that the undermentioned person(s) made application on the Seventh day of July, 1980 at the hour of 10 a.m. for a Mining Lease under the abovementioned Act and the Regulations . . .”

I ask honourable members to note the date—7 July 1980. The application and objections are to be heard in the Wardens Court at Cooktown at 10 a.m. on 6 December 1985. That is a lapse of five years.

A little further down in the same newspaper mention is made of another application lodged in the Cooktown Wardens Court. It was lodged at the hour of 10 a.m. on 7 July 1980. The term of lease applied for is 21 years. That application is to be heard on 6 December 1985 at 10 a.m. An application for a mining lease was made in the Herberton Wardens Court on 6 June 1985 at the hour of 11.35 a.m. That is to be heard at the Herberton Wardens Court on 12 November 1985. There are big discrepancies in the delays. Other claims notified in that newspaper were lodged in 1981 and 1982.

At times people who have pegged claims and want to work them have difficulty registering their claims. I am aware of a number of people who have lodged applications but have been unable to obtain registration so that they might start work, and have had to stay on the dole. The department could help by processing claims promptly. If an application is to be rejected, the applicant should be quickly informed so that he might find another area. Those delays have forced people to remain on the dole instead of working a claim.

I refer now to royalties and bonds. A person ought to be allowed to peg a claim or lease in reserve. If a miner is working a lease, he does not want to be working up to the last day of that lease before he is permitted to look for another claim or a mine. He should be able to have a lease on stand-by, in reserve, or whatever term might be used.

Mention has been made of a form of retention lease that was spoken of by the Tasmanian Government. I am led to believe that that is not what is sought in Queensland. Consideration is being given to improving the Tasmanian system so that a miner may work his lease in the full knowledge that he has another one or two standing by, which will guarantee him continuity of employment and continuity in the industry. Because of his continuity and the asset of a lease in his possession, he could negotiate a loan from a bank to upgrade equipment or improve a system in order to achieve a higher return.

To a certain extent, the Mines Department is governed by the Treasury Department. A comment made was—

“The Minister offered to arrange an immediate meeting with Deputy Premier and Minister Assisting the Treasurer Bill Gunn to assist in arguing the mining industry’s case for restraint in price increases in 1985 and subsequent years.”

Officers of the Mines Department are the best equipped to put a value on royalty and to negotiate with the miners. The department has men who are competent to go out into the field and who know the value of equipment and the time and effort required to meet the department’s requirements. Negotiations would therefore be on a much fairer basis if officers of the Mines Department, rather than people from Treasury, were to negotiate with the miners. Officers of the Treasury Department look at matters and judge them on the hard, cold facts on a piece of paper. All of the plans they look at are flat. There are no hills, no gullies and no rivers when a decision is made about the impost on miners of royalties and other charges.

Money, when paid to the Mines Department, should be injected by the department into the industry to help the miners. Grants should be available to those who are trying to establish mines. When a claim is found with a considerable amount of mineral in it, the miner ought to be able to approach the Mines Department. The Government and the Mines Department should assist with a grant of some sort to make it a viable proposition as soon as possible.

I feel that the Mines Department still has to get together with the Lands Department, because certain areas exist in which the departments overlap in respect of the occupancy of land. For instance, the Lands Department can issue occupational licences in mining areas, and that might conflict between a land-holder who is in possession of a licence and those people who wish to peg claims or mining leases. Although the law says that, by the use of access roads, such people will have access to that land, certain conditions have been put upon people who apply for claims or leases in areas that are covered by occupational licences. Difficulties arise when people try to peg their claims, because they pay a surcharge for being on the land. The Mines Department should get together with the Lands Department concerning some of these cases and come up with satisfactory arrangements so that the two departments can work in together rather than act in opposition to each other.

At times, when I have had to take up the cause for miners, holders of miners' perpetual leases and holders of occupational licences from the Lands Department, a conflict has arisen between officers of the Mines Department and the Lands Department, and things do not always flow as smoothly as they might.

Another way in which the Government could provide relief to miners is by increasing the exemption of \$30,000. Because of increases in the rate of inflation and the cost of living, the Government has to provide the miner with incentive by increasing the \$30,000 exemption to \$100,000 or by at least bringing it into line with inflation increases and other costs that are forced upon miners.

I also mention that authorities to prospect are still being granted. Whereas changes have been made to the Act, miners have a three-month period of grace in which to operate, although the authority to prospect period of 12 months has expired and is due to be renewed. It frightens many people from areas over which an authority to prospect operates, and that reluctance of people to go into such areas causes problems from time to time. Perhaps more restraint could be exercised by the department in its issuing of ATPs or at least the area of land over which the ATP operates should be reduced. At the moment, the Mines Department is issuing authorities to prospect over very large pieces of land, and the result is that large tracts of land are being tied up.

It should be remembered that the small operator, the little man, developed Australia by fossicking and finding out where the minerals were. In hard times, more people want to go out and fossick. A large number of recipients of social security payments have the ability to go out into mining areas, and those people are quite competent bushmen who have enough pride to go out and work mining areas, particularly alluvial land. In that way, these fossickers, tin-panners, or whatever their nick-name might be, can make a living and take themselves off the dole and contribute to the system rather than be a burden upon the community.

I have mentioned before in this House that, although the Opposition speaks in support of the small-scale miner, members of the Opposition are not trying to denigrate or do away with big companies. In some areas, small miners and big companies operate together, and the Government must endeavour to provide a continuity of operations for both. It is true that big companies outlay a great deal of money, and it is also true that, in many cases, the big companies have brought employment opportunities and industry to small country towns. Throughout Queensland, in places where mining operations have deteriorated, the towns have gone backwards.

The effect of families moving out of those areas is rather drastic for small communities. The store-keeper loses a good customer, the newsagent loses sales of newspapers, and the hotel licensee loses the sale of a few beers a week; and, as most of the families have

school-age children, the Government reduces the number of schoolteachers in the area because the pupils have gone.

A good example is Mount Garnet. In the last few years, because the tin dredges were closed down and the work-force was reduced as families left the area, the school lost two of its schoolteachers. The downturn in the mining operations had an overall effect that reached into the manning of the schools. Although there is a town bus that travels throughout the town itself, no other transport services are provided. In some instances, because of inadequate medical facilities, people have been advised by visiting doctors to go to Cairns or Townsville, or even to Brisbane.

The downturn in mining has meant a cut in Government facilities. If people have to take their families into such areas, facilities should be provided. The facilities usually are provided by the mining companies, but the people in my electorate and in the electorate of Cook are on the fringe of the outback. Although the areas are not very far from the big smoke, they are not very close to it. That causes many hardships. Unfortunately, because of the lack of facilities, the Government is reluctant to provide officers. It is a compounding problem facing many areas in Queensland.

Hon. Sir WILLIAM KNOX (Nundah) (7.31 p.m.): I am happy to join in the debate and to support the Minister's comments on a number of issues. Before doing so, I bring to the attention of the Parliament a rather serious matter relative to the debate on the Estimates, namely, the absence of the Auditor-General's report on the Miscellaneous Departmental Accounts and the Accounts of Statutory Bodies and Local Authorities, which has not yet been presented to Parliament. It is usual for that document to be available for the Estimates debate. It is not the fault of the Minister or Mr Speaker, and possibly, it is not the fault of the Auditor-General.

Mr Davis: Whose fault is it?

Sir WILLIAM KNOX: Many people are involved.

The fact is that the report has not been presented. That is serious because it relates to the details of the Estimates. For these Estimates, the document would cover the Miners Pensions Tribunal, the State Coke Works, the Queensland Coal Board, the Queensland Electricity Commission, electricity authorities and the Queensland Electricity Supply Industry Superannuation Board. It is to be regretted that, at this stage, the only information honourable members can use is well over 12 months old.

I hope that you, Mr De Lacy, will bring the matter to the attention of Mr Speaker so that, before the Committee proceeds to discuss further Estimates, appropriate action may be taken to ensure that honourable members have before them the Auditor-General's report on the various Estimates under consideration. The report is very extensive. I am sure that there is a very good reason for its not being presented. However, no explanation has been forthcoming and no document has been provided, which makes it very difficult to debate the Estimates in detail.

I take this opportunity to pay tribute to the Director-General of the Department of Mines, Mr Jack Woods. I understand that he is retiring on 10 December. He has had a very impressive career in the public service of Queensland. He has always been very courteous and professional in handling matters pertaining to the department and has rendered distinguished service to the department and to the State. I hope that it will be possible for the Government to use the talents of this comparatively young gentleman, who has displayed such ability during his distinguished career.

I will now deal with the industrial relations of the electricity generation authorities in Queensland.

Mr Davis: As usual, you have had five bob each way.

Sir WILLIAM KNOX: The honourable member should wait to hear what I have to say.

It may be recalled that the strike that occurred in February, which caused a great deal of inconvenience to the people of Queensland and bankrupted some small businesses in the State, was the result not of the ETU's depriving people of the services of its members but of members of the Municipal Officers Association turning down the power. The members of the Municipal Officers Association appear to be a privileged group of people in this State.

The rank-and-file members of the Electrical Trades Union were dismissed for disobeying the proper orders of the Industrial Conciliation and Arbitration Commission, but they were not the people who caused the chaos in the State at that time. The people who caused that chaos were the members of the Municipal Officers Association. They went to work each day, turned down the power and caused enormous trauma and difficulties in the community, yet they have got off scot-free. No MOA official has been prosecuted and no MOA member has been dismissed for withdrawing the supply of power to the community. Indeed, some members have been generously treated under the new awards that have been issued by the Electricity Authorities Industrial Causes Tribunal. The Government has made no attempt to get a strike-ban clause inserted into those awards, which it was entitled to do. Its application probably would have been granted.

The members of the MOA deserted the members of the ETU when they wanted their help. They gave up helping the members of the ETU. Generally, they have behaved in a most reprehensible manner. They were the people who caused the black-outs and withdrew the supply of electricity. No action was taken against any of them for their behaviour. They continue to enjoy the benefits of a 36¼-hour week and a nine-day fortnight, and to receive high salaries.

What do we see in the first awards handed down by the Electricity Authorities Industrial Causes Tribunal? Those awards cover many people, including salaried employees, draftsmen, engineers, technical officers, surveyors, tracers, coach and motor body builders and farriers. What do those awards provide? They provide a 36¼-hour week, a nine-day fortnight, subject to agreement with the employer, and the usual union privileges that exist in the other awards, which are listed.

I ask: What is the difference? This special tribunal was set up by legislation passed by this Parliament. We supported the legislation on the understanding that there was to be a new order, a new philosophy and a new approach to the employment of people associated with the generation of electricity in Queensland.

The members of the Municipal Officers Association who turned off the power in this State presently enjoy all the benefits that they enjoyed prior to the strike. The members of the ETU—the tree-loppers, truck-drivers and post-hole-diggers—who were not involved in turning off the power have been sacrificed by their union-leaders and by their brother unionists. Not one member of the MOA faced a penalty of any sort. The leaders of the MOA got off scot-free, as did the leaders of the ETU who misled their rank-and-file members during the strike.

Perhaps the Minister for Mines and Energy (Mr I. J. Gibbs) will be good enough to give honourable members an explanation in that regard. Indeed, he may care to outline the attitude of the Government when it appeared before the tribunal and the role of the Government's advocates in relation to these new awards that were struck and published on 19 September this year. These were the very first awards to be brought down by the new tribunal.

Mr Innes: It is more of the same.

Sir WILLIAM KNOX: Yes, the position is exactly the same as it was. There has been no change in the philosophy of handling the employees in the electricity-generating industry.

If a change has occurred, perhaps the Minister will be good enough to draw my attention to it. Certainly, when one compares these awards with the old awards, one

finds that, on the critical matters, they are identical; yet when the legislation was introduced, honourable members were told that a new philosophy in the handling of employees responsible for the generation of electricity would be adopted.

Yesterday, the Minister for Mines and Energy did announce one change, which we in the Liberal Party support. Because it is a favourable change based on an excellent idea, we have no inhibition in supporting it, even though Opposition members seem to have some reservations about it. Contractors and contract labour have a very important role to play in areas associated with the generation of electricity, and a need exists for that type of work. Those contractors, who employ union labour under award conditions, can carry out the work quite safely and properly, and there is no problem at all with using contractors in this respect. This measure gives more strength to the Minister's arm and I hope that he is able to implement his policy as quickly as possible.

However, I suggest to the Government and the Minister that they go a step further. It is high time that they looked very closely at the privatisation of the generation of electricity in this State. That is the situation in many countries in the world, and it used to be the situation in some areas in this State. More importantly, privatisation could quite capably be carried out in Queensland right now. With proper legislation behind it, the privatisation of the generation of electricity is feasible and would lead to a reduction in the cost of electricity to the community at large. I recommend that course of action strongly to the Minister, and I hope that that is what he is thinking about.

Mr Vaughan: Would we still have tariff equalisation with privatisation?

Sir WILLIAM KNOX: Yes, that would not present any problem. For a hundred years, Queensland has had privatisation of gas reticulation with great success, and the Chamber will be discussing that matter later tonight. As long as the Government legislates to look after standards, and provides for monitoring provisions to ensure that people are not deprived of service——

Mr Vaughan: We haven't got tariff equalisation as far as gas is concerned.

Sir WILLIAM KNOX: Well, it can be done.

Mr Vaughan: But we haven't got it, have we?

Sir WILLIAM KNOX: It can be done. There is no physical impediment to doing it.

Mr Lee interjected.

Sir WILLIAM KNOX: Well, they are all on equal tariffs in that gas reticulation area. Equalisation can be carried out in that industry as it has been in the electricity industry, and the Liberal Party supports that because it is a very sound principle.

In recent times, capital costs and interest repayments on capital investment have become astronomical and recently the Minister for Mines and Energy quite wisely set things in motion to try to reduce the capital commitment by redesigning the electricity-generation program in this State. My only criticism at the time was that that step should have been taken 18 months earlier. Nevertheless, the right decision has been made now.

Because the decisions leading to this gross overcapitalisation in the electricity industry were based on forecasts and information that was properly collected, professionally examined and made on sound recommendations, neither the Government nor the Minister is at fault. It is not the fault of the Government that those objectives were not realised. The fault was in not realising that the objectives would not be reached in the time specified and that changes in the pace should have been made in order to preserve the capital that was being invested in those projects. If that capital was part of the quota of loan funds for the State, it could have been used for other capital development elsewhere. That very sensible decision has now been made. It should have been made earlier.

The privatisation of electricity generation is quite feasible. It is viable. It has been proved in many parts of the world. It was very successful in Queensland; it could be done again. I hope the Government looks very closely at it.

Let me deal specifically with the problems in the coal industry of this State. It is true that in the Budget speech reference was made to a 23 per cent increase in coal production. That that quantity is capable of being produced is very gratifying. If Queensland's present loading facilities were used to their fullest, the State would have the highest loading capacity in the world.

The estimate of mining revenues for 1985-86 is \$191.4m, which is an increase of almost 240 per cent over the figures for the past five years. In 1984-85, 52.5 million tonnes of coal was carried on Queensland Railways. That produced revenue of \$583m, which represents 67 per cent of the total rail revenue of the State. Not only does the State receive substantial royalties from the mining of coal—I think one company is paying a special levy to the Federal Government—but also the revenue from coal haulage by the State's railways represents nearly 70 per cent of the Railway Department's total revenue.

In 1984-85, the revenue from royalties and coal freights totalled \$733m, which means that nearly one-third of the revenue to the Consolidated Revenue Fund comes from this Queensland resource. That is an enormous amount to depend on from one resource, yet the coal industry is struggling for new orders. There are no new developments in coal exploitation. Because some projects had initial orders but have gained no others, they are struggling to make ends meet, so perhaps it is wise that no further exploitation takes place.

At the moment, the highly competitive arena of the world coal market warrants much closer co-operation between the Government and the coal-mining companies in what they are trying to achieve. They are competing with South Africa, North America, Poland and other sources. This creates a difficulty for the coal industry. If some companies do not get new orders, they will not remain viable and, therefore, will not be able to meet their commitments, even though the tonnage will be impressive, the amount of royalties will be impressive and the revenue to the railways will be enormous.

The railways are not criticised in this. In fact, the coal operators are very impressed with the quality of service they receive from the railway system, but they are not impressed with the lack of co-operation and lack of interest in them by the Government when they try to get new orders. Surely there should be a partnership between the Government and the coal-miners in trying to get these orders.

Mr Vaughan: Mining companies do not want that. They want to be independent.

Sir WILLIAM KNOX: Yes, they want to be independent; but there ought to be a liaison between them that allows them to gain the critical orders that are essential for their viability.

For years the whole philosophy of the Government of this State was to work closely with the coal operators in order that they should be established and get orders. But for some reason or another, the present Government seems to be reluctant to assist the coal industry in getting new orders, which are vital for some operators. If they do not get the additional orders, they will not be in a position to meet their capital redemption and interest payments. On this issue there has been very poor consultation between the industry and the Government. At the present time, there is a great need for the Government to recognise the nature of the international competitiveness of the coal industry. It is critical, particularly when countries with their Government's backing are working hard in the international markets. The Queensland Government is almost an enemy of the coal operators. With such dependence on the coal industry for nearly one-third of the revenue of this State, surely there is good sense in the Government's working closely with the coal-miners to obtain that market and provide extra work.

Mr Davis: You are a man for all seasons, aren't you?

Sir WILLIAM KNOX: Seasons come and go. I will be here when many seasons have passed. The honourable member for Brisbane Central will have gone. From what I have heard, his faction in the Labor Party has such a low standing that he will not obtain endorsement at the next election.

Mr PREST (Port Curtis) (7.51 p.m.): I have much pleasure in speaking to the Mines and Energy Estimates. Having heard the contribution made by Government members in this debate, I consider that the Queensland Government is going back in history. Very little news came out of the Budget debate and very little has come out of the Estimates debate so far. Government members have dealt only with the past. The honourable member for Nundah (Sir William Knox) said that, at present, Queensland has an over-supply of coal facilities and coal-producers and, naturally, a lack of customers on the world market. The coal-producers blamed the Government's charges for its lack of markets overseas. State Government charges are ruining the coal-export industry.

The Budget papers contain very little about which anyone could become excited. In the debate on the Mines and Energy Estimates, I expected mention of the pipeline to Gladstone from the gas-field in the Denison Trough in south-west Queensland. At the State conference of the National Party, when the Premier and Treasurer had nothing on which to hang his hat, he referred to what he would do if private enterprise did not construct a pipeline between Roma and Gladstone. He said that the Government would construct it at an approximate cost of \$400m. Come Budget-time, the Opposition thought that considerable mention would be made of the gas pipeline. In fact, it received only nine lines in the booklet *The Queensland Economy*, and no mention was made in that booklet about the urea plant that was to be built at a cost of \$300m.

Honourable members know that, for 26 or 27 years, gas has been available from the Rolleston area. Last year, the Premier and Treasurer said that an investigation was to be made into a pipeline link to Gladstone. In April this year, he said that State Government approval had been given to measures to facilitate the proposed multimillion-dollar natural gas pipeline link to Gladstone. He said that he hoped that the \$300m urea plant would be built in the city of Gladstone.

We have been told since April this year that, if private enterprise did not construct the plant, the Government would make a decision no later than June. In June, the Government said again that it would hold discussions with the developers to see what was happening. Again nothing happened. So the Government said that it would give the developers another month. By July, nothing had happened. The Premier and Treasurer then said that he would wait until August. August and September passed. This morning, on ABC radio in Rockhampton, it was stated that, when the Premier was in Rockhampton on Friday, he said that, because the price of oil overseas was dropping, he did not now see the necessity for the gas pipeline. Once again that answers the honourable member for Roma (Mr Cooper), who, before the dinner recess, assured honourable members that that gas pipeline would go ahead. I assure the honourable member for Roma that he has not had the ear of his Premier. He did not know what went on.

In fact, I believe that the Premier and Treasurer is treating the gas pipeline feasibility study as he did *The Gillies Report*. As all honourable members are aware, *The Gillies Report* is an ABC program. An interviewer asked the Premier, "Have you seen *The Gillies Report*?" The Premier and Treasurer said, "Yes, I do have a copy, but I have not had time to read it yet." I believe that the Premier knows as much about the gas pipeline feasibility study as he does about *The Gillies Report*.

I am concerned that if that pipeline is built it may remove the need for the construction of further electricity power stations in this State. The power stations are big employers in the construction area and big employers on a permanent basis. Honourable members are aware that the Tarong Power Station was built at a cost of \$800m. The Stanwell Power Station is on the drawing-board. It was to be completed by 1989. This year, about \$43m will be spent on that power station. Honourable members know that that project has been put back until 1992, and it could be put back even

further if the proposed gas pipeline came into being and people who are currently using electricity convert to gas.

In my opinion, a feasibility study is absolutely necessary. An impact study should be tabled so that all honourable members can consider it and ascertain what effect a gas pipeline would have on the electricity industry. One matter that would concern me is who the major consumers of gas would be, where those consumers would be situated and in what year they would require gas. I would also want to know what amount of gas the consumers would use, because, after all, it is a \$400m pipeline.

Honourable members are told that the price of gas would be competitive with the price of electricity in this State. The honourable member for Roma said that natural gas could not compete in price with electricity because in Queensland the cheapest coal in the world is used in the generation of electricity. This State does have a major supply of coal, and honourable members are aware that Queenslanders should have cheap electricity. However, they do not have cheap electricity because about 25 per cent of the receipts of electricity boards must go towards paying off the debts that have been created by the QEC in building new power stations or towards paying off debts relative to the plans for future power stations.

These questions must be asked: What will be the price of the gas to the ordinary consumer? What will it be to commercial organisations? How many people will be employed on the construction of the pipeline? Where will those people be employed? When will those people be employed? How many people will be permanently employed if the gas pipeline goes through? It must be remembered that when a power station is built, up to 2 000 construction workers and a permanent work-force of anything between 800 and 1 000 employees could be involved.

If gas comes to Gladstone, will there be a reduction in the demand for electricity? If there is, will it cause further deferment of the construction of power stations, such as that at Stanwell? They would be a source of employment for years during construction as well as when the stations have been commissioned. We ought to be told what effect gas would have on that employment. Which power stations would be affected if gas became available? Would future proposed power projects be further delayed, and for how long? Which ones would be affected? Impact statements ought to be directed at matters such as that. I am particularly interested in the matter, since it is said that a gas pipeline will be coming to the area that I represent.

People will convert from electricity to gas if it is available. Will the price of electricity be increased to consumers because of a reduction in consumption or for any other reason? Presently, 25 per cent of a house-holder's account is directed to capital repayment. Will the cost of electricity increase because fewer people are using it? Will the cost increase because fewer people will cover the capital repayments and support the building of future power stations? I ask the Government to guarantee that the price of electricity to house-holders will not increase at a rate greater than the increase in the Consumer Price Index. It is alleged that quarterly electricity charges in Brisbane are \$121.61, whereas the comparative figure for Sydney is only \$86.58 and, for Melbourne, \$98. The Brisbane pensioner pays \$69.93 each quarter. That should be compared with the Sydney figure of \$29.82 and the Melbourne figure of \$50.74. The people of Queensland should not have to pay more for electricity.

I am concerned about the Government's announcement on the siting of future power stations. It is suggested that one will be at Bowen, one at Broadmount in the Mackay area and one at Raglan. Stanwell is supposed to come on line in 1992 but, because the demand for power has not increased in accordance with expectations, that date will be pushed back. Another four power stations are planned along the Queensland coast. In addition, areas have been set aside in the south and the south west. The Government makes announcements. I have no doubt that real estate agents take advantage of those statements and tell people that the price of land will increase. Land will be on the market at an inflated price. People will be told, "You want to buy a block of land now because, before long, a great deal of work will be taking place in this area." People

are not told, however, when it will happen. The Government is talking about building six or eight power stations, but that will not happen for 30 or 40 years. For the sake of a sale, an agent would not tell a prospective purchaser the true story about when a power station is to be built. By making phantom statements about gas pipelines and future power stations, the Government is ensuring that real estate agents have a field day. The prices for land remain high. Real estate agents are able to use that propaganda to their advantage. Sales that have been prompted by that propaganda result in commissions. Members of the Opposition are concerned that that is occurring.

I would like to see a great deal of development taking place in Queensland, especially in my electorate. So much has been said about development for so long that members of the Opposition believe that the Government has been able to survive merely on propaganda. Because an election is likely to be held in 1986, members of the Opposition expect to hear much more about these phantom projects. The pipeline to which I have referred is one of the pegs that the Government is trying to hang its hat on at the present time.

Let me go further and say that it is not only the Government that is giving this information to people; it is also the tory newspapers in country areas. Because they are always short of a story, they run these articles and, as a result, the people who support the National Party are able to conjure up more stories about the projects, which only serves to increase the price that must be paid by an ordinary person for a block of land.

One of the things that concern the Opposition has been mentioned in the Chamber today, namely, the pollution that is spread by power stations. Ever since the Gladstone Power Station was built several years ago, a pollution problem has existed. An officer of the Division of Air Pollution Control, Mr Chris Wood, has made numerous complaints about pollution from the power station, but very little, if anything, has been done about it. The attitude of the Queensland Electricity Commission is that that problem is the price that must be paid for development and progress.

As recently as May, a report appeared in a newspaper about problems of pollution from the power house, and the Commission said that the pollution was due to the fact that pollution control equipment was being repaired. In June, *The Gladstone Observer* reported, "Powerhouse 'fumigating' residents' ". In July the same newspaper published an article headed "Pall of smoke to clear today?". On 10 August 1985, the newspaper published an article headed, "Pollution problem traced".

After four or five months, the power station management finally admitted that the pollution had been traced to leaking bellows in a generating unit, which was causing emissions to gush from the stack, and that the problem was expected to be fixed that day. However, not to be outdone, the local mayor came out and said that the pollution did not present a problem to the city of Gladstone. Of course, the mayor did not want to have any part of admitting that the city had a pollution problem.

On 15 August, in response to a letter to the editor, the editor of *The Gladstone Observer* published the following reply—

"The Observer has run numerous articles about pollution from the power station since its early stages of operation up to the present. In fact, in recent months we have probably averaged about one article each week. Members of the public unhappy with the station's pollution record should complain to the Division of Air Pollution Control on 76 1626."

As I mentioned previously, Mr Chris Wood has made numerous complaints to the Queensland Electricity Commission, but without positive result.

If any body other than the Queensland Government was involved, it would be closed down; but because the Queensland Electricity Commission is a governmental authority, it has been allowed to get away with pollution and nothing has been done.

It has been stated in this Chamber tonight that Boyne Smelters Ltd and Queensland Alumina Ltd are provided with power at cheaper rates. That may be the case, but I ask

honourable members whether they have considered the number of people employed by Boyne Smelters Ltd and Queensland Alumina Ltd? It must be acknowledged that approximately a thousand people are employed directly in plants at Gladstone and at Boyne Island.

Comalco also employs many people in its Weipa operations. It should also be remembered that thousands of people are employed in supporting industries. At present, the Government should be able to bear the low electricity price paid by these companies. Only last week a report appeared in *The Gladstone Observer*, in which Mr Keith Petersen said that it was the cost that the Government was putting on companies today that was causing their major problems. If they do not get cheap electricity, they could move from the city of Gladstone and go to New Zealand or some other place.

Hon. W. D. LICKISS (Mount Coot-tha) (8.11 p.m.): I join in the debate on the Estimates before the Committee firstly to express my best wishes to the director-general of the department, Mr Jack Woods, who, we are told, will be leaving the department in the not too distant future to enjoy what we all hope will be a long and happy retirement. Mr Woods is well and favourably known in Queensland and throughout Australia in his profession and in the mining industry. Honourable members who have travelled round Australia and met people in the mining industry have found that all of them know Jack Woods from Queensland.

Mr Lee: They know him as a gentleman.

Mr LICKISS: I am sure that no-one has found him to be other than a gentleman in his capacity as director-general of the department. I am sure that all people involved in the mining industry will agree with that.

I have had some association with the Queensland Mines Department since being a cadet in the Survey Office in 1941. In associate professions, one gets to know the value of the work done by various Government departments in all States. The Mines Department in Queensland has no peer in Australia in the way of efficiency and proficiency in mining administration.

I am always saddened to hear criticism of departmental charges. We all know that charges are imposed by departments as revenue requirements and that, very often, it is outside the authority of the department to change them.

I have a couple of points to make which I hope the Minister will take in hand and act on in the not too distant future. Mining in Queensland has enjoyed a very buoyant period. Markets have been sound and expansive. By and large, the industry, because of its efficiency, has been able to pay out moneys over and above what one would have expected it to pay in normal circumstances. When times have been good, it has paid higher rail freights and higher rates and rental charges than would normally be expected of it and over and above increases that the CPI indicated should be paid. At the moment, markets are not very good, and the future is not so bright. Therefore, as I said in another debate, it is time that the Government started to take stock of the situation and, rather than use the mining industry as a milch cow, it should assist it, where possible, to maintain its viability, to retain its markets and to expand into markets which, in other circumstances, might have been beyond it.

In the present climate, with slow growth, lower prices and difficult markets, the Mining Act appears to be deficient in one major respect: there is no provision for a form of title that allows a mining company to secure its titles under lease without proceeding to a mining development. At the moment, certain large developments are virtually in moth-balls because their economic viability is not as good as it ought to be under present conditions. There should be another form of lease or title that would enable some relief to be given to the mining companies while, of necessity, they have to wait to proceed to development.

I shall give a patently clear example of one of the problems facing certain lessees. I take, for example, tin leases. All honourable members know that a person can produce

tin if he has a quota. He cannot buy a quota. Therefore, he could have productive leases that he cannot work because he does not have a quota to cover production. Because that person cannot work the leases, the Crown charges him additional exemption moneys to keep the leases on ice, as it were, until the quotas improve or the market improves. That is one glaring example of an instance in which some relief ought to be given under lease conditions. It is impossible to work that lease. I shall mention some other cases.

Relief is required where markets do not justify any further progress but the huge cost of exploration and preliminary development has to be protected. A lot of money has been spent on proving some of those leases. Therefore, the companies or lessees have no option but to try to protect the equity that they have already established through sheer hard work and, often, at great cost.

Mr Eaton: Don't you think it would be a good idea if the department let them have those leases but did not require them to put up a bond until such time as they began work on them?

Mr LICKISS: As long as the lessees did not have to expend money at that stage. It is virtually dead money and it could be put to more productive uses. That is why I recommend that a retention lease should be given, particularly in relation to authorities to prospect and proven leases. If time permits, I will explain why a lot of thought has to go into this matter.

In the Northern Territory and New South Wales, the position is covered by what is known as a retention lease, which varies the normal conditions and payments required under a mining lease. Recently, Tasmania has drafted similar legislation in recognition of the fact that holding charges can be extremely high and a mining company cannot proceed further at the present time. In Queensland, that would be the case with some of the larger coal projects, such as Theodore, Hail Creek and Daunia, which at present, as all honourable members are aware, are in moth-balls.

The costs involved are mainly the lease renewal and the annual expenditure provisions. Since 1980, mining lease renewals have soared from \$10 a hectare to \$19.50 a hectare this year. That is not peculiar only to rentals; most charges in the mining industry have soared over and above what could reasonably be expected, particularly taking into consideration the Consumer Price Index figures for the same period.

I do not necessarily blame the Mines Department for that, because Treasury has a vital say in what the charges are. Sometimes Treasury runs a little off the rails with its demands; in certain instances, it becomes quite unreasonable.

I shall look at some of the figures for the mining industry. In the last five years, rents on mining claims have increased by 120 per cent, or an average of 24 per cent each year. Rents on mining leases have jumped by 95 per cent, or an average of 19 per cent per year. Registration fees have increased by between 53 per cent and 136 per cent, or 13.8 per cent per year on average. Wardens Court fees have climbed by between 60 per cent and 92 per cent, which is an average of 15 per cent per year. Survey fees have risen by between 49 per cent and 66 per cent, or an average of 11.4 per cent per year.

All of those increases occurred at a time when the Consumer Price Index, the official barometer of costs and prices in the general community, rose by 37.2 per cent, or at an average annual rate of 7.45 per cent.

Although one might be able to rationalise these increases in periods of great prosperity when it might be considered that mining companies ought to return more to the people via the Government, such rationalisation certainly does not apply and is most unreasonable when the going is not so good for mining companies and when they are competing for survival.

It is important that urgent consideration be given to extending some relief to those mining companies which, having located, pegged and taken out leases, find that it is not economically viable to work those leases under present market conditions.

Mr Vaughan: Do you include Winchester South in that?

Mr LICKISS: I include any companies that come within the category in which it is not viable to produce coal from mines, especially when markets do not exist.

Mr Vaughan: What about all the promises that Winchester South made to get that lease in the first place and which they can't keep?

Mr LICKISS: That might be a matter for further consideration, but I am speaking generally about the mining industry in Queensland and throughout Australia. One can always rationalise or itemise one particular case. I am highlighting the fact that, in other States, Governments have seen the need to provide retention leases and to provide relief under these types of circumstances. I put it to the Minister through you, Mr De Lacy, that Queensland should not be far behind in providing such relief.

The costs involved in mining are well known to all honourable members, but one of the great charges is in exploration. In this respect I am critical of the mining legislation that is in place. Like legislation in most of the other States, the Queensland legislation has developed over a period of years, and sometimes Governments lose sight of the fact that too much emphasis is placed on old mining provisions and not enough is placed on contemporary mining pursuits. For instance, the current rental rates under an authority to prospect for minerals are based on the old exploration concepts of detailed evaluation of small areas of interest, usually covering old prospects and their extensions.

Current mineral exploration trends are towards seeking deposits that have been covered by recent sediments. These, like the Roxby Downs deposit, can be found only as a result of regional exploration based on conceptually developed geological targets. Very large areas are required to enable this type of exploration philosophy to be applied and the current authority to prospect rental schedules, when applied, result in rentals of between \$100,000 and \$200,000 a year for what is basically high-risk but desirable regional exploration work.

It is my belief that a concept of an amended authority to prospect for minerals agreement for regional exploration programs in areas of sedimentary cover, with rentals and expenditure commitments similar to petroleum conditions, could be agreeable to both the Mines Department and the minerals exploration industry.

I believe that, if it were implemented, the amount of high risk regional exploration work done in Queensland would be increased and the emphasis would be on positive geology rather than on negative geology, which is aimed at reducing areas to reduce major expenses. I again say to the Minister that this matter is long overdue for consideration. Under these circumstances, if urgent consideration were given to this question of relief, it would meet with the approbation of the mining industry. Much can be done to assist the industry.

All I can say in conclusion—and I look at all charges in relation to this—is that my main concern is that Governments need a sensitivity in their tax demands to understand the need to preserve the competitiveness that mining companies must retain in the market-place. It is now obvious that Queensland taxes—I particularly refer to rail coal haulage—bear no relation to market conditions. The message that I have for the Government is that it could be destroying Queensland's future development prospects by the apparently heavy-handed tax regime that it has imposed on the State's mining industry. For years it has been the easy option. The Government has taken the kudos for mining development in this State but, at the same time, it appears to have ridden Queensland's mining companies hard. Those companies are now faced with a fundamentally changed and increasingly difficult world market. I hope that this Government realises that and gives assistance where possible.

Mr CASEY (Mackay) (8.27 p.m.): In rising to join in the debate on these Estimates, the first thing I wish to do is pass some comment on a couple of contributions already made to the debate. Despite the pleadings of the honourable member for Mount Coottha about the way in which the Government is bleeding the mining industry, I would

be remiss if I did not remind the Chamber that, in actual fact, most of the conditions that were imposed on these mining companies were imposed by Liberal Treasurers in this State.

The revenue from the mines does not go to the Mines Department, as the Director-General (Mr Woods) would know full well; it goes directly into the Consolidated Revenue Fund, which is controlled by the Treasurer of the State. It has been successive Liberal Treasurers of this State who have negotiated the deals with the various mining industries, particularly the coal-mining industry. The current leader of the Liberal Party, who spoke a few moments ago, would have negotiated some of these deals himself. I would go as far as saying that no new deals have been negotiated since the Liberals left the Treasury. Therefore, they must take full blame and responsibility—along with the National Party—if the heavy charges that the Queensland Government is supposedly imposing are having any adverse effect upon the mining industry.

This evening I wish to concentrate on the mining industry. Only a fool would deny that the mining industry has made a great contribution to the economy of this great State of Queensland. Historically, the entire development of the State—indeed, the settlement of the State—depended on a cycle that involved pastoral activity, mining activity and agricultural activity. A study of the history of this State reveals those distinctive cycles.

The early part of this history was very well noted in a book *A Thousand Miles Away* by an author by the name of Bolton. He pointed out very clearly the way in which the economy of the State of Queensland depended on the cyclical effect of those three great industries. A search for pastoral land was what brought about early settlement. The miners followed the explorers into the outback and the more remote parts of this State. When I read the journals of the explorer Leichhardt, I was surprised to learn that his travels took him through the Isaac Basin—it is now known as the Bowen Basin—and that he was the one who named most of those rivers in that area, including the Isaac and the Burdekin Rivers.

He named many of the peaks, such as Mount Roper, in the Peak Downs area. He camped in the area in which the towns of Moranbah, Dysart and Middlemount now stand. He recorded his journals in 1847. Virtually every tributary of the Isaac that he came across showed signs of coal and coal deposits. The discovery of those deposits dates back to that time. It is only because of developments on the world scene that Queensland has entered the coal export market in recent years.

Agriculture moved in behind the explorers producing food for the early settlers, the pastoral industry, the mining industry and the industries associated with the townships that developed.

In the mining cycle during the '60s and '70s, coal played a major role, and I wish to concentrate now on that role. Coal has played that role because of the rising energy needs of the world and the demand for it. The world has placed great dependence on energy. Third World countries have become Second World countries and, in some cases, First World countries. World trade has increased because the ability of the consumer to purchase and the world economy generally have moved onto a higher plane.

The oil crisis of the '70s kicked along the coal industry in Queensland. That crisis has passed. Today, there are some warnings that the coal industry should heed. Development and investment in the coal industry have slowed down. The number of persons rushing forward and making investments in the coal industry is not as great as it once was. It has been reported by the petroleum-producers throughout the world that the petroleum reserves have increased to a level at which the shortage of liquid fuel that was predicted from the '70s onwards will not now occur until well after the year 2000.

The easiest coal to mine in Queensland has gone and it cannot be replaced. It has been sold and shipped overseas. Consequently, as deeper seams are mined, mining costs will rise at an alarming rate. Most of Queensland's coal, particularly in the Bowen Basin, from which the largest increase in exports has come, is found on slopes. The areas

closest to the surface have already been mined. As deeper overburden is encountered, mining costs will rise dramatically.

Last week I was fortunate to make a tour of all of the Bowen Basin coal mines. At Goonyella, the bucket-wheel excavator was in operation. At that mine site, a softer type of overburden is encountered and the bucket-wheel can go into part of the mine and pre-strip larger and deeper areas of overburden. After that, the draglines, which are in common use in the coal-mining industry, move the rest. The costs involved are much higher. Production overheads at that mine are very high.

At German Creek a similar situation has been encountered. The seams became deep very quickly. Shovels and haul-packs have already moved a great deal of the overburden. The German Creek mine has a number of seams on top of one another and it is necessary to strip the overburden in between. The only viable way of doing that at the moment is by truck and haul-pack, which increases costs. Fortunately, for some of the more established mines, such as the Goonyella mine, most of the infrastructure costs have been paid off. Some of the original construction work at the mine is being renewed as the present construction has worn out and needs replacement. In many instances, underground mining is taking place. The Utah company is now owned by BHP. Whether it will be owned soon by Robert Holmes a Court, goodness only knows.

A few years ago, Utah established an underground mine at Harrow Creek on a trial basis to see what sort of work would have to be carried out in future years to develop an underground mine as it moved into deeper seams of coal. For a number of years, Moura has conducted a great deal of underground mining of coal. It is being blended in with open-cut coal. Of course, German Creek will begin a major underground operation next year and I will go into that matter in more detail shortly.

This means that there will be more employment in those mining areas. That has already been reflected in more recent mining employment figures. As I said, it will also mean an additional cost. A temptation will exist, especially to the Government, to open up new mines rather than consolidate existing mines. I warn the Government in that regard. The existing mining areas should be consolidated, and even the techniques used in underground mining and blending should be changed to ensure that the existing infrastructures are maintained. It is very important that the viability of the current operations, which include the towns and services, be maintained. The Government has a considerable investment in the railways, ports, schools, police stations, hospitals and water supplies. The people of Queensland have invested a good deal of money in those mining towns and infrastructures. The existing infrastructures must be maintained. The temptation to rush out and open another big new mine here and another big new mine there, another township here and another township there, as Governments are wont to do, with the associated public relations rather than maintain the viability of existing areas must be resisted.

Local authorities are already concerned about some aspects. Mining companies that have been interested for a number of years and already have leases—the honourable member for Mount Coot-tha mentioned a few of them—are sitting and waiting to move in. However, new townships, new infrastructures, new water supplies and new schools will be required. That means a Government commitment to expenditure in those particular areas.

The Government should hasten slowly, as the saying goes, with the opening and development of new coal mines in Queensland. More should be done to move into the next phase. It is not only the Government and local government that have made investments; private investment has also gone into townships such as Moranbah, Dysart, Middlemount, Tieri and Blackwater. I could keep on naming them. A tremendous amount of private investment has gone into Biloela and Moura. People have invested funds in providing service industries in those localities and, as well, there is the spin-off to places such as Gladstone, Mackay, Bowen and Rockhampton. People who have made so much private investment in the already troubled towns and cities in coastal

Queensland are concerned to ensure that what already exists continues to stabilise and consolidate.

The Government must make a strong stand and not allow new leases that may place the old mining areas in jeopardy. After all, after a few years of operation, those mines will meet the same fate. Exactly the same situation will be faced with the higher cost of mining operation. The Government cannot keep opening and closing mines all the time.

I have already referred to the second matter with which I wish to deal—underground mining. The Moura mine has been in operation for approximately 20 years. A classic example of an untidy mining operation was the operation carried out at Moura by the American company Peabody—I know that you may consider it to be an unparliamentary term, Mr Row, but I can think of no other term—in which it ripped the guts out of the seam. The initial operation at Moura was the untidiest mine operation that I have ever seen. It has been tidied up in recent years, but there was always an enormous difference between the Moura operation and the next to open, Blackwater. It was a pleasure to see the comparative cleanliness and tidiness at Blackwater.

To my knowledge, Moura has been operating for over 20 years, Blackwater has been operating for 18 or 19 years and Goonyella, for 14 years. They were the first big operations in the Bowen Basin. They cannot remain as open-cut operations for ever. Anybody involved in the industry realises that. They have only a few more years of full open-cut operation before they move into a combined operation. Some may not be able to go underground, depending on the overburden. That is why Harrow Creek was established. Last year, 176 652 tonnes was taken out on an experimental basis.

The first obvious effect of underground operations is that the same level of production cannot be maintained. That will be of concern. New techniques will be introduced. I understand that the German Creek mine will be one of the first in Queensland to introduce longwall mining. Some of the machinery is ready to be assembled and other machinery is on order. It is hoped to begin longwall mining in the middle of next year. It is a completely different mining operation altogether. It is an unusual technique whereby the seam is taken out and then the roof of overburden is collapsed behind. The machinery is taken down to a fair depth and moves its way up. The system is highly mechanised but requires additional maintenance personnel.

In the last 12 months in the Bowen Basin, just on 48 million tonnes of coal was taken by open-cut methods and 2.25 million tonnes was removed from underground. Twelve months ago, 44 million tonnes was taken by open-cut methods. Since then, Riverside and Newlands have come on stream to boost that figure. The amount of coal won underground 12 months ago was 2 million tonnes, so it has increased by 12½ per cent in 12 months. Underground employment is significant. It has risen from 1 071 to 1 168 in the same period. It will be appreciated that underground mining will significantly increase employment as that phase of coal-mining gathers momentum.

Another important aspect of underground mining is the blending of coals. Moura is presently blending the better underground coals with the run-of-the-quarry coals or run-of-the-mine coals. The poorer open-cut coals must be matched with the better quality coals won underground.

Queensland ports are perfectly placed for blending plants. They would provide more employment for the State through that downstream processing.

At Newcastle in New South Wales, a large loading operation, which I understand is one of the biggest in the world, has been opened at Kooragang. Seventy different coal types are exported through that facility. Through the use of the bucket-wheel reclaimer and stacker, 40 different blends are available for export.

Recently, I read an article that sets out clearly the extent of the Newcastle operations. That is additional work created on shore in Australia—a value-added industry. Queensland ought to consider it, because it provides a better range of products to meet the specifications of buyers. Many coals from different mines are sold to the same overseas

buyer. Blending operations are carried out at the plant, whether it be a power station, a steelworks or a cementworks.

The different types of coal are blended before they are exported. Very few of the world customers that Queensland already supplies use only one specific kind of coal. The blending of coals would definitely provide more jobs, but its implementation must be carried out on a planned basis. It must be planned by the Government, and the Government must plan ahead. In the coal-mining industry, plans must be made by looking ahead all the time, and industry planning cannot be undertaken merely on an ad hoc basis.

It is also very important, as Queensland begins to move into an advanced blending phase, that additional facilities be created for training, whether that be undertaken through the technical and further education courses for middle management, the mining and engineering schools at the various universities, or those institutions that cater particularly for the training of mining engineers. That planning must be undertaken now because many more underground miners, tradesmen and engineers, and other people with skills and knowledge of that particular operation, will be needed.

As I have almost reached the end of the time allocated for my speech, I join with others in offering best wishes to Jack Woods on his impending retirement. Mr Woods has contributed a tremendous amount to the achievements of the mining industry in this State. I am sure that much of the work that he has done will be remembered by many people for a lengthy period.

The last point I make is that the mining industry has also helped to establish a number of new port systems and has provided new ideas for the operations of ports in Queensland. Those ideas should be put into effect for the benefit of other Queensland industries. The Government should take careful note of those ideas so that it can copy and learn from better systems.

Mr INNES (Sherwood) (8.47 p.m.): I begin my remarks by commending the work of the director-general of the Mines Department, Mr Woods. He has presided over the most dynamic period of growth experienced by the Queensland mining industry and he has overseen the development of an enormous new coal province. As I said earlier this year, Queensland has developed from an unknown throughout the world in the early 1970s to the stage at which when anyone says that he is from Queensland, he has a foot in the door of those people who are interested in purchasing coal. Because the coal industry is crucial to the prosperity of modern Queensland, the period of Mr Woods's administration must have been particularly rewarding and exciting.

Throughout this debate, the importance of the coal industry has been emphasised in terms of royalties, in terms of the development of an enormous new phase of infrastructural and town establishment in Queensland, and in terms of the benefits that such a commercial activity has brought to the State by way of the industry's significant contribution to the State's revenue. The accounts that are available for examination indicate that an increase of 40 per cent in royalties has occurred over the last year. Revenue from royalties has increased from \$114m to \$140m and, if my memory serves me correctly, I understand that an enormous injection of funds has been made into the Queensland coffers because of new coal operations coming on stream. The coal freight rate factor has also been mentioned, and I will deal with that shortly.

The previous speaker, the honourable member for Mackay (Mr Casey), referred to the increased competitiveness offered by a sophisticated blending of coal types. He spoke with approval about operations of that kind in New South Wales. One hopes that some sense of balance will be retained, because from the information that I have, I think it can be asserted that the Curragh coal operation is one of the most sophisticated blending operations in the world. Its ability to produce a specific type of coal for market has enabled it to maximise such opportunities as are available in the present coal market, and opportunities are available.

Probably it is not appreciated—and it is pleasing to have the relevant responsible officers here tonight—that free enterprise has been able to come to the aid of the Queensland Electricity Commission. It would be a correct summary of the relationship between the Queensland Electricity Commission and the Central Queensland Coal Associates, to say that there is a contract that allows a significant bracket of flexibility. As I have said in this Chamber on other occasions, there were commitments to take very high tonnages of steaming-coal from Curragh, initially for Gladstone and then for Gladstone to be replaced by Stanwell. Agreements that simply could not realistically be met were entered into concerning the provision of coal. There was a take-or-pay relationship. It was envisaged that Curragh coal would be supplied to Stanwell in the late 1980s. That cannot now take place. The Government, through the QEC, has had stockpiles of coal; but it could have been facing an enormously embarrassing stockpile, with the consumers having to pay for enormous stockpiles of coal that simply could not be consumed.

It is correct to say that, as part of overcoming that predicament, which is the proper thing to do, as I understand it, the QEC is taking as little as possible under the contract, with the additional amount that it is committed to buy—and a very costly commitment it would have been—being sold initially by the QEC. I suggest that the sale was not as successful as the sales negotiated by Curragh itself, which has been able to take advantage of a developing world shortage of steaming-coal, assisted by its capacity to produce a specific blended type of coal. In that way it has sold off, and is still selling off, very significant quantities of coal that the Queensland Electricity Commission would otherwise have had to take and pay for. Certainly, last year the QEC sold coal, but not as successfully as the professionals sold theirs. Indeed, the QEC does not exist to sell coal.

Private enterprise, in the guise of the associates dealing with Curragh coal, has, by agreement, come very prominently to the aid and assistance of the QEC to overcome what otherwise could have been a very significant embarrassment.

Discussions have taken place that even involve the storing of coal, after it has been graded and washed, in the mines from which it was taken. Desperate situations such as that had to be discussed earlier. Fortunately, because of a lucky change in the present world market for steaming-coal, very significant tonnages of coal of that type have been sold by the Curragh associates for the benefit of the QEC and its electricity-consumers. I hope that that continues.

Some assistance has been provided also by the Utah tops being reduced. The supply of coal from that source has dwindled. That also has assisted. Because of the long lead time involved, the commitments that have to be made and the commitments that were made without committed industrial consumers of electricity, potential embarrassments of that type are being avoided to some extent.

One does not have the complete records relating to the public accounts of this State. In the documents, one finds hints of the sorts of things that are going on. I noticed in the notes relating to railway operations that there was a shortfall in revenue of \$9m, being the loss of the payments expected from QEC for coal rail freights. That is an interesting reflection of the magnitude of the payments that are made by the QEC for the transportation of coal.

Some people have suggested that in the mining of coal and the generation of electricity in Queensland, there is something bordering on a perpetual motion machine. They have suggested that one of the matters that tipped the balance in favour of the rail electrification project was the embarrassment with the overproduction of electricity, and that the selling point was something that quite clearly consumed electricity, although not to the extent of the oversupply that was potentially available. One would have to agree that \$700m is a very expensive perpetual motion machine. The suggestion is that the coal is mined, put onto the railway wagons and pulled by electrically powered locomotives to the power station for generation into electricity to drive the train back to the coal mine.

Of course, the coal rail freights are profit-based. On a number of occasions in this Chamber, I have attempted to ascertain the actual coal rail freight that is charged. I hope that the Minister will excuse me for repeating that I find it absolutely illogical, astonishing and absurd that one cannot be told what the Queensland Railways charges the Queensland Electricity Commission for the carriage of coal to be consumed by a public utility in the generation of electricity. I will tell honourable members what the charge is. It is between \$11 and \$12 a tonne for a service that costs about \$5 per tonne. The Queensland electricity-consumer is paying a profit in tax on electricity charges that are now amongst the highest in Australia. That is a matter of some sting. I have been talking to pensioners in my electorate who are struggling to stay in their own homes on fixed incomes or on incomes that are modified slightly for increases in the Consumer Price Index. They are faced with increased charges, such as the increased electricity charges. I find it difficult to talk to those people and to offer them any comfort.

I give the honourable member for Nudgee credit for consistency of interest and, in broad terms, for an overall understanding of some of the ramifications of the electricity industry. Next year, I expect a significant increase in electricity charges. The capital sums involved are enormous in terms of the repayment of principal and interest. The construction of the enormously expensive new power stations will require more capital, more borrowings and more interest. Last Sunday, I sat with a pensioner who pointed to an electric heater on the wall that she can no longer turn on during winter. She said, "I cannot get down to turning off my last bulb." Those are the sorts of human predicaments in which people are finding themselves.

Many pensioners have not had steak for six months. People with limited funds are now faced with costs that are increasing way above the Consumer Price Index and that they cannot surmount or avoid. That is why some of us in this Chamber will persist in ventilating this issue of the cost of electricity; it impacts so severely on the average Queenslanders. Those are the sorts of human situations that one must confront. It is difficult to explain why, given the fact that coal is abundant and can be produced more cheaply here than anywhere else in Australia, electricity charges have increased by more than double the rate of inflation over the same period.

Coal rail freight rates are charged at profit bases on electricity-consumers and upon the export coal-miners themselves. Recently, Senator Warwick Parer, at a meeting of the Senate Estimates Committee, asked questions and received confirmation from Treasury officials that the profit factor charged on Queensland coal rail freights is taken into account by the Grants Commission in deciding what Queensland's grant will be. It is rather intriguing and potentially disturbing to consider that the amount received by the Government in coal rail freights from the previous year—\$92m last year—is taken into account when the Grants Commission determines what Queensland will get back. I ask for some clarification from the Minister for Mines and Energy (Mr I. J. Gibbs), from the Treasurer (Sir Joh Bjelke-Petersen) or from the Minister Assisting the Treasurer (Mr Gunn) about the implications of that revelation. That revelation can be found in *Hansard* of the proceedings of the Senate Estimates Committee C.

Is this Government charging a profit factor, which is prejudicing the increased sales of coal on world markets, which is an imposition on the State's electricity-consumers, and which is used against the State in a grant of moneys from the Commonwealth? If all that the Government is doing is increasing the cost of the State's coal and, as a result, losing out in terms of the taxation moneys coming from the Commonwealth, it must be bananas. I seek clarification from the appropriate Minister of the implications of that revelation from the Senate Estimates Committee.

Reference has been made to Liberal Treasurers in previous Queensland Governments. Liberal Treasurers presided over a period of enormous boom and development in this State. Since Liberal Treasurers ceased to be responsible for the finances of the State, considerable change has occurred in the Queensland economy. The claim made by the Liberal Party is that the Government and those who are now responsible for Treasury

should be sensitive, as Liberal Treasurers were, to the circumstances under which these sorts of imposts are created.

As has been said before, if more tonnes can be sold by dropping taxes, a Government would be mad not to drop them. It is a very simple proposition for anyone who is free enterprise oriented. As the Minister for Employment and Industrial Affairs (Mr Lester) has said in public and in this Chamber, the reason Queensland's performance over the last two years has been poor in comparison with that of the previous 10 years is that no new coal mines, coal towns or infrastructure are under construction. Those spin-offs have been lost, and additional royalties, the possibility of making up lower per tonne rail freights with more tonnes sold, the possibility of additional harbour dues and even the expansion of new mines or the further development of existing mines are being lost because of rigidity. It is so attractive for a Government just to do the same old thing. Because the Government knows what the volume is, Treasury turns on the same tap.

Every commentator—everybody in the industry, commentators on the Australian economy, commentators on the coal position in world terms and energy analysts—says that coal rail freights are too high and take off the competitive edge. What is worse is that, when one talks of the expansion of the Australian coal industry, one hears talk within companies involved in Queensland that perhaps, if there is to be an expansion in Australia, those companies will go to New South Wales; they will go across the border to the Wran ALP Government because it has in fact shown sensitivity to the coal rail freight issue, and that is crucial.

I have heard those comments made by people who, in all ways, are committed to the free enterprise ethic. That is why they reject, and cannot understand, the insensitivity of a Government which claims to be free enterprise but which maintains a very high tax called the coal rail freight. That should not be the case, and it would not be the case if the Liberal Party were still involved in the government of this State. Unfortunately, people are talking about going to the socialists in New South Wales from whom they can expect more sensitivity and a better deal.

No new coal mines have been opened and no expansion has taken place under the National Party Government. That performance should be looked at. If the Government can show us a new mine, we will sing a different tune.

Mr McELLIGOTT (Townsville) (9.7 p.m.): It is interesting for me to follow the member for Sherwood in this debate. I note that, increasingly, the Liberal Party seems to be following the Labor Opposition in drawing attention to the concern of the people of Queensland for the way in which the Government is heading. The speech from the member for Sherwood could almost have been made by the Leader of the Opposition (Mr Warburton) in speaking on the state of the Queensland economy. He has consistently argued those very points, that for too long the Queensland economy has been based on the sugar industry, which is now failing, and more particularly in this context, the mining industry, which has been hit very heavily—to the largest extent possible, I would suggest—by this Government by the imposition of high royalties, rail freights and so on. So I was interested to hear a member of the Liberal Party saying the sorts of things that the Labor Opposition has been saying in this place for at least the past two years.

With the passage of time, the Minister and I are now getting on in years. It is interesting to note some of the history of major power developments in Queensland. Nothing impresses the Queensland community more than the sight of the very major power installations that are being constructed these days and nothing concerns Queenslanders more than the effect of those developments on electricity charges. I will return to that point a little later.

I suggest that now is the time to reflect on the power houses that have fallen by the wayside over past years. I can recall the Howard Power Station near Maryborough, the power station in South Townsville and, even further back than that, the old Hubert Wells power installation in Townsville. Whilst, in a technological sense, acclaim is given to the developments that have occurred in power generation and power distribution, it

is a little sad to reflect on the people from those days gone by who contributed so much to the development of facilities for what in those days was a relatively new energy source—electricity. Not only did the construction of those power houses create many, many jobs in those years but also the employment generated by those power stations up and down the coast contributed tremendously to the economy of the provincial cities, some of which I have already mentioned.

I am not sure that the move to centralisation in the generation and supply of power has been successful. It appears to be costing us more and more money. It has certainly done away with the Townsville Regional Electricity Board and the old hydropower station that used to provide a considerable portion of the electricity supply to north Queensland. Some of the things that were part of our history have now gone by the way. That is not necessarily beneficial.

I wonder whether the Minister has considered the establishment of a museum collection that reflects the history of the power industry in Queensland. As those developments were part of our history, I suggest that some of the machinery that existed in those old power plants would be very interesting not only for today's generation but also for future generations of Queenslanders.

I turn now to the demise of power stations. This State is faced with the phasing out of what might be termed the next generation of power stations, with Bulimba, Tennyson and portion of Collinsville power stations now going by the wayside. Collinsville is an example of a frontier town that was developed further because of the establishment of a major power station. The development of that region was enhanced by power generation. Portion of the Collinsville Power Station is being wound down. Part of our history has gone by the board.

In most instances, the rationale that led to the phasing out of power stations is usually based on "cost-cutting and efficiencies". I am not sure that one can depend indefinitely on that reason for reducing expenditures in those areas. Sooner or later, Governments must realise that it is important that jobs be kept in place. One cannot always justify taking away the livelihoods of people in the name of cost-cutting and efficiency. It is also sad that new efficiencies and streamlined management proposals in the power industry are being introduced in an atmosphere of very severe industrial disputation.

The trade union movement in Australia, particularly in Queensland, has contributed to the development of the areas that I have mentioned already. As the decision that efficiencies are necessary has been made, it is sad that those efficiencies have to be introduced in a way that has caused so much heart-break and disputation. I would have thought that, if the justification is there, these things could have been introduced in a spirit of co-operation with the representatives of the working people, which is the trade union movement. As a representative of the Labor Party Opposition, I suggest that that could have been achieved by sitting round a table and talking about these issues.

I think that all honourable members realise that the dispute is not yet over. In the name of cost efficiencies and development, more and more decisions are being made that will take away jobs. The attraction of the so-called contract labour has been put forward repeatedly in a whole range of Government activities. Clearly, disputation will continue. The Government and the Minister must realise that they cannot legislate against people coming together as unions or as groups to protect their individual rights, their own security and the security of their families. Even if by legislation there is some reduction of the powers of the trade union movement as we know it, something will rise in its place that will represent the combined power of the working classes. They will come together as trade unions or whatever name one likes to give them. Although I am being pessimistic now, ultimately there will be a real battle for the survival of jobs and the survival of the family unit. At some stage in the future—I would like it to be sooner rather than later—Governments will have to recognise the truth of what I am saying and accommodate those matters in their planning in the name of cost-cutting and efficiency, as I mentioned earlier.

I turn briefly to electricity charges. The Minister has circulated throughout Queensland a pamphlet titled *Let's look at our electricity costs . . . and where the money goes*. It points out in a pie graph that, of each dollar of expenditure, 7c goes to administration, 19.6c to internal funding for capital works projects, 31.9c on loan repayments and interest on loans, and 41.5c on the actual production and distribution of electricity. That pie graph indicates that the actual costs of production and distribution of electricity plus administration represent less than half of the electricity dollar. The other portion—more than half of the electricity dollar—is actually spent on funding capital works.

I mentioned at the outset that people are impressed by the tremendous level of expenditure on the construction of power houses and the distribution system. However, I believe that people are also concerned that more than half of their electricity charges are going towards paying these very high costs of construction.

Of course, the high level of electricity charges has been referred to on many occasions by the Opposition spokesman (Mr Vaughan). The honourable member for Sherwood made an excellent point when he mentioned the impact that electricity charges are now having on pensioners and people on fixed incomes. Those charges tend to be ignored when people talk about the imposts on pensioners and people on fixed incomes.

Honourable members are used to hearing Governments attacked on taxation levels and so on but, usually, people do not realise the real difficulty that pensioners in particular have in meeting their electricity charges. They are becoming a major cost that those people have to bear. Of course, more and more people are dependent on television, radio and other items of electrical equipment that provide enjoyment in later years. The cost of electricity to operate them is becoming very expensive.

The point has been made that electricity charges form a major part of the on-farm costs of the sugar industry about which, of course, honourable members have heard a good deal. Although the types of development that the Minister talks about are exciting and do create public interest, there is, on the negative side, the loss of jobs, the impost on pensioners and certainly the impost on industries such as the sugar industry.

I seek a response from the Minister, in his reply, on a number of matters. The first relates to what I understand is called a special meter-reading fee, which was increased on 19 August this year from \$1.50 to \$10 and which is applicable when it is necessary for a meter-reader to make a special visit to premises to obtain a reading. I would have thought that this reading charge would be included in the electricity tariff itself. However, SEQEB, for example, has seen fit to apply an additional \$10 fee.

It is of concern to note that the \$10 special meter-reading fee is charged when a tenant moves out of a residence. It is just a \$10 impost on the little bloke, the person who is living in rental accommodation. A person who, as a result of moving about the State seeking employment, has to change his residential address is not only up for bond money and a security deposit but also for a special \$10 meter-reading fee.

The second matter relates to what is supposed to be a free service operated by electricity boards. I suppose that what I am about to relate applies equally to other boards in the State. A document entitled *The Consumer's Electricity Guide*, produced by SEQEB, contains this statement—

“The first 4 hours inspection time will be provided free by your Electricity Authority, for an inspection every five years . . .”

I have been contacted by a lady who has had to wait for three months to have the inspection. It may be a free service, but there is a substantial waiting-time.

Mr Vaughan: I understand that they are a bit short of staff in SEQEB for certain jobs.

Mr McELLIGOTT: That appears to be so. The amount spent on inspections has fallen this year, which indicates a cut-back in staff.

Mr Wilson: The insurance company will pay for it when the house burns down.

Mr McELLIGOTT: That is true. Appliances could be in a dangerous condition. Elderly people are concerned about electricity and the risks associated with it, not only to themselves but also to their property. In spite of that, there is a waiting-time of three months for the inspection. I would be grateful to have the Minister respond to that.

I deal briefly with the mining industry, particularly as it affects my electorate of Townsville. I place on record Mount Isa's contribution to Townsville's development, particularly the development of the port of Townsville. By coincidence, I am wearing the Townsville Harbour Board tie. Having served on that board for about seven years, obviously I am aware of the contribution that Mount Isa has made to the port's development. A subsidiary of MIM Holdings, Townsville Transport and Services, has assisted also. Sir Bruce Watson, the present managing director of MIM, was himself a member of the Townsville Harbour Board. I have no doubt that he made a contribution in his own right. The company he now heads has contributed substantially to the economy of Townsville.

In many ways it was sad to see the way in which the former chairman of the Townsville Harbour Board, Mr Bert Field, was dismissed out of hand when the board was reconstituted after the last local government elections. Bert Field did not meet with universal support, but his contribution to the harbour board and to international port authorities had been substantial. I venture to suggest that he was one of the most knowledgeable people in this country on port operations.

Mr Smith: Why did he get the bullet?

Mr McELLIGOTT: It appears to me that he had major differences with the Government, and particularly with the Minister, about the potential effect of the casino development on the activities of the port. The Minister felt that the casino deserved more Government support than did the future port operations.

Mr Smith: Wouldn't you say that the Government couldn't cop it?

Mr McELLIGOTT: That sums it up. The Government could not cop it that the chairman was prepared to stand up and speak on behalf of his board and Townsville, in an endeavour to protect the way in which product from Mount Isa that is handled through the port from any possible effects that the casino development might have.

A similar occurrence was evident in the appointment of the chairman of the North Queensland Electricity Board, when Franz Born was defeated as mayor of Mount Isa in the last local government election. It had been traditional for a Townsville City Council representative to act as chairman of the Townsville Regional Electricity Board, on which Mount Isa was represented.

When that board became the North Queensland Electricity Board, the change coincided with disputation between the mayor of Townsville (Alderman Mike Reynolds) and the Government over the industrial disputes that were taking place. Because of that, the Government appointed Alderman Born, who was the mayor of Mount Isa.

Mr Smith: He now lives in Brisbane.

Mr McELLIGOTT: I believe that Alderman Born now lives in Brisbane.

Following reconstitution of the board, the Government appointed Alderman Born rather than Alderman Tony McGrady, who was a member of the Australian Labor Party. The Government preferred to do that rather than revert to the previous practice of appointing a Townsville City Council representative as chairman of the board. Lo and behold, the State Government appointed Franz Born as the Government representative on the North Queensland Electricity Board and subsequently appointed him as chairman of the board.

Mr Vaughan: That is why it changed the Act last year.

Mr McELLIGOTT: That is true. The changes made to the Act last year made that possible.

Given the actions taken in relation to Bert Field and Franz Born, I believe that more and more statutory authorities in Queensland will be chaired by National Party Government appointees. Because the whole concept of the boards centres on local representation and local input, honourable members ought to be concerned about the Government's practice. By these precedents, it has been established that independent action will not be tolerated. Apparently, those who will serve as chairmen will be those who are prepared to carry out the bidding of the Government of Queensland.

Hon. I. J. GIBBS (Albert—Minister for Mines and Energy) (9.27 p.m.): At the outset, I acknowledge the meaningful contributions of Government members to the debate on the Estimates. The overall content of their speeches demonstrated their responsible approach and a sound grasp of the activities undertaken by the departments under the Mines and Energy portfolio. Those members are to be commended on making such meaningful speeches.

I offer special thanks to the Government members who serve on the mines and energy committee. I refer to the honourable member for Condamine (Brian Littleproud), the honourable member for Lockyer (Tony FitzGerald), the honourable member for Mirani (Jim Randell), the honourable member for Roma (Russell Cooper) and, of course, the honourable member for Hinchinbrook (Ted Row) who is presiding as Chairman at this time. All of them make up the parliamentary committee that considers mines and energy matters, and I thank them for their overall efforts in undertaking research, which is of tremendous assistance to me.

The same cannot be said to all members of the Opposition. Some Opposition members demonstrated an abject lack of appreciation of the real issues involved in handling such an important portfolio. By their performance today, some Opposition members have provided further proof of the reason that they wallow in a whirlpool of political insignificance. However, some members of the Opposition made very worthwhile contributions, and those who knew what they were talking about made some very practical suggestions.

The honourable member for Nudgee (Mr Vaughan) mentioned the record level of coal export. The point I make is that, without industrial unrest on the part of unions involved in the electricity and mining industries, even better results could have been achieved. Honourable members can be assured that major overseas traders are still very concerned about the reliability of coal exports, and I point out that Queensland has by no means a monopoly on coal production in the world or, for that matter, in Australia. The Queensland Government does not intend to adopt the bad habits that are evident in New South Wales. The New South Wales Government has a bad record of industrial disputation.

In his typical fashion, the honourable member for Nudgee also spoke about the opposition of the ALP to tariff equalisation. In other words, the Australian Labor Party wants two classes of domestic electricity consumers in Queensland, and that is shameful. At the same time, by highlighting the misguided support of the Australian Labor Party for the former South East Queensland Electricity Board workers, the honourable member continues to flog a dead horse.

Mr Wilson interjected.

The CHAIRMAN: Order! The honourable member for Townsville South is not in his usual place, and I point out that he should resume his usual place if he wishes to interject.

Mr I. J. GIBBS: Thank you, Mr Row, for your assistance.

To put the record straight, I point out that those SEQEB workers sacked themselves by failing to obey a direction to return to work.

The honourable member for Nudgee also claimed that the revenue applied to capital works projects is a form of State Government tax. That is utter rubbish. The funds stay in the electricity industry for the benefit of electricity-consumers. That is a sound

commercial practice adopted by most large public organisations. The capital debt must increase in a capital-intensive operation such as the Queensland electricity supply industry, which has the highest energy growth rate of all State electricity industries.

I will now deal with some of the honourable member's whinging and whining about a Government tax and the fact that the Government is putting capital into power stations.

The little brochure referred to by the member for Townsville refers to 19.5 per cent. We are very proud of that. If that were not so, we would be a bad investment. Does the honourable member know how much the capital debt would be without that? It would be plus 19.5 per cent and have a compounding effect on people in the future. That is an indication of the business sense of Opposition members. They would bankrupt the State in the same way as Hawke and Keating are bankrupting the nation. It is a matter of common sense. The people will see through the stupidity of Opposition members as displayed by their comments and what they describe as a tax. It is not a tax. It is kept within the industry. The comments made by Opposition members reveal how good they are as business managers! They could not run a two bob toilet down in the Valley.

Adjustment of the capital works program is a normal, prudent measure. The member for Nudgee referred to future power stations. It is too early to make a decision on the timing and location of the next station required for commercial operations in the mid-1990's.

He also raised the matter of alleged ash-disposal problems at Gladstone. I assure the honourable member for Nudgee that there is no real problem. I am sure that, if there was any such problem, the honourable member for Port Curtis would have mentioned it. But he did not do so. The honourable member for Port Curtis knows his electorate backwards. He made certain comments that I will deal with later. I am sure that members of the ALP will not be happy about them, but he was honest enough to make them. I must say that he is honest when talking about his own area.

No environmental problems will be associated with Callide "B" and Stanwell power stations. When will the member for Nudgee accept the fact that SEQEB is not falling apart? It is working effectively and efficiently. Considerable savings are being made by SEQEB. That will be demonstrated clearly in the accounts for 1985-86. The honourable member should go about his business properly and help us to deal with the unions and the way in which they take everybody to the cleaners. I am sure that if the unions were brought into gear on the capital works side, by way of contractors whom we do not control, we would be able to offer much cheaper tariffs. In the confrontation of recent times it was easy to see who is costing all the money.

Mr Wilson interjected.

Mr I. J. GIBBS: The honourable member for Townsville South, whom we have not seen for months, just woke up.

The honourable member for Condamine, who is one of my committee members, made a great contribution.

The honourable member for Cook agrees that mining is very important and is well administered in Queensland. He asked whether Mungana will proceed, but he really means Red Dome. Elders Resources is well advanced with its feasibility study. We are hoping that a favourable decision to proceed will be made in 1986. On ecological grounds the member for Cook opposes mining at Cape Granville. Is he aware that the Mines Department has negotiated with the National Parks and Wildlife Service to allow for the preservation of the southern part of the area that is of great ecological significance? I should hate to think that the honourable member for Cook was opposing potential mining development of some significance simply because it will earn much-needed export income. I might add that, at the same time, it will supply jobs in his area. Cape Flattery employs about 100 people, half of whom are Aborigines. They are well trained and work

wonderfully. What a wonderful opportunity for these people to work in their own back yard. However, the honourable member for Cook knocked this latest project, which will employ between 100 and 150 people in the area, with an expenditure of \$12m to \$20m. About 50 per cent of its employees will be Aborigines, and they will work almost in the area in which they live.

It is amazing that the member for Cook should come into this Chamber and pass remarks about Cape Flattery and Fraser Island. The Government, the department and I have a good record in adopting a reasonable approach to environmental protection in mining operations throughout the State. Along with the Government and the department, I am quite happy to stand in front of any audience on our record in this matter. By comparison, the previous ALP Government in Queensland was not very good. Even Opposition members would be ashamed of the ALP Government in 1956.

The member for Cook incorrectly claimed that the Government sacked the SEQEB workers earlier this year. When will Opposition members accept the fact that those workers sacked themselves? The honourable member went on to claim that the Government is destroying the morale of workers in the electricity industry and, to support that contention, he quoted the different working conditions in SEQEB. However, he has not offered any concrete evidence on the other sections of the industry.

In an irresponsible manner, the member for Cook alleged that I misled the Chamber during my speech. At no stage did I mislead the Chamber. Electrical mechanics possess the same qualifications as installation inspectors. The honourable member should do his homework. Being a trained electrical man, he should know better. He has misled this Chamber for his own political purposes.

As I have mentioned, the member for Lockyer made a great contribution to the debate.

The member for Ipswich (Mr Hamill) stressed the importance of mining and the financial returns to the State from mining. He referred to the tapering off of all sorts of things. In fact, he referred to many matters that are not even worth mentioning. For the honourable member's information, I shall read a letter that I received from the Queensland Chamber of Mines, dated 22 August. It states—

“Dear Mr Gibbs,

Mines Department Charges

Your letter of 13th August arrived here during my week's absence in Melbourne and we were able to inform our directors only today of the decisive action you had undertaken in regard to our submission.

Firstly, the QCM Board expresses its appreciation of your understanding and timely action in response to our expressed concern.

Secondly, I will be issuing a Media statement today acknowledging your consideration.

Unfortunately, during my absence, and apparently without making any contact with other Chamber office-bearers, the Financial Review wrongly reported the failure of our submissions to you. I have rung the author to correct this and we are trying to have a more informed story placed as soon as possible.

Thirdly, we will update our annual survey and re-issue it to members with the full details in the next issue of Minetalk due out in October.

We are aware of the constraints faced by the Mines Department and we formally record our pleasure at your willingness to share with the mining industry some measure of restraint.

Yours sincerely,

(signed) M. K. Pinnock
Executive Director”

Perhaps the member for Ipswich will realise that his facts are not quite up to date. He also claimed that electricity tariffs in Brisbane are the highest in Australia. My colleague the member for Lockyer clearly demonstrated to this Chamber that that is not the case.

The member for Toowoomba North (Mr McPhie) stressed the importance of the mining industry and the contribution that it makes to the State. He correctly pointed out that the Federal Government is moving to place increasing burdens on the mining industry in contrast to the State Government, which is providing concessions. He also referred to the recent proposal to tax subsidised housing in remote areas. I assure honourable members that, by that action, the Federal Government will die on the vine in Queensland and Western Australia. It will take the mining industry to the cleaners. Eventually, the mining companies will not be able to make houses available in remote areas. Howard made a mistake, and now the Federal Labor Government is continuing with the stupidity.

The member for Mount Isa (Mr Price) has carried out a good deal of research into Mount Isa Mines. He made the ridiculous claim that lack of royalty relief cost 1 100 jobs in Mount Isa. He also claimed that Queensland is the most expensive State in Australia in which to mine. Maybe he should question the unions about the extent of their wage demands in the past and the present wage structure in the mining industry. If the unions continue with their demands, the industry will certainly become uncompetitive. Recently, a miner in the Utah organisation received an average wage of \$700 a week. They are the highest paid men in the world. So much for claims by the Opposition!

It would appear that the member for Mount Isa (Mr Price) knows very little about Queensland's power operations. His comments indicate that he has only just discovered that the State's electricity supply industry is a capital-intensive industry. I could have told him that at any time.

The honourable member for Mount Isa must not have heard the informed comments of the member for Lockyer (Mr FitzGerald), because he claimed, wrongly, that Queensland has the highest electricity charges in the nation.

The honourable member for Ipswich (Mr Hamill) was surprised to find that electricity tariffs are higher now than they were in 1976. He has no concept of the upward movement of prices and wages over the past 10 years. I guess that he does not even know that his own wages and those of some of his associates have gone up in that time.

The honourable member for Mirani (Mr Randell), to whom I referred earlier, is a member of my committee.

The honourable member for Kurilpa (Ms Warner) criticised the investment by private enterprise in the mining industry. That very important component comes from international and Australian investors. Does she honestly suggest that the thousands of jobs created by that investment and the millions of export dollars earned by the industry could have been achieved without such investment? It must be said that she adopted the typical socialist Left approach, and all honourable members know where she stands.

The honourable member for Kurilpa delivered a diatribe of irresponsible utterances that was not unexpected. Along with her ALP colleagues, she does not support the principle of tariff uniformity. It was obvious from her comments that she does not acknowledge any part of the State outside of Brisbane. Apparently, she would welcome an increase in electricity tariffs in important Queensland regional centres such as Mackay and Rockhampton. Before the tariff equalisation scheme was put in place, electricity consumers in Mackay were paying 40 per cent more for power than consumers in Brisbane. The honourable member for Kurilpa would like that system to prevail.

The honourable member showed her distinct lack of knowledge by urging a management policy for the industry that would ensure regular black-outs through a shortage of generating capacity, industrial anarchy through a lack of control of militant unions and sky-rocketing tariffs through failure to control costs. Furthermore, she has no concept of the industry's financial aspects, a complete lack of understanding about long-term planning and some rather weird ideas about how the industry is managed. In

short, the member for Kurilpa would appear to believe that reducing operating costs and saving money in other areas is a crime.

I mention the very good contribution by the honourable member for Roma (Mr Cooper), who is a member of my committee.

The honourable member for Mourilyan (Mr Eaton) has complimented me on improved communication with the industry in north Queensland, for which I thank him. He is one of the constructive members on the Opposition benches and his contributions are always logical and display his understanding and knowledge of the electricity industry. He shines like a beacon; he soars like an eagle amongst a flock of sparrows. I must give him a pat on the back.

The honourable member referred to mining lease applications that were made in 1980 but that will not be heard in the Wardens Court at Cooktown until December 1985, although an application that was made earlier this year will be heard at Herberton later in the year. Delays in processing some mining lease applications are not always the fault of the department, and the situation has been significantly improved. My department will investigate any specific complaints and give the honourable member an explanation in writing.

The administration of mining claims rests with mining wardens, not with the Department of Mines. On the advice of the local inspector of mines, the department provides grants and loans for shaft-sinking and driving and for roads to help viable operations.

Queensland legislation, with provision for claim tenure and operations under a miner's right provides adequately for small miners. Many States do not have that flexibility in their legislation to cover small and large operations. It is realised that there are some problems in respect of land affected by Lands Department and Mines Department tenures. Steps are being taken to resolve those matters.

The honourable member of Nundah (Sir William Knox) referred to an increase in mining revenue of over 240 per cent over a five-year period, which reflects the efficiency of the industry and the department.

The honourable member for Nundah stressed also the high degree of the dependence of the State on the mining industry and the vulnerability that that causes. Those views are endorsed. The Government is in constant touch with the coal operators to assist in the securing of new orders. That liaison is better and more effective than Sir William Knox is apparently aware of.

The honourable member spoke also about electricity and was critical of the Municipal Officers Association for turning off the power during the electricity dispute in February. In fact, power station operations are carried out by members of seven unions, including the ETU. Appropriate Supreme Court action has been initiated against the operators. The matter is not yet resolved. The award under the new electricity tribunal is identical with the old award covering the power station operators. The honourable member should appreciate that the strike was over when the tribunal came into effect.

The member for Nundah claimed that there has been no change. The real change lies in the Electricity Authorities Industrial Causes Act, which makes strikes in the electricity supply industry illegal. That provision applies to the operators as well as to all other categories of employees.

In regard to comments by the honourable member for Nundah about privatisation—the way is open, and always has been open, for private power stations to operate and feed into the grid. The Government has previously invited offers for such arrangements, but that invitation was not accepted. In fact, everyone wanted to build a power station but nobody wanted to run one. Tenders were called world-wide.

The honourable member for Port Curtis (Mr Prest) referred to the Premier's statement about a gas pipeline to Gladstone. As has been stated previously by the honourable member for Port Curtis and his colleagues, the matter has progressed in

discussions with producers and potential consumers. Obviously, that involves detailed assessment and much work has to go into that.

The honourable member spoke also about gas affecting the demand for electricity. I am quite sure that the supply of gas will not affect the demand for electricity. Gas is used in different circumstances. Mainly it takes the place of oil, and sometimes it takes over from coal when a cleaner burning is required. The remainder of the contribution by the honourable member for Port Curtis is not worthy of comment.

The member for Mount Coot-tha (Mr Lickiss) sympathetically acknowledged the problems of mining industries and paid a tribute to those industries.

The member for Mackay (Mr Casey) has a fairly good knowledge of the area that is adjacent to his electorate, the area in which he grew up. He spoke a great deal about the mines in that area.

The member for Sherwood (Mr Innes) did not have one of his better days. Perhaps he should not have spoken tonight. I have heard him speak better. His was an airy-fairy contribution, which is typical of a barrister. When a person goes to a barrister for advice he is told, "On the one hand you will have this but on the other hand you will have a bit of that as well."

He spoke about all sorts of things, including rail freights. He should ask his leader (Sir William Knox), Sir Gordon Chalk and Sir Llewellyn Edwards about that. It was when those people were the Treasurers of this State that the agreements were set in place. That was during the boom period. Those men did a marvellous job for this State, and I do not condemn them for that. However, the Liberal Party should stand and say that the National Party helped to set those things up. As well as that, it was a National Party Government that was receptive to the industry's plight and, in many cases, reduced rail freights. As I said earlier, from last May, six months are to elapse before there will be any movement in rail freights.

The honourable member for Sherwood claimed also that pensioners could not afford electricity. Not once did I hear him, or the mob in the Opposition, say that Canberra should pay. Irrespective of the political colour of the Government in Canberra—in fact, the colleagues of Opposition members are now in power down there—an adequate pension should be paid to the people of Australia. Pensioners should not have to look for hand-outs. When Fraser and Howard were down there, they were just as bad. They did not do any better than Hawke and Keating are doing now. The politicians in Canberra are as bad as one another; they want to hang all sorts of things around the necks of the States. If a reduction is given to one group of people, somebody else has to pay. To whom should a reduction be given? If it is given to age pensioners, Opposition members will then cry about a reduction for a deserted wife who is rearing and trying to educate half a dozen children. What about the husband and wife with four children, who are paying off a house, educating their children, running a car to work and perhaps going on holidays occasionally? How do Opposition members think that they get on in the community? Do they want them to subsidise it? They would be the people who would be subsidising it. All Opposition members ought to have a good look at themselves and yell at Canberra, "Give the pensioners the proper amount so that they can live decently." All honourable members pay tax. I do not mind paying a fair amount of tax so that pensioners can be treated properly.

The honourable member for Sherwood (Mr Innes) should not have spoken tonight. He made one of the worst and most dishonest speeches that he has ever made in this Chamber. I mentioned the three former Liberal Treasurers who set the matter in train. At one stage the honourable member for Nundah (Sir William Knox) was the Minister for Transport and responsible for railways. I wonder how he acted then and how he set it all in motion. It probably started in those days. He can take great credit for that. The people of Queensland are receiving their fair share out of the natural resources of this State. They are entitled to it. The Liberal Party played an enormous role, and it deserves great credit for that.

The Mines Department plays its part. If anyone wants to ask a question about rail freights and Treasury matters, he should direct his question to the persons responsible and he will receive the right answer. The Government faced up to the unions in the electricity industry. If there had still been a coalition, we would have been back where we were five years ago. In the coalition, the Liberal Party was the weakest mob ever in industrial matters. The members of the Liberal Party could not face up to the unions. They had rubbery backs and jelly knees. They ought to take their share of credit for the demise of the electricity industry. As a National Party Government, we have had the guts to stand up to the unions. We have come out on top, and we will continue to do so. Because of that, Queensland will enjoy cheaper tariffs in the future.

At 9.53 p.m.,

The CHAIRMAN: Order! By agreement, under the provisions of the Sessional Order agreed to by the House on 25 September, I shall now put the questions for the Vote under consideration and the balance remaining unvoted for Mines and Energy.

The questions for the following Votes were put, and agreed to—

Mines and Energy—

	\$
Department of Mines	21,754,510
Balance of Vote, Consolidated Revenue, Trust and Special Funds, and Loan Fund Account	1,297,388,129

Progress reported.

RAILWAY PROPOSAL

Clermont-Blair Athol/Blair Athol-Wotonga Connection

Hon. D. F. LANE (Merthyr—Minister for Transport) laid on the table working plan, section and book of reference for a connection between the existing Clermont-Blair Athol branch railway and the new Blair Athol-Wotonga railway in central Queensland, together with the report of the Commissioner for Railways thereon.

The commissioner's report was ordered to be printed.

ELECTRICITY SUPPLY INDUSTRY EMPLOYEES' SUPERANNUATION RESTORATION BILL

Hon. I. J. GIBBS (Albert—Minister for Mines and Energy), by leave, without notice: I move—

“That leave be given to bring in a Bill to provide with respect to the superannuation entitlements of certain persons employed in the electricity supply industry of Queensland.”

Motion agreed to.

First Reading

Bill presented and, on motion of Mr I. J. Gibbs, read a first time.

Second Reading

Hon. I. J. GIBBS (Albert—Minister for Mines and Energy) (9.56 p.m.): I move—

“That the Bill be now read a second time.”

The Electricity Supply Industry Employees' Superannuation Restoration Bill 1985 honours the Premier and Treasurer's undertaking given during the state of emergency last February that superannuation and leave entitlements for dismissed SEQEB workers who had been re-engaged would be restored in good time. The Government is now honouring its commitment. It has already authorised SEQEB to restore leave rights.

To enable the Queensland Electricity Supply Industry Superannuation Board and the trustees of the Brisbane City Council Employees' Benefit Funds to restore superannuation rights, legislation is necessary.

The legislation covers those employees who were dismissed and the dismissal action subsequently cancelled, and those employees who were dismissed and re-employed under contract.

The Bill provides that any employee who has been paid a termination benefit shall be given the option of retaining the benefit and becoming a new contributor to the Queensland Electricity Supply Industry Employees' Superannuation Scheme or refunding the benefit with interest. Any employee who has not been paid a termination benefit shall continue to be a contributor. If a continuing contributor is in arrears with his contributions, he can elect either to pay the arrears with interest or to accept a reduction on his final benefit. If he elects to pay the arrears, the employer will contribute his proper proportion of the arrears and interest.

Any employee in these two categories who has become a new contributor to the electricity industry scheme to protect his interim rights but who elects to go back to the old contract shall be deemed to have vacated the new contract, and his and the employer's contributions will be applied to his original membership.

A number of dismissed employees are either refusing, or have neglected, to claim their dismissal benefits. The Bill authorises the superannuation board or trustees of the Brisbane City Council fund involved to complete the formalities that are necessary under Federal taxation law as a prerequisite to payment and then to pay the dismissal benefits.

I commend the Bill to the House.

Debate, on motion of Mr Vaughan, adjourned.

ELECTRICITY (INDUSTRIAL CAUSES AND CONTINUITY OF SUPPLY) ACTS AMENDMENT BILL

Hon. I. J. GIBBS (Albert—Minister for Mines and Energy), by leave, without notice: I move—

“That leave be given to bring in a Bill to amend the Electricity Authorities Industrial Causes Act 1985 and the Electricity (Continuity of Supply) Act 1985 each in certain particulars.”

Motion agreed to.

First Reading

Bill presented and, on motion of Mr I. J. Gibbs, read a first time.

Second Reading

Hon. I. J. GIBBS (Albert—Minister for Mines and Energy) (10 p.m.): I move—

“That the Bill be now read a second time.”

The Electricity (Industrial Causes and Continuity of Supply) Acts Amendment Bill has two objectives. The first is to enable the introduction of voluntary contracts of service between an electricity authority (which term includes the Queensland Electricity Commission) and its employees. Such contracts will vary the award conditions but, being voluntary, will have to be of real advantage to employees to gain acceptance.

A contract could well be acceptable to many SEQEB employees as a means of overcoming the disadvantages of differing conditions of employment for those of its employees who are subject to award conditions and those whose terms of employment are governed by contracts under the Electricity (Continuity of Supply) Act.

Salient features of the proposed legislation are—

The terms of any contract offered must be approved by the Governor in Council.

There may be more than one type of contract in force at the one time in an electricity authority.

Approval by the Governor in Council of the conditions of a contract to be offered by one electricity authority does not automatically authorise another electricity authority to offer such terms.

The Registrar of the Electricity Authorities Industrial Causes Tribunal must check each agreement made to ensure that it is in accordance with the conditions approved by the Governor in Council and, until he so certifies, it is of no effect.

Disputes about the interpretation of a contract or any assertion that a contract was not entered into voluntarily shall be settled by the tribunal.

In the event of an inconsistency between a contract and an award, the conditions of the contract will prevail.

These provisions are enabling only and do not authorise electricity authorities to enter into contracts without prior approval by the Governor in Council.

I refer now to the second objective of the Bill, which involves a machinery change to the Electricity (Continuity of Supply) Act 1985. As honourable members know, the Industrial Conciliation and Arbitration Commission no longer has jurisdiction over the Electrical Engineering Award—State as it applies to employees in the electricity supply industry. That jurisdiction has now passed to the Electricity Authorities Industrial Causes Tribunal. Under the existing legislation, SEQEB employees under contract have their conditions tied to this award, which the tribunal has seen fit not to vary. In fact, the tribunal has advisedly made a new award.

The effect of this is that the conditions of employment of those employees are frozen by legislation to those applicable at 30 April 1985. Therefore, it is appropriate to introduce a minor amendment to the Electricity (Continuity of Supply) Act 1985 to ensure that those employees receive the benefit of award variations. This is all that the proposed amendment sets out to do.

I commend the Bill to the House.

Debate, on motion of Mr Vaughan, adjourned.

GAS ACT AMENDMENT BILL

Second Reading—Resumption of Debate

Debate resumed from 18 September (see p. 1014) on Mr I. J. Gibbs's motion—
“That the Bill be now read a second time.”

Mr VAUGHAN (Nudgee) (10.4 p.m.): Contrary to the statement made by the Minister in his second-reading speech, the Bill does not simply correct certain anomalies and tidy up inconsistencies in the Gas Act 1965-1981. However, it is true that, over the years, the character of the gas industry has changed to the extent that bulk liquid petroleum gas is now used extensively throughout the State.

Whereas the provisions of the Act, by virtue of the definition of “gas undertaking”, currently in the opinion of the Solicitor-General, who is obviously correct, restrict the granting of a franchise to a person who is in the business of supplying or of producing and supplying gas through mains to consumers, the amendments contained in the Bill remove this restriction. Persons to whom franchises have to date been granted but who have not been supplying gas through mains have been incorrectly enjoying protection from competition since 1965.

As the Minister for Mines and Energy indicated, at present there are 38 franchise areas in the State supplied exclusively by bulk LPG. The Minister stated that the Act was amended in 1965, 1971 and 1976 to ensure that bulk LPG supply remained subject

to the provisions of the Act. He also stated that this was seen to be in the best long-term interests of the stability of the industry, and necessary to protect substantial capital investment and the customer.

As nine years have elapsed since the last of those amendments was inserted into the Act, it is timely to review the situation to determine whether it is still necessary or desirable for such protection to be continued.

In December 1965, when he introduced a Bill designed to provide an Act that would cover the gas industry as it was then, and as it would be into the foreseeable future, the then Minister for Mines (Mr Camm) stated—

“In the case of liquefied petroleum gas supplied in containers, franchise holders will be given some protection. Gas sold in containers of up to 240 lb. water capacity (that is the normal 100 lb. gas cylinders), can be sold by anybody.

For five years from the date this Act comes into force or for five years from the date a new franchise is granted, only the franchise holder can supply gas in containers over this size unless the Governor in Council approves of supply by some other person. Bulk liquefied petroleum gas, that is, in containers over 240 lb. water capacity, is normally supplied to industrial consumers and the loss of this business could have an adverse effect on the economy of a gas company, with resultant rises in the price of gas to other consumers.”

In his second-reading speech on the Bill, the Minister said—

“Part V deals with liquefied petroleum gas when it is supplied in containers. If it is reticulated through pipes, the other parts of the Act will apply. All liquid petroleum gas marketers have the unrestricted right to market cylinders of up to 240 lb. water capacity—that is, the normal 100 lb. cylinder—anywhere in the State. However, only the franchise holder can exceed this size in a franchise area, but this concession exists for only five years from the commencement of either this Act or his franchise.”

I emphasise the reference to franchise-holders enjoying the protection of the franchise for a period of only five years.

When the Act was amended in 1971 the protection given to franchise-holders against bulk sales was extended for a further five years. On that occasion, the then Minister (Mr Camm) said—

“The Act provides certain protection to franchise-holders selling liquefied petroleum gas within their areas. Currently protection is given for five years only from the date the franchise commences. When this provision was inserted, all parties were informed that the position would be reviewed at a later date. Experience has shown that this protection has brought stability to the industry and has also lessened the tendency for short-cutting on safety because undue price competition has affected the quality of service.

As I pointed out when introducing the 1965 Act, the holder of a franchise is afforded protection, but in return he must accept many responsibilities and duties. While an independent supplier does not have franchise protection, he also does not have responsibilities and duties to the small domestic consumer.

The question of further protection has been carefully considered, and has been discussed with all interested parties. With only a few exceptions they agreed to the continuation of protection, but even those who disagreed considered there was a need for the restraint of abusive practices sometimes disguised as competition.

The Bill proposes that protection against bulk sales should be extended for a further five years.”

The 1976 amendment further extended that protection subject to the authority of the Minister, who always has the right to waive the protection in certain circumstances.

In relation to the granting of virtually unlimited protection to franchise-holders, the Minister said—

“The modernising of the concept of a gas franchise to include more than just reticulation must be a boon to both gas company and consumer, particularly in areas where it is totally impracticable to reticulate, but economic to develop, a sizable L.P. gas business. All of our large centres, as well as the smaller country centres, should benefit ultimately from this and cost reduction should follow.

. . .

The authority of the Minister to inquire into aspects of gas franchise development and direct where necessary has been given greater flexibility.

Protection of a gas franchise from undue intrusion by bulk L.P. gas marketing due to expire this year has been continued subject to the authority of the Minister.

I might add that the Minister always had the right to waive the protection in certain circumstances.”

In the second-reading debate, the Minister said—

“Several clauses have been amended to extend the operation of ‘gas undertaking’ to ‘gas franchise’ as the former term meant only the distribution of gas through underground pipe systems, whereas many franchises and sections of franchises can only exist by virtue of the distribution of L.P. gas.

. . .

At present the Act provides protection to 30 June 1976 to a franchise holder from L.P. gas marketers, who could create detrimental effects on the holder and on the community. The amendment eliminates reference to the period of time for protection and leaves this in the hands of the Minister.”

For record purposes and so that the extent of that protection can be readily assessed, I have taken the opportunity to refer to the comments made by the Minister on each occasion on which the Act has been amended since 1965 to extend protection enjoyed by franchise-holders. Initially, the period of that protection was five years from the date that the Act came into force in 1965 or for five years from the date on which a new franchise was granted.

In 1971, the Minister said that such protection had brought “stability” to the industry and had lessened the tendency for short-cutting on safety because undue price competition had affected the quality of service. Whether or not those comments and others made by the Minister in 1971 were valid is debatable.

Certainly the Minister’s comments in 1976 indicate very clearly that the Government had run out of excuses to justify the granting of further protection. However, protection from “undue intrusion by L.P. gas marketing” was nevertheless extended for an indefinite period.

As the Minister pointed out, the amendment eliminated reference to the period for protection and left that in the hands of the Minister.

In Part III—Granting of Franchises, section 12 (4) of the Act states—

“The Minister shall cause the merits of every application under this section to be investigated and thereupon shall recommend to the Governor in Council whether a franchise should be granted in relation to any part in question of the State and, if it should be granted, to which applicant.

The Governor in Council may refuse to grant any franchise or may grant a franchise as recommended by the Minister or otherwise, as he thinks fit.”

In Part V—Liquefied Petroleum Gas, under section 38 of the Act, the Minister is given the power to authorise a gas-supplier to supply bulk liquefied petroleum gas within an area or within any part of an area and to impose such conditions as he considers reasonable and to cancel that authority if those conditions are not complied with.

Let me look at the situation which exists in this State as far as the supply of gas is concerned. At the present time, there are three main suppliers of domestic and bulk industrial gas operating under the protection of the franchise arrangements afforded under the provisions of the Gas Act. They are the Gas Corporation of Queensland, which was formed in 1983 by a merger of the Brisbane Gas Company Limited, which supplied gas to the north side of Brisbane; Gas Supply Franchise (Qld) Pty Ltd (Speed-E-Gas), which supplied gas to all major regional areas of the State; Allgas, which supplies gas to Brisbane's south side down to Beenleigh, to Ipswich, Toowoomba and through to Dalby; and Shell, which supplies the Gold Coast, Kingaroy, Stanthorpe, Wondai and Murgon.

Under the franchise system, no other company is allowed to supply gas to consumers in a franchise area other than gas in cylinders or gas for automotive purposes. I understand that the present franchise system places ridiculous restraints on some consumers. For example, a consumer with a 7.5 kilolitre autogas tank for fuelling company vehicles who now wants to use gas for commercial cooking, cannot use the gas from the autogas tank. Because the consumer is in a franchise area, the gas he wants to use for cooking must be supplied by the franchise-holder.

I am assured that this is a typical problem with which many consumers throughout the length and breadth of the State are confronted and that, if the present franchise system for the supply of LP gas is allowed to continue, there will be many very discontented consumers round the State.

As I have pointed out, since 1965 franchise-holders have enjoyed this protection, notwithstanding inconsistencies in the Act. Although it was originally intended that such protection would apply for a period of only five years from 1965, or five years from the date of grant of a franchise, a further five-year extension was granted in 1971.

In 1976, section 39 of the Act was amended to prevent indefinitely a gas-supplier, other than the holder of a franchise or the holder of an authority granted by the Minister, from supplying bulk liquefied petroleum gas within an area of a franchise.

However, as we are all now aware, the 1976 amendments did not go far enough, because the definition of "gas undertaking" referred to supplying gas "through mains", whereas the definition of "franchise" was amended to include the right to be the sole supplier of bulk liquefied petroleum gas within an area.

Although the Bill before us today is supposed to tidy up an inconsistency in drafting in 1976, I believe that omitting the words "gas undertaking" and substituting the word "mains" in section 13 may cause further complications with the supply of liquefied petroleum gas. The definition of "main" refers to a pipe conveying gas for supply to two or more consumers.

Notwithstanding all of the arguments put forward to justify the continued protection of existing franchise-holders, I believe that, after 20 years of protection, there is no reason this protection should be continued for the supply of liquefied petroleum gas.

As the original Gas Act provided, there was justification for protection where a gas-supplier had to install a network of mains to supply consumers. There was also an argument in favour of providing protection for a period of five years to a gas-supplier who introduced a liquefied petroleum gas supply into an area. But, after 20 years, that supplier has had a fair go.

In fact, it was a mistake to extend the period of protection, as was done on two occasions. If that had not been done, those who have enjoyed that protection would certainly not be affected to the extent that they might now be affected by competition if this Bill is not passed.

It is somewhat of a contradiction for a Government that so loudly and so often refers to itself as a free enterprise Government to seek to perpetuate such a virtual monopoly in the State's gas industry with one supplier controlling about 80 per cent of

the market. After all, I understand that there is no similar protection in other States, which seem to operate without the type of legislation that the Government is proposing.

The supply and distribution of liquefied petroleum gas throughout the State is what this Bill is all about. The Minister argues that it is in the best long-term interests of the stability of the gas industry that the bulk supply of liquefied petroleum gas remain subject to the provisions of the Gas Act.

As I have already pointed out, Part V of the Act covers the supply of liquefied petroleum gas. It covers the standard of liquefied petroleum gas to be supplied, the requirement to supply any person who requires it, and the use of another supplier's large containers.

There is provision for the Minister to authorise a supplier to supply liquefied petroleum gas within a franchised area or any part of an area, and the Minister can impose conditions on a supplier. It is all in the Act. The Minister can do what he wishes. These provisions appear to be sufficient to protect the consumer if that becomes necessary, and I emphasise those words. If they are not, they could be appropriately amended.

The Minister also referred to the need to protect the substantial capital investment of franchised bulk liquefied petroleum gas-suppliers. As I have pointed out, the extent of that capital investment has been compounded over the last 20 years by the extent of the protection that has been given to the current suppliers.

If this so-called free enterprise Government believes that there should be no competition in the gas industry, perhaps it is time that the industry was taken over by the State and run as a public utility. In that way the interests of the consumer could be fully protected.

I was going to say that the State should take over the gas industry and run it in the same way as the State's electricity industry, but the way in which that industry is being run at present leaves a lot to be desired, so I certainly would not advocate that. Unfortunately, in view of what is being done to the South East Queensland Electricity Board, it appears that the Government is intent on transferring the electricity industry to private enterprise. This evening, during the debate on the Estimates of the Minister for Mines and Energy, the leader of the Liberal Party (Sir William Knox) advocated that that should be done, and I believe that that is what the Government intends.

The manner in which the Act has been amended over the years to give protection to franchise-holders has been very sloppy, and there is an urgent need for the Act to be revised. As I have shown, I do not believe that franchise-holders should be given indefinite protection as far as the supply of bulk liquefied petroleum gas is concerned. Therefore, the Opposition opposes the Bill.

Mr LITTLEPROUD (Condamine) (10.22 p.m.): I rise to support the Bill. In some quarters, there seems to be argument that the Act, as amended in 1976, does not include in its intention that its provisions cover both reticulated gas and liquefied petroleum gas. I will also quote from *Hansard* of 1 April 1976, to which the honourable member for Nudgee referred. The Honourable R. E. Camm, then Minister for Mines and Energy, said—

“The modernising of the concept of a gas franchise to include more than just reticulation must be a boon to both gas company and consumer . . .”

The important part of that statement is that both gas company and consumer must benefit and that it must include more than just reticulation. That puts to rest the argument that the Gas Act is being amended now to write in a sweetheart agreement for existing franchise-holders who provide reticulated gas.

I have been informed that the companies that expanded into LP gas undertook extensive capital expenditure to provide the facilities that would ensure a continuity of supply for LP gas consumers. On the part of one particular company, this expenditure

was of the order of \$50m, and included a special seagoing tanker to bring supplies from the south and a large reservoir and distribution base at the mouth of the Brisbane River.

The companies already holding franchises for reticulated gas no doubt undertook their expansion into LP gas on the understanding that the Gas Act of 1976 provided a Government assurance of protection. The companies also understood that, to retain their franchise, they had to meet certain criteria. They were responsible for the continuity of supply to all customers, regardless of the viability of any such operation, they were regulated to a set percentage profit on their undertaking, and they knew full well that they had to meet the standards set down by the gas-examiner.

The intent of this legislation has been fully debated in this House previously. The companies holding the franchises and those servicing LP gas to unfranchised areas of the State have operated under the Act for a number of years.

The Minister for Mines and Energy has explained that the Bill before the House does not change the intent of the legislation; it merely makes some validating amendments. In its present form, the wording of the Act is imperfect and these imperfections must be corrected to ensure that legal proceedings cannot be instituted to challenge the validity of the Act.

I am aware that pressure has been applied by one supplier of LP gas who wants to see the franchises on LPG abandoned so that a free market develops. My information is that interests in this company once held a franchise for LPG in Queensland but because at that time it suited them, they disposed of their franchise. Nevertheless, they were aware of the intent of the legislation. Now, as partners in a new firm, they are keen to establish a greater market for their product in Queensland.

I am well aware of the argument that this Bill is anti-private enterprise, but I do not concede that that argument is totally valid. It seems fair to me that private companies, knowing the intent of the legislation, should have the right to plan their future operations without fear of sudden changes to the Act. I use the word "sudden" intentionally.

There are some who believe that the Gas Act should be reviewed at this time. The Minister has explained that the need to validate the Act is urgent and that to undertake a review in such haste would not be in the best interests of the suppliers or the consumers. The Minister has stated that, following this amendment, a thorough review of the Act can be undertaken. In any subsequent review, I will be quite prepared to listen to argument for the possible inclusion of a sunset clause concerning franchises of LPG, but I give notice that I am mindful of a number of facts.

The first point is that about 30 per cent of the LPG market is already unfranchised and any company can grab whatever slice of that 30 per cent it is able to grab. Thirty per cent of the total market is quite considerable. The suggestion has been made that a sunset clause of a reasonable number of years on the life of LPG franchises would allow existing companies time to recoup the capital they expended in initially setting up their LPG facilities after an understanding of what was in the Act. However, the danger in providing a sunset clause is that, when the cut-off date is near, suppliers may be tempted to let their facilities run down in capacity, which would create shortages for consumers.

What must also be remembered is that existing regulations provide all the necessary controls over supply, price and profitability. However, that is another matter that should be considered at another time. What is important tonight is the amending of the Gas Act to ensure that its drafting is valid in all its clauses, without changing the intent of the Act. That being the case, I support the Bill.

Hon. Sir WILLIAM KNOX (Nundah) (10.27 p.m.): Much of this debate got off on the wrong track because of a press report that the legislation introduced some new principles. No doubt that disturbed the Minister as much as anybody else in the industry. The press reports suggested that an entirely new approach was enshrined in this very simple amendment. That led people into believing that major changes were being made, when in fact the legislation that was introduced into the House provided for only a relatively minor amendment.

The franchise system for gas goes back to the last century when some eight or nine districts of the State were franchised for reticulated gas. I can very clearly remember the debate on the legislation in 1965 which introduced for the first time the concept of portability of gas in cylinders and by other means. I am pleased that the honourable member for Condamine has referred to the Minister's statement at that time that the intention of the legislation was to cover both gas reticulated by mains and gas in the portable form. At that time, it was clear to the House that Parliament approved of that and that the portable gas would in fact be covered by the franchise system. Nobody objected to that, although what might happen in the future was debated. The attitude of the ALP tonight represents a peculiarly opportunistic view, because this arrangement virtually started in 1965.

Mr Vaughan: For five years.

Sir WILLIAM KNOX: Yes, for five years. It was renewed again in 1970 for another five years.

Mr Vaughan: 1971.

Sir WILLIAM KNOX: In 1971 it came into force. The legislation was debated in 1970. The 1976 legislation gave the franchises in perpetuity, and the Opposition agreed with that.

Mr Vaughan: You are contradicting your previous argument.

Sir WILLIAM KNOX: No, I am not contradicting my previous argument; I am pointing out to the honourable member the history of this matter.

Quite rightly, the Minister is not changing the principles of the legislation; he is simply confirming those principles because the Solicitor-General has discovered a flaw in the definitions in the legislation, which needs correction. As that has been discovered, it would be improper for the Minister to ignore it. The Minister has an obligation to bring to the House that correction to have the legislation put in order. The legislation simply validates what everybody in this House believed was the case right from the commencement of the Act. The Opposition believed it, too, and agreed with it at that time, and agreed with it again in 1976.

Mr Vaughan: This is 1985.

Sir WILLIAM KNOX: That may be so; but no new principle has been introduced by the Minister in this legislation. The validation of the Act is proper, and indeed, most desirable.

As the honourable member for Nudgee (Mr Vaughan) pointed out, the philosophy of the last 20 years may not be suitable for the future. Although this is not the occasion on which to make the necessary amendments—I understand that the Minister is carrying out a review of the legislation—I would hope that in future legislation a more flexible approach is adopted to the supply of gas, irrespective of the type of container in which it is supplied. In contrast to the position in 1965, gas is now produced and available in this State. It is a great pity that all the gas produced in Queensland cannot be used here and that, to make projects viable, a market will have to be found outside the State.

As the honourable member for Condamine (Mr Littleproud) pointed out, about 30 per cent of the population is not serviced by franchised areas. When one examines the map very carefully, one finds that a great proportion of that 30 per cent is in areas that are very difficult to serve. Nevertheless, all the companies interested in supplying gas are making their best efforts to serve those areas, even though some of them are somewhat remote and some of them are very small.

It is a fact that all the companies want to be in on the big conurbations. That is only natural. What was servicing this State successfully for nigh on 100 years as a general philosophy of franchising, entrenched in legislation in 1965, extended in 1976 to franchises virtually in perpetuity, subject to revocation and review by the Minister, may not be

suited to the future. I suggest that the Minister produce his review of the Act as soon as possible so that honourable members can examine the philosophy for the future reticulation and handling of gas in this State.

If the exploration and the use of gas is to be encouraged, legislation must meet those ambitions. It has worked very well. The cost of reticulation of gas is very expensive. The cost of the headworks, the piping, the servicing, the maintenance, the reading of meters and all the other associated matters are very expensive. It has worked very well for the densely populated areas.

Mr Vaughan: The mains are protected already. This is aimed at LPG.

Sir WILLIAM KNOX: But LPG was also protected. On the occasions on which the legislation came before the House after 1965, it was the belief of the Minister's advisers, the former Minister, the current Minister, and members on both sides of the House, that it covered LPG. I repeat that on all occasions it was believed that it covered LPG. It is only since the Solicitor-General has brought this to the attention of the Minister, and the Minister has brought it to the attention of the House, that the honourable member would have known about it. He was not aware of this fault in the legislation.

The Minister has acted correctly. The Liberal Party supports the legislation.

Mr PRICE (Mount Isa) (10.34 p.m.): In following the honourable member for Nundah, I take note of his classification of the Bill as being designed to correct a flaw in the legislation itself. I take note also of his acceptance of the Minister's promise of a review before Christmas. There seems to be a hurry to correct this flaw in the legislation.

Sir William Knox: It is irresponsible not to fix it once it is brought to the Minister's attention.

Mr PRICE: The question is: Why the hurry?

Sir William Knox: That's ridiculous.

Mr PRICE: The legislation has been in this condition for a long time, and the companies that are using it seem to be getting along rather well. My research into the subject indicates that nobody is doing too badly under the present legislation.

Mr FitzGerald: What happens if there is a court case? The Premier goes to the courts because it has not been fixed up legally.

Mr PRICE: That may be so. However, what is actually happening is that the present legislation is allowing competition and, with the free enterprise Government that Queensland supposedly has, surely that is exactly what the Government intends, even though that is not the intent of the Act.

Sir William Knox: Are you suggesting that Mount Isa's franchise be abandoned?

Mr PRICE: Undoubtedly, Mount Isa has a franchise. Why not abandon it? At least then the mining companies might have a better competitive market in which to work and a chance to select who will supply them with gas, and it need not necessarily be the single company that is placed there.

Rather than enter into a debate with interjectors, I will make a few pertinent points that I obtained from my research.

Sir William Knox: You haven't got a very good brief.

Mr PRICE: The honourable member for Nundah has not heard the brief yet. Perhaps he can delay his judgment.

My research has revealed—and honourable members can believe it or not—that franchises are exclusive. That means that only one franchise exists over any area,

irrespective of the type of gas used. Franchises already held will be continued, subject to the provisions of the present Act.

As I see it, power is contained in the Act to grant and set conditions for new franchises. If any franchisee is remiss in the business of his franchise, the power is available to cancel all or part of it.

The original Act made provision for competition in restricting the franchises to bulk supplies, allowing containers under a certain size—46 kg—to be sold on the open market; that is, there were to be no holds barred among franchisees and non-franchisees. So, if a company put in the infrastructure for mains supply and invested in capital refining and supply works, that company retained exclusive rights under the terms of the Act to supply bulk gas to that area.

The concept was fair when initiated and remained so with successive renewals and amendments to the Act. It encouraged gas-suppliers to go out into less-populated regions and set up where markets were available but not conducive to competition. As the honourable member for Nundah (Sir William Knox) mentioned, my own electorate has such a supplier.

Over the years, the market for gas as an alternative energy source has grown, so much so that the non-franchised area of the market accounts for about 30 per cent of sales to about 30 000 customers. One can only assume that the rest of the market has had at least an equitable rise. The last five years has seen an exceptional boom in the resource industries and the economy of Queensland so, in following those rises, gas supply surely has flourished equally.

The market size and the incursion of non-franchisees indicates that it is the time to review. In view of the National Party's continued rhetoric on free enterprise markets, some review of this legislation must be seen as being beneficial.

Does the Minister fully comprehend the effects of the amendments that he is proposing? Can he see that they are enshrining monopolistic practices?

The three companies involved—Boral, Allgas and Shell—all compete in other Australian States in a free market situation. My advocacy is not necessarily for a free and open market role, but for a review of the Act to allow room for others to compete if they can. The present legislation allows for this.

Elgas, another Australian group, has entered the market under the present Act quite successfully. It has done it with no protection—no franchise and no help. Is Queensland the only State with this protection?

It seems ironic that this Government pays lip-service to free enterprise and then hangs itself with socialism. It does not know how to apply socialism. Inevitably the Government goes overboard. I cite the example of the electricity industry—over-supply, mismanagement and high costs. Socialism requires vigilance and it is a tool to encourage development for the greater good of the many. Complacency breeds the type of problems that I have mentioned.

How can the Government justify this tightening of the reins? By changing two words, quite possibly in the belief that it is simply continuing with the Act in a broader sense, it will in fact stifle competition. That is not the intention of the original Act. There is no longer a shortage of gas. Gone are the days when coal was burnt off just to get gas. In a competitive market, each company has an ongoing commitment to explore. Surely that is the idea. If there is a market, the incentive is to obtain supply. To do that, a company drills holes in the ground. That is the type of development that ought to be encouraged. Why encourage exploration but disallow markets?

The Queensland mining industry is complaining about the way in which the basic market for gas has been fixed. The Act was intended for mains—for reticulation—and is all right for that purpose. Now, however, alternative methods of supply exist, some I dare say created out of necessity or as an innovation to circumvent the Act.

I challenge the Minister to tell us whether there has been any pressure from the consumers or the industry for the legislation. On the contrary, the industry is contentedly awaiting a heralded review towards the end of the year, promised by the Minister. What is the hurry? The industry is working well. I can only assume that a vested interest—a lobby group—is applying pressure. During my investigations, someone even suggested to me that a senior officer of the Minister's department might be contemplating a move to one of the big three in the industry. Whatever the reason, the changes cannot be justified to engineer a monopoly cartel.

Why does not the Minister ask the public? If an opinion poll were taken tomorrow on customer satisfaction with the franchise system, I would wager that some interesting comments would surface. He would be swamped with complaints of poor service. Franchisees dictate when consumers receive supplies. That is a fact. They dictate when the truck will turn up. There is no rush at all to serve. The customer receives it when the company is ready. Why should the company hurry? The consumer cannot buy from anybody else.

Originally, under the Act, franchisees were allowed to group their activities for costing control and to give the company the opportunity to set production for the best overall return. An upper level ceiling price was established beyond which the company could not charge. That was related to the return after allowing for bona fide expenses, including taxation. The return could not exceed 3 per cent more than the Commonwealth long-term bond rate, based on asset value. However, that return could permit companies to make excessive profits. To prevent that, the dividend payable on paid-up capital was also restricted to 3 per cent more than the current bond rate. That is not a bad deal. The long-term Commonwealth bond rate is in the vicinity of 11 or 12 per cent. That allows a franchisee a 14 to 15 per cent return on asset value, restricted only by a similar allowable dividend on paid-up capital.

Sir William Knox: Who wrote this for you?

Mr PRICE: I did. This is rather a simple matter, surely.

I am led to believe that most companies in the field do well to achieve an 8 per cent return. At the moment, major mining companies are struggling to achieve 2 per cent and 3 per cent returns. This enterprise is Government guaranteed. That is price control—and is very, very rational.

I am not against orderly marketing, but the Bill has the smell of too much haste. I appeal for the review promised—now—and the break-up of these cartel amendments before they become law.

Hon. I. J. GIBBS (Albert—Minister for Mines and Energy) (10.45 p.m.), in reply: I thank honourable members for their comments. The Opposition spokesman, the honourable member for Nudgee (Mr Vaughan), spoke about a review of the Act to determine whether the protection of LPG under franchise is still necessary. As I have stated on more than one occasion, I am always ready to receive proper representation on any matter.

The franchise system has worked very well, and it is not the intention of the Government to introduce any changes unless complete justification for doing so exists. When the review takes place, these matters will be examined. There is no point in going back to 1965 or 1971, as the honourable member for Nudgee (Mr Vaughan) did in the research that was done for him. The intent of the current legislation that was introduced in 1976 is quite clear, and its provisions represent the position that exists today.

The position that obtains in the gas industry has been clarified and validated by amendments and enactments that have been brought before the House. Unfortunately, because he has followed the Elgas line, the honourable member for Nudgee has revealed that his understanding of LPG operations in Queensland is very limited.

The honourable member for Condamine (Mr Littleproud) quoted from *Hansard* for 1976, and the points that he made indicate that LPG development in Queensland

has taken place by means of large capital expenditure that was undertaken by companies on the understanding that the intent of the 1976 legislation was enshrined in its wording. It must be emphasised that 30 per cent of the LPG business in Queensland is unfranchised.

The honourable member for Condamine referred to sunset clauses and suggested that some problems might arise. However, he acknowledged that that is perhaps a matter for debate on another day when the legislation can be examined with the benefit of a complete understanding of the effect of the amendments. The honourable member for Condamine represents the areas around Dalby where a franchise system operates. It works very, very well, and it is operated by the Dalby Town Council, which is doing a marvellous job.

The honourable member for Nundah (Sir William Knox) supports the concept that underlies the 1976 amendments, and has pointed out that the Australian Labor Party did not challenge the legislation at that time. Of course, the honourable member has been a parliamentary representative for a long time, and for years was a Cabinet Minister. He has a great deal of experience in parliamentary matters through his representation in this House, and he points out that, historically, the Australian Labor Party has opposed legislation in this area. On this occasion, however, the Opposition has accused the Government of political opportunism and asserts that the legislation presently before the House has been introduced for no good reason.

The honourable member for Nundah also pointed out that the procedures adopted by the Government have been quite correct but that, in future, a more flexible approach should be adopted because LPG is now produced interstate. It should be made clear, however, that the producers of LPG are not, in any case, the distributors, either franchised or unfranchised, in other States. Therefore, that matter is of minimal relevance.

The honourable member for Mount Isa (Mr Price) suggested withdrawing the franchise that operates in Mount Isa and informed the House that there is a large number of dissatisfied customers in his electorate. He invited the Government to visit his electorate and question the people concerned. I inform him that the Government will do exactly that. The Government will also make sure that the people of his electorate know what he has said in the House tonight.

No complaint has been received about the franchise, and all relevant matters have been taken up with the company. The Government has done its homework, and the honourable member should do the same. The honourable member for Nundah put the finger right on the honourable for Mount Isa, who popped like a champagne cork. Using only two instances, the honourable member for Nundah destroyed the argument of the honourable member for Mount Isa. As I have said previously in this House about the honourable member for Mount Isa, he reminds me of a person I once knew who learned to speak Chinese but never understood what it meant.

I commend the Bill to the House.

Question—That the Bill be now read a second time (Mr I. J. Gibbs's motion)—
put; and the House divided—

AYES, 48		NOES, 28	
Ahern	Lee	Braddy	Yewdale
Alison	Lester	Campbell	
Austin	Lickiss	Casey	
Bailey	Lingard	Comben	
Bjelke-Petersen	Littleproud	De Lacy	
Booth	McKechnie	Eaton	
Borbidge	McPhie	Fouras	
Cahill	Menzel	Gibbs, R. J.	
Chapman	Miller	Goss	
Cooper	Muntz	Hamill	
Elliott	Newton	Kruger	
FitzGerald	Powell	Mackenroth	
Gibbs, I. J.	Randell	McElligott	
Glasson	Row	McLean	
Gunn	Simpson	Milliner	
Gygar	Stephan	Palaszczuk	
Harper	Stoneman	Price	
Harvey	Tenni	Scott	
Henderson	Turner	Smith	
Hinze	Wharton	Underwood	
Innes	White	Vaughan	
Jennings		Veivers	
Katter	<i>Tellers</i>	Warburton	<i>Tellers</i>
Knox	Kaus	Warner, A. M.	Davis
Lane	Neal	Wilson	Prest

Resolved in the affirmative

Committee

The Chairman of Committees (Mr Row, Hinchinbrook) in the chair; Hon. I. J. Gibbs (Albert—Minister for Mines and Energy) in charge of the Bill.

Clauses 1 to 3, as read, agreed to.

Clause 4—Amendment of s. 13; Offences in relation to gas undertakings—

Mr VAUGHAN (10.57 p.m.): In my speech during the second-reading debate I raised a point about the provision in this clause that replaces the words “gas undertakings” with the word “mains”. The Minister did not respond on that point.

I shall give my thinking on this matter. The purpose of the Bill is to validate legislation that was introduced in 1965 and amended in 1971 and 1976. The Bill seeks to omit from the definition of “gas undertakings” the words “through mains”. Previously, where gas was supplied through mains, that was fair enough, but where gas was not supplied through mains, the provisions of the Act relating to franchise did not apply.

Section 13 of the Act deals with offences in relation to gas undertakings. In this clause, the word “mains” is being substituted for the words “gas undertakings”. The section will read—

“(1) A person shall not—

(a) establish or maintain mains within or for any area . . .

unless he is the holder of a franchise in relation to that area.”

If a person supplies gas in breach of this Act, he is guilty of an offence under section 13.

As I pointed out, the definition of “mains” refers to a pipe conveying gas for supply to two or more consumers. If a consumer, such as the one to whom I referred, is supplied with auto gas by a supplier who is not the holder of a franchise, provided that gas is not supplied to two or more consumers, that consumer can use that gas for anything. That is the way in which I interpret the provision.

I do not want the provision altered; the Minister can leave it alone. I just want the position clarified. In this debate, we have cleared up the definition of "gas undertakings", but I do not believe that the definition of "mains" has been clarified. This means that an LPG supplier can supply gas through a pipe conveying gas, as long as it is not to two or more consumers, and not be guilty of an offence.

As a result of this amending Bill, section 34 of the Act will read that that part of the Act referring to liquefied petroleum gas will apply only with respect to suppliers of liquefied petroleum gas that supply such gas to consumers other than through mains. I can foresee difficulties if the definition is left as it is. As I say, I think that, before long, where it refers to two or more consumers, the definition of "mains" will be amended. What I am saying is that, although the legislation has been amended in one place, that is, where it refers to gas through mains but does not exclude gas supplied by an LPG supplier, by virtue of the definition of "mains" the legislation will be left wide open.

I ask the Minister to assure me or convince me that the definition of "mains" as a pipe conveying gas supplied to two or more consumers will still protect the franchise-holders. I will accept what he says, but I do not believe that it will.

Mr I. J. GIBBS: Subclause 4 (a) identifies specifically where the offences apply, that is, to mains. Subclause 4 (b) states that only the holder of a franchise can establish and maintain a system of mains or underground gas pipes within a franchise area. Subclause 4 (c), as it relates to subsection 13 (2), does not apply to a person who supplies gas through mains to the holders of a gas franchise. In other words, it does not apply to the person who provides gas to a franchise-holder through a pipe. This clause has been drawn up by Crown law officers to suit this particular situation, and I have complete faith in them. It was because of their advice that our attention was drawn to this matter initially.

Mr VAUGHAN: As I understand it, what the Minister is saying is that if a liquefied petroleum gas supplier supplies gas through mains to one consumer, he is still guilty of an offence under this Act. If that is what the Minister is saying, I will go along with it.

Mr I. J. GIBBS: No. Subclause 4 (c) spells out quite clearly that subsection 13 (2) does not apply to a person who supplies gas through mains to the holder of a franchise. It sets him apart from that provision.

Clause 4, as read, agreed to.

Clauses 5 and 6, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr I. J. Gibbs, by leave, read a third time.

ADJOURNMENT

Hon. C. A. WHARTON (Burnett—Leader of the House): I move—

"That the House do now adjourn."

Dismissal of Government Employees Convicted of Indictable Offences

Mr YEWDAL (Rockhampton North) (11.5 p.m.): I refer to something that has prevailed in the Railway Department in this State for many decades, that is, the policy that any employee who is convicted of an offence shall be dismissed. Such an employee is subjected to a double penalty.

Recently in Townsville two railway apprentices were charged with drug offences. One was a first-year apprentice fitter who was charged with being in possession of a drug. He was suspended eight weeks ago and is still suspended. Since then, the Townsville committee of the Industry and Commerce Training Commission has recommended that

the suspension be lifted and that the apprentice resume work with the Railway Department. That has not occurred.

On 13 August, at Rockhampton, a fourth-year apprentice boiler-maker was charged and was suspended from that date. The Rockhampton committee of the ICTC ruled that his suspension be lifted and that he retain his job. That ruling has been ignored, too. As I pointed out earlier, the apprentices are being punished twice; they are being fined in court and, because they work for the State Government—in particular, the Railway Department—they are sacked. Private industry does not adopt that stance. Many officers of State Government departments are saying to employers that they should give youth a chance. The folly of youth is to commit all sorts of minor offences. I do not say that these youths should not be punished but, as well as being convicted of a criminal offence and being fined, they lose their jobs.

That does not happen in private enterprise. If a meat-worker is convicted of a minor stealing offence, his employer does not dismiss him. The only occasion on which he would be dismissed is if he stole from his employer. I suppose one must give an employer the right to sack an employee who steals from him. I can tell the House of an incident in Rockhampton when a young boiler-maker/fitter was sacked by the department when he was charged with a criminal offence. Even after he was acquitted of that offence, the department took weeks and weeks to reinstate him. I had to take the matter up with the Minister to expedite proceedings and allow the boy to return to work.

Tonight an Opposition colleague has related to me a story that goes back something like 20 years. That story is about a temporary labourer who worked for the Railway Department in Mackay during the crushing season. During the course of his employment as a temporary/permanent, there was a robbery in the department. The police were called in to conduct an investigation. Upon questioning that person, the police found that he had stolen a watch, which was a fairly minor offence. When the department ascertained that he had been convicted of that stealing charge, it sacked him. The member for Mackay (Mr Casey) intervened and assisted that person to obtain another job. The irony in the story is that the person obtained a permanent job as a cleaner in a technical college. In fact, he was employed by the Government. The Railway Department sacked him after his conviction for a minor criminal offence and, through a college, the Education Department employed him on a full-time basis.

This sort of thing has been going on for many years. The Government should do away with this archaic procedure and have some sympathy and concern for youths who are convicted of minor offences and lose their employment.

Currently, a restructuring of the committee is being examined by departmental officers. The committee comprises representatives of employer groups and unions.

Time expired.

Child Abuse Committee Funding; Criticism by Honourable Member for South Brisbane

Mrs HARVEY (Greenslopes) (11.11 p.m.): I am compelled to answer a week-long barrage of criticism from the honourable member for South Brisbane (Mr Fouras) on the funding and other aspects of the Child Abuse Committee set up by the Minister for Welfare Services, Youth and Ethnic Affairs (Honourable Geoff Muntz). I find it rather tiring to stand in this place week after week responding to the petty criticisms of a very petty-minded person. Because I feel that the criticisms published in my local press and the wider media are very bad criticisms by the honourable member and a slight upon the committee members, all of whom are extremely dedicated people, I respond, mainly on their behalf. Personally, the honourable member can attack me until he is blue in the face. That will not worry me in the slightest.

Mr FitzGerald: He is not even in the House.

Mrs HARVEY: As usual, he absents himself whenever this issue is raised.

All week long he has made a great issue of the funding of the Child Abuse Committee. As usual, he is so misinformed that he completely misses the mark. The \$10,000 about which he has been screaming all week is actually funding for a pilot project on child abuse being conducted by the Department of Children's Services. In no way is that figure comparable with the spending of the southern States, as child abuse prevention in Queensland is funded by a number of departments, namely, the Police Department, the Justice Department, the Health Department and the Department of Welfare Services.

Again, the honourable member for South Brisbane is completely misinformed. Even if he bothered to take the trouble to read the statistics, he would be unable to read them. He chooses to be misinformed so that he can pass on misinformation to the media, which seems to be more than happy to print it. The media could perhaps take the trouble to investigate more carefully the comments that he makes.

The honourable member for South Brisbane has not bothered to ask a single question about the Child Abuse Committee. However, he has made himself an Opposition spokesman on the committee. He does not know the aims or objectives of the committee. In this House, he shows not the slightest interest in the problem of child abuse. He has spent a great deal of time on political point-scoring and cheap headlines.

The honourable member said also that Victoria spends a great deal of money on the prevention of child abuse. Admittedly, Victoria has spent more than \$1m on the prevention of child abuse. However, I find it ironic that, at the same time, it has earmarked a substantial amount of money for funding a homosexual advisory service. If they are not double standards, I do not know what are. I believe that the organisation is called Gayline, which is a Melbourne homosexual telephone advisory service. It has been suggested that that service is used as a contact point for paedophiles and is being investigated by the police. I would not spout off about how much money the Victorian Government is spending on child abuse if at the same time it is spending money to support paedophiles. I suggest that the honourable member for South Brisbane check his information more carefully before he does so.

I recognise that the honourable member is not the least interested. However, as some of the information may be passed on by some of his colleagues, I will mention some of the work carried out by the Child Abuse Committee. The committee cannot be bought in terms of sheer dollars. The honourable member constantly criticises the fact that massive tax-payers funding is not poured in ad hoc so that members of the committee can go round stating how many zeros they attach to the whole issue. The Queensland Government is more practical in providing the right people and the right resources. The CARE committee is dedicated. It has a personal commitment to the problem of child abuse. People are prepared to offer their time to produce some results.

The committee is not heading in the same direction as many southern States, in which professionals are appointed and paid to come up with a massive screed, most of which will end up gathering dust on the filing cabinets of Ministers. I have already seen the one from New South Wales. It is about 4 inches thick. It is full of marvellous recommendations, each of which would take a committee at least a year even to put in train. Government members know perfectly well that that will not happen.

Allegations against Ambulance Bearer M. Hawkings

Mr McELLIGOTT (Townsville) (11.15 p.m.): I use the Adjournment debate to draw attention to a most unsatisfactory situation that exists within the ambulance service provided by the Maryborough Hospitals Board. I hasten to add that this is not a QATB station and that the bearers are not employed by that organisation.

Since Mr Murray Hawkings was appointed as senior bearer in 1981, a series of extraordinary allegations have been made against him. I will mention just a few.

It is alleged—

That he froze at the scene of an accident and locked himself in the back of the ambulance for 15 minutes until forced out by a police officer.

That he failed to use oxygen equipment to revive a drowning child when the post-mortem revealed that the child could have been saved by the use of such equipment.

That he was the driver of an ambulance vehicle involved in a fatal accident while speeding to assist another bearer, although no call for assistance had been made and, in fact, the patient was already at casualty.

That he installed a base radio at his private home and used that radio to redirect a unit speeding to lend assistance at a serious highway accident.

That he cancelled a police escort for an ambulance racing an accident victim to the city, without advising or consulting the driver.

That he has failed to keep accurate stock records, resulting in the disappearance of blankets, bandages, fuel, oil, oil filters and so on, and that he ordered the destruction of records to cover up deficiencies.

Any one of these allegations would be serious enough to warrant concern at the competence and qualifications of Mr Hawkings. Together, the allegations warrant investigation by senior departmental officers.

At this point, it is worth noting that Mr Hawkings has been relieved of all responsibility for accident work, day-care transport and cleaning, so that his sole remaining responsibilities are clerical.

This appears to me to be an admission by the Maryborough Hospitals Board that the man is incompetent, yet he remains senior bearer in charge of the station.

A further comment on his ability comes from a person who was officer in charge at Blackwater for a period while Mr Hawkings was employed there as an ambulance officer. This person says—

“It is my own opinion that his ability was almost non-existent.”

He said further—

“In this day and age, an Ambulance Officer must be a professional and Mr Hawkings fell far short of the mark. I found his attitude to his duties and to patient care and his knowledge of ambulance procedures lacking. I can cite many incidents of his disregard to rules and station policy.

I personally would not employ Mr Hawkings as an Ambulance Officer in any station where I had the authority to do so.”

I am aware that this matter has been around for some time. Mr Hawkings's competence was first questioned in a letter to the Premier and Treasurer dated 13 March 1983, which led to a response from the Co-ordinator-General dated 18 August 1983, in which he said—

“. . . the investigation has now been completed and certain recommendations have been made to the Maryborough Hospitals Board in this regard. The matters raised by you are ones which should be resolved by the Maryborough Hospitals Board.”

On 16 March, 1984, the situation in the Maryborough ambulance service was again raised by Mr Keith Wright, MLA and led to a cursory investigation by the chairman of the hospitals board, presumably the person who appointed Mr Hawkings. As recently as July this year, it was raised yet again by the honourable member for Chatsworth (Mr Mackenroth).

In his response, dated 30 August 1985, the Minister for Health (Mr Austin) said that the complaints related to staff dissension. That is something of an understatement. The Minister concluded by saying—

“I have requested the Maryborough Hospitals Board to continue to keep the matter under review with a view to further improving the situation.”

No improvement has occurred, and the present situation is intolerable. I am talking not about a Sunday school picnic but about a service dealing with life-and-death situations requiring total dedication, co-operation and competence. Morale at Maryborough must be hopelessly low. Presumably in retaliation, the senior bearer has been laying departmental charges against bearers, leading to suspensions, only to have the charges later shown to be false.

Since my intention to raise this matter in the House was made known in a *Courier-Mail* article, I have received telephone calls from Maryborough, although I did not identify the town, suggesting that the complainants were professional stirrers. That may or may not be so, and only a proper investigation will tell. However, the people of Maryborough and indeed visitors to the area are entitled to an ambulance service in which they can have complete faith. They must be able to have total confidence in their hospitals board.

I demand that the Minister for Health resolve this situation once and for all. It may not be easy, but that is the price of ministerial leather. A proper investigation ought to be conducted, and firm action taken.

As I mentioned earlier, the matter has been known for some time. It has led to a Keystone cops situation. The six bearers employed at the ambulance centre are at loggerheads. The Maryborough community has lost faith in the service. Police officers at Maryborough have lost faith in the service. The dispute must be resolved once and for all. Action has to be taken.

I make it clear that I am not making allegations against the senior bearer. The allegations are being made by people who, in my opinion, are qualified to have those opinions.

Time expired.

Vegetable Industry

Mr FITZGERALD (Lockyer) (11.21 p.m.): I shall refer to problems that have arisen in the Lockyer Valley and in the vegetable-growing industry throughout southern Queensland as a result of actions taken by European Economic Community countries and other factors influencing farming and agriculture in general throughout the world.

The problems being faced by the vegetable industry are every bit as serious as those facing the cane industry and the grain industry. One primary industry cannot be isolated from the others. The vegetable industry is competing for land, just as the cane industry is. If there is a major exodus from cane-growing, that land could be brought into vegetable production. On numerous occasions, I have warned cane-growers about switching to growing vegetables. They will probably be able to grow vegetables very easily in view of the present technology in the industry. Big crops can be grown. Varieties can be found for given areas. There is no problem in producing crops. However, they will find that the system of marketing crops in Australia is very poor. It is a major problem.

New technology in the horticulture industry—chemicals such as herbicides, weedicides and insecticides—has resulted in crops such as onions, broccoli, cabbages and cauliflowers being grown quickly with minimal labour. The old cry that we must grow food to feed the starving world has worn thin. Crops are being ploughed under. The temporary over-production in the sugar industry is being reflected by an over-production of vegetables. Thousands and thousands of mango trees are ready to come into production in north Queensland. The number of avocado trees coming into production poses a threat to that industry.

More has to be done about market research. I do not claim that the Government should do it all, but more money must be spent. Recently, I had a brief conversation on the telephone with an officer from the Department of Primary Industries on his return from an overseas trip. It opened my eyes that we knew so little about what could be done, particularly in the Asian market. That market is very difficult to enter, but new technology will help. For instance, irradiation of food will be carried out shortly,

whether by the electron-beam method or by the cobalt 60 method. The sooner it comes to Queensland, the better. It is technology that is being accepted by the rest of the world. The sooner we become accustomed to it and adopt the technique, the better off we will be.

That will have an enormous impact on vegetable production. The shelf life of food will be prolonged. Quality will be excellent. We must take advantage of the technology. We must attempt to supply markets in Asia and wherever else the opportunity may exist. The entry of England into the EEC had an enormous effect on Australian primary industry. The apple and pear market in that country completely disappeared virtually overnight. Large areas of trees were pulled up in southern States.

Australia will suffer the same fate as the Third World and developing countries unless it exports its products and produces its goods cheaply for sale on international markets. There is a possibility that the problems I have referred to will lead to Australia becoming a peasant population, and the Australian society as we know it will suffer as a result.

Mr Borbidge: Do you think that the Australian Labor Party would be very considerate about this problem?

Mr FITZGERALD: I do not believe that members of the Opposition have ever spoken about these matters or such problems in this House.

Samford-Dayboro Bypass Road; Association of Minister for Local Government, Main Roads and Racing with Mr J. C. Needham

Mr VEIVERS (Ashgrove) (11.26 p.m.): Tonight, I again refer to the route of the new main road at Samsonvale which the Minister for Local Government, Main Roads and Racing (Mr Hinze) claims is preferable to an original and more direct route. Mr Hinze claims that the new alignment will cost less, and is neither longer nor more dangerous than the original route. I submit that these statements are a load of rubbish.

A local, Mr Alan Hill, who has resided at Samsonvale for 12 years and was interviewed on the Australian Broadcasting Corporation's *National* last Wednesday, said—

“We get the ‘run around’ from the Minister about having the same costs, the same distance, route etc. etc. etc., and that is just a joke. Any kid who has gone to school up to about 8th grade would be able to work out that it is one-third longer and the cost is just way, way above what it should be.”

My own investigations have concluded that Mr Alan Hill's further comment that “the redirection of the road is a scandal” is absolutely correct. I repeat that the rights of several small property-owners have been grossly interfered with. If the original route had been taken, only one property-owner—Mr John Needham—would have been affected. The cost would have been substantially less and the road would have had no dangerous curves.

The Minister for Local Government, Main Roads and Racing claims that the cost of the original route through Mr Needham's property would have been more because a value of \$800,000 was placed on improvements carried out by Mr Needham. Members of the Opposition know that Mr Needham was given every opportunity to carry out improvements on his property in advance of any resumptions. But, apart from this, the route was changed because Mr Needham proposed to construct a seven-furlong horse-training track on the land over which the direct route would have gone. The construction of that track did not take place and I would strongly assert that resumption costs would not have been anywhere near the figure quoted by the Minister.

In any case, I have documentary evidence to show that, before the decision to redirect the road was taken, the Pine Rivers Shire Council had been strongly opposed to the rerouting of the road. I refer to the minutes of the Pine Rivers Shire Council of

15 September 1980, in which a number of very significant points are raised relative to this whole issue.

The minutes clearly indicate that the council did not support the objections raised by Mr Needham concerning the original route of the road. In fact, after reconsidering the issue a second time, it still believed that the road should have taken the original route.

The minutes read—

“That the Land Administration Commission be advised the Council has again considered the grounds of objection submitted by Mr Needham and has considered and accepted the report by the Deputy Shire Engineer, and is still of the opinion that in the interests of the community and in the interests of good planning the land should be taken for road purposes.”

Other recommendations clearly indicate that Mr Needham's objections held little substance as far as the Pine Rivers Shire Council was concerned. The shire engineer's report reads—

“Mr Needham states that he requires all the land for the construction of a seven furlong horse training track. It is questionable whether the ground would be suitable for such a use as it is sloping and any track would be situated very close to the roadway.”

So much for the phantom race-track!

The report continues—

“The results of relocating the road in the area set aside for such purposes would be marginal not substantial.”

Consequent upon my allegations, the Minister's statement on 26 September 1985 did not address the issues that I raised. He has a great deal of explaining to do. As the minutes of the Pine River Shire Council meeting of 15 September 1980 substantiate what I have been saying, I table a copy of those minutes.

Whereupon the honourable member laid the document on the table.

Mr Hinze has still not answered my questions about whether he knew Mr John Needham, and, if so, on what basis was he known to him and whether he had been engaged in any direct business or ministerial transaction with him.

The other very interesting aspect of this issue is that, to a person, the residents in the area are unbelievably upset about the problem.

In fact, I received a telephone call from a former member of the National Party who resigned from that party over this issue. Many people feel exactly as he does about it. I repeat that the Minister has a good deal of explaining to do. I have asked him questions about the matter, but he has refused to answer them. The Minister now has much more explaining to do.

Establishment of People's Commission

Mr BORBIDGE (Surfers Paradise) (11.31 p.m.): The matter that I wish to raise concerns the decision taken last week by the Federal Cabinet to establish a people's commission to draw up a new draft Constitution for Australia, presumably by 1988, the bicentennial year. That is one of the most sinister decisions to come out of Canberra since the socialist Hawke Government was elected.

Mr Booth: Is that people's commission anything like the one in the Chinese Republic?

Mr BORBIDGE: As the honourable member for Warwick implied, communistic or totalitarian countries usually have people's commissions.

Mr FitzGerald: Or in the French Revolution.

Mr BORBIDGE: As the member for Lockyer said, that was the position in the days of the French Revolution.

According to reports, the members of the commission will be non-elected, and therefore not answerable to the community. That is a continuation of the blatant trend that Prime Minister Hawke has established with his bout of summiting since his election to Government.

If Australia continues to have summits and peoples commissions, it is valid to ask: what, then, is the purpose of the Parliament? Time and time again the Federal Labor Government has adopted this policy.

Opposition Members interjected.

Mr BORBIDGE: I note from the comments made by Opposition members that they obviously agree with the principle of a people's commission. They do not believe in the Australian Constitutional Convention that they sought, and in which they participated over the years.

Mr Prest: How could you get into Cabinet? This is a load of rubbish.

Mr BORBIDGE: The honourable member's time will come.

Mr DEPUTY SPEAKER (Mr Row): Order! the honourable member for Port Curtis is not in his correct place. He may not interject from where he is sitting.

Mr BORBIDGE: I am not at all surprised by the inane interjections by the honourable member for Port Curtis. He is merely a member of the old guard, the members of which flexed their muscles in the last couple of days, and obviously he is keen to maintain his reputation in this Parliament.

This growing trend in Federal politics is an insult to everything that the Westminster system of Government represents. People who do not represent the community are being invited to tell the Federal Government what should be imposed on the people of Australia. Inevitably, the authority of the Parliaments of this nation, including that of this Parliament, will be weakened.

Time and time again, we have seen honourable members opposite sell out this Parliament and the people of Queensland on the altar of political expediency. Quite obviously, they are happy to do that by supporting the people's commission of Prime Minister Hawke. It is a well-known, old and tried socialist trick that when a Government wants a commission to come up with results that suit it, it has only to appoint the right people to write the recommendations.

Mr FitzGerald: That is similar to the Federal Government's consensus and taxation summit.

Mr BORBIDGE: It is typical of Mr Hawke and his colleagues.

I do not query the fact that many eminent Australians may be appointed to the commission to draw up a new Constitution. The fact remains that they will probably be people who have had the opportunity to stand for public office and who, for various reasons, have failed to do so. I can imagine the motley crew most likely to be appointed to the commission. No doubt their number will include a television or rock star to try to sell it to the people.

Mr Muntz: And Malcolm Fraser.

Mr BORBIDGE: As the Minister for Welfare Services, Youth and Ethnic Affairs suggests, Fraser would probably be silly enough to be a member of it.

Some people will not realise the implications of the commission and the dangers that it poses for the people of Australia. The Australian Constitutional Convention, with all its faults, is at least representative of all the States and the various viewpoints of the political parties represented in the Parliaments of this nation. That cannot be said for

any appointed commission or, for that matter, any summit appointed to discuss the problems confronting the nation.

The basic question that must be asked is: What is so wrong with our Constitution? It has served Australia well. Why does the Federal Government want to change it? Why does Mr Hawke want to change it? What is the ulterior motive behind this continual white-anting of a Constitution that has served this nation well?

Time expired.

Motion (Mr Wharton) agreed to.

The House adjourned at 11.36 p.m.