Queensland

Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 26 APRIL 1988

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Mr SPEAKER (Hon. L. W. Powell, Isis) read prayers and took the chair at 2.30 p.m.

ASSENT TO BILLS

Assent to the following Bills reported by Mr Speaker—

Expo '88 (Modification of Laws) Bill;

Parliamentary Members' Salaries Bill;

Public Officers' Retirements Bill;

Real Property Acts Amendment Bill;

Queensland Place Names Bill;

Fruit and Vegetables Act and Other Acts Amendment Bill;

Stamp Act Amendment Bill.

BARAMBAH BY-ELECTION

Return of Writ

Mr SPEAKER: I have to inform the House that the writ issued by me on 25 March 1988 for the election of a member to serve in the Legislative Assembly for the electoral district of Barambah has been returned to me with a certificate endorsed thereon by the returning officer of the election, on 16 April, of Trevor John Perrett, Esquire, to serve as such member.

Mr Veivers: You now realise that I am not the junior member.

Mr SPEAKER: Order! The member for Southport!

Member Sworn

Mr Perrett was introduced, took the oath of allegiance, and subscribed the roll.

EXPO BRIEFING FOR MEMBERS AND SPOUSES

Mr SPEAKER: Order! With regard to the visit to the Expo site tomorrow, Wednesday, 27 April, I inform honourable members that two buses will be provided to transport members and guests to the Expo site. The buses will arrive in the forecourt of the Parliamentary Annexe at 8.30 a.m. to depart by 8.45 a.m. The Expo Chairman, Sir Llewellyn Edwards, will brief members on arrival at the Queensland Pavilion from 9 a.m. to 9.30 a.m. Protocol officers will then escort the party on a tour of the site. Buses will depart from the Expo site at approximately 11.15 a.m. Will members please advise my office by 4 p.m. today, if they have not already done so, if they wish to go on that tour.

PETITION

The Clerk announced the receipt of the following petition—

Bayside Bus Service

From **Mr Burns** (31 signatories) praying that the Parliament of Queensland will ensure that Bayside buses provide an adequate service to carry the number of students and maintain suitable timetables.

Petition received.

PRIVILEGE

Unpublished Auditor-General's Reports on Department of The Arts and Queensland Film Corporation

Mr INNES (Sherwood—Leader of the Liberal Party) (2.37 p.m.): Mr Speaker, I rise on a matter of privilege. An article on the front page of today's *Courier-Mail* refers to two "secret"—I use that word advisedly—reports of the Auditor-General. The Auditor-General is an officer of this Parliament, yet those documents have never been tabled in this Parliament. The article refers in detail to some disturbing entries that are quoted verbatim and relate to matters of accountability which should be supervised by this House.

Mr AHERN: I rise to a point of order.

Mr SPEAKER: Order! This is a matter of privilege. I am trying to find out what it is.

Mr INNES: I ask you, Mr Speaker, as the protector of the privileges of this House, and as you normally table the reports of the Auditor-General in this House, to request copies of those reports from the Government so that the matter can be laid open before all honourable members.

PAPERS

The following paper was laid on the table, and ordered to be printed—

Final Report of the Queensland Film Corporation for the period ended 14 October 1987.

The following papers were laid on the table—

Order in Council under the Health Act 1937-1987

Regulations under—

Fire Safety Act 1974-1985

Fire Brigades Act 1964-1985.

MINISTERIAL STATEMENT

Unpublished Auditor-General's Reports on Department of The Arts and Queensland Film Corporation

Hon. M. J. AHERN (Landsborough—Premier and Treasurer and Minister for the Arts) (2.39 p.m.), by leave: Honourable members will have noted that a number of articles have recently appeared in the *Courier-Mail* in relation to what has become generally known as the Callaghan affair. These articles have been based on hitherto unpublished reports of the Auditor-General in relation to his investigations which took place in the latter part of 1985 and the early months of 1986 and culminated in the imprisonment of Mr Allen Callaghan.

I have no idea at this stage how the reports or material from them came into the possession of the journalist concerned, Mr Phil Dickie. The reports concerned—there were two of them, one dated 7 February 1986 and another dated 18 April of that year—had a very limited circulation, for reasons that were very valid at the time, and I must now consider whether an official investigation into what appears to be a deliberate divulgement of confidential material is warranted.

However, my principal concern at the moment is to put a stop to the systematic releasing of selected excerpts from the reports which, when read out of context and out of sequence, can create a quite distorted picture of events and the involvement of various people in them. This I propose to do by now tabling the two reports of the Auditor-General—in full—together with an earlier report of 24 December 1985 in the form of a letter to the then Minister for Tourism, National Parks, Sport and The Arts.

In doing so, I stress that these reports were transmitted by the Auditor-General in accordance with his powers and responsibilities under the Financial Administration and Audit Act, and the contents were acted upon in accordance with the Auditor-General's recommendations and advices received from the Solicitor-General and the Police Department. These latter advices were clearly opposed to the release of the reports, on the grounds that to do so could seriously inhibit sensitive inquiries and the proper processes of justice. This was explained to the House by my predecessor in a ministerial statement on 18 February 1986 and alluded to again on 26 August 1987 by him in response to a question without notice from the then Leader of the Opposition.

As I understand the position, all criminal proceedings have now been completed and I can see no reason for continuing to withhold the reports. In tabling these reports, I particularly draw the attention of the House to the following comments by the Auditor-General on page 12 of his report of 7 February 1986—

> "The audit has found no evidence to suggest collusion on the part of any person within the area of Mr Callaghan's responsibility. Indeed, the audit has been assisted greatly by the full and ready co-operation of all such people approached, including the Minister and senior and other officers in his Department and the Queensland Film Corporation.
>
> Neither has it revealed any basic deficiency in prescribed financial or general administration procedures or practices to which scope for perpetration of the perceived malpractices could be ascribed. In my view, the situation has arisen as a result of advantage being taken of the trust that must inevitably be placed in officers of Mr Callaghan's status and authority."

I also draw the attention of the House to the following comment by the Auditor-General on page 5 of his report of 18 April 1986, in which he dealt with the question: "How could this have happened and how could it have remained undetected over such an extended period?" He stated—

> "In my view, the answer lies simply in reliance on the part of all concerned, including the Film Corporation, the Minister and successive auditors, on the fundamental premise that the integrity of the Permanent Head of a Department or the Chairman of a Statutory Body or any person of similar or greater eminence should be beyond question. History in this State justifies this reliance as indeed it should. However, in this instance, it is now apparent that it was misplaced."

Finally, let me say this: the reports were in a sense of an interim nature, having been prepared during the course of a complex investigation. They do not accurately reflect the final state of the investigation. For example, not all the matters mentioned proved to be defalcations. A number of the disbursements to alleged recipients did not occur. It may be unfair to some people to have their name mentioned without also adverting to the fact that they were cleared.

Whereupon the honourable member laid on the table the documents referred to.

Mr DAVIS: I rise to a point of order. As the Premier has laid those documents on the table, I wish to move—

> "That the documents be printed."

Mr SPEAKER: Order! Does the member for Brisbane Central seek leave to move a motion without notice?

Mr DAVIS: Yes, I move that way.

Mr SPEAKER: Order! The Premier wishes to raise a point of order.

Mr AHERN: I rise to a point of order. In response to the request of the honourable member, I move—

> "That the reports be printed."

Motion agreed to.

MINISTERIAL STATEMENT

Safety on Construction Sites

Hon. V. P. LESTER (Peak Downs—Minister for Employment, Training and Industrial Affairs) (2.45 p.m.), by leave: I draw to the attention of the House a situation which is becoming more and more of a problem to people in Queensland. In the past few weeks I have received numerous complaints in relation to unsafe conditions surrounding construction sites. Consequently, as of this week, I have directed the inspectors of my Division of Occupational Safety to pay particular attention to the matter of debris flying from building sites into public areas.

Several weeks ago, during the construction of a high-rise building in Brisbane, an iron railing fell from a great height into the street below. Fortunately, no-one was hurt. But there were injuries from a similar accident in which a piece of metal fell from the top level of a construction site in Queen Street, bounced off another building and then hit the footpath with such a force that chips of concrete went flying, causing cuts and eye injuries. It is not beyond the realms of possibility that someone could be killed in such a situation.

Damage to property can also be a problem, with complaints recently about loads of concrete being dumped on cars and people and vehicles being hit by sprays of liquid concrete.

It is not unreasonable to expect building materials to stay within the confines of building sites. Construction companies could find themselves facing heavy legal action if carelessness causes injury or damage to the general public. This is why my inspectors will be stepping up their activities in this field, and ensuring that all building contractors observe proper safety precautions to protect themselves as well as the public.

MINISTERIAL STATEMENT

Inquiry into Conviction of James Richard Finch; Statement by Robert John Griffiths

Hon. P. J. CLAUSON (Redlands—Minister for Justice and Attorney-General) (2.48 p.m.), by leave: During debate on the Commissions of Inquiry Act Amendment Bill and, subsequently, on 21 April 1988, the member for Rockhampton referred to matters related to submissions made for an inquiry into the conviction of James Richard Finch.

On 21 April 1988, the member for Rockhampton tabled in this House a signed statement of Robert John Griffiths, a self-confessed criminal and police informant.

On 22 April 1988, I provided a copy of that statement to Mr G. E. Fitzgerald, QC, the chairman of the commission of inquiry, in order that he may examine those matters contained in that statement which are of relevance to the commission. I might add that the bulk of the material in that statement appears to me to be of relevance to the commission of inquiry. Some of the matters, however, relate to the Finch issue, with new information coming to light that a known criminal was sighted outside the Whiskey Au Go Go night-club some hours before the tragic fire took place. In itself this was apparently not an unusual matter, if the identification was correct, as, according to Griffiths, approximately 30 per cent of the clientele of the Whiskey Au Go Go on any given night were people whom he would describe as underworld characters.

The provision of this information does not affect in any way the course of action which I will adopt with respect to the Finch matter. I have undertaken to ensure that legal aid to the extent of $30,000 is available to Finch for the preparation of a case on his behalf and the submission of appropriate material. Notwithstanding this offer which was made some time ago, I have not yet received further information from his solicitors in that regard.

I have also been provided with a further statement made by Griffiths in 1980, which is in substantial contradiction to his present statement. I intend to provide a copy of that information to Mr Fitzgerald, QC.

QUESTIONS WITHOUT NOTICE

Lewis Land Corporation Project at Labrador, Ministerial Rezoning

Mr GOSS: In directing a question to the Minister for Local Government, I refer him to a proposal by the Lewis Land Corporation to develop a massive shopping centre and commercial business complex on an 80-hectare site at Labrador on the Gold Coast. I ask: in view of reports that he is under pressure from the Minister for Transport, Mr Gibbs, a personal friend of the developer, to grant a ministerial rezoning covering the development, and further pressure from another advocate of the project in the chairman of the Gold Coast City Council planning development committee, Alderman Lester Hughes, can he give a firm assurance that the land in question will not be rezoned by way of a ministerial rezoning to make way for that project?

Mr RANDELL: The Leader of the Opposition has his wires crossed, as usual. There has been no pressure on me from anybody to do anything at all.

All I want to say is that Cabinet has approved that a ministerial rezoning be initiated, which action is subject to the council and the developer reaching agreement on conditions. As far as I know, those negotiations are going on. I assume that they will proceed, and action may be taken after that.

Establishment of Parliamentary Public Accounts Committee; Investigation of Arts Department Administration

Mr GOSS: In directing a question to the Premier, I refer him to a statement that he made in this House some weeks ago to the effect that, if and when a public accounts committee is established, that public accounts committee will be able to investigate matters going back in time only as far as the commencement of his term as Premier, namely, 1 December 1987.

In view of the clear problems in terms of accountability for public funds in respect of the Arts Department and in view of the fact that that arbitrary time-limit would prevent the public accounts committee from investigating the administration of the Arts Department by the then Minister, Mr McKechnie, will the Premier now agree to lift that arbitrary time-limit so that the public accounts committee, if and when established, can investigate the administration of the Arts Department by the then Minister?

Mr AHERN: Today in this House I tabled extensive audit investigations carried out by the Auditor-General in respect of those particular matters. They can now be open to public scrutiny and debate.

The issue of a public accounts committee has received the endorsement of the Government, which has been working towards introducing legislation that will enable such a committee to come into being with satisfactory powers in terms of the best arrangements that are available in Australia today. The honourable member for Warwick and the honourable member for Maryborough have carried out extensive research in respect of this matter——

Mr Goss: Will it be able to investigate Mr McKechnie?

Mr AHERN: I will answer the honourable member's question in a moment, if he will observe the peace.

Those honourable members have carried out an extensive investigation of the situation in all other States of Australia. Recommendations have been made to Government and their implementation requires not only legislation to constitute the committee but also peripheral legislation in respect of parliamentary privilege.

In the event, this year a very busy legislative period has ensued wherein, when the House rises, approximately 60 pieces of legislation will have been passed. I am sure honourable members would agree that the Parliament has been very busy. However, the legislation will appear as early business during the next session and will provide the capacity to investigate all matters and decisions that have been made by this Government.

Surely there are some conventions that have to be observed in respect of these matters. The latest experience relates to the Northern Territory and the extent to which restrospectivity reasonably applies in respect of newly constituted public accounts committees. That is specifically reported by the two honourable members to whom I have referred, and a reasonable degree of retrospectivity will be provided for.

In respect of this particular matter, it is agreed that a not unreasonable course is to allow retrospective action to the date of the appointment of this Government. Reasonable conventions apply in respect of one Government overseeing the activities of another Government——

Mr Goss: So you are going to block any investigation of the Minister?

Mr AHERN: There is no intention at all to cloud the issue or to place a veil of secrecy over the Film Corporation which currently exists and can be investigated—no intention at all. However, there are respected conventions which ought reasonably to apply, and they will.

Establishment of a Permanent Anti-corruption Body

Mr FITZGERALD: In directing a question to the Premier and Treasurer, I refer to the good work being done by his Government through the Fitzgerald inquiry to weed out corruption at all levels. I ask: has any consideration been given by the Queensland Government to setting up a permanent anti-corruption body?

Mr AHERN: The honourable member rightly asks this question and takes some pride from the fact that the Fitzgerald commission exists in this State. I understand that he has had some representations made to him, that he has received some mail and, altogether, that he is enjoying some association between his namesake in the commission and his own representation of his electorate.

The honourable member's question has been asked of me today and on other days. What has to be understood is that Mr Fitzgerald will be certainly making recommendations to the Government in respect of the generality of changes that he sees as necessary in the future to prevent this sort of thing happening again. He will be obviously not only reporting on the personality issues, particularly where he believes blame lies, but also, in a very constructive sense, recommending changes that might apply in the future to ensure that these matters cannot arise and are properly dealt with in the event that they do arise in the future. One option available to Mr Fitzgerald is the nomination of an ongoing commission that would be able to deal with issues as and when they arise. In the past, we have had a Police Complaints Tribunal, to which people can now, since the changes have taken place, apply with some confidence.

Mr Braddy: Since when?

Mr AHERN: Is the honourable member for Rockhampton suggesting that there should be no confidence in the new chairman of the tribunal?

Mr Braddy: No. I said, "Since when?"

Mr AHERN: I think that the honourable member rightly should clarify his own question, because I believe that people can have confidence in the new chairman of the tribunal. However, I have no doubt that Mr Fitzgerald will make recommendations in respect of system changes, and one of the options that are available to him is to recommend an ongoing mechanism that is more comprehensive than the one that currently exists. If he does that, he will have my support.

TAFE Colleges, Installation of Condom Vending Machines

Mr FITZGERALD: I ask the Minister for Employment, Training and Industrial Affairs: is there any truth in the suggestion that condom vending machines will be allowed into TAFE colleges? Does the Minister have any other initiatives planned for those colleges?

Mr LESTER: I am somewhat surprised to hear that some rumours to that effect have been circulated. I make it abundantly clear: there will be no condom vending machines in TAFE colleges, rural colleges or, for that matter, senior colleges. I will be issuing instructions along those lines.

In addition, I tell the Parliament today that I am going to ask that all of Queensland's TAFE colleges, senior colleges and rural colleges fly the Queensland flag and the Australian flag. I will ask also that a competition be held to establish a suitable flag for TAFE colleges, a suitable flag for senior colleges and a suitable flag for rural colleges that can be flown with the Queensland and the Australian flags.

It is about time that we started to get serious about our flags and made sure that we tried to encourage their use. There is nothing wrong with trying to do that.

Opposition members interjected.

Mr LESTER: Members of the Labor Party are always very keen to fly the Australian flag. Whenever they make an election speech, they have the Australian flag behind them. They are never frightened to do that; so they should not have two sets of values.

Some courses at TAFE colleges will include management components so that young people undertaking those courses have some idea of management potential and develop communication skills, which are very important these days. Family values will be encouraged.

Mr BURNS: Before I ask my question, I must say that I find it very hard to ascertain, when the Minister spoke about——

Mr SPEAKER: Order! The honourable member will ask his question.

Mr BURNS: I see no relevance between condom vending machines and our flag.

Mr SPEAKER: Order! If the honourable member had listened to the question that was asked, he would know that the Minister was answering it.

Mr BURNS: I still do not see the relevance of it.

Mr SPEAKER: Order!

Capacity Crowds at Expo; Exclusion of Queenslanders

Mr BURNS: In directing a question to the Premier, I refer to a statement that was made on television last night by a so-called Expo manager that, when crowds at Expo reach approximately 100 000 people, advertisements will be placed on the television and radio advising people not to attend Expo. It was also stated that, if the crowds became too large, locals will be prevented from entering the site; that the gates will be closed and the organisers will in some way discriminate to the extent that foreigners and interstate people will be given some preference.

I ask: will the Premier inform the House and, in particular, local electors—Queensland electors—how Expo intends to repudiate its legal obligation to admit holders of season passes whenever they choose to attend? Advertisements are currently appearing on radio and television in which people are being asked to buy three-day passes, and season passes which should admit them to every night and every day of Expo. How can the statement to which I referred be made about the local people who are supporting and backing Expo?

Mr AHERN: This is a wonderful problem to be faced with. When the idea of Expo was first mooted, honourable members opposite claimed that it would not be successful and doubted that it would attract the sorts of attendances that would be required.

Because it is such a problem, it is reasonable for the honourable member to ask his question. The problem is associated with success. Because of successful marketing strategies at Expo, approximately 8 million visitations have been sold to buyers of tickets.

That is a tremendous result within a six-month period. So far, it has been a remarkably successful exercise. This Government's decision to support Expo is already clearly vindicated.

In terms of their pessimism, honourable members opposite are about to be proven roundly wrong. The problems are obvious. The site has a certain capacity. There will be days when problems might well occur, particularly early in the piece. It is a question for the managing authorities at Expo to decide on some form of prioritisation. With the goodwill that generally exists within the Queensland community, this Government will assist those managers with what is an understandable problem.

For many good business reasons, this Government would want people who travel from overseas and interstate to have some priority.

Mr I. J. Gibbs: It is an Australian Expo.

Mr AHERN: As the Honourable the Minister for Transport rightly says, it is an Australian Expo.

I do not believe that this problem will arise very often. However, it may well arise early in the piece. It is a question for the Expo managers to determine in some way. One cannot simply keep jamming people into the site. It is an enormous problem that might arise on some days.

With the goodwill of everybody, the problem can be worked out. Let us stop focusing on the problems at Expo and start looking at the opportunities. It represents a period of great excitement for Queenslanders. I know that all of us are looking forward to it very much.

Surveillance of Gamblers at Jupiters Casino; Casino Control Division

Mr BURNS: In directing a question to the Minister for Police, I refer to his answers to questions in Parliament disclosing information about casino patrons, in which he said it was not unusual for items of interest to be brought to his attention. The Minister disclosed, in answer to a question about a visit by the Prime Minister, that it was his most recent visit, who he was with, where he gambled and how much he won. The Minister made it clear that he was fully briefed by the Casino Control Division, yet the Casino Control Division said that it did not keep records of wins or losses. I ask: will he tell the House who gave him this specific information? On how many occasions when he was the Minister occupying the casino portfolio were "items of interest" of this nature passed on to him? Will he tell the House of other "items of interest", or are members to be advised only when politicians are involved? Who else would have been informed during his period as Minister of "items of interest" such as names of patrons, their company, their wins and their losses? Who laid down the policy that the Casino Control Division was to provide him with this information?

Mr GUNN: I was the Minister responsible at that particular time, and any information given to me at that time was confidential. I do not intend to divulge anything to the honourable member or anyone else.

Voting Trends in By-elections; Federal Government's Responsibility to Primary Industry and Small Business

Mr STEPHAN: In directing a question to the Minister for Primary Industries, I refer to a letter to the editor in the metropolitan press on Sunday wherein it was stated that the reasons for voters' switching their support in recent by-elections was the build-up of frustration in the community and lack of assistance given to the small-business and farming communities. The letter also listed high taxation, interest rates, lack of unemployment benefits to small-businessmen and farmers and little incentive to producers. I ask: are these areas really the responsibility and prerogative not of the State Government but of the Federal Government, on whose shoulders the blame rests squarely for the creating of this division?

Mr HARPER: I thank the honourable member for his question. One would almost think that it had been written by the honourable member for Bundaberg's very good friend, Mr Courtice. I have a copy of the letter to the editor to which the member refers. I would like to deal with some of the points that are made because they are indeed very, very valid points. The fact of the matter is, though, of course, that they should be addressed to the Federal Government, because they refer wholly and solely to Federal matters. For the life of me, when every facet of the letter refers to the Federal Government, I do not know how anyone could suggest that they were responsible for the way in which people voted in an election to elect a member to this State Parliament.

The letter says that there is frustration over the lack of assistance which the National Party has given to drought areas. Of course, that is a nonsense. The Premier of this State—this Government—has made available special assistance for drought-stricken areas which the Federal Government has refused to match. In August last year the State Government offered $5m and it invited the Federal Government to match that on a dollar-for-dollar basis. Despite repeated efforts, in about February this year the State Government became so annoyed and so frustrated by the lack of interest shown by the Federal Government that the Premier and Treasurer made that $5m available without having received matching assistance from the Federal Government. Where the assistance could have been $10m, the Federal Government made sure that it remained only $5m. That had nothing to do with normal natural disaster assistance.

The Premier and Treasurer has also indicated, as has the Minister for Finance, that we would be prepared to help further in that regard if the Federal Government would acknowledge its responsibility to contribute on a dollar-for-dollar basis. There again we have a situation in which it is the Federal Government that has failed to respond to the needs of those in drought-affected areas.

The letter goes on to say that the country will always need farmers if it is to supply its own food. Nothing could be more correct. Nothing could be more accurate. It is incredible that the Australian Labor Party in Government in Canberra is not prepared to recognise the contribution that primary industry makes to the economy of Australia. Quite apart from providing food for Australians, it provides a means to earn income overseas. It puts the dollars into the pockets of the Australian economy.

The letter goes on to state, "There will always be droughts and floods." The writer may be assured that the Queensland Government will always respond when there is a need for it to contribute to help in overcoming the problems caused by droughts and floods. The Queensland Government's record speaks for itself very clearly. The proof is in the assistance that has been, and is, afforded by the Queensland Government.

I suggest that the people who voted against the National Party candidate in that particular by-election did so without any true knowledge of the Parliament to which they were electing the candidate. If it had been a by-election for the Federal Parliament, one could have understood their voting against the Labor Party; but to put the blame on the State Government when it is clearly the responsibility of the Federal Government, which has shown a lack of interest and lack of understanding through its Federal parliamentarians, particularly Queensland representatives, is misguided. Unfortunately, Federal Cabinet Ministers—probably with the exclusion of the Minister for Primary Industries and Energy, who has an understanding of these matters but is not able to get through to people such as Senator Walsh—also show a lack of interest. Mr Kerin is not given any support by the Federal Government members from Queensland or Senators from Queensland. If they were intent on helping John Kerin, I am sure that there would be a chance of getting the message through to the Walshes and those who are uninterested in the plight of primary producers in Queensland.

Imprisonment for Non-payment of Fines

Mr STEPHAN: In directing my second question to the Minister for Corrective Services and Administrative Services, I refer to a claim made by the Prisoners Legal Service in the week-end press indicating that more than 1 500 people went to gaol last

year for non-payment of fines. I ask: can the Minister advise whether this is correct? What impact does this have on the prison system?

Mr Davis: What's the policy on Dorothy Dix questions?

Mr SPEAKER: Order! I call the Minister for Corrective Services.

Mr COOPER: Thank you, Mr Speaker. I thank the honourable member for the question.

I can confirm that, in the last year, not quite 1 500 fine-defaulters actually went through the prison system. This Government recognises the seriousness of this form of punishment and draws the attention of the House to the actual cost of housing a prisoner, particularly at Boggo Road, which is approximately $20,000 per annum. However, it is not only the cost in monetary terms but also the cost in human terms that must be taken into consideration when the fine-defaulter is mixing with hardened criminals. The community just gets a better criminal, not a better person. During the last 12 months the 1 500 prisoners have caused tremendous overcrowding in a system that does not need it at this stage. It is also a procedure that is very wasteful and unproductive.

I remind the House of this Government's commitment to the Kennedy commission and to alternative sentencing that is currently under review, which is certainly very high on the list of priorities for the Kennedy commission. I understand that the Prisoners Legal Service that is referred to in the article has also put in a submission, which is one of approximately 1 000 submissions that have gone to the commission—something of a record.

I reaffirm this Government's commitment to pursuing improvements in the ongoing corrective services system. I remind the House also that Queensland has been the leader in the fine-option system and has certainly been to the fore in home detention, community service and release-to-work programs, and will continue to be so. Those programs are very high on the budgetary list of priorities for the department. Added emphasis on those sorts of programs will certainly provide relief for the system in monetary terms. As I said, however, it is in human terms that the Government is making a rod for its own back because so many people who are going through the system are mixing with hardened criminals.

The main point I wish to make is that, before they go to gaol, many of those people are offered an alternative. They can either opt to do community service or opt to go to gaol. Those people who actually opt to go to gaol should be required to do community service, as far as I and this Government are concerned. They thus would be able to repay their debt in a more productive manner rather than bludge on the system and add to the increasing problem of overcrowding that already exists.

I commend the member for Gympie for asking this question. I thank him for bringing this matter to the attention of the House.

Police Complaints Tribunal

Mr INNES: I have a question without notice to the Premier. A few moments ago the Premier made a statement in this House in which he said that, following the reconstitution of the Police Complaints Tribunal, he now had confidence in that tribunal. I ask: is the implication of that statement that during the chairmanship of Judge Pratt the Premier did not have confidence in the Police Complaints Tribunal, and what was the basis of that lack of confidence?

Mr AHERN: I am not sure what particular fine legal point the honourable member is trying to place upon my comments.

Mr Innes: You put it up.

Mr AHERN: Okay.

The issue related to the question of public confidence in Judge Pratt's chairmanship of that tribunal after he had been named before the Fitzgerald inquiry on a number of occasions. That was the issue which prompted the not unreasonable public view that a change was necessary. That was my view also and a change was made. I feel that the new head of the tribunal deserves the trust of the people of Queensland.

Unpublished Auditor-General's Reports on Department of The Arts and Queensland Film Corporation; Queensland Day Committee

Mr INNES: In asking a second question of the Premier and Treasurer, I refer to this morning's newspaper reports and the Auditor-General's reports that he has tabled. The article states that the Auditor-General was unaware that there were some 13 secret trust accounts through which the sum of almost $4.5m had passed without the Auditor-General ever being aware of the existence of the accounts or the monetary transactions. In the article there is reference to the possible use of those accounts by people who gained a taxation benefit rather than the film industry having gained a film benefit.

I refer to the history of the Department of The Arts under the administration of the former Minister. Mr Allen Callaghan was convicted of misappropriating $43,574 from the Queensland Film Corporation and the secretary of the film corporation was convicted of misappropriating $10,915. With regard to another account or area of operation within the same department, the Queensland Day Committee, Mrs Judith Callaghan was convicted of misappropriating $44,529 from that committee. With regard to another area, the Divison of Sport, the second in charge, Mr William Sharry, was convicted of misappropriating $45,333. I ask: what is left of the concept of ministerial responsibility for a department in which the misappropriation of public moneys has occurred in such diverse areas? Further, does the Premier believe that, short of criminal culpability, any ministerial responsibility exists?

Mr AHERN: I have tabled those reports this afternoon so that honourable members can give serious consideration to the general issues. I draw particular attention, as I did in my ministerial statement, to the comment made by the Auditor-General as to the culpability of people associated with the culpable parties in respect of their knowledge of the situation. I am not sure whether the honourable member realised that he was referring to only one of the Ministers who were involved; there were others. The issue of accountability is described by the Auditor-General in his report and particular attention is given to a statement of intention and principle in respect of it. He has made it quite clear, in my view, where he feels the fault lies.

All this happened back in history when I was acting in another role, as the honourable member is aware. However, having spoken to the Auditor-General personally about this matter, I am satisfied that he has done his job thoroughly. I asked him whether he had any concern that he may not have received all the assistance that he wanted and he indicated that he had received all the support that he required.

The question was asked as to why there had been a delay in reporting. The Auditor-General indicated that that was because further inquiries were being carried out. I asked if there was any reason why the reports should not be ultimately tabled and he indicated that they could be tabled. So all matters have carried through in their proper sequence and a number of people are now sitting in gaol, having been convicted of offences as a result of this exercise in public accountability.

The only issue that remains is: is there a case for asking, after all this has happened, for a Minister to say finally, "In the final analysis, I was Minister and, therefore, I should offer my resignation."? That appears to be where the honourable member's question finally reached. The first point is that it was not just one Minister. If the honourable member is pointing to the Honourable Peter McKechnie, if he does his homework he will see that other parties were involved at various stages.

The question is whether in this instance Mr McKechnie should offer his resignation. For what it is worth, I draw the attention of the House to the particular statements of

the Auditor-General in respect of the matter, in which he quite clearly said that full co-operation was given and there was no knowledge of the situation. I recall honourable members opposite calling for my resignation in respect of issues relating to the Peanut Marketing Board when I was Minister for Primary Industries. In fact, I had brought the auditors in. I had found the problem and acted on it. It is a nonsense to then suggest that, having exercised all of those actions, a Minister should turn around and offer his resignation.

I believe, in the circumstances, that all that properly should have happened has happened and that there is no reason to accept the suggestion that was made by the Leader of the Liberal Party.

TAFE College Councils

Mr SHERRIN: In asking a question of the Minister for Employment, Training and Industrial Affairs, I direct his attention to the formation of TAFE college councils in a number of non-metropolitan colleges. I now ask: in light of the outstanding success of these councils as a means of promoting local community, commerce and industry participation in TAFE colleges, will he inform the House if TAFE college councils will be instituted for all TAFE colleges in Queensland?

Mr LESTER: Yes, I am very definitely of the view that all TAFE colleges should certainly have consultative councils made up of representatives from the total community. In fact, I look forward to this happening in the not-too-distant future. Already the senior colleges have councils that appear to be working very well. I can assure the honourable member that I will be pursuing these lines with TAFE colleges. In some instances councils have been formed. They are working well. I hope to have a relatively uniform basis on which colleges can proceed. The area of Brisbane is one that needs a little bit more effort in this regard and I will be pursuing that as ably as possible.

Expo Open Day

Mr SHERRIN: In asking a question of the Deputy Premier and Minister for Expo, I direct his attention to the Expo open day that was conducted last Sunday. I ask: can he inform the House of the degree of success of this exercise and what promise it indicates for the overall success of Expo in the months to come?

Mr GUNN: The trial day was a great success, with between 80 000 and 100 000 people attending. Yes, there were some minor problems. One of the reasons for a trial day was to find problems and iron them out. Possibly there should be a few more food outlets, etc. Because of the massive crowds that are expected to attend Expo, people have to get used to the fact that there will be a bit of queuing. I think that was well known to the authority. It is all very well for people to say that the grounds are not big enough. Of course, members on the other side did not want an Expo at all. The trial speaks well for the authority. I wish to congratulate Sir Llew Edwards, particularly, Sir Edward Williams and also the members of the authority, who worked so hard.

I recommend to anybody visiting Expo that he or she visit the Queensland pavilion first. As I have said on many occasions, Expo is an investment in Queensland's future. I have been to a number of Expos, and I believe that Queensland's pavilion is one of the finest I have seen. The great success of Expo will be due in no small way to the geographical position of the pavilion.

I advise people not to drive private vehicles to Expo but to use public transport. It is a short walk from the city area across the bridge to the site. Some problems might be encountered with transport initially, but I am sure that they will be ironed out. The Queensland Government is looking forward to Expo being a great six months' success.

Unpublished Auditor-General's Report on Department of The Arts and Queensland Film Corporation; Queensland Day Committee

Mr WARBURTON: I direct my first question to the Premier. He will appreciate that the members of this House have had no opportunity to examine the reports on the public funds scandal that he tabled this morning. Needless to say, the *Courier-Mail* has

asked, "How could this have happened and how could it have remained undetected over such an extended period?" Perhaps that answers the question for the Premier that was put to the Premier earlier. I ask: do any of the reports tabled fully report on the Queensland Day Committee scandal? If not, will the Premier undertake to table all the details concerning the Auditor-General's investigations into that matter? Now that at long last the reports have been flushed out, and it seems from the *Courier-Mail* article about those reports that the police action fell far short of what apparently should have occurred, will he undertake to also provide a full report of police investigations and action taken on those same matters?

Mr AHERN: As I understand it, I have tabled all the relevant reports.

Mr Warburton: The police report I want.

Mr AHERN: The police report was referred to in the papers that I tabled. As a consequence of that report, prosecutions were launched and people have incurred their penalty and are serving their sentence.

Mr Warburton: A separate report altogether.

Mr AHERN: I am not certain if there is a separate report. However, if a separate report exists, I shall seek it.

Unpublished Auditor-General's Report on Department of The Arts and Queensland Film Corporation

Mr WARBURTON: In directing my second question to the Premier, I refer him to the public funds scandal and the new evidence that has now surfaced. We are told that Police Commissioner Lewis gave instructions that ministerial expenses were not to be included in the brief when investigations were carried out and that the Auditor-General expected more people to face criminal charges. We have heard about trust accounts operating in the Queensland Film Corporation for about $4.5m. Now another organisation known as Ken Newton Media Consultants Pty Ltd has surfaced, evidently acting in collusion with Callaghan and perhaps other people in the Queensland Film Corporation. I ask: is it correct that a deal was made between Allen Callaghan and the Government which saw Callaghan plead guilty to a fewer number of lesser charges? Was any former employee of the Queensland Film Corporation given a formal or informal immunity from prosecution? Has Police Commissioner Lewis, who is still, incidentally, on the public pay-roll, been questioned as to who instructed him as Police Commissioner to leave ministerial expenses out of the investigation? In the light of the Fitzgerald inquiry evidence that has now come forward concerning the previous Premier and Commissioner Lewis, will the Premier move to reopen police investigations so that all persons guilty of misusing public funds during the period of that scandal receive the justice that they deserve?

Mr AHERN: My Government made no arrangement with Callaghan. Callaghan——

Mr Casey: You were a part of the previous one, though.

Mr AHERN: Callaghan was in gaol when my Government came to power——

Mr Scott: What Cabinet did you sit in in those days?

Mr AHERN: The honourable member ought to recognise that I as Premier could have no understanding of any of these arrangements that he is talking about. In terms of the "retired" Police Commissioner—I have no knowledge of them at all. I have no knowledge of whether they happened and the circumstances of their happening at all.

This happened some years ago. The whole issue has gone through the legal process, and all the Government is doing today is tabling the necessary reports. I have no knowledge of any of the negotiations that the honourable member is talking about, as to whether they occurred or whether they did not.

As far as my Government is concerned, it has acted in the interests of accountability in making all of this information available today. If other issues arise out of that, they will be discussed at the appropriate time.

I have no knowledge of the detailed questions. In view of the fact that this is the last day of the parliamentary session, I cannot sensibly ask the honourable member to put his question on notice, as I would usually, and provide for him tomorrow the necessary details in terms of the information that might be available within the Government. All that I can do is to ask the honourable member to write to me in respect of the matter and I will give him an expeditious reply.

Relationships of Gold Coast Waterways Authority with Gold Coast City Council and Local Authorities

Mr VEIVERS: I direct a question to the Minister for Water Resources and Maritime Services. There have been some criticisms in the past of the relationships between the Gold Coast City Council and other local authorities and the Gold Coast Waterways Authority, and the authority's apparent disregard for the wishes of the local authorities with which it deals. I ask: can the Minister give an assurance that the wishes of the Gold Coast City Council and other local authorities will be given due consideration before any decisions are made?

Mr NEAL: I thank the honourable member for his question. I can assure all honourable members that any such criticisms are unfounded. I have every confidence that the Gold Coast Waterways Authority recognises the very important role of local government in the strategic planning for its area. Local authorities have been consulted extensively in the preparation of the Gold Coast Waterways Authority's management plan for the future of all waterways under its control and it has received excellent co-operation from those local authorities.

As the Minister responsible, I know that the Gold Coast Waterways Authority makes every endeavour, where necessary, to keep relevant Government agencies and local authorities informed of any proposals under consideration that might potentially have an impact on the waterways. I can assure all honourable members that I have absolute confidence in the management and operations of the Gold Coast Waterways Authority.

Secondment of Dr G. Alexander from Department of Primary Industries to Carry Out Marketing Study

Mr BEARD: In directing a question to the Minister for Primary Industries, I refer to the secondment of Dr Graham Alexander, Director-General of the Department of Primary Industries, to carry out a study and review of various aspects of marketing and marketing arrangements, with very wide terms of reference, and note that a final report is to be provided to the Minister by 31 December 1988. I ask:

(1) In view of the very wide terms of reference, what staff and other resources have been allocated to Dr Alexander to help him carry out this study?

(2) What are the organisational arrangements within the Department of Primary Industries during the term of Dr Alexander's secondment?

(3) Is Dr Alexander's secondment from the department due in any way to conflict with other members of the Minister's staff?

(4) Will the Minister undertake to table Dr Alexander's report in this House within three months of its presentation to him?

Mr HARPER: I thank the honourable member for his question. Dr Alexander has been appointed to carry out what is a most important task, one which will have far-reaching repercussions on the future of primary producers throughout Queensland, particularly in the area of horticultural products.

The reason that Dr Alexander was appointed was his particular expertise in this field. As I have indicated to him, it is not my intention that others carry out the inquiry for him and prepare the report that will eventually be produced.

I appointed Dr Alexander because I want him to exercise his expertise in this field. The work will be done by Dr Alexander, not by others. He has accepted that decision with an understanding of the role that he is to take. He will be given whatever assistance is necessary to ensure that he is not inhibited in undertaking his inquiries and investigations. In fact, an advertisement inviting the forwarding of public submissions to Dr Alexander has been prepared.

When the report is considered, it will be a report to me as Minister and will be the property of the Government. It will be a matter for the Government to determine what, if any, sections of that report are published; but I certainly hope that as a result of the investigation that will be undertaken the marketing of primary produce in Queensland will be able to enter the next decade with modern facilities and with an understanding of the needs both on the home market and on the export market.

Commonwealth Tax on Floating Tourist Pontoons and Other Structures

Mr BEARD: In directing a question to the Premier and Treasurer, I refer to new Commonwealth taxation legislation that will impose a tax on all floating tourist pontoons on the Great Barrier Reef, as well as structures such as the floating hotel, and I refer also to the statement in the Commonwealth Senate *Hansard* of 26 October 1987 by Senator Tate when introducing the legislation, wherein he said that the legislation was introduced after consultation with the States, which were worried about losing revenue. I ask: did Senator Tate consult with the Premier on that matter?

Mr AHERN: I have not directly heard of it, but it is possible that on a range of issues there is consultation in respect of matters of mutual interest. There are, of course, items in the formula of cost-sharing in the States, which would indicate that the Commonwealth would ask Queensland questions like that. I have no personal knowledge of it. It is probably very likely that there was consultation at an officer-to-officer level. It is likely that Queensland would have agreed because there would be some money in it for this State. As I have said, I have no personal knowledge of it. I will ascertain the exact situation for the honourable member and I will reply to him as soon as possible.

Proposed Changes to ASAT Tests

Mr LINGARD: In directing a question to the Minister for Education, I refer to reports of proposed changes in the format of ASAT tests which are used in the preparation of TE scores. I ask: what changes are proposed in both ASAT tests and the presentation of TE scores for those students who are completing Year 12 this year?

Mr LITTLEPROUD: Honourable members would probably already be aware that a month or so ago changes were made by the Government to the timing of the TE scores—to the time that students have to alter their first preference at the QTAC centre.

Probably of more importance, of course, is the introduction in October of the written expression test within the ASAT test. I am pleased that that has been well received. For quite some time there has been quite a deal of pressure from the public at large, and from tertiary institutions in particular, who felt that it was necessary for students continuing on to tertiary education to express themselves in written form.

In recent times we have seen a growth in the use of multichoice questions. A multichoice question lists a number of answers. Students have to merely think it through and tick a box beside the most appropriate answer. While that has definite advantages for people undertaking assessments, never does it make any allowance for the students' ability to organise their thoughts and to put them down in grammatical form.

I believe that the introduction of the written expression test will end up putting more emphasis on written expression, grammar, word origin, punctuation, paragraph structure and all those sorts of things not only at Year 12 level but right down through

the schooling of students, including those at primary school level. Many people think that that is a good thing.

In more recent years, within the school system I have seen growth in the ability of children to express themselves orally. Perhaps that has occurred at the expense of written expression. Perhaps we will now see an even balance coming through. If that occurs, it is to be applauded.

When people enter tertiary education, it is most important that they are able to express their thoughts in a grammatical form in assignments. Most of the work that is submitted at tertiary level is in written form. It is most important that those people can do justice to their specific knowledge.

It has been noted by quite a number of university people that students who enter mathematics, science and other related subjects show a great deal of knowledge of those subjects but in some cases lack the ability to do justice to themselves when they have to express themselves in a written form.

The two changes that have been made in the past few months will be well received by the public. Other changes will be made in the future. It is important that the changes that will have to be made are considered very carefully. I would prefer a system that is simpler and easier for the public at large to understand than refinements which, in search of equity, become more and more complex and more difficult to understand.

I assure the House that in the months ahead I will do my very best to further review the TE score system so that Queensland ends up with a system that removes the pressure from its young people.

Perhaps the major factor that is contributing to the emotions that have been expressed by the public is the lack of tertiary places in Queensland because of underfunding from the Federal Government.

Commonwealth Green Paper on Tertiary Education

Mr LINGARD: In directing a second question to the Minister for Education, I refer to the Commonwealth Green Paper on tertiary education. I ask: what effect will there be on Queensland education if proposals in that report are implemented in this State?

Mr LITTLEPROUD: A minute ago I alluded to some of the effects of that Green Paper, which is all about tertiary places and threatens far-reaching effects on Queensland's tertiary education.

A couple of months ago I attended a conference in Melbourne at which the various Ministers agreed that that Green Paper provides a thrust towards the provision of more places in tertiary institutions throughout Australia, greater efficiency of tertiary education and better teaching qualities. I whole-heartedly agree with that.

Some aspects of the Green Paper will have great effects on what happens in Queensland. One proposal relates to dropping the binary system in which universities and colleges of advanced education exist at two different levels. The proposal is to make one unified system. In effect, colleges of advanced education would be treated in exactly the same way as universities are treated.

At present, colleges of advanced education are under the control of the Board of Advanced Education. Should they become part of a unified system, there will no longer be a need for that board. Eventually, when amendments are introduced further down the track, the board's role will have to be considered.

Other aspects will need consideration. Some colleges of advanced education are currently producing work of such a standard that they are able to sell their research work to the commercial world and overseas. The DDIAE in Toowoomba sells its courses in business studies to China. People from that institute have said to me, "While we are currently regarded as a QIT or a CAE, we are not allowed to call the heads of our

departments professors. When we are in the business of trying to sell our business or produce overseas, we find ourselves at a commercial disadvantage if we cannot use the terms 'professors' and 'universities'."

I am prepared to consider that problem when amendments are proposed. At present, it is very difficult for amendments to be drawn up. Mr Dawkins indicated initially that he would bring down his White Paper in July. Recently he indicated that it would be August. I hope honourable members appreciate that it is very difficult to plan ahead for amendments to the education system in Queensland when this Government does not know the ground rules that will be demanded by the Federal Government.

Route 20, Environmental Impact Study

Mr PREST: In directing a question to the Deputy Premier and Minister for Main Roads, I refer to the fact that, on 17 February 1988, he issued a press statement on Route 20, stating that all detailed planning of the route's upgrading would be put on hold pending an environmental impact study, following agreement with the Lord Mayor on the very same day that planning and construction activities will be held in abeyance pending the results of that study.

I ask: will the Minister inform the House as to why the Main Roads Department has continued to purchase properties that are needed for the Route 20 freeway in apparent breach of the agreement made on 17 February to halt all activities pending the results of the impact study?

Mr GUNN: I am extremely pleased to hear that the people of Gladstone are taking an interest in Route 20. That is great. I have made statements in this House before about Route 20.

The Lord Mayor and I did meet. She expressed certain concerns as far as Route 20 was concerned, as have the people living in the area. We decided that a social and environmental impact study would be carried out. A committee has been set up to do that, and, a study into the "missing link", as it is known. In due course—some time in August—I hope to be back in this House to let the honourable member know what we are doing and what will be done about both of those particular issues.

Mr PREST: The people of Gladstone know what an awful liar the Minister is. Someone has to ask questions.

Mr SPEAKER: Order! That term is unparliamentary and I request that it be withdrawn.

Mr PREST: All right. He has misled the House on many occasions.

Mr SPEAKER: Order! The member will ask his question or sit down.

Boating Fees Charged to Pensioners

Mr PREST: I direct my second question to the Minister for Maritime Services. As pensioners throughout this State, in particular those in my area, pay some $638 mooring fees for a 12-metre boat which is their place of abode, and a surcharge for a boat above that size, and as I understand that a percentage of the mooring fee, namely, some $315 of the $638, goes to the department under his control, I ask: could consideration be given in the next Budget to a rebate on this mooring charge for pensioners who are in receipt of rent assistance or rate rebates similar to a rebate given to a pensioner who owns his own home and pays rates to a local authority where the Government gives a percentage rebate on these rates and charges up to a maximum amount?

Mr NEAL: If the honourable member gives me the details of the question and the points that he has raised, I will certainly have a look at them.

Lewis Land Corporation Project at Labrador, Ministerial Rezoning

Mr McELLIGOTT: I direct a question to the Minister for Local Government. I refer to his earlier answer concerning the land rezoning at Labrador and I ask: will he give an assurance to the House that the Government will abide by the decision of the Gold Coast City Council as to necessary conditions, including the $100m performance bond requested by the Gold Coast City Council?

Mr RANDELL: I think I have said many times in this House that any application that comes to me will be judged on its merits, and that is exactly how this one will be judged.

Auditor-General's Inquiry into Arts Department

Mr McELLIGOTT: I direct my second question to the Minister for Family Services and Welfare Housing. In view of the Premier's attempt to distance himself from the Cabinet decision regarding the funds scandal in the Minister's department, I ask: as the Minister was one of the responsible Ministers in the previous Government, was a deal done with Callaghan to have lesser charges laid? Was anyone given immunity in this issue? Who instructed Police Commissioner Lewis to exclude ministerial expenses from the investigation?

Mr McKECHNIE: In reply, the answer is very simple. I do not know of any instructions whatsoever—certainly not in the way in which the honourable member has put them.

Mr McElligott: What happened in your department?

Mr SPEAKER: Order!

Mr McKECHNIE: I am not Minister for Police. What actually happened was that when I received the Auditor-General's report I called in the police. It was I who called in the police. I gave them a briefing. They came back—I just forget whether it was once or twice—for some explanations. I was completely open with them. As far as I was concerned, what happened after that was a matter for the police. Unlike the Opposition—

Mr Goss: Did you discuss ministerial expenses with them?

Mr McKECHNIE: I am not able to recall whether it was ministerial or not. What I am saying is——

Mr Goss: You don't remember, eh!

Mr McKECHNIE: All I am saying is that anything at all that the police wanted to know, or anything that they wanted to question me on, I answered honestly and forthrightly to the best of my knowledge.

Mr SPEAKER: Order! The time allotted for questions has now expired.

BILLS: REMAINING STAGES

Abridgement of Time

Hon. B. D. AUSTIN (Nicklin—Leader of the House) (3.50 p.m.), by leave, without notice: I move—

> "That so much of the Standing Orders and Sessional Orders be suspended as would otherwise prevent Bills listed as Orders of the Day Nos. 1 to 3 from being taken through their remaining stages at this day's sitting."

Motion agreed to.

CENTRAL QUEENSLAND COAL ASSOCIATES AGREEMENT AND QUEENSLAND COAL TRUST ACT AMENDMENT BILL

Second Reading

Debate resumed from 20 April (see p. 6180).

Mr BRADDY (Rockhampton) (3.51 p.m.): This Bill was introduced into the House late last week. The indication given then by the Attorney-General was that the legislation was of such importance that it was required to be passed through all stages before the Parliament rose. Of course, some controversy surrounded this matter between the manager and the trustee, but the matters have been resolved.

I note that in a letter of 15 April 1988 to the unit-holders from the management, the following points were made: that the stage has been reached at which the trustee and the manager have agreed to convene a meeting on 6 May to consider a resolution to approve the incorporation in principle by a first resolution; that the trustee has now nominated a majority of 75 per cent as suitable to carry out the first resolution; that the trustee has withdrawn his objections to the manager's resolution—objections that were previously made to the unit-holders; and further that, subject to the necessary majority support for the enabling first resolution and manager's resolution and certain further safeguards, the trustee has agreed to work towards making possible the implementation of a reconstruction of the trust on 30 June. The final point made was that the manager had agreed to defer the special meeting—convened to consider the manager's resolution—to allow the first resolution to be considered first.

I understand that two enabling meetings will now both take place on Friday, 6 May 1988. The first meeting will consider the first resolution. The second meeting, adjourned from 22 April 1988, will consider the manager's resolution.

Mr DEPUTY SPEAKER (Mr Row): Order! The Chamber will come to order. There are too many members of their feet.

Mr BRADDY: Thank you, Mr Deputy Speaker.

It is clear that this matter can only proceed on the basis that the matter will be reviewed by the Commissioner for Corporate Affairs—as stated by the Minister—and that approval is given by a special majority of unit-holders. Approval must also be given by the Supreme Court of Queensland.

I note also that the trustee has changed its position, as I indicated earlier. The trustee is the Permanent Trustee Company Limited. By a letter dated 15 April 1988, the trustee also wrote to unit-holders stating that a meeting had been called to ask simply whether unit-holders preferred investment to remain in a trust structure or whether investment should be converted to a company structure. The trustee states in that letter that the matter is one for each individual to decide, having regard to his or her own investment objectives and whether he or she wants a company structure or a trust structure. The trustee has ultimately seen fit not to tender advice in relation to that matter. The trustee has changed its position because, previously, it questioned the proposal that had been put forward by the manager.

In all those circumstances, it is a matter for the unit-holders to make a decision at the meeting so that various approvals can be sought if they decide to change to a corporate structure. In those circumstances, the Opposition supports the proposal that is put forward in the legislation and is content for the matter to be decided in due course by the unit-holders.

It is interesting to contrast the Government's action in these matters with its actions in relation to other justice matters that are before the community and the House at the present time. I note the ministerial statement made today by the Minister for Justice and Attorney-General in relation to the affidavit which I tabled in this House on 21 April 1988. It is a matter of regret that the Minister for Justice is still attempting to keep the Finch matter from being investigated by the Fitzgerald inquiry or another

commission of inquiry. I suggest that this may ultimately be a matter of severe regret and embarrassment to the Attorney-General himself if circumstances are such that the Fitzgerald inquiry indicates clearly that there are matters before it which would require the Finch matter and the Whiskey Au Go Go case to be investigated seriously. It appears to me that this could easily happen.

I drew the matter of the Griffiths affidavit to the attention of the Fitzgerald inquiry on 22 April 1988, when I attended at the inquiry by arrangement with Mr Gary Crooke, QC, counsel assisting the commission, and gave him a copy of the affidavit, other material and certain other information which had come to my attention. It is clear to me that the Fitzgerald inquiry will undoubtedly look at that material and I note the Minister's ministerial statement in that regard.

One matter which is of regret is that at the present time the Fitzgerald inquiry is inundated with material and it may well be some time before these matters, which are serious in the sense that they require investigation, are looked into. I have noted the Acting Commissioner's remarks to the media in relation to these matters and in a sense I have some sympathy for him. However, these matters have been drawn to the attention of the Attorney-General, and both the Attorney-General and I have in turn drawn them to the attention of the Fitzgerald inquiry and they must be investigated. After all, these matters were submitted in a form which the Attorney-General apparently prefers—in the form of a sworn affidavit—and therefore they must be treated seriously. There is enough material in them which can be substantiated to make one look at the circumstances. I refer, for example, to the circumstances of the removal of the deponent, Griffiths, to Mount Isa, as sworn by him in the affidavit, which has been corroborated to me by a witness who assisted in that regard. Those circumstances require some explanation by the police authorities.

All these matters have to be attended to by the Attorney-General. He must balance the commercial practice of this State, which he is doing through this legislation, against other matters. Priority should be given to all these matters, and the legislation that is before this House for debate, the Central Queensland Coal Associates Agreement and Queensland Coal Trust Act Amendment Bill, is a serious matter that requires urgent attention. The Opposition co-operates in that regard, but does so on the basis that it also asks the Government to sincerely co-operate in other matters. It is a pity that some urgency is not shown more often in relation to other substantial matters. In due course, if the Attorney-General receives certain advices from the commissioner, he may well find that he regrets that he did not show the same urgency in relation to the Finch case.

Mr DEPUTY SPEAKER: Order! I think that the honourable member is drawing the longbow in relation to this Bill and the Fitzgerald inquiry.

Mr BRADDY: With due respect, Mr Deputy Speaker, I again say to you and to this House that years ago, when the terms of debate were altered to cut out debate at the introductory stage, it was clearly stated that the Opposition would have the opportunity to talk about matters related to the portfolio and to the Bill, particularly the Opposition shadow Minister and spokesman. When the Opposition lost certain rights, in exchange it was given an undertaking and understanding that it would be able to canvass matters of relevance to that portfolio and not necessarily to the Bill.

Mr DEPUTY SPEAKER: Order! I wish to remind the honourable member for Rockhampton that the Chair has jurisdiction in relation to relevance and I will apply it if I think it is necessary.

Mr BRADDY: Mr Deputy Speaker, I am certain you will apply it and I accept that, but it is certainly my province and my place to remind you, I suggest with respect, that the undertaking that was given was that there would be given, particularly to the shadow Minister, a reasonable opportunity to talk about matters relevant to the portfolio. I am not talking about matters relevant to any other portfolio; I am talking about matters relevant to this portfolio. Mr Deputy Speaker, I note what you are saying. I do not intend to continue at any length and I do not intend any disrespect, but I believe

it to be my duty to bring these matters before the House, particularly as a statement was made in the House today by the Attorney-General.

Mr Clauson: As I have a right to do.

Mr BRADDY: Certainly, I accept that right and I think it was very proper for the Attorney-General to do that today. I just wish to comment. In this place we in the Opposition do not have the right, as other Parliaments do, to initiate debates of our choosing. We have never been given that right, even by the new vision of excellence.

Mr Lingard: The idea is to get more than half the numbers.

Mr BRADDY: There are Parliaments that allow members of the Opposition to initiate debates.

Mr DEPUTY SPEAKER: Order! I do not intend to allow the honourable member for Rockhampton to continue to debate the issue of relevance. I have made a ruling on relevance and I think I have been reasonably fair. In fact, in this case I have been more than fair. I ask the honourable member either to come back to the Bill or to discontinue his speech.

Mr BRADDY: Thank you, Mr Deputy Speaker.

As I did at the outset, I indicate that the Opposition supports the legislation before the House. We in the Opposition always support matters that effect efficiency and expediency. It is clear here that the Attorney-General is now reflecting the commercial wishes of the people involved and is properly leaving it to the unit-holders to make the ultimate decision. Therefore, there is nothing in the legislation to which the Opposition takes exception.

I thank the Attorney-General for making his ministerial statement today in the House. At least that makes clear his position on that matter. Too often we have to read about these things in the press. The proper place for such things is the Legislative Assembly. I at least thank the Minister for having done so. His position is clearly stated. We do not agree in all respects on what should be done, but at least the statement has been made in this place and not, as happens in some other instances, just in the media. The Opposition is expected to accept that as the only place where such a statement should appear. I await with interest the outcome of the investigation by the Fitzgerald inquiry of these matters to which I have referred.

Mr DEPUTY SPEAKER: Order! I have asked the honourable member for Rockhampton to refrain from referring to the Fitzgerald inquiry. It has nothing to do with the Bill before the House. I call the member for Sherwood.

Mr INNES (Sherwood—Leader of the Liberal Party) (4.03 p.m.): The Liberal Party will support the Bill. Through the financial pages, people have been aware of the negotiations and the proposal involved in this important transaction with a very important participant in that vital industry for Queensland—the coal industry.

As has been stated, the Bill facilitates rather than obliges. The only matter that I would like to canvass shortly is the provision of stamp duty. It will be recalled that last week I took some strong objection to the haste with which stamp duty legislation was propelled through this House. The excuse given—it was a totally inadequate and pathetic excuse—was that it was a Bible to the people who wish to avoid stamp duty.

Mr Austin: Trying to protect your mates in the avoidance industry, were you?

Mr INNES: I am glad that the Minister for Finance is in the House, because I can look at the logic used by him in this legislation. Hypocrisy and double dealing are second nature to the Minister. I suggest that those deficiencies in his personality can be demonstrated in the Bill before the House.

All that I called for last week was sufficient time to examine some very serious implications of changes to stamp duty. I pointed out that the people with most expertise with regard to stamp duty—I would not suggest that the Minister has any expertise——

Mr Austin: Probably more than you do.

Mr INNES: I would have more expertise than the Minister has, but I still do not have great expertise. It is a complicated area.

People wished to examine the legislation and to have an input. The relevant committees of a couple of professional bodies, which clearly have some interest in understanding the legislation and advising their clients, wished to have an input. I understand that the matter has passed into law today, yet still the majority of practitioners in this State have absolutely no understanding of the implications or the terms of 120 pages of legislation. It was an outrageous action by a bull-headed Government that was less interested in ensuring justice, certainty and accountability in relation to taxation legislation than it was in doing what was recommended by the bureaucracy to make it easier to gather more tax. However, exemptions were given to primary industry in contradistinction to other areas of activity and other businesses in this State. All other businesses are hit full bore and will pay more, but primary producers will be exempted from the same impositions.

Government members said that the legislation was to be passed quickly without allowing people time to make representations, because it was a Bible for stopping avoidance. This is a piece of stamp duty avoidance legislation in which the Queensland Government has decided who will avoid the legislation. I am not calling for Central Queensland Coal Associates to be more heavily subjected to tax or stamp duty, but this legislation exempts from last week's legislation, which became law today, the liability of Central Queensland Coal Associates to pay stamp duties which all other unit-holders will sustain.

I make it perfectly clear that I do not use this argument in the context of calling for more stamp duties to be imposed on Central Queensland Coal Associates. I do it to reveal the hypocrisy of a Government which last week could say that we were not allowed time to make representations or time for consultation because that legislation was for the people who avoid taxation and which this week says that this legislation relieves Central Queensland Coal Associates from paying $30m worth of stamp duty which is being imposed upon all other people who are changing their units situation as a result of last week's legislation. The company will pay a little more than it would have paid on the nominal unit transfer situation previously, but it will pay far less than all other persons who are involved in unit transactions from today forward.

The Government has attempted to take advantage of the Federal Government's legislation. Why were not all others treated equivalently and allowed to adjust themselves to the implications of the Federal Government's legislation, to rearrange what is essentially the same business and the same affairs, to keep taxation to a minimum? This Government, which masquerades as a low-tax Government, is involved constantly in applying double standards in picking the winners and the losers and in condemning others who wish reasonably to order their affairs to minimise the incidence of State taxation. It condemns all others in Queensland who might well wish to alter their affairs in the same way as Central Queensland Coal Associates wishes to alter its affairs. The Government hits them full bore with the full incidence of taxation but relieves one of the biggest players. That seems to me to be a classic case of double standards and hypocrisy.

What was wrong with the statement that I made and the interest that I expressed in this House last week? I said that people who would be affected by the legislation wanted time to make representations to the Government or to members of Parliament about the impact of the legislation. The suggestion was made that all people who wanted to do that were tax-avoiders, diddlers and cheats. The same scoffing nonsense comes from the Minister for Finance today in his suggestion that anybody who speaks on principles is protecting his mates.

Mr Austin: You are worried about the tax legislation. That's what you're worried about.

Mr INNES: Nothing that a fence-jumper like the Minister says could possibly worry me. Honourable members have delved into the Minister's moral threshold and they know that it is down at the bottom. They saw it in action again last week. In among those parliamentary benefits was the $6,000 extra that that Minister will get for doing duties that other people in Australia do for nothing, that special advantage that the Minister for almost nothing, the Minister who is only assisting the Treasurer in effect, is getting for leading this House.

Honourable members know that the constant streak of self-interest comes from the Minister's every action, whether it is attacking——

Mr Austin: What are you worried about? Why are you making personal attacks?

Mr INNES: The Minister started this fight. He says that I am the one who is protecting the crooks. I am just saying that when I find somebody whose own personal moral threshold can be used to assess who is cheating and who is not cheating, who is morally good and who is not morally good, I will listen to the interjections.

All honourable members are seeing is a demonstration that, when it comes to financial legislation, this Government has no consistent moral stance. Last week it was wrong to avoid stamp duty; last week it was the diddlers who wanted to minimise stamp duty. This week, this Government will institutionalise the avoidance of $30m of stamp duty imposed upon everybody else in this State by a special Act of Parliament, ergo that is not diddling.

I do not mind that. The negotiations went on long and hard for a significant period of time. Central Queensland Coal Associates was looking after the interests of the people to whom it is responsible. It is a reputable organisation engaged in a very important undertaking in the interests of a very important industry, which consistently underwrites the railway operations of this State and offsets other taxation implications. That company ordered its affairs on a certain expectation over many months, and for good reasons. It wanted the rules to be the same, or almost the same, by way of financial implications, but so did everybody else in this State wish to order his affairs and attune his affairs to what were the expectations before last Tuesday. Everybody certainly wanted time to make the same special representations that the people acting on behalf of Central Queensland Coal Associates made.

Is it only the big who will get the ear of this Government? I ask that rhetorically because honourable members know the answer. There are the chosen few and there are the rest. If the rest say anything in their own defence they will be attacked as cheats, bludgers, socialists, Liberals and anything else that stands for constructive criticism in this State.

The legislation will be supported. The interests of people who wish to order their affairs on the same rules will be supported. The Liberal Party has no objection to Central Queensland Coal Associates being given a stamp duty concession which is almost the same as, or a little more than, what the company sought during many months of careful negotiations. However, the Liberal Party objects absolutely to the double standards involved last week in castigating everybody else who wanted to make representations to keep his tax low and to be treated in an equivalent way and to be shown that special consideration that honourable members see today for a company that has far more clout and far more access to the Government than the average Queenslander has.

Hon. P. J. CLAUSON (Redlands—Minister for Justice and Attorney-General) (4.14 p.m.), in reply: In relation to the peripheral matters that were raised by the honourable member for Rockhampton in speaking to the Bill—I suggest to him that the hallmark for the convincing confidence trickster is that he relies not on half-lies but on half-truths. Some factual matters are easy to prove and easy to disprove. I suggest to him that we will simply have to wait and see how the Fitzgerald commission deals with the credibility of the witness Griffiths, whom the honourable member is touting in this House. However,

I thank him for that part of his contribution that was relevant to the Bill and welcome his support for it.

I thank the honourable member for Sherwood for his support for the Bill. However, I point out to him that the Government does not believe in changing the rules in the middle of the game. That is exactly why the Government has moved in this way in relation to the subject of this legislation—in order to make sure that the stamp duty is not unreasonable. I think that the honourable member is attempting to save himself now because of his opposition to the new anti-avoidance legislation that was supported by the ALP and voted against by him and his party. The situation now is that if QCT paid stamp duty at the rate specified in the recent amendments, it would be liable to approximately $30m in stamp duty, which would have made the act of incorporation, which was the whole purpose of this legislation, commercially non-viable.

The honourable member for Sherwood says that he is a free-enterprise supporter. He says that he objects to people changing the rules in the middle of the game. However, he is in fact supporting that proposal. The Government has not changed the rules. For a long period the Government has been negotiating with QCT on the conversion. Those negotiations were taking place long before this legislation was introduced. The honourable member for Sherwood is attempting to defend the stand he took recently when the anti-avoidance legislation was passed through this House. Now that it is in the House, he wants to resile from that position by attempting to state that the Government is now depriving the little person of the same rights as those given to the big person. That is clearly not the indication of the legislation, nor is it the policy of the Queensland Government.

I commend the Bill to the House.

Motion agreed to.

Committee

Hon. P. J. Clauson (Redlands—Minister for Justice and Attorney-General) in charge of the Bill.

Clauses 1 to 7, as read, agreed to.

Clause 8—

Mr INNES (4.19 p.m.): I want to speak to the issue to which I spoke earlier and then respond to the Minister. I have heard some facile arguing in my time, but the Minister's argument has to take the cake. Central Queensland Coal Associates has the benefit of a special Act of Parliament. The Bill is designed to facilitate the change in its structure. Thousands of other people construct their business affairs through the use of a unit trust. Anybody else considering changing his business structure to respond to the changed incidence of corporate taxation by doing precisely the same thing as Central Queensland Coal Associates proposes to do—which usually involves a deal of professional consideration, preparation, advice and costly negotiations—is put in a different position. He is not allowed to carry through his transactions. He is not allowed time to make representations or to say, "Hold up. I have something in the pipeline. I would like to finish off my transaction and benefit from the same stamp duty as applied when I started my negotiations." That is the crucial difference. Because this group had to deal with the Queensland Government, the Government was aware of its special interest and the rules that obtained at the beginning of its negotiations.

As this Minister well knows, unit trusts are used by many thousands of people as a way of coming together to do business. As the Minister will also know, that is not necessarily restricted to big business. Many small operators are now using the unit trust method of doing business. People will change the type of legal entity that they wish to use for their businesses according to changes in court decisions, taxation laws, the type of persons or organisations that make up their partnerships, and whether or not they have to sell. Everybody else has had the door slammed in his face without the right of representations as to the impact of the stamp duty legislation on his life. Because it

requires and has a special Act of Parliament, Central Queensland Coal Associates has been able to acquaint the Government with its special situation.

I do not change my stance one little bit. The admission by the Minister that what I said was absolutely true—that $30m worth of stamp duty would have fallen upon the change that was made last week to the Stamp Act—is an indication on a very large scale of the sorts of effects that that legislation could have had on many other transactions, albeit of a smaller nature.

The rebuttal that has been put forward has no force at all. My original criticism of the attitude of the Government—not of Central Queensland Coal Associates—stands and is reinforced.

Mr CLAUSON: In any of these circumstances, the commissioner has a discretion to consider the matter. In any of the cases in which that might be deemed necessary, I am sure that that will be done.

Clause 8, as read, agreed to.

Clause 9, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr Clauson, read a third time.

RETIREMENT VILLAGES BILL

Hon. P. J. CLAUSON (Redlands—Minister for Justice and Attorney-General) (4.23 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to provide with respect to the establishment and conduct of retirement villages and for related purposes."

Motion agreed to.

First Reading

Bill presented and, on motion of Mr Clauson, read a first time.

Second Reading

Hon. P. J. CLAUSON (Redlands—Minister for Justice and Attorney-General) (4.24 p.m.): I move—

"That the Bill be now read a second time."

I introduce a Bill which has been prepared to fill the gap which has occurred following the exclusion of retirement village schemes from the relevant provisions of the Companies Code.

This action follows a decision of the Ministerial Council for Companies and Securities on 1 May 1985 to amend the Companies Code so that such schemes are excluded from the operation of the prescribed interest provisions of the code as and from 1 July 1987.

Prior to 1 July 1987, such schemes were regulated in Queensland pursuant to an interim policy in relation to the regulation of retirement villages operating in Queensland under the prescribed interest provisions of the Companies (Queensland) Code.

Legislative action has been taken which enables such interim policy to continue in Queensland from 1 July 1987 and until Queensland legislation is in place.

Honourable members will recall that during 1987, I tabled in this House a Green Paper which contained a proposed draft Bill on this subject. Comments and submissions were invited on the proposed legislation, and I am able to inform this House that the response has been substantial and of great assistance in the preparation of the Bill now before the House. Following a consideration of the wide range of submissions made, the

Bill has undergone a number of changes, and I take this opportunity of personally thanking those who forwarded submissions for both their interest and their suggestions.

Whilst it has not been possible to accommodate all submissions, owing in part to the nature of the proposed legislation, which endeavours to strike a delicate balance between the opposing elements of consumer protection and regulation of business activity, it is my intention to merely introduce the Bill into Parliament at this time and take no further action upon it until the Budget session. This will enable further public debate in the interim period, if necessary. I might say that until recently no similar legislation existed anywhere in Australia and legislative intrusion into the retirement village industry is still very much in the pioneering stage in this country.

In pursuance of the provisions of Standing Order 241(c) of the Standing Rules and Orders of this House, I seek leave to table for incorporation in *Hansard* additional information to assist in the understanding of this Bill.

I commend the Bill to the House.

Leave granted.

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

ADDITIONAL INFORMATION

The Bill contains transitional provisions which allow persons operating existing villages or schemes a period of twelve (12) months within which they can defer compliance with the regulatory provisions of the Bill.

It is generally the intention of the Bill to apply where the retirement village is or is to be situated in Queensland or the scheme for the retirement village is operated in Queensland, irrespective of where the inducements or invitations to participate in the scheme are given, uttered or published.

Should a scheme be operating in Queensland in respect of a retirement village situated in another State then application for exemption from the legislation could be made under the terms of the Bill.

It is also intended that the Bill ensures the rights of residents are unambiguous and enforceable, that the actions of management do not infringe upon the rights of residents and that it prevents undesirable marketing practices by the promoters of retirement villages.

There has been considerable growth in the demand for specialist housing for the elderly in recent years and retirement village schemes have developed to satisfy that demand.

The type of organization promoting each scheme and its size and operation vary immensely.

A retirement village may consist of a small number of units designed by a Church or local charitable group or local authority to meet a need within its locality or it may consist of a large commercial venture which actively promotes its activities and offers a variety of features and specialist facilities.

The Bill contains a wide definition as to the meaning of a retirement village as it is intended to prima facie catch as many schemes as possible.

However, both existing and new villages are given the opportunity to seek an exemption from all or any of the provisions of the Bill.

It is intended that an application for exemption would extend to a person or persons involved in community based schemes such as Service Clubs and Local Authorities.

Any exemption granted may be withdrawn or varied after a show cause notice has been issued.

The Bill also provides for the Governor-in-Council to declare certain organisations and villages exempt whether or not an application for exemption has been made.

This has been done to ensure the Bill will apply flexibly through the range of retirement villages.

The Bill provides for its administration by the Minister and subject to him by a Registrar of Retirement Villages.

The Bill intends to regulate retirement villages and existing retirement village operators are required to furnish to the Registrar, particulars of the village scheme within three months after it becomes law.

The Bill also requires the approval of the Registrar before any promotional activity is undertaken with respect to either existing or future villages.

He may impose conditions on approval of a scheme for a retirement village and may revoke his approval if necessary to protect persons who may be invited or induced to participate in the scheme.

The Bill provides for a Ministerial review of the Registrar's decision whereupon his decision is deemed to be that of the Registrar.

It is not the intention of this Bill to have any effect upon nursing homes operating by way of a license granted under the Queensland Health Act.

The Bill provides that a record of public information documents relating to a scheme approved by the Registrar shall be kept as provided and their contents shall be incorporated in and form part of every relevant residence contract.

Where money is paid or property is assigned pursuant to a residence contract or on account of a party wishing to avoid it the Bill provides that the money be paid to the Public Trustee, unless the parties otherwise agree that it be paid to a Solicitor or a Real Estate Agent specified in the residence contract.

In the circumstances provided in the Bill, the person holding the money or documents shall apply the money or release the documents so as to give effect to the residence contract or, subject to any Court order, dispose of the money or release the documents as prescribed by the Bill.

Should a person acquire property by assignment contrary to the Bill and pursuant to a residence contract subsequently rescinded, then the Bill provides for action to restore the parties to their previous positions.

However, where the person acquiring such property has disposed of ownership when required to assign it or is unable to discharge any encumbrances, liens and the like, then the operator of the scheme shall be liable to pay to the person from whom the property is acquired its full value at the date the residence contract is rescinded.

Although these provisons may appear rather harsh, they have been deliberately drafted and inserted to prevent a repetition of the activities of unscrupulous operators on the Gold Coast several years ago who deprived the elderly, specifically pensioners, of their assets including homes, on the pretence they were investing in units in a proposed retirement village which was never built.

Jurisdiction is conferred on the Supreme Court to make all orders as are necessary to enforce the avoidance provisions of this Bill without prejudice to other Courts' jurisdictions regarding actions brought for a debt.

A number of the provisions contained in the Bill which prohibit residence contracts under unapproved schemes and place restrictions on them generally, do not apply in respect of such contracts made before the commencement of this Bill.

While the withdrawal of an exemption or revocation of a scheme will enable a resident to rescind his contract if he so desires, such withdrawal or revocation will not have any effect upon his pre-existing rights or obligations.

The Bill requires records to be kept in Queensland by an operator and the audit of its affairs and operation.

An important feature of the Bill is the creation in certain circumstances of a statutory charge over land used for a retirement village.

Such charge does not apply where the residents possess the freehold title of the land upon which they so reside.

It is intended that affected schemes will be subject to such charge from the date of approval by the Registrar who will be required to notify the appropriate public officer of such charge which then applies to secure the benefit of each resident.

It is intended that such charge encumber the subject land from the date of the Registrar's approval, and appropriate entries shall be made notwithstanding any existing caveat.

It is proposed any documentation be exempt from stamp duty.

The statutory charge is expressed to secure due performance of every residence contract made under a scheme where notice has been given by the Registrar and to secure the right to

payment of money to any person in connection with such a residence contract, whether provided by the residence contract or the Bill.

The charge is intended to have priority over all interest, mortgages and other charges other than those existing in or over the land at the time the Bill commences or any charge created by an Act or law of the Commonwealth where it has priority.

The Bill provides that proceedings may be taken in the Supreme Court by a person in whose favour a court order has been made seeking an order that the retirement village land be sold, after he has given notice of his intention to the Registrar.

In relation to a payment of money, such action is only authorised where an amount in excess of $10,000 is involved.

An order for sale of the land may be made if the Court is satisfied that all appropriate criteria in the Bill have been met, which includes a consideration of the interests of the occupiers and others who have a sufficient interest in the matter of the application.

Whilst an order for enforcement means the village may be sold, it is possible that it may be sold as a going concern.

The intent of the charge upon such a sale is that its priority over others makes it more likely that residents receive all or portion of their refundable contribution.

A charge may be removed when released by the Registrar or after a sale by order of the Court, unless the land is to continue to be used as a retirement village.

Where all or part of the land used for a retirement village ceases to be so used, the operator of the scheme may apply to the Registrar for release of the charge.

If all of the requirements of the Bill have been met, the Registrar may approve its release.

Another major concern of residents of retirement villages has been their "security of tenure".

The Bill creates a statutory interest in each resident in the retirement village land on which he is entitled to reside or use in connection with his occupancy, under the residence contract, which does not apply where the residents entitlement depends upon his holding an estate in fee simple in the relevant land.

Such statutory interest is not meant to interfere with those provisions of the Real Property Act to which the Bill refers.

It does however, create a right in a resident to apply to the Supreme Court for an injunction, if he is threatened with, removal, deprivation or restriction of his entitlement or conduct which interferes with his peaceful enjoyment of his entitlement.

The Registrar may so act instead of the resident if he feels it necessary in the terms of the Bill, which include factors such as the physical, mental and economic condition of the applicant.

The Supreme Court may grant an injuction after establishing the bona fides of the resident to whom it relates and upon being satisfied that the threatened action is or could represent a breach of the residence contract or the scheme and is not in the residents' interests or is or could not be justified.

The application may be heard after the giving of notice to the manager of the retirement village concerned unless it considers any delay would cause irreparable or serious mischief whereby it may dispense with such notice and proceed ex parte.

Another feature of the Bill is that it provides residents with some involvement in the operation of a retirement village and protects them from unreasonable maintenance charges.

To ensure the suitability of persons involved, the Bill prohibits insolvent persons or those who have been convicted of offences involving fraud, dishonesty or offences against the person, unless exempted by virtue of the provisions of other legislation, from participating in the promotion of schemes, sale of residence rights or management of retirement villages.

The manager is required to call an annual meeting of all residents at which a written statement must be presented by the operator of the scheme regarding payment of refundable ingoing contributions which may be due and the financial viability of the village.

The manager is also required to present to such meeting a financial statement in relation to the income and expenditure of the retirement village including future proposed works, expenditures, increases in service charges and special levies.

Such statement shall be audited as prescribed.

The residents of a village may establish a Residents' Committee elected by them.

It is intended that such committee would act as a communication link between residents and the owner/operator or Manager of the village.

The Committee is obliged to give notice of any complaint to the operator or Manager with a view to expediting the resolution of minor problems by his attendance at a residents' committee meeting.

The Committee has power to call a meeting of residents and to approve increases in service charges which are in excess of the adjusted service charge determined and indexed in accordance with the prescribed formula.

The Bill provides that By-laws relating to a retirement village may be made, revoked or altered by special resolution of a meeting of residents living in the retirement village.

However, it has limited application to villages already existing at the commencement of the legisation.

Obvious problems might otherwise arise where a village has been operating in a harmonious fashion for several years under existing By-laws.

The owner/operator or Manager has a right of attendance when any such change is proposed.

This ensures that By-Laws which affect the day to day running of a village will only be varied if there is agreement by residents.

The power does not extend so as to interfere with By-laws that are conditions of a residence or associated contract.

The power provided by the Bill is in addition to any other like powers concerning By-laws.

The Bill protects residents by restricting the Manager's ability to increase service charges payable by residents and providing that such charges are not to increase by more than the adjusted service charge determined and indexed in accordance with the formula.

This is an area which has been of major concern to residents as expressed in submissions received.

Exceptions are rates, taxes, salaries and wages levied under any Act.

The Bill also provides for the imposition of a special levy as prescribed.

However, where a Manager cannot reasonably provide goods and services without such an increase, and the residents do not approve of it, the Bill ensures that he will not be civilly liable for failing to provide them.

The Bill also contains a number of miscellaneous provisions which include the Registrar or his authorised officers having the right to enter any retirement village premises and enquire into its affairs and the operation of the scheme and other relevant matters.

The power of entry does not extend to any dwelling-house or a part of any building used exclusively for residential purposes unless consent is obtained from the occupier or a search warrant authorising such entry has been obtained.

A search warrant may be issued on application to a Justice who is satisfied it is appropriate in the terms of the Bill.

The Bill contains a number of provisions which create specific offences.

Other such provisions relate to procedural, evidentiary and general offence matters, including the right to make regulations for the purposes of the Bill.

The Registrar of Retirement Villages is required to prepare and submit an annual report to the Minister, a copy of which shall be tabled by him in the Legislative Assembly.

Debate, on motion of Mr Braddy, adjourned.

QUEENSLAND TREASURY CORPORATION BILL

Second Reading

Debate resumed from 20 April (see p. 6136).

Mr De LACY (Cairns) (4.28 p.m.): The Opposition supports this legislation; in fact, it welcomes it. Opposition members believe it is a belated attempt to rationalise

Queensland Treasury operations. Even the name Queensland Treasury Corporation sounds better than the Queensland Government Development Authority. It is a refinement of the Queensland Government Development Authority. I note that just as the legislation hit the table, so did the annual report for 1987—a bit belated also.

Mr Austin: Sorry about that; I did my best.

Mr De LACY: I thank the Minister. The report makes some interesting reading.

The concept of the Queensland Treasury Corporation is a central borrowing and central investing authority. The Opposition believes that, if it does nothing else, it at least makes an honest woman of the QGDA. Honourable members might recall that the Queensland Government Development Authority was promoted as a borrowing authority but not as an investing authority. This issue came to the fore when money was invested or made available or lent to the king of the white-shoe brigade, Mr Mike Gore, in 1987, 1986 or whenever, and everybody began to ask what right the QGDA had to invest in such an authority.

In 1982 when legislation setting up the QGDA was introduced, Sir Llew Edwards, in his second-reading speech, made no mention of an investment role. After reading the legislation again, I think obviously the QGDA technically can invest; but that certainly was not the intention in the formation of that particular authority.

The reason why the Opposition supports this legislation is that it accords with Labor policy. In 1983 and again in 1986 the Labor Party went to the people with a policy that we ought to have a central investing authority as well as a central borrowing authority.

The legislation raises some interesting philosophies, such as centralism and public enterprise. One might almost say that it has socialistic tendencies. It is strange that this legislation, coming from a Government that prides itself on being free and private in its concept of enterprise, tends towards centralism and public enterprise. Be that as it may, I think it is a good move. Obviously, the Government acknowledges the benefit of this type of central authority.

The corporation is the type of authority that exists in other States. I understand that a very similar corporation exists in New South Wales, and the only difference is that whereas the Queensland Treasury Corporation, as proposed, imposes no compulsion on non-Government and semi-Government organisations to conduct their borrowing programs through the central authority, in New South Wales it is incumbent on all semi-Government authorities to do so. The approach adopted by the Queensland Government is probably the right and proper one.

If the Queensland Treasury Corporation is as efficient and as effective as it is claimed it will be, I cannot see any reason why smaller authorities—particularly local authorities—should not make full use of the facilities. The facilities would be of great benefit to the smaller authorities in Queensland, that is, those without very much financial clout and those that do not have much say in the market-place and are unable to borrow on favourable terms and conditions in the way that bigger authorities—such as the Brisbane City Council—are able to. I am sure that I speak on behalf of most of the local authorities in Queensland when I say that continuation of the concept of a central borrowing authority is a good one. If there is a negative aspect, it may be that some of the chairmen of the 136 councils in Queensland may not have an excuse to travel to Brisbane or other places as often to see their bankers. They will now be able to complete transactions much easier than they were able to in the past, but probably in a way that is not as satisfactory in fulfilling their desire to enjoy themselves.

The Campbell inquiry into financial systems recommended something along the lines that a centralised borrowing authority would result in substantial rationalisation of approaches to the market. The effect of rationalisation is to effectively remove competition among local and semi-Government authorities. As soon as that is eliminated, all authorities ought to be able to get a better deal in the financial world. My understanding

of this legislation is that all Government borrowing, including the $1,100m Australian Loan Council allocation, will be carried out by the Queensland Treasury Corporation. The corporation also hopes, as I said previously, to attract business from smaller authorities and semi-Government authorities. Larger authorities such as the Brisbane City Council and the QEC will also be involved and, if they are part of it, they will have some say on the board.

Victoria is the State that first identified the need for this type of authority, particularly from the viewpoint of investment. Funds totalling millions of dollars are floating around in each State in Australia in all types of public authority accounts, such as statutory marketing authorities and what have you. The Cain Labor Government in Victoria pointed out that an opportunity existed to make good use of those funds by channelling them into a central public investment authority.

When it comes to the other side of the coin, that is borrowing, this same authority could carry out a borrowing function and on-lend to the smaller semi-governmental authorities. This tends to make public money work for the public and transfers the benefit from private corporations, that is banks, to public corporations, that is tax-payers and the public of Queensland. The Opposition can only agree that that is a desirable concept. Everybody is happy; the quangos, particularly the small ones, are happy because they get easier, quicker and cheaper money, and the Government is happy because it has access to low-cost money. Perhaps the only losers in the exercise are the banks.

The Opposition has some questions when it comes to the investment function. As I said a while ago, the investment role of the Queensland Government Development Authority was not too well known by the general community and even the financial community. That is why eyebrows were raised when it became public knowledge that $10m had been advanced to the white-shoe supremo, Mike Gore. It was something of a scandal when it became public knowledge. I read Sir Llew Edwards' second-reading speech, and in it there was no mention of the investment role of the authority. It was to be a central borrowing authority only and that was its raison d'etre—its reason for existence, or justification. The investment that was made in Mike Gore's company was kept under wraps. It was not published in the *Queensland Government Gazette*; in fact, it was a clandestine investment. The Opposition has not been able to understand why that sort of private investment was not carried out under the auspices of the QIDC, which I understood should have been more properly involved in a commercial operation of that kind.

This leads to the Opposition's only concern with the central investment role of the Queensland Government Development Authority. How can the Opposition be certain that the authority will be free from political influence? To what extent can the Government manipulate this corporation to prop up political mates? There is quite a bit of legislation before the House; there are changes to public service legislation and there is the Financial Administration and Audit Act and Another Act Amendment Bill, which is coming on for debate later this evening. These pieces of legislation are aimed at creating greater flexibility within the public sector. Nobody can disagree with that in principle, but there is a thin grey line between flexibility and accountability. The front page of today's *Courier-Mail* showed what can happen when public servants tend to exercise flexibility above and beyond the extent to which it is supposed to be exercised.

In recent years, in addition to the Mike Gore episode, there have been the investments in the Dino De Laurentiis film studio and in Evans Deakin Industries. Those investments were made not on the basis of good financial investment, but on the basis of politics. There cannot be a multibillion-dollar investing authority which is subject to the whims of politicians. Investment decisions must be made by the kind of professional Treasury people who it was claimed would be attracted to authorities such as the Queensland Government Development Authority. At the time, I remember that it was said that this authority would attract financial expertise to the Queensland Government and enable it to carry out borrowing and investment on behalf of the smaller authorities in Queensland.

Of course, all the investment expertise in the world will not do any good if it is subject to the overriding manipulation of politicians. I am not picking on any particular politician; I am speaking of any politician at all, depending on whichever Government is in power. That will be the issue of the future when it comes to financial administration and financial accounting in Queensland.

As the Government devolves flexibility down in the public service, it is devolving the opportunity for individuals to make decisions free from the time-honoured checks and balances that have existed in the public service. That will provide the opportunity for more creative decision-making. As members know, when it is applied to accounting the word "creative" can be a pejorative term.

The only concern that the Opposition has with the formation of this corporation is: has the right balance been struck between providing a decent-sized corporation that will have clout in the market-place and giving those people who operate that corporation the flexibility to make decisions and retain the right amount of accountability for public funds?

Honourable members will note that authorities in both New South Wales and Victoria lost a lot of money in the share market crash of October last year. I understand that Queensland did not suffer the same losses because its public authorities did not have the same freedom to invest as did the authorities in New South Wales and Victoria. If they had had that freedom to invest in the share market, it is perfectly obvious that Queensland public authorities would have suffered losses of some size. That is half good and half bad. Obviously when the share market was booming those authorities would have been making a lot of money.

Mr Austin: I think they are unrealised. I think it is a bit unfair to criticise them unduly, because some of those losses are unrealised whereas some big corporations suffered from realised losses.

Mr De LACY: That is right. Once a body is put into the financial position of having to dispose of investments to meet other commitments, they become realised losses. I guess that is probably the case with New South Wales and Victoria to a large extent.

Mr Austin: As I understand it, they are unrealised losses, so the criticism was unfair.

Mr De LACY: Yes. Of course, when the losses are calculated, the calculation is done from the high point of the market instead of from the time when the investment was made.

At this juncture I wish to raise the appointment of a new Under Treasurer to replace Sir Leo Hielscher, a person who graced that position with great distinction and did much for Treasury in Queensland. I think it is fair to say that, under Sir Leo, the Queensland Treasury has been largely a financial administration and accounting outfit. It has not been involved to the extent that I believe it should have been in developing economic strategy to address the rather serious financial problems that have overtaken not only this State but also other States. Because of Queensland's rather narrow base and its overdependence on commodities, it has been particularly affected.

This point was made quite succinctly when the Ahern Government decided to go outside Treasury and spend $400,000 to engage consultants to develop an economic strategy for Queensland. I believe that that is a role that probably belongs with Treasury and that those kinds of strategies ought to be developed from within. It may be said that the expertise is not available within Treasury. Well, I say that, once the Under Treasurer had announced his intention to resign, this Government should have used the opportunity to advertise widely for a replacement Under Treasurer, in the hope that a new kind of expertise could have been attracted to the Queensland Treasury. I say that

because the kind of expertise that exists in the Queensland Treasury is widely acknowledged—that is, accounting and administration. However, it is rather restricted, which is extremely disappointing.

When the Government did not advertise nationally and internationally for a new Under Treasurer, it lost a golden opportunity to begin to implement all those fine-sounding objectives that were spelt out under the vision-of-excellence objectives of the new Premier when he took office. I do not wish that to be construed as being critical of the new Under Treasurer, Mr Hall. I wish him well in the position. However, the Government should have advertised the position more widely.

When I was reading the Bill and the notes appended to it, I noted that the Queensland Treasury Corporation, as with the Queensland Government Development Authority, will have the power to enter into any arrangements. Those arrangements include partnerships, joint ventures and other associations with private groups.

When the Queensland Government Development Authority entered into the arrangement at the Mirage resort at Port Douglas, the proposed development at Rose Bay on Magnetic Island and the development at the Pioneer River at Mackay, many Queenslanders felt uneasy about arrangements between the Government and private companies. When a Government enters into areas that are purely commercial, many people, quite justifiably, feel uneasy.

Governments are involved in many commercial operations, such as the Railway Department. However, operations of that type always have a public service component and social objectives. Obviously, it is difficult to run the railways for a profit throughout Queensland. If they were run only with a profit motive, services to a large part of Queensland would be curtailed because they cannot be justified on economic grounds. The Government has played a traditional role with the railways, which has played an important part in opening up this big State of ours.

However, when a Government is involved with private enterprise in a project which is purely commercial and which has no social benefit or objectives, the Opposition becomes uneasy. The Opposition is perhaps closer to the socialist ethic than the Government is—although sometimes I wonder. The position is approaching the stage at which the Government is existing to support large corporations and private companies. It is the sort of political and economic arrangement that Adolf Hitler entered into in Germany prior to World War II. I do not wish to draw that comparison too closely, because I am not suggesting that it has reached that stage. However, it is a similar occurrence when the powers of the Government are used to assist certain corporations.

On reading the Bill further, I noticed that one of the clauses stated that the Government may exempt from stamp duty any transactions, arrangements, etc. entered into by the corporation. The term "arrangements" is mentioned in a couple of clauses in the Bill. Am I to understand from that that, because the Government, through the Queensland Treasury Corporation, enters into an arrangement with a private company to develop a project, it can be exempted from stamp duty? Does it simply mean that the arrangement that is being referred to in the provision for exemption from stamp duty is from a borrowing point of view? Are borrowings to be exempt from stamp duty?

Many private companies in Queensland would say that they would find it difficult to compete with another private company that is not only being associated with and receiving preferential treatment from the Government but also being exempted from stamp duty and other charges to which a commercial operation is normally subjected.

The Bill provides that the new Treasury Corporation may guarantee any financial arrangement. There could be some concern that certain companies—those companies on which the Government is smiling at the time—might again receive a commercial advantage that is not available to other companies, which are therefore put at a competitive disadvantage.

In conclusion, I say once again that the Opposition supports the formation of this corporation. The Opposition believes that it is a coming of age of the Queensland

Treasury; that it is a step in the right direction. Possibly it could have been introduced in this more fully rounded fashion some years ago. That would have obviated the necessity for members of the Opposition and others to be so concerned about the investment role of the Queensland Government Development Authority. However, the Opposition believes that both investment and borrowing are legitimate roles for this kind of authority or corporation. The Opposition has long supported that as a concept. Therefore, the Opposition compliments the Government on the introduction of this legislation and will support it.

Mr WELLS (Murrumba) (4.57 p.m.): The honourable member for Cairns, the Opposition Finance spokesman, has indicated that the Opposition supports this Bill. Along with him, I want to assure the House of my support for the Bill.

The honourable member for Cairns, however, described the Bill in rather colourful terms and said that it made an honest woman of the Queensland Government Development Authority. However, it is my unfortunate duty to advise the Parliament that the honest woman is still keeping bad company in some respects.

I have in my possession a copy of the annual report of the Queensland Government Development Authority for 1987, which is significant in that it does not contain any photographs. That perhaps explains why there are no National Party speakers on this Bill. They would not have had the usual incentive to read the report.

The report is interesting. At the begining it states—

> "As provided by Section 11 (1) of the Act, the Authority has the function of undertaking arrangements that have as their objective the development of, or the provision of services in, Queensland. Within that overall charter, the primary function of the Authority to date has been to act as a central borrowing agency, raising funds both onshore and off shore for on-lending to various Queensland statutory bodies."

In other words, what we are dealing with when we are dealing with the Queensland Government Development Authority, now to be transformed into the Queensland Treasury Corporation, is the daddy of all the quangos, that is to say, a quango that raises money for all the other quangos.

The trouble with the quango sector of the economy is that it is a very large, hidden sector. It does not come up at Budget time. The State's Budget is probably less in total in terms of expenditure than the annual budget of the quangos——

Mr Austin: The statutory authorities.

Mr WELLS: The statutory authorities——

Mr Austin: A local authority is a quango.

Mr WELLS: Absolutely.

I want to refer to the amount of on-lendings from the Queensland Government Development Authority to these statutory authorities. The total sum was $3.419 billion, according to the report. That is "billion", not "million". The chief beneficiaries of this were the electricity ventures in Queensland—$1.354 billion—and the railways—$688 million. They were beneficiaries to a much greater extent than the other statutory authorities and quangos.

In February 1988, according the the *Register of Statutory Authorities* which was issued at the time, there were 1 218 quangos in Queensland. Just in the last few weeks, of course, the Government has been merrily adding to the sum total of quangos.

On 13 April, the Mt. Gravatt Showgrounds Bill established the Mt. Gravatt Showgrounds Trust. On 13 April, the Superannuation (Government and Other Employees) Bill established the Government Officers Board of Trustees. On 16 March, the Poultry Industry Bill was introduced to establish the Poultry Advisory Board, although in that case I think that it will repeal other boards.

The fact remains that even in the last few weeks this Parliament has been merrily adding to the total list of Queensland quangos and therefore to the total list of statutory authorities that the Queensland Government Development Authority will be borrowing large amounts to service. The quangos, therefore, are a shadow economy. With the 1 218 quangos, plus whatever quangos have been established since February 1987, the number of quangos is large. I am not sure whether that number is greater or less than the number of members of the white-shoe brigade.

The honourable member for Cairns referred to the $10m loan to the developers of Sanctuary Cove. That was only one that we know about; there may have been others. In fact, there have been others, but the full list is not available because this is all being done under the cover of a statutory corporation. Such loans do not come before the Parliament for approval. The Queensland Government Development Authority has the capacity to make such on-lendings without bringing them before the Parliament.

Again I refer honourable members to the report of the Queensland Government Development Authority. The introduction to that report states—

> "Except to the extent that it is otherwise provided by the Governor in Council, all profits made or losses incurred by the Authority in connection with its operations under the Act shall be paid to or, as the case may be, borne by the Consolidated Revenue fund."

So profits made will go into consolidated revenue, but losses incurred will, of course, be borne out of the Consolidated Revenue Fund. Again I repeat that the Opposition supports the Bill. However, the trouble is that members of the Opposition are supporting a Bill that will be administered by a Government that does not submit itself to the sort of scrutiny to which other States, including New South Wales, submit their Treasury corporations. That was mentioned by the honourable member for Cairns.

Queensland does not have a public accounts committee that can examine the losses that are incurred by such bodies. If such losses are incurred, they can be quietly hidden away. They can be concealed from the public, and the public need not ever hear about it. It was fortunate that we heard about that $10m loan to Mike Gore, and it was fortunate that that loan was paid back.

It is possible, of course, that considerable amounts could be lost. I refer the House to the *Departmental Accounts Subsidiary to the Public Accounts* for last year. It contained a listing of unforeseen expenditure of $1,202,322,798 in respect of the Queensland Government Development Authority. I raised that matter with certain people. The Deputy Premier and I had a very low-key conversation about the subject, and it was reported in the press. In the course of his defence of what was going on, the Deputy Premier made a number of remarkable statements. For example, in respect of the $1.2 billion, he said, "It's only a paper loss at this particular time, and a paper loss can be a paper win tomorrow." Of course, it probably was not a paper loss at all; probably it was something quite different from that. We were later told that it was a refinancing. Under dint of repeated questioning from myself and other members of this House, the Deputy Premier finally tabled a document, which was, in fact, a Cabinet document. That Cabinet document revealed that there was a massive refinancing going on. That massive refinancing involved a tremendous number of alterations in terms of who was owed how much by the Queensland Government Development Authority.

This refinancing of domestic borrowings—which we were later informed that it was, rather than a paper loss—was a refinancing of $1.2 billion of total domestic borrowings of $1.795 billion. That is a pretty large proportion of the total domestic loan exposure. By the way, Queensland's domestic borrowings of $1.795 billion are less than the offshore borrowings of $1.996 billion. So Queensland's debt exposure—that is, the debt exposure which is being looked after by the Queensland Treasury Corporation, as it will be, after the Bill is passed—is very considerable.

Whether or not the Queensland Government Development Authority got its fingers burnt in respect of that $1.2 billion in unforeseen expenditure to which I have referred, consolidated revenue will have to pay out a tremendous amount of money.

With reference to the Queensland Government Development Authority's debt management strategy which, for the benefit of Government members, I point out is a plan whereby one has to pay the bills, its annual report states—

> "As part of this ongoing debt management strategy, the Authority enters into currency and interest rate swap transactions and is an active participant in the spot and forward foreign exchange markets. During 1986-87, the Authority had a turnover of approximately $9 billion in foreign exchange transactions and entered into currency and interest rate swaps for approximately $500 million."

The phrase "spot and forward foreign exchange markets" refers to the fact that the Queensland Government Development Authority is playing the international money-market.

When playing the international money-market, it is possible to get one's fingers burnt in a very big way. Not only does one need consolidated revenue as a back-up, but also the people who own the money with which one is playing the international money-market have a right to know what is going on. They have a right to know a little more than what is contained in the annual report of the Queensland Government Development Authority. They have a right to know a little bit more than what is contained in the occasional speech during debate on a Bill such as this. They have a right to know the details of the programs that are being undertaken, either directly or through their representatives.

I draw the attention of the House to the fact that Queensland does not have a public accounts committee, despite the posturings of the Premier. If Queensland had a public accounts committee, that body would have the competence and the support to investigate the activities of organisations such as the Queensland Government Development Authority. Such a body would have the back-up, capacity and powers to investigate what is going on.

Queensland has a basically efficient administrative procedure of consolidation of the loan capacities of the Government in a Treasury corporation. However, that very efficient administrative procedure is in the hands of people who are not susceptible to examination by the people of Queensland or their representatives.

If those people are going to play the international money-market; if they are going to have tremendous overseas debt exposures to that extent; and if they intend to shift around billions and billions of Queensland tax-payers' money, they should reciprocate by having their activities overseen by a public accounts committee.

The Opposition supports the Bill, but with its support goes this injunction to the Government: give us a public accounts committee and give it to us soon. Unless Queensland has a public accounts committee, however honest or scrupulous the people who are engaged in those transactions may be, Queenslanders have no capacity or ability to determine that for themselves. Without the manifest appearance that justice is being done, justice is being disserved by this Parliament.

Mr INNES (Sherwood—Leader of the Liberal Party) (5.04 p.m.): The Liberal Party has a deal of concern about this legislation; about the trend in the financial operations of this Government and, indeed, of other Governments.

It is obvious that complexity is the word and order of the day. As populations and Government activities grow, there will be complexity. Inevitably, that will have a financial consequence, because money is at the base of all Government systems. No matter what the policy is, there is a need for money to ensure the delivery of services and the administration of the system.

Initially I will make a simple point about complexity. In the past I have asked, and my staff have asked—and I understand other members have asked—the Parliamentary Library, or a Minister directly in this House, about the details relating to the foreign exchange transactions of the present Treasury operation. We know something about those foreign exchange transactions. Sometimes a loss shows up. I have identified, as

others have, losses in relation to acquisitions of major capital items for the electricity industry. They were very significant losses recorded in the accounts of the State regarding the purchase of some of the components for the modern power station.

We know that massive foreign exchange losses have been registered by all sorts of operations in the Australian community in the last three or four years. In fact, there have been well publicised instances involving rural Queensland and rural Australia in which people who were advised by bankers and others to go into offshore borrowings, because the interest rate was low, did that, and did it with enormous consequential expense. Irrespective of the savings those people made on the interest rates, the variations and fluctuations in the currency not only wiped that out, but also wiped those people out with it. I have heard stories from Goondiwindi, from the Childers district, from other parts of south-east Queensland and from Mackay and other cane districts about people who started off with a debt-free property, bought the property next door with overseas-borrowed funds and were wiped out, not only in relation to their new property but also their original property. Land which was held by a family for a hundred years was wiped out by what a person did, not from greed but through following advice. The advice was to get bigger; to get more efficient. That advice was taken. That seemed to be the order of the day. Advice from responsible banking authorities was to borrow off shore because the interest rates were so low. Those people did that. I understand that some banks were severely embarrassed and some have litigation pending. That is the scenario.

We know that major corporations in this country have had massive foreign exchange problems. Some of the biggest mining operations in this State have suffered massive exchange losses. Therefore, because the Queensland Government is responsible for massive foreign exchange transactions, consequential questions arise. For instance, the Queensland Government Development Authority annual report, which was just tabled and circulated, contains a statement about the overview of 1986-87 operations which states—

> ". . . the cost of overseas borrowing (including all foreign exchange variations, both realised and unrealised) was approximately 2.1% p.a. whilst the weighted average interest cost of domestic borrowings was approximately 15% p.a. giving an overall cost of funds of approximately 8.2% p.a."

Of course, that is looking only at the interest rate. It says nothing about the fluctuations of currency. If we look at the total borrowings we find that at 30 June 1987 the total face value of borrowings by the authority amounted to $3,791m of which $1,795m related to domestic borrowings, and a greater amount, $1,996m, was offshore borrowings. So, we know what the level of exposure to currency fluctuations is: it is greater than the degree of exposure to domestic fluctuations.

If this Government or the Parliamentary Library is asked about our foreign exchange losses, an answer cannot be obtained. In fact, in an interesting case such as this—and this is an illustration only—I have today repeated the question to the Parliamentary Library and it said, "Sorry. We have asked repeatedly. Information is not given about the degree of exposure or about the number of transactions which involve fluctuations in the currency rate."

Interestingly, last year a question was asked of the Minister Assisting the Treasurer. It must have been on notice because a reasonably coherent answer was given. In the course of that answer reference was made to the financial year and the foreign currency transactions. The caveat came about because, given the State's day-to-day involvement with the currency market, it would not be appropriate to reveal the foreign currency composition of the exposure; indeed, to do so, would place the State at a competitive disadvantage. That might be the case on a day-to-day basis, but, historically, one would have thought that one was entitled to a significant insight into the foreign exchange problems relating to the State's financial position. There is always talk of currency baskets—baskets of currencies, roundabouts and swings—and it is said that it is all so fluctuating and all so day to day that it is all too complicated to tell honourable members

about it. Honourable members are supposed to be impressed by the jargon that gives an indication of an informed answer that is of a complexity that they would not understand. The end result is that honourable members leave the Parliament no better informed.

Interestingly, in answer to the same question, there was reference to a five billion yen syndicated bank loan with a term of five years and swapped to $US33m six-month LIBOR that was currently being negotiated with the Meiji Mutual Life and Mitsubishi Bank Ltd. I think that that might have been the Minister's excuse for going overseas a year later. Was that the transaction that was carried out last week?

Mr Austin: No, a new one.

Mr INNES: So there is one a year and there was another one last year?

Mr Austin: It varies.

Mr INNES: It is exactly the same amount of money. Five billion yen is $A50m, as I understand it, and it is exactly the same life insurance company and bank.

Mr Austin: That is the fourth loan with that bank, not the second. There have been four, as I understand it.

Mr INNES: Right. What I am saying at the outset is that it is a complicated area and all honourable members would know that the massive losses are registered because some indication of loss appears in the accounts of the State from time to time; but when questions are asked about the current exposure, honourable members are told that it all varies from day to day and that it would give competitors an edge if members of Parliament were told all about it.

It is certainly the case that the Queensland Government has not gone down the private enterprise track in relation to its currency transactions. Approximately five years ago, the number of money-market operators in the Queensland Treasury amounted to only a handful. It is now significant, however, because money-market operators are to be found even within departments of the Queensland Government. No doubt there are smart young men who are watching the computers during their shift, playing with millions of dollars and strings of zeros on the international money-market which involves confidence, emotion, punting and gambling as well as business decisions. It does not make a person feel warm inside to be told that the more complicated the matter is, the more reason exists why he cannot be told because of a problem associated with competitive edge, and that the matter should be left in the hands of the Government.

One also knows that the present Government does not use the local money-market in its operations. Perhaps members of Parliament do not realise this, but, in the general information pages of the telephone book, there is a number for "Dial-It Information Services". In Queensland, among other dial-it services, including two other sophisticated forms of gambling, immediately above the "Stock Exchange Reports 1193" and "TAB Recorded Racing Service"——

Mr Hayward: "Dial-a-Prayer"?

Mr INNES: No. The "State Government Interest Rate Information" is listed as "11617", which is the number to dial to find out the State Government's interest rate. For whom is that number listed? For whom, generally? Obviously, a handful or a restricted number of selected clients would benefit. Perhaps there are so many quangos in Queensland that the information actually has to be put on the fourth page of the telephone book. That information has an interesting consequence because Queensland now has almost no money-market operators left. Previously, there were registered money-market operators who were prepared to provide a private enterprise basis for the provision of funds. If they rang up the State Treasury on the dial-it service, they would inevitably find that the rates were set at less than the prevailing rate for the Australian money-market. This provided a very good reason for the tendency to borrow money off shore.

The moment that money is obtained off shore, one is not comparing apples with apples. One might be comparing 2.5 per cent, 5 per cent, 6 per cent or 7 per cent with 15 per cent, but one is not comparing it on the basis of an equivalent currency. The big question that informed people ask is—the problem is that lots of people do not ask because they do not know—that by the time currency fluctuations are taken into account, is money being saved? There is one thing that is known about money that is borrowed in Australia or Queensland, and that is that interest rates are paid to Queenslanders in Queensland institutions and the money goes around the State, but when money is borrowed off shore, the interest goes off shore and if the currency rate is changed, the consequent loss goes off shore as well.

The one thing that I will guarantee—even with the absence of precise figures regarding fluctuating exchange rates—is that in the last few years the interest rate that has been quoted with such apparent acumen and favour in regard to foreign loans at significant lower interest rates than Australia's has in no case ever proved to be an actual comparison with interest rates in this country. If one takes into account calculations of currency fluctuations and values, one finds that the real interest rate was nowhere near the apparent competitive edge and one could even end up with a loss.

The Government has deliberately built up a money-market operation and outbid the local money-market operators in order to keep dominance and control. There have been some onshore transactions. Some paper goes out in this country and sometimes it is difficult to ascertain the basis on which that is selected. However, there are other dangers. I make no allegations against any operator or servant of the Queensland Government at this time. From some of the revelations in private enterprise, it is known that there are inducements given to do business. One inducement might be a round-the-world trip and in recent times that has been revealed in relation to one of the private banking operations where a man and his wife travelled around a fashionable part of the world and stayed in fashionable hotels. This is seductive for people working in all kinds of employee situations.

The worst scenario would be where there are kick-backs on commissions. I do not make that allegation against any officer in the Queensland Government. I am saying that this exists and it is something which the system must find ways to minimise. There has to be an ability given to either this House or Government representatives to scrutinise the operations of those operators to see what factors influence the making of judgments about massive amounts of money. If the net result of an offshore loan is always that the Minister and his staff go overseas to sign the deal, then it has a certain attraction, particularly if it can be dressed up or justified by saying, "Look at the interest rate. Look how preferable that is." They will be off to Japan or Paris again. Many other people went to Paris and other places and did not make money out of it. In fact quite the reverse occurred and they put themselves and their companies in very serious jeopardy.

It is not simply a matter of comparing the interest rate overseas with the Australian interest rate, and we must start to look at and analyse the real basis of comparison, which is the interest rate, plus currency rates, plus commissions. Nowhere in any of these Government documents is there a revelation of the commissions that are being paid. Commissions are paid on these transactions. Customary commission paid on an Australia-based transaction would be 1.5 per cent and on an offshore transaction it would be 2.5 per cent. The Minister might shake his head, but commissions are involved in the placement of money. Where do they appear on the books? Who gets them? Are the figures quoted before or after commission? That is very relevant when borrowings amount to $3 billion. So it is relevant if for no other reason than to arrive at an understanding of what the true worth of the offshore loan is. Interest rates and variable currency exchange rates have to be looked at, but the question also has to be asked: is the commission greater for the negotiating, handling and placement of a loan off shore?

These are matters that we in the Liberal Party believe should be the subject of greater disclosure. It might be satisfactory for Treasury to say that information about

today's exchange rates cannot be given because that can affect the consummation of loans or the playing of the money-market today; but, frankly, it is of no importance to what happened last week, last month or last year and, therefore, in the end result, with regard to the extensive money-market operations of this Government, we are entitled to know what happened last week, last month and last year and we are entitled to be put in the position of informed legislators. We are entitled not to be told, "It's all too complicated. It is a basket of currencies. It is a competitive problem; we want to keep it all secret." We are entitled to be told what was the real value of overseas loans that the Government took out last year, what are the implications of today's currency exchange rates on the obligations under those loans and what was the commission that was paid by the Queensland Government. Only then can we truly know whether Queensland got a good deal or a bad deal. In the end, that is what it comes down to.

Perhaps not the Government, but certainly the people representing two-thirds of Queensland—I think I can speak for both the Liberal Party and the Labor Party, and I would not mind taking a punt and saying that I can speak for the Independent member for Barambah—are suspicious when the Government passes legislation like that which set up the Queensland Government Development Authority, which was stated in this House to be for particular reasons, for local authority loans and for semi-Government loans, and when it is found that $10m was lent to Michael Gore, contrary to the spirit of the legislation, and are inclined to be cynical about the Government. The Government says one thing and does something else. It said that the authority was for public purposes—local authorities and statutory authorities—yet an individual got a $10m loan. He might have paid it back. He might not. On this occasion, he did; but he could have defaulted. Statutory authorities and local authorities cannot default. Because there is an ongoing rate base and ongoing operations, ultimately something can be got out of them. They might sustain a loss, but they cannot default.

We in the Liberal Party have good reason to raise questions about some of the financial transactions in which the State Government has been involved, because they have not been visited, or consummated, with success. A couple of the transactions go back to the time of the coalition. All I can say is that we all should be aware that our basic principle is private enterprise. When we went off that track, we got burnt. The Government should never have got involved in Queensland Nickel at Greenvale. For years it has been the most monstrous running sore for this State. That happened because we forgot our own religion. We forgot private enterprise and we got involved. When Governments get involved, they always make sure that the enterprise does not fail. Ultimately, a Government cannot fail; certainly it cannot accept the consequences of failure, so it keeps on bailing out and bailing out. Clearly Suncorp acquired shares in Evans Deakin Industries on behalf of the interests of the Government. Massive losses were incurred. We forgot the creed of our own side of politics. We do not want to forget the creed.

In his second-reading speech, the Minister talked about the Treasury going into partnerships and joint ventures. Members will recall that the Liberal Party opposed that part of the Queensland Tourist and Travel Corporation Bill that allowed joint ventures, not because it was opposed to tourist development—good luck to the Mirage development at Port Douglas—but because it believes it is dangerous for Governments and semi-Government authorities to be involved in private enterprise and competing. The danger exists that the Government will end up competing to look after its own investment in that project.

The legislation, interestingly, involves a total redirection of focus. The Treasury has always been the banker of the Government. It is supposed to give the hard-headed, prudent financial advice. The implications of the legislation surely are that the Queensland Treasury Corporation, through the Queensland Treasury Corporation Bill, becomes not only the banker but also an activist. What will the Treasury do in partnership or in joint venture? I understand its having the right to take out a mortgage, because that protects a loan or a charge. However, generally speaking, that is unnecessary against local authorities or statutory authorities. A charge or a mortgage is more applicable if

money is being loaned to the general public. A banking-style institution such as the old Rural Bank or the Queensland Industry Development Corporation should take charges or mortgages, but what is the Queensland Treasury doing taking charges and mortgages? It is a demonstration of a massive redirection in attitude, which I do not believe is right. We are having enough difficulties understanding the financial affairs of the present Treasury operation without sanctioning a far wider discretion and a more active participation in the market-place.

I am glad that the Treasurer came into the House—he might have heard the debate on the communications network—because I have a series of questions that I will be seeking to ask in the future to ascertain what has occurred so far, to understand the implications of our involvement in the finance markets, the money markets and capital markets referred to in the purposes of the Bill; to understand the implications of the foreign exchange transactions; to understand what commissions are being paid; and to understand the net consequences, in terms of the annual or terminal obligations under the loan transactions which the Treasury is entering into, to see whether the great fetish of overseas loan-raising and the crude apparent attractiveness of lower exchange rates is being of benefit. They are all pertinent questions. I do not believe that any satisfactory objection to answering them has been raised yet, except the one on the day-to-day basis, "We do not want to tell you today, because it gives us some competitive edge."

Why did the Government not go down the private-enterprise track? Is there something so pernicious or shonky about the private money-market operators in this nation that that facility is not used and that the Government has to build up within Treasury a burgeoning money-market playing operation?

Do Ministers or senior public servants have to go overseas constantly to sign documents to consummate loans? Can they not be effected by an exchange of documentation between Australia and overseas? As long as people are traipsing overseas—the Minister for Finance's visit to Japan for two or three days does not appear to have been a junket, but longer trips have occurred—and as long as the apparent attractiveness of racing overseas, staying in prestigious hotels and being important is there, one can ask whether it is a necessary expense and whether money-market operators in this country who negotiate far more transactions get involved constantly in racing around the world and being important.

Very serious and fundamental questions are raised by this legislation. The Liberal Party is troubled by the underlying matters. Members of the Liberal Party know that Treasury has to have wide powers because of the complicated and extensive nature of modern financial transactions. However, dressing up the existing operation in a new set of clothing and giving it ever wider formalised powers—albeit the development authority itself did things that we did not think it could do in the past and therefore was in a sense unsatisfactory—does not sufficiently reassure members of the Liberal Party; nor are we excited by past performance and by the extensions and width of the proposed powers of the new development corporation to attract our support.

The Liberal Party will oppose the legislation——

Mr Ahern: You will oppose it?

Mr INNES: The Liberal Party will oppose the legislation.

The Premier has probably heard from the other side of the House that the legislation has been welcomed as being consistent with Labor Party philosophy. It is welcomed as an aggravation and increasing extension of the central financial power of the State. No doubt the Opposition welcomes the formalised prospect that this Government, through its Treasury, will enter into partnerships and joint ventures. That is what the legislation says. The Liberal Party does not believe that the Government should be doing that. The Liberal Party opposed the Queensland Tourist and Travel Corporation's concept of partnership and joint venture, and it will do the same on this occasion.

The Liberal Party does not see so many limitations on the present operations that they cannot be addressed. The Liberal Party considers that the formalised extension of

powers in the new corporation will formalise a width of operation which it does not believe Treasury should exert.

The Premier might have been out of the Chamber when I said that the Liberal Party believes that, classically and ideally, the Treasury has had a function of being the banker of the State and providing the prudent and hard-headed commercial advice, whereas other agencies or statutory authorities have had the entrepreneurial or commercial operation of the State, if you like.

There is some benefit in keeping those two well and truly apart, so that one is not compromised by the other. I think it was probably Treasury, as well as the Industry Department, that advised against the notorious loan for the moulding works at Ipswich. At least if some part of the Government is committed to prudence and conservatism, there is a possibility that other parts of the Government will not go off the tracks. Where Treasury itself believes, rightly, because of its legislation, that it has an activist or commercial role as well as a financial advice role, the Liberal Party believes the Government has got troubles. There are some troubles there now which the Liberal Party would certainly further explore.

In short, and in conclusion, the Liberal Party opposes the legislation.

Hon. M. J. AHERN (Landsborough—Premier and Treasurer and Minister for the Arts) (5.33 p.m.), in reply: I want to comment on the contributions of all honourable members, particularly that of the Leader of the Liberal Party, who made some complaint about the legislation. I will take a few moments to explain how the honourable member is perceiving that there is some conflict between private enterprise philosophy and the institution of the new Queensland Treasury Corporation.

Firstly I will deal with the issue of foreign exchange losses. The issue here is quite clear. The Queensland Government Development Authority had unrealised losses totalling $244.1m as at 30 June 1987. That represents 11.5 per cent of the total Australian dollar value outstanding at this time. Compared with other authorities, these are the smallest unrealised losses as a percentage of the total outstanding, as follows: the Electricity Commission of New South Wales, 34.3 per cent; the SEC of Western Australia, 37.2 per cent; the SEC of Victoria, 27.2 per cent; the New South Wales Treasury Corporation, 20.3 per cent; and the QGDA, 11.5 per cent——

Mr Innes: Sorry to interrupt—these are what sort of losses?

Mr AHERN: These are unrealised losses. I am referring to the unrealised losses for the various authorities, which provides only half the story.

The borrowing cost associated with the loans is also relevant. During 1986-87, the cost of QGDA offshore borrowings was 2.1 per cent. At constant exchange rates, overseas borrowings currently provide a saving on interest of approximately 5 per cent, representing a saving of approximately $50m per annum on our current FX exposure—that is, 50 per cent of our overseas loans still have foreign exchange exposure, the balance being swapped in Australian dollars at the moment.

In other words, what has happened here is that there is a 5 per cent difference between the interest charged domestically and what the real cost is off shore. On $1,000m currently there is a $50m saving. Those offshore borrowings could be brought onshore, but the cost to statutory authorities would be $50m. Those unrealised losses, which are still in the system, have to be balanced against the huge interest savings that are made annually. It is obviously reasonable to continue the offshore borrowings and sustain the substantial savings that would not otherwise accrue if those borrowings were made domestically.

In other words, Queensland could get rid of its offshore borrowings very quickly, but there would be $50m extra in interest hikes to our statutory authorities that would feed through in our grain-handling charges, in our electricity tariffs, in our water undertakings and so on. That must be taken into account. It is a relatively small unrealised loss and it declined during the year. It is less than that of other statutory

authorities. In other words, there is still certainly a benefit. With better management in the future, we hope that that unrealised loss will decline further. Substantial savings are still to be made.

The offshore borrowing has been done competently in the past. It has been broadened with the investments on the Yankee Bond market and will shortly be on the samurai yen market. With a broad portfolio—a broad basket—well managed and, at the moment, hedged back into Australia, by anybody's undertaking and by anybody's inspection, the benefits are certainly there.

I congratulate those who have been associated with that. All honourable members ought to think about this issue. All States are involved in an offshore borrowing program. They do it for a reason. For Queensland, it is $50m annually. That is the reason. It is not an unreasonable program.

Mr De Lacy: One thing that I cannot understand is that, if there are no impediments to borrowing off shore, why isn't there just a single rate throughout the world? Why isn't everybody doing it?

Mr AHERN: I think it is a question of those who are prepared to borrow off shore and who have the skills to manage their portfolios off shore. That is the reason why there are different interest rates in various countries. There would be greater portfolio investment in Australia if people were skilled enough to know what is going to happen to the Aussie dollar. Of course, in recent times it has been rather volatile. Interestingly enough, the long-term prophets are saying that the Aussie dollar is looking down the gun barrel later in the year. It is anybody's guess as to whether that will be manifest or not, but that is the projection.

I think that is the answer to the honourable member's question. I hope that I have answered his question satisfactorily. In summary, it is this: we borrow off shore because we save a lot of money. It is hedged. From time to time there are unrealised losses. They are managed and brought down as much as possible by better management. There is still an overwhelming reason why that offshore borrowing should continue. Under the Treasury Corporation legislation, we are going to broaden it still further and obtain private-enterprise advice, through an advisory board, on our capital markets investment and its future management to make certain that we receive the best expertise and make the best investments to ensure that our undertakings receive the best interest deal possible. Our Yankee Bond issue is presently floating on the North American market at something like 16 base points below the New Zealand bond issue. The management of our economy is very well regarded, and great sentiment is felt for our currency and our dealings.

In respect of the offshore situation, that is, the reason why the honourable member asks why is it necessary for Ministers and Premiers to travel from time to time—in the international context, it is a question of reputation; people want to see us face to face. Because money issues are being decided, people want to see that we have flesh and have blood in our veins; they want to be able to talk to us. As a result, those road shows—which is the market jargon—are necessary from time to time, particularly when there is a change in government. Having been acquainted with the previous administration, the North Americans wanted to know what this Government's general policy was. We were able to speak with the First Boston Corporation, Merrill Lynch, Morgan Guaranty and others in their situation. We helped them to understand this Government's general strategies and pointed out that our Budgets are balanced; our consolidated revenue general debts are only 4.8 per cent of our total Budget; and our superannuation funds, workers' compensation and third-party motor vehicle insurance are actuarially sound. Those are the sorts of things that they want to hear. If those things are understood, substantial benefits flow in terms of the deals that can be made. High ratings can be obtained. This State has the same rating as the nation in terms of its borrowing capacities as declared in those money-markets. Our standing is important, and must continue to be so.

The honourable member for Sherwood raised some issues in respect of the domestic investment market, to which it is not unreasonable that I should reply. Because Queensland has a private-enterprise Government which is establishing a much bigger borrowing capacity by virtue of this legislation, it can provide greater borrowing power and give statutory authorities a better deal in terms of borrowing—although they are not required to borrow from the Government. There is competition in the market-place, which will reduce statutory authorities' borrowing rates by half a per cent—50 base points—which represents a very big saving to them. This Government says, "You do not have to borrow from us." However, statutory authorities have welcomed this legislation. The securities industry people in Queensland have accepted that this is the way to go. I announced the proposal at the Securities Institute luncheon.

In respect of the management of cash reserves and capital investments on the part of Queensland's Trust and Special Funds, superannuation funds and the like—this legislation gives this Government the power to invest those moneys with private enterprise.

Mr Innes: If that logic follows—of a larger pool and lower interest rates—are you suggesting that, as a smaller Government, Tasmania cannot get the same rates as New South Wales and Queensland?

Mr AHERN: Yes, that is absolutely right. That is part of the reality of the market-place.

Having brought some private-enterprise focus on the management of those funds, this Government believes that investments can be more successful with substantial savings to the consolidated revenue account. In the past, all superannuation funds have been invested in gilt-edged securities, which created a situation in which investments are wonderfully sound, reliable and completely secure. The fund is actuarially sound and fully funded in every definition of the term. Because the funds are not invested to their full potential, in order to achieve that potential the Government's contribution, or the consolidated revenue contribution, is 2.31 to 1. With better investment strategies for yield, the Government believes that that contribution can be brought down to 1.9 to 1. If that is realised, the consolidated revenue account will be saved $30m.

Mr Lee: Is the risk greater?

Mr AHERN: No, we do not think so. These strategies are used by every superannuation fund in the nation, including the Commonwealth Government employees superannuation fund and the New South Wales Government employees superannuation fund, which invests in property projects in Queensland. This fund will be able to invest only in Queensland property projects. The properties industry here in Queensland has often been to me, as I am sure they have been to the honourable member, and said, "Look, we can borrow off the New South Wales or the Commonwealth superannuation funds. Isn't it a darned shame that we can't borrow from our own people?" It is surely rational. Therefore, the property industry is very happy about this legislation. Every superannuation scheme, private and public—every other one in Australia—has an opportunity to invest in property. This one here will have an opportunity to invest in property, and because of the greater yield rates which apply, the consolidated revenue input into the superannuation fund will not need to be as high. There is $30m in the consolidated revenue account that will not have to go into the subsidy to keep the superannuation fund actuarially sound.

So the issue goes on in respect of the investment of all of the State's cash reserves and trust and special funds—a greater attention in terms of investment for yield—with appropriate safeguards to ensure that the investment strategies are not used for the purposes of establishing some grand Queensland Incorporated, which will not happen. This then is surely a rational way to proceed. It is not sensible to say that the Government cannot invest in equities. I mean, no private-enterprise Government that I am aware of simply rules that out in terms of all of the investments of its capital that are available

for one purpose or another. There is obviously a balance in the portfolio in terms of property, equities, gilt-edged securities, the short-term money-market and so on.

Mr Innes interjected.

Mr AHERN: That is an option. But in respect of this matter we believe that the total area can be invested across the board without a proliferation of ways and means of doing it. It will be closely monitored. It in no way offends private-enterprise principles. Certainly, the securities industry that I have spoken to has thought that it is a good idea. The property industry has said, "We have been saying that you should do that for years." There are substantial savings to be made and there will be private-enterprise input into it with appropriate safeguards to ensure that it will not be used for manipulation of company equities.

Mr Lickiss: Supposing this had all been in train, what would have been the difference in the Government's experience and, say, the AMP Society's experience, which has an expertise in this investment field, at the last crash of the share market?

Mr AHERN: I think the honourable member may have just come in. There have been some unrealised losses through the Queensland Government Development Authority. I am not saying that, in the future, in the event of a massive decline, there will not be some unrealised losses. What I am asking in relation to the AMP Society and these people is that honourable members should look at where they are now and look at the scale of their investments in terms of their unrealised losses. They will see that the issue is not of the overwhelming importance that they think it is. In the meantime, just through the superannuation funds' savings alone, an extra $30m will be saved at a time when the recurrent account in Queensland needs $30m.

I believe that the Queensland Treasury Corporation legislation is innovative. It has been well supported by the business community. I commend it to the House.

Question—That the Bill be now read a second time—put; and the House divided—

AYES, 68		NOES, 9	
Ahern	Littleproud	Beanland	
Alison	McCauley	Beard	
Austin	McElligott	Innes	
Berghofer	McKechnie	Lee	
Borbidge	McLean	Lickiss	
Braddy	McPhie	Schuntner	
Burns	Menzel	White	
Burreket	Milliner		
Casey	Muntz		
Chapman	Neal		
Clauson	Nelson		
Comben	Newton		
Cooper	Palaszczuk		
D'Arcy	Perrett		
Davis	Prest		
De Lacy	Randell		
Eaton	Row		
Elliott	Sherrin		
Fraser	Simpson		
Gately	Slack		
Gibbs, I. J.	Smith		
Gibbs, R. J.	Smyth		
Gilmore	Stoneman		
Glasson	Tenni		
Gunn	Underwood		
Harper	Vaughan		
Harvey	Veivers		
Hayward	Warburton		
Henderson	Warner		
Hinton	Wells		
Hobbs	Yewdale		
Katter			
Lane	*Tellers:*		*Tellers:*
Lester	FitzGerald		Gygar
Lingard	Stephan		Sherlock

Resolved in the affirmative.

Sitting suspended from 6 to 7.30 p.m.

Committee

Hon. M. J. Ahern (Landsborough—Premier and Treasurer and Minister for the Arts) in charge of the Bill.

Clauses 1 to 4, as read, agreed to.

Clause 5—

Mr INNES (7.30 p.m.): This clause deals with the constitution of the corporation, but I would just ask the Premier and Treasurer whether he would deal with the substantial argument I raised: why is the proposed corporation involved in the possibility of partnerships and joint ventures?

Mr AHERN: My omission to cover that point was not deliberate on my part; it is just that I had not noted the honourable member's request. The issue relates to the investment strategies that are to be used for the investment of the cash reserves and the capital accounts of Government, of which there are many and in various categories. The overall thrust is to provide a broad range of options for the investors to look at in terms of getting the best yield whilst at the same time providing the reassurance for security.

So the corporation has a broad range of options available to it. It can invest in securities, it can invest in equities and it can invest in property. If the property investment option is to be available, and I believe it needs to be if the Government is looking at maximising investments for yield, an opportunity for partnerships is a legitimate part of that. If I could take the honourable member up to the Caloundra Sunland shopping centre, he would see that principally that is provided by a partnership arrangement between a superannuation fund and a number of other investors. That has provided for the superannuitants quite a substantial return, which would not be available if there was a straight-out investment in securities or in some other form of equity investment. It is my understanding that the investment in that type of property gives a much higher rate of return—indeed, I think the figure is of the order of 17 per cent.

That is the type of investment as part of a broad range of investment strategies that ought to be available to a corporation that is looking at investing for yield as well as ensuring that there is adequate security of investment. So that option needs to be there and to my knowledge is there, as I said, in relation to all other superannuation fund investments in Australia. The fact that it has not existed here in Queensland to date has just simply left the trade-off to that as being a greater amount of consolidated revenue going in to make the fund actuarially sound.

I take the honourable member back over that ground that the investment ratio at the moment between employer and employee is 2.31 to 1. If there was a higher return on investments and they were not all in just simple 8 per cent gilt-edged securities, that number could be reduced. At the same time there would be more money left in the consolidated revenue account that does not have to be raised by way of taxes.

This will be oversighted by the Government to ensure that it is not used in any manipulative way to create some grand Queensland Incorporated, which is contrary to my Government's philosophy. That is something that we in the Government do not want to see happen, but a broad range of investment strategies just has to be made available.

If Opposition members say that they will agree with securities investments and with all the other investments, including equities, but they say, "No, we cannot live with partnerships in relation to property," it seems that it is a nonsense. Provided the investment is properly controlled and supervised into sensible areas of investment in Queensland, it can provide an option for property investment in Queensland, thereby generating an extra amount of economic development in our State, jobs for people and at the same time provide a reasonable return and saving to the consolidated revenue

account. I cannot see philosophically where the problem lies. I think that the honourable member may well be tilting at windmills.

I announced these initiatives at the Securities Institute of Australia luncheon. There was broad support for them. The institute communicated to me since that it believes it is a reasonable course to take and is overdue. I have spoken with people in the property industry, who have said that they have been arguing for years for this to happen. Queensland is the only State in which there was no access to those funds that were generated in native Queensland. They could not see the sense in having to borrow interstate for those types of projects. I cannot see how the initiatives offend private-enterprise principles. Because private enterprise is involved in the advisory boards, it is a reasonable initiative. I cannot see any problem with it.

Mr De LACY: I will comment briefly on clause 5 and take up what the Premier and Treasurer said. He might be stretching his philosophy a bit when he says that he cannot see where it offends the Government's private-enterprise principles to facilitate arrangements whereby the Government sector goes into partnership with private companies. Speaking as a Labor person, even I feel a little uncomfortable about whether or not that is a legitimate role of Government. The Government seems to be able to rationalise that concept away. It seems expedient to me.

As was mentioned earlier, the QTTC was involved in joint-venture arrangements with private companies, which created much concern within the community, especially the commercial sector of the community, because private companies could see that they were competing on a less than equal basis. If the Government, per medium of the Queensland Treasury Corporation, becomes involved with a private company, obviously that private company has a great advantage over other competing companies. In a minute, I will turn to the safeguards and assurances that there is no manipulation.

I wish to take up a couple of comments that the Treasurer made before the dinner recess. He spoke about the unrealised losses of the New South Wales Treasury Corporation and the different authorities in New South Wales and Victoria. We discussed that matter earlier in the debate. The Treasurer was absent from the Chamber then. I point out that those losses were unrealised. I wonder from what point the losses were calculated. If they were calculated from the high point just prior to the stock-market crash, it is probably not a fair assessment of the degree of the loss.

Mr Ahern: No, it is from the point of borrowing, the initial borrowing.

Mr De LACY: On that basis, if a calculation was made of the price that was paid for them and the price that they are now, it is a reasonable assessment of the loss.

The legislation creates the opportunity for Queensland to become involved in similar operations—in other words, trading on the stock-market—whereas previously that was not permissible under the Queensland Government Development Authority. Is that correct? Perhaps the Treasurer can answer that question.

I will take up the point that I raised while the Premier was speaking about the overseas loans. It just seems to me too easy or too superficial to say that the Government can borrow overseas at such a cheap rate and ask why everybody is not borrowing overseas when there is a differential of 5 per cent. With the kind of interest rates of 2 per cent to 3 per cent that the Minister was quoting, the differential can be substantially greater. There has to be a little bit more to it.

I know that the Government is counting on exchange rates remaining constant. That is the risk that people take when they borrow overseas. As the honourable Leader of the Liberal Party said, many private individuals in Queensland who ventured into the overseas borrowing market really got their fingers burnt when the Australian dollar depreciated. I suppose that is one of the risks. However, I still think that there must be more costs involved. If it is possible to borrow overseas at around about 3 per cent, I just wonder why the market itself does not rectify those differentials much more quickly than it does.

Another comment I make in passing is that it is no wonder that this country has such a huge overseas debt. If the Queensland Government is borrowing money overseas at a cheaper interest rate, that is fair enough. The money has to be borrowed as cheaply as possible. That is the responsible way to go. However, in the next breath, of course, members of the Queensland Government are very quick to point out that Australia does have a massive overseas debt and to lay the blame for that debt on the Commonwealth Government as though it is a Commonwealth Government debt——

Mr Ahern: $2.1 billion is not much in the overall scheme of things. That can be paid out tomorrow, really.

Mr De LACY: Yes, but every $2 billion makes a lot of difference. The overseas debt is only $100 billion——

Mr Austin: How do you pay cash for a power station; tell me that.

Mr De LACY: Obviously the Government has to borrow. I am not against the Government borrowing overseas. If a cheaper rate can be obtained, that must be done. My point is that in the next breath this Government criticises the Commonwealth for overseas borrowings when members of the Government know, and I know, that most of it is not Commonwealth borrowings——

Mr Ahern: Have I raised that issue tonight? It is a Freudian statement, isn't it?

Mr De LACY: No, it is not a Freudian statement. It is a point that I have taken up because every second member on the Government side blames the Commonwealth for the size of the overseas debt, yet it is not caused by Commonwealth borrowings.

There is some justification in laying blame at the feet of the Federal Government because it creates—to the extent it is able to create—the economic circumstances of the country that cause people to borrow overseas or that may even cause our current account deficit to escalate.

I have said on a number of occasions that the Opposition supports the principle of the Bill; it supports it right down the line. However, the Opposition has some concern about the safeguards that are built into it, particularly on the investment side——

Mr Ahern: Are you still on clause 5?

Mr De LACY: Yes.

Mr Ahern: Did you get in late for the other debate?

Mr De LACY: No. I had spoken before. How could I get onto that until the Committee stage——

Mr Burns: He should be the last one to talk.

Mr De LACY: Yes, speaking of coming in late.

The Opposition is happy with the whole thrust of the legislation, provided it can be convinced about the safeguards that are built into it—the accountability provisions. My question is: will the Government allow the operations of the Queensland Treasury Corporation to be examined by the public accounts committee? Will they be available to the public accounts committee when and if it is constituted?

Mr AHERN: Absolutely.

The examination of the public accounts of Queensland will be the principal responsibility of the public accounts committee. The Government would see this as the principal focus of the work of the public accounts committee. Very obviously, this is an area in which the committee will take a particular interest, and the Government looks forward to that.

To return to the issue of overseas borrowings—the reason the Government borrows overseas is to save interest. I indicated earlier that the net saving on Queensland's

borrowings overseas at present is $50m. Queensland's current overseas borrowings total $2,100m. Roughly $1,000m of that is hedged back into Australia at the moment, so that the net borrowings off shore are about $1 billion. On that sum there is an interest saving of about $50m. The purpose of borrowing off shore is to save interest, but it is a net interest. The hope is that the Government will not just save the difference in interest; in that it understands that it may have to allow for currency fluctuations.

At the moment, the difference between the domestic rate and the offshore rate is 5 per cent, which is a huge difference. That allows an enormous capacity for currency movements. The Government will try to minimise that. At the moment, it amounts to $50m annually, so it is certainly worth while to offset the $244m currency losses that exist at present. In terms of the overall borrowings, it is small by comparison with what the other States have been able to do, so the managers in Queensland have been very, very good. It is always understood that when one goes off shore and tempts one's fate in terms of those obviously lower interest rates, one has to be able to manage the situation carefully. It is not a job for amateurs.

The Queensland Government has a broad basket and it is broadening it further. We have done a very good job on it so far. The results are there. I have outlined the risk, and that is where the skill comes in. So far, it is a reasonable course. Even though very substantial currency fluctuations have occurred, the performance so far has been very good. There is a very clear public benefit in terms of what is a relatively small amount of offshore borrowing. The Queensland Government's overall fiscal responsibility is such that if, in its judgment, it wanted to pay out those overseas debts, that could be done overnight and those debts brought home. Although that could be done, as I said at the moment there would be a $50m penalty, so why would the Government do that?

On present advice, those borrowings have been hedged. At the moment, the $2.1 billion is hedged roughly half back in Australia on some sort of projection that there will be a currency movement down in the short term. Whether or not that is a responsbile course, I do not know, but time will tell. At the moment, it is being very carefully managed. I think that honourable members would have to agree that on all the parameters the Treasury officials should be complimented for their success so far.

Mr INNES: I do not think that one is impinging on the time of the Committee, because there is little more important than talking about the welfare of an organisation that will look after the majority of the revenue of the State. I address some comment and ask some questions. Firstly, I ask: why are commissions not addressed directly in the statements of account of the State? As I have indicated, rates of commission can vary significantly. It could be suggested that 0.5 per cent for the transaction of a domestic loan, and up to 2.5 per cent for people such as Mr Pan Meni or Mr Khemlani and other people who have sought to arrange large amounts of finance, is not spurious because those individuals have tried to inveigle both the Queensland and Federal Governments into transactions. The procuration fee or the commission fee is a relevant component of international transactions. On the amounts of money that we are talking about in terms of borrowings in Queensland, some people have assessed that anything up to $35m in commissions could be involved.

Relevant questions to ask a member of Parliament would be: where are those commissions in respect of the loans that are detailed in the Queensland Government Development Authority's report? What was the commission in respect of each loan? To whom was it paid? Was the loan before or after commission?

The second matter that I raise is a matter of comment. If I can compare the situation with an insurance company and its superannuation—the purpose of the investment is clear in the investment of a superannuation fund. It is imprest by a trust. It is for a particular purpose and because there is a single target and purpose of the investment, a particular investment strategy is developed to cover risk and attempt to capitalise on growth. A certain mix of real property is taken. Some is taken out in shares; but because there is a single investment target, there is a balance.

One of the problems that I see with the new development authority is that it is becoming the total investment authority of the Government. That appears to be the strategy. With superannuation funds, local government borrowings and short-term money, it has the full amplitude of powers of investment with the Government. That is a multiple strategy. The short-term money-market is turning over whatever is in the departmental accounts. At the one end are superannuation funds, and at the other are local authorities with borrowings that they want to make over five or ten years. It is a multifaceted, multidirectional investment strategy. Because investment is mixed into the same pot—the same account—surely that complicates things enormously and must result in cross-subsidisation. If a share-market crash or a property crash occurs, funds will be cross-subsidised. Although benefits are alleged to accrue to superannuation funds with increased growth, there is no compartmentalising or insulating of the superannuation funds.

At the moment, superannuation funds are absorbed into consolidated revenue, which does not maximise growth. However, I do not understand the strategy that this Government proposes, namely, to compartmentalise superannuation and to impress that with special investment strategy responsibilities. As I see it, this Government is at the mercy of stock-market crashes, property crashes, booms and whatever else comes along, together with diverse multifarious investment directions. I would be grateful if the Minister would respond to that comment and deal with the more specific question that I have raised with regard to commissions.

In relation to the $50m which the Minister says we are benefited by from going off shore to the extent that we have—is that assessment made in accordance with current investment strategies? Has that been the situation over the past three or four years; that we have benefited at the rate of approximately $50m per annum for $1 billion lent? Or have there been years in which we have lost far more or far less?

Mr AHERN: To answer the honourable member's last question first—that is the net figure for this year. What it was last year or the year before would depend upon the comparison between what our strategies were able to achieve off shore and what the domestic rate was in the previous years. I do not have those figures with me. However, that option is always available to the Government. Those offshore funds could be shifted on shore very quickly overnight by pressing a computer terminal. Those funds are kept in such a way that they can be moved back very rapidly. We know today that that is the only penalty—$50m—so that is the advantage of keeping those funds off shore.

At the moment the net currency loss on the initial investment is $244m. Last year it was much higher, but through careful investment strategies during the year that figure has been brought down. In the future it is expected that that figure will be reduced further. That is the figure. It is quite real. It is valid. If next year, by some miracle, there is a reversal—which is not likely—we could just simply shift it from off shore back on shore. The funds are kept in that totally liquid capacity, so that at the press of a button that movement can take place.

In respect of the total issue of commissions—I am advised that at the moment the commissions are negotiated. I was part of the North American Yankee Bond exercise, which was managed for us by the First Boston Corporation and was backed up by Merrill Lynch. Part of the negotiation was that the management fee would be cut as low as possible. In fact, I am advised that, at the moment the offshore management fees are, on average, 0.25 per cent. It is part of the overall negotiation. That is the fee. It is very low. It is highly competitive. It was done well, because when the borrowing went to float it opened and closed immediately. The yield that was sought was $100m and it opened and closed immediately at $140m. The moneys were there and, at present, they are acutally floating at, I think, about 16 basis points below LIBOR. The float has been well managed. The perception of Queensland's borrowing capacity in the market is very high and we have received all the benefit for that good management and that good promotion.

The other issue to which I would like to return is that a large corporation such as the Queensland Treasury Corporation has to have the power to make available venture capital. One of the big issues in the world today is venture capital. It is capital that can wait. In terms of every investment opportunity that is around today, the key issue is venture capital. That is what is driving the North American revival. In recent times that country's economy has been driven by an access to venture capital. Surely, this organisation must have that capacity, and it is completely logical that it does. To summarise—we have had, I think, a very helpful debate on the overall issue. This is really what a public accounts committee is all about—to look at these types of overall financial strategies of the State; to look in future as to whether this way is in the public interest or not? It is not about travelling and chasing some little hare that is dodging through the haystacks.

Mr Warburton: Like Allen Callaghan.

Mr AHERN: It can do that. If all that the honourable member for Sandgate can really focus on is Allen Callaghan——

Mr Warburton: No, he can't, but it is about time you came clean on the whole issue instead of hiding behind your former Premier.

Mr AHERN: Mr Callaghan is out at Wacol and he can be interviewed if the public accounts committee wants to do that.

The central role of a public accounts committee is to see that these types of macro-issues are being properly addressed on behalf of the people of the State. I look forward to a constructive debate on these very substantial large accounting issues which are of vital interest to Queenslanders. Of course, there will be no restraint on them. We look forward to that constructive debate. I believe that this is a right and appropriate course. I am very proud to be in the Chamber today to bring forward the debate on the Queensland Treasury Corporation.

Mr INNES: The issues are important. I will very briefly make two responses. Firstly, if the public accounts committee is so important to the operations of this exercise, the bigger the Government operations are, of course, the more important some accountability is. Surely to goodness the public accounts committee would have been put in place. Talk about the cart before the horse! The Government is proposing, in the last hours of this Parliament, a massive change in the direction of Government investment and financial control that the Premier says is contingent or dependent upon accountability, which will be ensured by establishment of a public accounts committee. However, the public accounts committee is so low in the order of priorities that it will not get off the ground for another six months.

Mr Ahern: It's retrospective.

Mr INNES: It might be retrospective, but that means that for another four more months, when a great deal of diverse activity will take place, there will be no possibility of the committee's doing any work at a time when Parliament has time on its hands and when the committee could do something constructive. Four months will be lost. After the closure of the autumn session, Parliament will come back to debate the Budget. All honourable members would know that it will be a time of some stress in terms of diary appointments. It is the time when Parliament is not sitting that a committee system can prosper—at least that has been the experience of other Parliaments.

The other point I take up is a matter I had not appreciated in my reading of the Premier's introductory remarks. I really had not appreciated that the corporation was to have a part in a venture approach to Queensland's investment. What is the purpose of the Queensland Industry Development Corporation? Surely that is the organisation that assesses risk and is given a particular responsibility to look at the potentiality of ventures. The Queensland Industry Development Corporation has attached to it commercial people who are conversant with investment. Apart from an advisory committee

on private enterprise—not an assessment committee—there are officers of the Treasury who are not particularly versed in private-enterprise concepts. Are they to assess individual investment opportunities from a venture point of view, or is the legislation referring to access through the normal share market? If the legislation refers to access through the normal share market, how are the great benefits of brokerage and commercial benefit of doing business with the Government—that the money-market was excluded from but to which stock-brokers and property-developers will be attracted—going to be assessed? What system will the Queensland Government devise to pick out the winners from the losers?

Queenslanders have seen too much favouritism going with powerful financial decisions in this State. How will the Parliament make sure that everybody has a fair whack and access to commissions that are charged both by way of brokerage in the equity market or by way of commission fees in the real estate market? The Government will have an enormous weapon by being able to choose those it likes and exclude those it does not like in respect of distribution of the benefits from the business of the Government in this area of activity.

Mr ARDILL: I wish to address a question to the Premier about one aspect of these important matters of State. I understand that the corporation will be acting on behalf of the Queensland Electricity Commission and local government. Does that mean that people who have a couple of hundred dollars to invest in a loan—as they have done for very many years now—will be able to invest through the corporation instead of investing the money in a local council loan or an electricity commission loan, which is the case at present? Has provision been made for small amounts of, for example, $200 to be invested, which is the amount at present?

Mr AHERN: It is my understanding that issues are made for the purpose of raising funds for electricity. They will continue as before. The current plan is that the minimum investment will be $1,000. I am not certain what the minima are at the moment——

Mr Ardill: It is $200 at the moment.

Mr AHERN: It may be that smaller amounts are provided for. However, for the issues that are currently being made, the plan is to continue with all of it.

It is a question of the organisation's size. Because of the size of the corporation, it will be able to do better on behalf of everybody. Authorities will not have to use it. Because of its scale it will have better investment and borrowing strategies. That is the whole idea behind it and scale is enormously important in terms of benefits, whether they be at the borrowing or at the lending end.

Mr Ardill: But that does wipe out the small investor.

Mr AHERN: No, there is no intention to do that. Whatever those strategies or raisings are at the moment, they will continue.

I think that the honourable member for Sherwood is almost talked out. He is starting to waffle on the issue. There is a very substantial amount of investment that has to be marshalled, and surely it is valid to have a wide range of opportunities or options available to the private-enterprise people who will, in the main, be advising the Government on investment strategy. They should have this wide range of capabilities available to them to ensure that the best decisions are made. The honourable member for Sherwood then asked, "What is QIDC for?" That is not logical. It does not mean that QIDC will be overcome. In fact, QIDC has a separate and additional role. It is a question of a wide range of options being made available. It is sensible and logical.

The honourable member knows the reason why a public accounts committee has not been established this session. I indicated this afternoon that there is need for legislation. The Government has accepted that and there is also a need for legislation in respect of parliamentary privilege as it covers a public accounts committee. The Government has not had time to do this, but there will be retrospectivity.

Mr De LACY: I would have raised this matter during the debate on clause 18, but it is relevant now because the honourable member for Salisbury has raised it. It is merely a technical question. My understanding is that it is compulsory only for the Government to borrow through the Queensland Treasury Corporation and not compulsory for semigovernmental organisations such as the Queensland Electricity Commission and the Brisbane City Council. Could that mean that there would still be electricity loans as such? They could have two borrowing programs.

Mr Austin: The Queensland Electricity Commission has already agreed to become part of this.

Mr De LACY: Therefore the loans that were known as electricity loans in the past would not exist any more?

Mr Austin interjected.

Mr De LACY: They would be Queensland Treasury Corporation loans and people can invest there.

Mr AUSTIN: This has been a very good debate, but I would like to take a little time to refer to the Under Treasurer. Clause 5 of the Bill mentions the Under Treasurer and I wish to take this opportunity to give some credit to Queensland's existing Under Treasurer, who is about to retire at the end of this week. The Honourable the Premier has made a previous statement in the House and I wish to place on record in this Parliament my thanks and gratitude to the Under Treasurer for the work that he has done for Queensland.

As most honourable members would know, in 1974 Sir Leo Hielscher was appointed as Under Treasurer. For some years he has travelled extensively overseas negotiating loans and financial packages on behalf of the Queensland Government and for Government instrumentalities, such as the Sugar Board, the Queensland Electricity Commission, the Railways Department, the Expo Authority and so on. The introduction of this legislation into Parliament this evening is a very significant milestone. Sir Leo Hielscher's financial capabilities are well respected in all areas of the financial market in Australia, be they private or public, and all areas in the world. During the opportunities that I have had to travel overseas with Sir Leo in the short time that I have been Minister for Finance, I have been staggered at the very influential financial people throughout the world who recognise the great ability and talent of Queensland's retiring Under Treasurer of the Queensland Government Treasury Department.

Most honourable members will know that Sir Leo played a part in many significant projects, some of which have been mentioned tonight, such as the expansion of the short-term money-market, innovative financing for major projects, as well as offshore financing, and he was the driving force behind the establishment and construction of the Queensland Cultural Centre.

Sir Leo was the negotiator on all of the big coal deals in Queensland. Although at some times the mining companies may criticise him, because of his negotiating skills the people of this State will in years to come reap great benefits. He developed a very highly professional group of Treasury officers who are totally loyal and dedicated not only to him but also to the Government and the aims of the Treasury to be more efficient. He was involved in many significant projects, such as the Gateway Bridge, urban electrification, Expo 88 and many, many other projects. He served on the board of Suncorp Insurance and Suncorp Finance, he is Deputy Chairman of the Queensland Industry Development Corporation, Chairman of the Queensland Cultural Centre Trust, a member of the board of the Brisbane Exposition and South Bank Redevelopment Authority and he is a senator of the University of Queensland. He has made a very significant contribution to the Government of this State.

As I said recently at a public function, in many years to come when he, like many of us, will be long gone, he will be remembered as some artists are. People will look back and recognise the enormous worth and the enormous talent. While some people

perhaps do not recognise it today, in the future they will recognise the contribution that the man has made.

I wish him a very successful, very healthy and very happy retirement. I hope that he enjoys himself fishing, as I know he intends to do from the new place that he is building at Noosa. I know he will have many relaxing nights at the Queensland Cultural Centre on the south bank, which he was responsible for financing.

Clause 5, as read, agreed to.

Clauses 6 to 37, as read, agreed to.

Clause 38—

Mr De LACY (8.12 p.m.): I have a very brief question on a subject that I raised in the second-reading debate. It deals with the exemption from stamp duty. If the corporation goes into partnership with a private company, does that mean that that private company or that grouping—that arrangement—will have some exemption from stamp duty that is not available to other private companies?

Mr AHERN: It is my understanding that, where private companies are associated with the corporation, they will have to pay full stamp duty. There will be no competitive advantage.

Clause 38, as read, agreed to.

Clauses 39 and 40, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr Ahern, read a third time.

STATUTORY BODIES FINANCIAL ARRANGEMENTS ACT AMENDMENT BILL

Second Reading

Debate resumed from 20 April (see p. 6137).

Mr De LACY (Cairns) (8.14 p.m.): The Opposition supported the legislation that provided for the establishment of the Queensland Treasury Corporation. This appears to be consequential legislation that is required to implement the Queensland Treasury Corporation. As such, the Opposition cannot find any reason to oppose it. I guess the only question I have to ask is why the legislation has to be in two pieces and why this action could not have been taken in one single piece of legislation. Apart from that, the Opposition supports the Bill.

Mr INNES (Sherwood—Leader of the Liberal Party) (8.15 p.m.): The previous legislation having been passed by the House, it would seem to be impossible for the Liberal Party to maintain the same attitude as it did before. Therefore it does not maintain opposition to the legislation.

Mr BURNS (Lytton—Deputy Leader of the Opposition) (8.16 p.m.): I wish to address briefly a matter that is handled by the statutory body Suncorp. I told the Minister for Finance that I would speak briefly on the matter. I refer to the way that Suncorp carries out its investigations into some major matters associated with fires, frauds and so on. As Suncorp is a statutory body under the responsibility of the Minister for Finance, I take the opportunity to raise it tonight, because I could not do it this morning in question-time.

About three years ago, a person who built yachts at the Gold Coast had his business burnt out in a major fire. For some years he had been building up the business. He was just hitting his straps and was starting to turn work away. At that time, one Sunday afternoon a major fire burnt the building down.

At that stage, the person was not a battler. He had reached the stage at which he owned his home at Burleigh Waters, owned two new top-of-the-range vehicles, owned all his own machinery, had $60,000 in the bank and $20,000 in a cheque account, his tax bill was approximately $42,000 for the year and he owed a further $20,000 in sales tax. He was not someone who one would normally suggest would burn the building down to obtain money from the insurance company.

I have a few questions that I would like answered. The Minister told me that, if I asked them, he would attempt to answer them for me.

My concern is about a person by the name of Glen Patrick Hallahan, who is employed as a Suncorp investigator. Is the Minister aware that, on Hallahan's advice, Suncorp has refused payment on a claim by a Mr Doug Mann, a boat-builder from Palm Beach, for almost three years? Honourable members know that, if a businessman does not have a claim paid for almost three years, it will virtually send him broke.

Is the Minister aware that, although the loss-assessor told Mr Mann that the claim had been approved and that he should go ahead and buy new machinery and lease new premises, Suncorp, on Hallahan's advice, continued to refuse payment? The Minister told me that he would look into the matter for me.

Mr INNES: I rise to a point of order. I understand the member for Lytton's haste, but I cannot hear him. I appreciate hearing what he is saying to the House.

Mr BURNS: I thought I was speaking into the microphone. I am sorry if the honourable member cannot hear me.

I have said that I approached the Minister on the basis that Suncorp is one of the statutory authorities that we should be examining. I am concerned that, when a major business has a fire, delays in investigations or pay-outs could send a businessman broke.

I refer to this case, in which a yacht-builder on the Gold Coast had a fire three years ago and, because of the protracted argument as to whether he lit the fire or not, the business is going broke. I proposed to the Minister that I put some questions to him and that he obtain some answers for me. If possible, I would have put those questions in the House.

I ask the Minister: is he aware that, when Mr Mann approached his local member, Mr Hinze, for assistance, Mr Hinze's secretary said that the member had been informed by Suncorp that if Mr Mann did not withdraw his claim certain unspecified action would be taken against him? Is the Minister further aware that Mr Mann was subsequently charged with arson, but the matter was thrown out of court because there was not even a prima facie case against him? That charge was preferred at a committal hearing. I understand that only a basic case needs to be proved at a committal hearing. For the case to be thrown out, Suncorp must have had little or no case at all. I understand that the arresting police officer from the Broadbeach Police Station gave evidence at the committal hearing to the effect that the file just appeared on his desk with an instruction for him to charge Mr Mann. He gave evidence on oath that he did not know any more about it. I understand that all of that came as a result of the urging of Mr Glen Patrick Hallahan, who is well known to all honourable members.

I am concerned about my next question. Can the Minister explain why the Attorney-General, on Hallahan's urging, issued an ex officio indictment against Mr Mann, thus depriving him of the normal protection of a committal hearing? When the matter was due to go before the court, Suncorp asked for an extension of time. Several times it has been mentioned before the court and I understand that a judge questioned the prosecution's handling of the matter. All this time, this fellow is not receiving any money, he is up to his neck in debt and he has problems. Surely, sooner or later the matter must be resolved.

The Minister should examine matters when statutory bodies such as Suncorp and others decide that they are bigger than the law and can hold someone to ransom. I want the Minister to assure the House that Hallahan's conduct of the whole matter is unrelated

to his rat-pack membership and the fact that he owes his appointment to Suncorp to the intervention of Sir Terence Lewis. I want the Minister to give a commitment to this House and to all the dissatisfied people who are insured with Suncorp that Hallahan's conduct of the matter will be fully investigated.

I might make the point, having had my car stolen, that Suncorp looked after me very, very well. I do not have a personal axe to grind. My car was replaced 14 days later. Obviously, Mr Glen Patrick Hallahan was not the investigator of my claim. However, maybe now that I have made these comments, he will come back and have another look at my case.

Mr Sherrin: Have you cashed the cheque?

Mr BURNS: No. The car is replaced. My car was replaced 14 days later. That ad that Suncorp puts in the paper is quite honest, fair and above board. Suncorp says that it will replace a customer's car within 14 days and issue a new insurance policy. Suncorp did everything according to Hoyle. I could not ask for better service.

At the same time, I say that the man who is in the yacht-building business, which is booming in this State, is entitled to a better deal and a resolution of the matter so that he at least knows where he is going. I ask the Minister to intervene on his behalf.

Hon. B. D. AUSTIN (Nicklin—Minister for Finance and Minister Assisting the Premier and Treasurer) (8.21 p.m.), in reply: I thank both the Labor Party and the Liberal Party for their support for the legislation. I undertake to refer a copy of this debate as recorded in *Hansard* to the Chairman of Suncorp and ask him to carry out an investigation into the allegations made. It would probably be helpful if the gentleman concerned wrote to me directly as well——

Mr Burns: I will hand you a letter that he wrote to me.

Mr AUSTIN: If the honourable member were to take a point of order in a moment and table the letter, copies could be made and I would be happy to have the matter investigated.

Mr BURNS: I rise to a point of order. At the request of the Minister I seek leave to table the letter.

Leave granted.

Whereupon the honourable member laid the document on the table.

Motion agreed to

Committee

Clauses 1 to 19, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr Austin, read a third time.

FINANCIAL ADMINISTRATION AND AUDIT ACT AND ANOTHER ACT AMENDMENT BILL

Second Reading

Debate resumed from 14 April (see p. 5936).

Mr De LACY (Cairns) (8.24 p.m.): These amendments to the Financial Administration and Audit Act are quite substantial. Indeed, the Opposition has been calling for changes along these lines for many years.

The proposed replacement of Treasurer's Instructions with Public Finance Standards will certainly allow greater management flexibility within departments and will allow the progressive implementation of program budgeting, something which is long overdue in Queensland. I understand that program budgeting is now being used by most, if not all, of the other States—certainly New South Wales and Victoria——

Mr Austin: And South Australia.

Mr De LACY: And South Australia.

The Opposition therefore supports the Bill, which, as I have said, will allow for greater flexibility. However, the Opposition is concerned about the scrutiny and accountability provisions of the Bill. This House does not need to be reminded that Queensland still does not have a public accounts committee, which would have the power to fully investigate and probe departmental transactions. Without adequate scrutinising and accountability provisions, honourable members are essentially asked to take these changes on trust.

Today's front page of the *Courier-Mail*, which provided further evidence of the rorts that occurred under Allen Callaghan's administration of the Arts Department and the Queensland Film Corporation, only serves to emphasise the point that we cannot take things on trust. We are informed that even the Auditor-General himself finds it inexplicable how numerous trust and special funds could be set up without authorisation and with knowledge of their existence becoming public only a very considerable time later. In other words, if accountable officers and those responsible want to rort the system, they can.

During the last fortnight, a number of pieces of legislation that have gone through the House will take away the central control which has been exercised by different authorities: in the case of the public service, by the Public Service Board; in the case of this financial accounting, by Treasury.

We are devolving powers to chief executives, and that means that we create an opportunity for those people to be more creative in the administration of their departments. But that, of course, also lays open the opportunity for them to be creative with their accounting. The safeguards that are built in—the capacity for the Parliament to scrutinise the way in which those people handle public funds—is so important if we are going to benefit from the increased flexibility that these changes offer.

Evidence such as this does not sit comfortably with members of the Opposition when a Minister asks us to accept on trust the various provisions in the Bill without adequate or suitable checks and balances. Essentially, this legislation will devolve considerable administrative and management power from Treasury to the departments themselves. The Opposition considers this a good thing and has argued that the Queensland Government should follow the lead of the other States and introduce program budgeting, which identifies department programs and goals and allocates funds according to those programs and goals. For some inexplicable reason, Treasury was always opposed to the concept of program budgeting, in spite of its recommended introduction by various Auditors-General over a number of years.

I can remember that on a number of occasions the previous Auditor-General, Pat Craven, called for program budgeting to be introduced, and that was always refused by the Government. It appeared that the principal reason Treasury was opposed to that concept was that it would involve the devolution of power away from Treasury. In other words, the Treasurer or the Under Treasurer would loosen the hold on the purse-strings. Treasury's accounting inspectorate, which basically double-checks the expenditure of other departments to make sure that they are keeping within the funds allocated, would largely have become redundant. In some circles, it has been called Sir Leo's goon squad—the people who go around ensuring that people stick with the Treasurer's Instructions.

The hold that Treasury had over other departments would have been considerably diminished and, of course, will be considerably diminished once this legislation passes

through the House. This opposition to program budgeting and program management now thankfully appears to have been overcome, and I am sure that this Parliament will welcome the day when budgets are presented in program form.

Mr Austin interjected.

Mr De LACY: As I said, the Opposition welcomes the day.

Mr Austin: Just give us a bit of a chance to get it in.

Mr De LACY: The Opposition has given the Minister a fair chance. The Government has introduced 97 pieces of legislation in this session. I do not know how many more chances it needs.

We will finally be able to see where the money goes and for what purpose. As such, the Opposition welcomes that change-over with the replacement of the Treasurer's Instructions and Minister's Directions with new Public Finance Standards. Nevertheless, we are asked to approve the establishment of these Public Finance Standards without sighting them. I understand from the Minister's explanatory notes that the Treasurer will issue the broader accounting and financial guide-lines while the detailed practices and procedures are prescribed by the department itself—an eminently sensible arrangement, if I may say so. I presume that the Public Finance Standards will be similar in content and design to the existing Treasurer's Instructions though probably more on the basis of principle and less prescriptive, but I seek the Minister's clarification on that.

I also seek clarification on the proposal to delegate the functions and duties of an accountable officer. At the moment, the permanent heads, or chief executives, are the accountable officers who authorise subordinates to carry out duties and functions within departments. As I understand it, the appointment of further accountable officers within a department largely reclassifies authorised officers into accountable officers and will, presumably, make them fully responsible for the fulfilment of functions under their control.

Although the Minister has stated that the chief accountable officer will not be relieved of responsibility, it would appear that that provides the chief executive with a handy little excuse if something goes wrong in his department.

Mr Austin: Not while I'm there.

Mr De LACY: I am pleased to hear that.

Of particular interest to the Opposition are the new headings of expenditure under sections 24 and 24A of the Act. The Opposition has no objection in principle to the introduction of that concept, which will allow the transfer of surplus funds to a new heading of expenditure within a Vote, provided that the transfer is fully revealed not only in the relevant department's statement of account subsidiary to the public accounts, but also—and most importantly—in the unforeseen expenditure accounts that are tabled in this House. It is extremely important that the transfer of funds to new headings of expenditure is included and readily identified in the unforeseen expenditure accounts, otherwise it will be extremely difficult to trace through the transfer of funds to areas of expenditure that are not approved by Parliament in the Budget debates.

My colleague the honourable member for Caboolture will take that matter up a little more during the course of the debate. It is one aspect that causes the Opposition concern. Its concern is that appropriated moneys can be spent in an unforeseen way and it would be very difficult for this Parliament or the Opposition to pick it up.

This Bill contains other reasonably important elements, most of which the Opposition finds no trouble with. The Opposition supports the warrant controls that require the Governor to be involved. Opposition members believe that it is probably anachronistic.

The honourable member for Caboolture will also take up the issue of the new headings. Elements of the legislation such as removing the necessity for bank transfers and abstracts to be in writing bring it into line with modern-day electronic transfers.

In general, the devolution of power away from Treasury to departments is consistent with the changes to the Public Service Act. However, the Opposition has some reservations. It is concerned that there could be wholesale changes to the public service; that the Government may be attracted to bringing in public service heads with an entrepreneurial flair who may seek to overturn long-standing customs and conventions within the public service. Sometimes that works and sometimes it does not.

The checks and balances in the public service and the accounting systems exist for a good reason. Because they are fundamentally different in both their objectives and their way of operation, it is not always possible to impose private-sector systems on the public sector.

Although the Opposition supports in principle the move towards the devolution of power to departments and departmental heads, it has some reservations. In an earlier debate I said that there is a thin grey line between flexibility and perhaps the misuse of Government funds. It is important to retain full accountability. Trying to retain accountability to the public and to Parliament and allowing public service departments to function in a flexible, efficient and effective way becomes a juggling act. Having said that, I indicate that the Opposition will not oppose this legislation.

While I have the opportunity, I will take up something that the honourable member for Caboolture raised last week when the superannuation legislation was being discussed. He referred to the notion of accrual accounting. The Queensland Parliament keeps account of the cash that is collected and appropriated; but, unlike private enterprise, no attempt is made to account for all costs as they accrue. The result is that the cost of programs is often understated. Superannuation is an obvious example, which is why the member for Caboolture raised the matter in debate last week. It is so easy for Government politicians to hand out to State employees generous superannuation benefits or, as was the case with changes to the Public Service Act, buy off the public service unions either by improving the superannuation benefits or by reducing the employees' contributions to superannuation.

Mr Gately: Don't you want us to give the workers a decent go?

Mr De LACY: I beg the honourable member's pardon?

His interjection is not forthcoming again. I am sorry that I missed what he said. Obviously it was not a really intelligent one.

Mr Hayward: It was one of his more intelligent ones.

Mr De LACY: It was one of his more intelligent ones, yes, but still not intelligent.

It is very easy for politicians to hand out something now in the knowledge that the cost will not show up for many years to come. I think it is true to say that, if Governments operated on the basis of accrual accounting, they would be less free with things such as superannuation. If Governments used accrual accounting, the cost of the superannuation promises would be immediately apparent. Each year's Budget papers would show the amount that the Parliament would have to put aside to meet the Government's commitment, that is, the cost would have to be shown as it accrues.

Another less obvious limitation of cash accounting—and cash accounting is the system that is used in Queensland and it is probably used by all other Governments in Australia—is that it takes no account of the use of physical assets. I will now quote from a recent paper by the New South Wales Auditor-General, Mr Ken Robson. Perhaps he is now the ex Auditor-General. I do not know whether he has gone out in Mr Greiner's night of the big knives. Mr Robson said—

> "A department having valuable under-utilised (assets) has no real budgetary incentive to either use them or dispose of them."

Most of the Auditors-General around the world are generally in favour of accrual accounting for Governments. Whether or not the money needed to pay for the superannuation, for instance, long service leave or the replacement and maintenance of assets

is actually put aside in special trust accounts is a separate issue. The important thing is for the government, the Parliament and tax-payers to know what they are up for and what they can afford. Traditional cash accounting clouds the full cost of Government programs and allows the burden to be transferred not only to future tax-payers but also to future Governments. As Opposition members, we are concerned that, when we form a Government, we will be picking up the tabs for the rash promises that have been made during the last 20 years.

Accrual accounting for the cost of superannuation, long service leave and assets would probably add anything from half a billion to a billion dollars to the State Government's deficit. What it would do is impose more discipline on the political process.

As we are introducing flexibility on the one hand with these changes to the Financial Administration and Audit Act and on the other hand with the changes to the Public Service Act, we need to impose more discipline on ourselves as members of Parliament and on our public service by the kinds of systems that we consider are necessary. With those few comments, I indicate that the Opposition supports this legislation.

Mr INNES (Sherwood—Leader of the Liberal Party) (8.40 p.m.): The rationale for the introduction of the legislation is that there is some benefit in giving managers more responsibility in relation to management decisions to make their departments function and achieve their aims and more financial responsibility. Rather than criticise the words and intent of the legislation, I wish to address the operation of the legislation.

Clearly there will be a devolution of responsibility to departments, but the operation of the devolution must be looked at in the context of other legislation that has been passed. The Minister's introductory speech makes reference to the new management plan for the public service. In a sense, it is ironic that on the day that a further chapter is written in the saga of mismanagement involving the Department of The Arts, National Parks and Sport, the Parliament is faced with transferring responsibility and putting more responsibility into the hands of either the heads of departments or accountable officers, because that was the excuse offered to this Parliament, which is part of a system of Westminster-Based Parliaments, as the reason why a Minister carried no responsibility for an extraordinary catalogue of deficiencies in the department he controlled at the time that the mismanagement occurred. In *The Importance of Being Earnest,* one of the characters said about a girl who was an orphan that to lose one parent is tragic, but to lose two is downright negligent. By parity of reasoning, one can look to the Department of The Arts, National Parks and Sport. That Mr Callaghan went off the rails in the Queensland Film Corporation is one matter; that his secretary went off the rails and took a little more than $10,000 from the public purse is another matter. She was an individual public servant who was responsible or subject to her own personal set of liabilities. Mr Callaghan took more than $40,000 and she took more than $10,000. The network was clearly one of politically motivated appointments.

Mr Callaghan was a journalist and derived sufficient political momentum from a person who had great power. Placement of Mr Callaghan in a department of his choice was achievable. Mr Callaghan was not a career public servant who had to go through the network of examinations and being imbued with the traditions of the public service. He was put in charge of a department through what can only be described as the political network, rather than the public service network. He went bad. One could say that he corrupted the secretary of the department, who clearly had initimate daily dealings with him and would clearly have known what he was doing with the accounts.

Mrs Callaghan was not in the public service, but her relationship with the public service stemmed from her being Mr Callaghan's wife. As part of the network of cronyism and favouritism that has gone on in this State, she was placed in charge of the Queensland Day Committee. Lo and behold, although she was involved in a different area and had access to a different set of accounts, the people of Queensland were down another $40,000.

Quite independently, in another part of the same department—the Department of The Arts and Sport—a senior sports executive officer had a gambling problem, and he took the department down for almost $45,000. A total of over $130,000 was taken from public moneys by four different people in three different areas of the Department of The Arts, National Parks and Sport.

In any Westminster Parliament worth its salt the Minister's head would and should have rolled. One can tell the nature of an organisation by the activities and actions of its subordinates. To have one subordinate going down his own track is one thing; but to have four subordinates in three different areas of a department going off the rails amounts to permissiveness and lack of supervision. I see that the Minister for Finance wants the debate wound up.

Mr Austin: No. Keep going.

Mr INNES: It might provide an opportunity for an ambitious back-bencher over here if I keep going.

The reality is not only that four people have committed criminal offences, but also that criminal offences do not have to be committed before people are saddled with the responsibility of mismanagment. The Auditor-General's reports have now been tabled in the House, but the existence of these reports—or at least one of them—was not known until today. I believe that two other reports had been hinted at. These reports demonstrate a level of mismanagement and the existence of 13 trust accounts through which over $4m was placed over a period of four or five years. The lack of knowledge of the existence of these accounts in itself suggests that there was little or no accountability.

I can recall looking annually at the accounts of the Queensland Film Corporation because it always was an intriguing document. It was small and inevitably half of it was taken up by impressive black-and-white graphic pictures. It was much ado about nothing, except that in the two or three pages of accounts there was never anything to be seen on the credit side. One could see unknown gophers in the system who were extracting money for script-writing or for the investigation of some future film. If one looked at the income side, it was always minimal and somehow the accounts never hung together.

The reports were not difficult to read, but one would have thought, having a member of this Parliament involved in the corporation—albeit that the political network ensured that he was a National Party back-bencher—and because there was such a small area of activity, that some level of control could have been exerted. There were some high-fliers involved in the corporation. Sir Frank Moore was involved, as were some people who were clearly experienced in business mattes. Yet, despite the fact that it was a very small department—I do not know the total number of staff, whether it was two, three or four—with a limited target of budget and little income, it was totally out of control. I suspect that it was out of control because the membership of the Queensland Film Corporation was seen to be another political appointment; a comfortable and prestigious appointment.

The Queensland Film Corporation was all the buzz at the time and it had to be kept in the National Party family of favouritism by appointing people who had no intention of doing anything active such as asking questions and investigating what the whole thing was about. It was just another feather in the cap. Clearly, the feather-wearing hid an administrative shambles, and not one of the gentlemen who took part in the corporation, including the member of this House, can take any credit for the lack of control that has now been revealed. Nobody can have pride in a system which allowed the existence of 13 trust accounts through which $4.5m was placed without it hitting the deck in terms of the supervisory body appointed by this Parliament, the Auditor-General.

The Minister has continued to protest his innocence. I have never suggested that he is guilty of any criminal behaviour. That is not the point. As the honourable member for Nundah has so frequently said and which has been clearly misunderstood, there is

a difference between culpability and responsibility. A person does not have to be criminally liable to be responsible. The person in charge of an organisation that is supposed to have accountable procedures and that deals with large amounts of public money is responsible for a system that encourages honesty or that ensures the revelation of misappropriation. That is where the failure occurred and it occurred in three different areas of that department. The Minister has an obligation to resign.

The further revelations must be added to what one would have thought was, to the person who occupied the Ministry, enough evidence at a far earlier point in time. To some extent this House has been deterred from the pursuit of some part of his obligation because it was felt that police investigations were proceeding. It is now clear that those police investigations proceeded nowhere, apart from the four targets who have already been convicted.

I have not had time to study the Auditor-General's report in detail; I have only just got it to hand. From a very skimpy reading, it is very clear that there were other obvious places for investigation. Certainly the public accounts committee has its target. There is a statement of dealings with a public relations organisation which was prepared to transact cash cheques without giving in return any service. That is what has happened in this man's Queensland. Another person who has enjoyed enormous favouritism is also related to a public relations organisation. It is reasonable that many questions have been asked about his extraordinary fast track of favouritism. We know the stories about Expo. They have been raised in this House. Often there is not the evidence; there is the rumour. It just seems astonishing that the same persons bob up with the sweetheart deals and with the favoured contracts all the time. Whether it be the Thiess family or Mr Maybury, the same figures seem, with monotonous regularity, to end up with some favoured Government transaction.

A clearer illustration is that only four people were asked to nominate for the contract for the catering at Expo. It is part of the same network—a network that has grown fat and lazy in terms of responsibility, that looks on everything as political favouritism and that feels no obligation to the public to carry out the normal responsibilities of inquiry, but believes the system is there to drop the fruits on which they grow fat and rich.

The system has failed. Where it can be identified by this House, somebody has to be accountable. It is not sufficient to say that four people from that department are in gaol. What has to be asked is: who was the person charged in this House with the responsibility of answering for its effective workings? If it had been a case of one dishonest person, the Minister could get away with it—he could rightly say that he did not know—but, when that occurs in three different areas, it has to be said that there was a system of slackness and that he cannot have been a tail-kicker.

I understand there is an entry in one of the documents that relates to a ministerial trip to the centre of Australia. It is a hard night and the camping out is a bit uncomfortable, so somebody went off down to the local store at Boulia to buy some pillows. Where does the account end up? In the Queensland Film Corporation! It did not end up with the Queensland Tourist and Travel Corporation or in the Minister's accounts. From talking to former Liberal Ministers, I know that in the old days there was meticulous concern as to which account different expenditure went. In this case the pillows went onto the Queensland Film Corporation account. From looking at the list, I can see that expenses incurred in the name of the Minister ended up on the accounts of the Queensland Film Corporation.

Mr Austin: He may not even have been on that trip; I don't know.

Mr INNES: He was on that trip. I make that assertion. I am saying he was on a variety of other trips where cash cheques were presented on the accounts of the Queensland Film Corporation. It is not just one occasion. He may not have known of one, but there are lists of them, when a cash transaction has ended up on the Queensland Film Corporation account for what one could scarcely believe had anything to do with Queensland Film Corporation business.

To put total trust in somebody else and abdicate all personal responsibility is fair enough, if that person is trustworthy. That is luck. However, to abdicate all responsibility, there are different consequences if the person goes bad. The Minister of the time, Mr McKechnie, cannot and should not avoid the consequences in this House.

On a number of occasions today, sadly, the Premier has claimed "our Government" when speaking about Expo; but it is not his Government when he is talking about responsibility for the performance of Ministers. That is a level of double standards which is regrettable. If it is his Government in the good times, it is his Government in the bad times. Either way, the latest revelation in this saga of incompetence has occurred under Mr Ahern's Government, and he is the person who is now in charge and who should now take action.

Obviously, he cannot expect the former Minister for Industry and Technology, Mr McKechnie, to take the proper and decent course. He merely puts his head down and trundles it through. He says, "As long as I am not criminally responsible, I am not responsible." Heaven knows what carnage he caused in the Industry and Technology portfolio. He clearly wrecked the finances of the previous department that was under his portfolio and allowed things to run amok.

If the Minister had been a head-kicker or a person enforcing proper standards with his own personal trips and his department, those things would be unlikely to have happened and would not have happened over a number of years in so many different areas. That is the context in which we are now devolving power. There will be more politicisation of the public service by an Act that was brought in which did not just leave the senior appointments in the public service to be on contract but provided the potentiality for the whole public service to be put on contract.

With Mr Callaghan, we have seen what happens when the political fast track is used when people appointed to the senior position in the department, as he was, are not imbued with the training and tradition of accountability which no doubt accompany most public servants when they are appointed to those positions. The vehicle for the increased politicisation of the public service accompanies a parallel system of devolution of responsibility to those public servants. We have seen how dramatically that system can fail.

We can argue, and accept the argument, that in a perfect system of managerial responsibility when, like private enterprise, one picks performers for managers, devolution of responsibility is a good thing. It is an extra weapon in the bow of the complete exercise of managerial prerogative and efficiency. However, where the capacity for undoing all that good arises because a political track of appointment is taken, the number of occasions when the whole system can go bad is increased and the system of accountability in performance can fail.

It is a very unfortunate day for the proponents of this legislation that it comes before the House, because we have every reason to be far more jaundiced than usual. The Liberal Party supports the concept of the legislation. It worries gravely about the consequences of the legislation, if the Government goes on behaving as the Government and its members have behaved now over a number of years.

Mr WARBURTON (Sandgate) (8.59 p.m.): The Financial Administration and Audit Act was substantially amended in 1985. Certainly, the amendments contained in this Bill are far-reaching, as Mr De Lacy said, and illustrate the way in which the National Party Government and the previous Liberal/National Party coalition Government dabbled with the financial administration in our State in, for the sake of repeating it, at all times refusing to establish something that many of us have wanted for quite some time—that is, a parliamentary public accounts committee.

I have had the opportunity to examine some of the Auditor-General's reports that were tabled today. Could I say that I am not impressed and that I am very, very disappointed at some of the comments that are made in the Auditor-General's reports.

I hope that the Auditor-General takes my comments on board. If he wants to be critical of people who raise matters, if he wants to be critical of documents that somehow get out of his department or from wherever they might come, let me say this to him: if honourable members are not going to get the information in this Parliament, then that is his problem. Members of the Opposition will raise matters that they believe are in the public interest, irrespective of what the Auditor-General thinks.

I am not speaking of the Auditor-General in a derogatory fashion when I say that if I had not raised the matter that I did back in December 1985, I believe that a lot of the information would have been suppressed, despite the fact that the Auditor-General might have done his job.

When one examines what the Auditor-General believes his job is, and what his job in fact is, under the terms of the Financial Administration and Audit Act, he is not the great person who is looking after the interests of the people of this State that some might like to think.

There is an admission in one of the reports that I have read that the Callaghan rort started in 1982. I suggest that the weakest of excuses possible is put forward by the Auditor-General when he implies that the reason for that non-detection of the rort is that too many people put faith in the head of a department. I have never before heard such a weak excuse as that.

I have seen bank managers go bad; I have seen politicians go bad. To suggest that the system only stands up if there is absolute 100 per cent faith in heads of departments is, quite frankly, a nonsense. All I want to know is: where were these foolproof procedures for stopping the rorts, the foolproof procedures that Government members have talked about for as long as I have been a member of this Parliament, the foolproof procedures that were supposed to stop these rorts?

Why were the rorts not detected? Why were the rorts not detected by the Auditor-General's Department? Or is the Auditor-General going to say that his particular terms of reference, his guide-lines, do not take him into that field—that the head of the department is so honest and that his position is so sacrosanct that he does not look at him? Why did the Auditor-General's Department not detect some of these things that had been happening since 1982?

Is the Minister going to stand up and say that nobody knew or did not care that Judith Callaghan was the sole signatory to the cheque-book as far as the Queensland Day Committee was concerned? Why did the auditors in the Auditor-General's Department not pick up the rorts? That is what I want to know. I do not want to be critical of what occurred at this stage, but I want to know why the auditors did not pick up the rorts. If the system is supposed to be foolproof, there is something wrong.

Where was the ministerial surveillance that Mr Innes has just spoken about, and that I spoke about for months? I was the first to call upon both the former Premier, who had full jurisdiction over the Queensland Day Committee, and Mr McKechnie, who was then Minister for The Arts, to resign, and they should have, because it was their ministerial responsibility. Where were the board members of the Queensland Film Corporation?

It is interesting that landing on members' desks today was the final annual report of the Queensland Film Corporation. When I read through the names of the people involved, it amazes me that there could be a system of financial administration in this State that honourable members are told is foolproof, yet the Callaghan affair could be gotten away with under the very eyes of the people whom this Government put there to make sure that does not happen—the board members or the corporation members.

When I looked through the report, I saw that the members of the Queensland Film Corporation during the period of the rort included Sir Leo Hielscher, to whom the Minister referred tonight. Although I do not want to cast aspersions upon these people, I want to know what they were doing when all this happened. I want to know what Sir David Longland and his people were doing as far as the Queensland Day Committee

was concerned and how all that happened under their very noses. When they met and had their meetings, did they do anything? Did they look at the books? Did they check the accounts? Were they interested in the financial administration of the Queensland Day Committee or the Queensland Film Corporation?

I can see a few more names in the report, including Mr Archer's. Believe it or not, Sir Frank Moore was a member of the Queensland Film Corporation, as was Sir Sydney Williams. During that period, a former Speaker, Mr Warner, was a member. None other than a Minister of the present Government, Mr Borbidge, was also a member of the Queensland Film Corporation. Other members were Mr Smith and Mr Hoare. Where were those people and what were they doing while the rort went on from 1982?

Once again I make the point that in many ways I resent some of the comments made by the Auditor-General in those reports. As far as I am concerned, it is a great pity that he has been so lame duck in respect of many of these matters.

The Auditor-General was speaking in general when he said—

> "Short of approaching the individuals named to ascertain whether they were, in fact, treated to lunch for legitimate business purposes, there is little that an auditor can do to establish the validity of these costs. Neither, even if such inquiries were instituted with affirmative results, can the auditor then pass judgment on the need or justification for the expenditure. This is a matter of policy in which a great deal of trust has to be placed in the integrity and judgment of the person incurring the expenditure."

He was referring to the Callaghans, the Helen Sweeneys and other members of the Queensland Film Corporation, and undoubtedly countless other people in those departments, taking people to lunch and using incorrect names of the people for whom they bought lunch.

The Auditor-General is saying to me that he did not bother to check it through because he did not think that that was his responsibility. I have news for the Auditor-General; I think that it was his responsibility. I believe that the Callaghan affair was so serious that under the terms of the Financial Administration and Audit Act the Auditor-General had a responsibility to get those people in and find out whether, in fact, they were given lunch by Callaghan.

In the early days of inquiries to the Auditor-General, when the former Premier of this State and Mr McKechnie decided to serve me with writs for defamation, I was told in no uncertain terms at that time that the position was quite different.

We were told that the Treasurer's Instructions had developed and that they had been expanded as required to set out all the relevant principles, practices and procedures, and that much of the detail related to practices and procedures rather than principles. That is what honourable members have been told about the Bill.

Certainly there was not much principle attached to what the Treasurer, presumably assisted or pushed by Cabinet, did when the changes were made to that famous Treasurer's Instruction No. 330. There was not much principle involved when we had to find out by accident that that Treasurer's Instruction No. 330 has since been repealed. The instruction to which I refer had a very interesting history. Mr Speaker, that was the instruction that ensured that we, as members of this House, and the public had reasonable access to detailed information concerning ministerial expenses.

For a number of years, until the heat in the coalition kitchen became too intense, there were tabled annually in this place three statements showing in detail Ministers' Brisbane expenses, their travel expenses in Australia and overseas and the travelling expenses for the officers and employees travelling with them. Those Brisbane expenses were not always tabled. As I recall it, that procedure commenced in the very early 1980s after I brought the matter to the Premier's attention, and the Government was called on to meet its obligations. From then on, the tabling of ministerial expenses—particularly the Brisbane expenses—was highly embarrassing for the Government. The Treasurer at that time set about dismantling the system; so reducing the accountability. Ministers on

the receiving end of heavy criticisms were the driving force behind the change in the Treasurer's Instructions at that time.

In those days the Brisbane expense sheet for Ministers came under three headings. For the benefit of some of the newer National Party members in this House, I point out that the document that I am holding is the type of statement that was tabled annually. Members of this House were provided with very detailed information. They were able to ascertain exactly what Ministers spent. During 1981-82 when the heat in the kitchen got too much, one Liberal Minister—no names no pack-drill—had spent $22,008 in Brisbane alone on entertainment. I do not intend to mention any names. That Minister is no longer with us. At that time I recall the media confronting the then Treasurer, Llew Edwards, at Eagle Farm airport. He expressed some amazement and was aghast that that sort of thing should occur. The media put to him the notes to the statement that appeared on the back. It has never been ascertained whether they were included inadvertently. It was stated that entertainment included all costs of functions, liquor and other beverages. That particular Minister did not do too badly—$22,000 in Brisbane alone.

"Special purposes" included the purchase of office adornments, trophies and other items. Sir Llew Edwards was aghast at the famous "incidentals". He discovered that Ministers were spending public funds on club membership fees, purchase of Christmas cards, photographic expenditure, wreaths, laundry and dry-cleaning.

Mr Beard: Do you think that is still going on now?

Mr WARBURTON: I do not know.

As I said, at that time the media confronted Sir Llew Edwards, who was quite aghast and said that he intended to do something about it. Despite continued efforts by the Opposition—and particularly by me—it is not known whether changes to eliminate those rorts were implemented. I suggest that we are even further from knowing what Ministers spend their money on.

The point that I am making is that this Bill does away with Treasurer's Instructions. I have told that story in an endeavour to illustrate the sort of thing that occurs. The Treasurer instructed the Auditor-General. I believe a provision exists whereby the Auditor-General has matters referred to him and is allowed to make comment. However, in the past the Treasurer probably did not take too much notice of what the Auditor-General had to say.

I ask the Minister: will honourable members, as representatives of the people, be issued with any information in respect of the proposed departmental manuals that the Minister has in mind, and will they be regularly issued with amendments that are made from time to time? Although I would hasten to suggest that many honourable members would not be aware of what Treasurer's Instructions are all about, the fact is that they have always been available to me in amended form.

Mr Austin: What about supplying them to the public accounts committee and updating them?

Mr WARBURTON: As long as they are available. If the Government does not do that, it will be accused of becoming more secret and of being less accountable.

Mr Austin interjected.

Mr WARBURTON: Provided we get one. I know we have the office space over there. There is even a reception desk.

Mr Austin: I instigated that for you.

Mr WARBURTON: I thank the Minister for that.

I want to refer to the Callaghan affair and to reiterate a few points. On Wednesday, 26 August, the past Premier, Petersen, confirmed in this House that he would not table

the Auditor-General's report into the public funds scandal that saw, of course, Allen Callaghan, his wife Judith Callaghan and one other gaoled for the misuse of public funds. This raises the point as to what role the Auditor-General of Queensland really plays under the terms of the Financial Administration and Audit Act. The community has always held the belief—and this is the point I am trying to make tonight—that the Auditor-General acts independently of Government. That is the long-held viewpoint of people out in the community. If the question was asked today whether the Auditor-General should have reported to the Queensland Parliament on all aspects of the public funds scandal, then I suggest to the Minister that the answer would be a clear, "yes", because the people see it that way. They have the clear understanding in their own minds of what the Auditor-General's responsibilities are all about.

In April 1986 I wrote to the Queensland Auditor-General, Mr Doyle, suggesting that his report constituted what could properly be regarded as a special report under the terms of the Act. Had my contention been accepted, then the Auditor-General would have been obliged, under section 75 (2) of the Act, to report directly to Parliament. That was my understanding. The Auditor-General advised me in his letter of 1 May 1986 that his report was made in accordance with section 70 (5) of the Act, which requires that when the report contains observations and suggestions of major significance—and I think that everybody would agree that this was certainly the case in the public funds scandal—the Auditor-General gives his report to the Treasurer, who in that case was Premier Petersen, and the appropriate Minister, who in that case was Mr McKechnie. The Auditor-General stated in his letter that his reports given to Petersen and Mr McKechnie under section 70 (5) become their property. I would like everybody to understand that, under the terms of the Financial Administration and Audit Act, when the Auditor-General gives reports to those Ministers, they become their property and it becomes their prerogative, would you believe it, under that Act to decide what happens to the reports, including the disclosure of those reports if those Ministers think it is proper.

This business about the Auditor-General being all things to all people is a lot of rubbish, because he is hamstrung by the provisons of the Financial Administration and Audit Act. The Auditor-General is silenced then by the secrecy provisions of section 69 of the Act. So much for the independence of the Auditor-General. So much for that widely held belief that the Auditor-General is our, the people's independent guardian angel. It does not happen that way. There is no doubt that the Auditor-General's report was promised to be made public. In fact, in his May 1986 letter to me the Auditor-General makes it clear that he suggested that his report be released to Parliament. It might be interesting for members to realise that the Auditor-General, back then, made the suggestion and the recommendation that, because of its public importance, his report be released.

The Solicitor-General gave advice that an early release of the report would be detrimental to the processes of law, and of course that put paid to the Auditor-General's suggestion. I understand that at that time, rightly or wrongly, both the then Premier Petersen and Mr McKechnie acceded to that request, although they were prepared to release the report. I do not think that they had much alternative. I think that the Auditor-General had in fact put that proposition to them. But the advice was that the police investigations were talking place and that the release of the report might impede their progress or damage their investigations, and I go along with that. However, I remind honourable members that those investigations concluded in March 1987.

From March 1987 till today, when Mr Ahern was basically flushed out by the *Courier-Mail*, I make it clear that Mr McKechnie—who was basically the owner of those reports presented today—had every right to table those reports in this Parliament. If anyone were to suggest that with his sudden vision of excellence, the ghost who walks can come into Parliament and suggest that he is now doing the right thing because this is the Ahern Government and that the other Government of which he was a Minister had done the wrong thing, that would be just so much tommyrot. The Minister owned the reports. Under the terms of the Financial Administration and Audit Act, they were

Mr McKechnie's reports and they could have been tabled after the police investigations had been completed. I hope I have put the record quite straight.

I want to say this: I believe, knowing what I do about the Callaghan affair and having had the opportunity to look at some of the reports briefly, that there is much to answer for. I believe also that in respect of the investigations that have been carried out to date, although the Auditor-General may have carried out his responsibilities concisely and to the best of his ability, there is still something wrong. If honourable members heard my questions earlier today, they would know that I believe that the police investigation scratched only the surface of this public funds scandal. I really do believe that immunity was given to a particular person. I believe also that, as far as their responsibilities and investigations were concerned, the police were pulled back. I really believe that a deal was made between the National Party Government and Allen Callaghan. I believe that he pleaded guilty after that deal was made. I believe also—in fact, I am sure—that Police Commissioner Lewis, who is still on the pay-roll as far as this Government is concerned, did tell police officers Moczynski and Flint that they were not to include ministerial expenses in their brief. There is much to be done in the future.

What is known is that Callaghan's resignation was given to Minister McKechnie on Monday night, 3 February. I remember that it was hastily accepted by Cabinet. A flying minute was issued by Cabinet. I said at the time that that unnecessarily hasty action by the Bjelke-Petersen Cabinet had cut the legs from under the Auditor-General, and I stick to that.

If one reads the comments that appear in the Auditor-General's report—particularly those published in the *Courier-Mail* this morning—one can see that the Auditor-General States that he had asked Callaghan a number of questions. Some of those questions appear in the Auditor-General's report, but Callaghan never answered them. Under the terms of the Act, the Auditor-General had the right to proceed to pursue Callaghan if he did not answer the questions. I believed that as soon as Callaghan's resignation had been accepted, he had been let loose and the Auditor-General could no longer proceed or insist that those questions be answered.

In his report, the Auditor-General admits that he did not pursue Callaghan; yet I am told that, under the terms of a particular provision of the Act, the powers of the Auditor-General are so widespread that, if he wants to, he can pursue anybody in this State. Under the terms of one particular provision of the Act, he can call you, Mr Deputy Speaker, before him, or anybody else who is a citizen of this State. I do not know why he did not pursue the questions with Allen Callaghan, despite the fact that he was no longer a public servant.

I wish to conclude by saying that a number of questions have to be answered. These types of questions should be answered. This House has never been told whether a former employee of the corporation received immunity or indemnity from prosecution. Was any investigation ever made into the strange deals that went on between the Queensland Film Corporation and Ogilvy and Mather Pty Ltd? I understand that there were investigations, but nothing seems to have happened. Nobody from either Ogilvy and Mather or the firm that I mentioned today, whose name appeared in the paper, has ever been brought to task. What happened to the police investigations? That is why I have called for the police investigations today.

This is what I want to know: how is it that the Queensland Tourist and Travel Corporation seems to have been brushed aside or brushed over? Somebody in the corporation authorised the huge expenditure on air fares for Allen Callaghan. Somebody in the corporation authorised the expenditure on air fares for Judith Callaghan when she went to Indonesia. No decision was made by Cabinet or anyone else that her fare should be paid. Who in the Queensland Tourist and Travel Corporation did the work. Who decided to pay the bill and give her the rubber stamp? Who in the corporation ordered that its representative in New Zealand organise a trip for Mr McKechnie, and a number of other people, after he had visited New Zealand for a conference, and pay

for it out of the corporation's funds? Everyone knows that this has happened, but who in the Queensland Tourist and Travel Corporation made the decisions? The Auditor-General makes no mention of it.

I want to know what action was taken against those officers who used their credit cards during leave periods. Was any action taken at all? There is an admission that it happened, but was any action taken against the people involved? We know what the Auditor-General wanted to know from Callaghan, but why is it that honourable members of this House have to wait until today when the reports are extracted from Mr Ahern before they can find out what these questions really are? That is so important. Is it any wonder that to me there remains the suggestion of a gigantic cover-up in respect of this public funds scandal? Is it any wonder that no-one is surprised to learn that the police investigating the fraud were told to leave ministerial expenses alone? That is what happened. Maczynski and Flint were told by Lewis to leave them alone. Who told Lewis to do that? That is something that this Parliament ought to be interested in finding out. When I asked Mr Ahern that question today, I got the negative reply, "Write a letter." That is not good enough. That story appeared in the paper, it is true and somebody from this Government should have been out there talking to the Commissioner of Police, who is still on the pay-roll of the Queensland Government, in order to find out what the true position is.

Mr Beard: The phantom of the Diners Club.

Mr WARBURTON: That is right.

Countless questions remain unanswered, and I strongly recommend that every member of this House read those three Auditor-General's reports. I strongly recommend to members that they support my call for the report on the police investigations to be tabled.

Time expired.

Mr HAYWARD (Caboolture) (9.30 p.m.): From listening to the speeches that have been made tonight, I find it obvious that this Bill is basically about flexibility versus accountability. The member for Sandgate clearly highlighted an example of the lack of accountability that has occurred during the operation of the Financial Administration and Audit Act.

The main provisions under debate consider the nomination of chief executives as accountable officers with the power to delegate their functions and duties to officers within their departments and the elimination of the Treasurer's Instructions for departments and Ministerial Directions for statutory bodies. They are to be replaced with broadly framed Public Finance Standards, which are to be written by the Treasurer and which will form the basis of autonomously prepared accounting manuals by each department and statutory body. The member for Sandgate correctly asked the question: will copies of these accounting manuals be made available? I understand he was assured by the Minister for Finance that they would be available.

Mr Austin: I would give you one if I thought you could understand it.

Mr HAYWARD: Yes, we will all have that problem, but, after a while, we will all understand it. I am sure that the Minister would not understand it yet, either.

Previously, permanent heads were the accountable officers; that has not changed. Previous to this Bill all subdepartmental accountable officers were appointed by the Treasurer. That is certainly the main change. I am sure most honourable members would be aware that this change is in line with the Savage committee's notion of increased responsibility for departmental heads, which, to some degree, frees departments from Treasury control.

This morning, when the member for Sandgate asked a question about events that were reported in the press this morning and about how far back a public accounts committee could investigate, the Premier and Treasurer said that it would be back to

the time when he became Premier. That is interesting, because these guide-lines for the redrafting of the Financial Administration and Audit Act were brought in at the time of the last Bjelke-Petersen Budget. What is being debated tonight will have a very significant effect on people, yet it was first discussed and debated during the last Budget sitting. This matter came from the original and the latest Savage proposals. However, if, or when, the public accounts committee sees the light of day, for some reason it will not be able to go back any further than the time when Mr Ahern became the Premier of Queensland.

Mr Wells: Shame!

Mr HAYWARD: In view of his statement this morning about the Queensland Film Corporation and matters relating to that, that is an interesting point.

Previously the Treasurer's Instructions laid down strict cross-service guide-lines for financial management within departments and the individual Minister's directions provided such guide-lines for each statutory body. That is important to understand, because in practice one set of directions could be applied to more than one statutory body, particularly in the Primary Industries portfolio, where there are a number.

From what I have been told, apparently the Treasurer's Instructions worked very well in providing uniform cross-service standards, which are important when other people's money is being dealt with. Certainly that is what the Government of Queensland is doing. Again, it keeps coming back to this notion of flexibility versus accountability. I think it is important that it be thought of in those terms.

Apparently what happened with the Ministerial Directions is that they just did not hit the deck. That is where the problem lies. A number of them just were not prepared and simply did not get off the ground. On a number of occasions the member for Murrumba highlighted the problem: the large number and the diversity of statutory bodies and the administrative and communications problem in dealing in turn with Treasury, the Ministers' offices and the parent departments. Who knows what the last count is for the various quangos in Queensland. There are probably in the vicinity of 1 000.

Mr Wells: Nearly 1 300.

Mr HAYWARD: I thank the member for Murrumba.

I am not so sure that the initiative to bring in the broad-based Public Finance Standards is necessarily a good idea. In the time left to us for this debate, that should be considered. What I am concerned about is that, if those Public Finance Standards, which will be written by the Treasurer, are provided to an entrepreneurial, flexible, accountable departmental officer with flair, he may be inclined to use this new-found entrepreneurial avenue, this new-found flexibility and this new-found flair in such a way that he could become some kind of maverick with public money.

It is important that we examine the nature of flexibility versus accountability. In his second-reading speech the Minister stated that the purpose of the Bill was to introduce measures to enhance and improve the efficiency of financial administration.

The member for Cairns, Mr De Lacy, spoke of the important change that has occurred in sections 24 and 24A. The Finance Minister should spend some time considering what I believe is happening here, because this legislation gives the Treasurer power to transfer funds to a new heading within a Vote or a new heading within a subdivision of a Vote. It is a complicated area, but it must be understood.

Section 24 is headed "Transfers between subdivisions, etc." With the new amendments, it reads—

> "(1) The Treasurer may direct in writing—
>
> (a) that there be applied in aid of any subdivision that may be deficient or to establish a new heading of expenditure with a vote a sum out of any surplus arising in any other subdivision of the same vote . . ."

Mr Austin: Talk about clause 9 of the Bill.

Mr HAYWARD: I am talking about clauses 8 and 9.

Mr Austin: So the people reading *Hansard* know what you are talking about.

Mr HAYWARD: I know that it is very difficult. I apologise to the House for that, but I think that the Minister would understand what I am talking about. It is an important change which allows a new heading to be added to approved Estimates during the term of the financial year.

By the amendment to that section, Estimates approved by Parliament can be changed without the approval of Parliament.

Sir William Knox: They are, anyway.

Mr HAYWARD: Certainly, but I now move on to sections 25 and 25A of the Financial Administration and Audit Act, which are concerned with unforeseen expenditure. By the amendments which have occurred to sections 24 and 24A, sections 25 and 25A are made obsolete. Now the procedure is that the Financial Administration and Audit Act requires that a new expenditure item has to go through the process detailed in section 25. The process is fairly exclusive. It provides some detail and it certainly provides some control. The process is that, firstly, authorisation must be given by the Governor in Council—which is Cabinet—under section 25. Secondly, the Treasurer is required to prepare a statement.

Mr Austin interjected.

Mr HAYWARD: Well, a number of people from there, plus the Governor.

Secondly, the Treasurer is required to prepare a statement of unforeseen expenditure to be appropriated and give it to the Auditor-General. The Auditor-General then has to certify whether the expenditure was made according to law and give his statement to the Treasurer. "According to law" means to the proper heading as specified in the approval of the Governor in Council with respect to that expenditure. Thirdly, all unforeseen expenditure, because it is contained in the Appropriation Bill (No. 2) as a supplementary appropriation based on the Statement of Unforeseen Expenditure to be appropriated, is presented to, scrutinised and passed by the Parliament. But that has all changed by the amendments proposed under sections 24 and 24A. Now the Treasurer can create a new line—a new heading of expenditure—and transfer money into it from another item. Previously under section 24 the Treasurer could transfer only between approved items, that is, items approved by Parliament.

The legislation makes a mockery of the parliamentry process of approving Estimates. Parliamentary control over expenditure will become a sham because the Treasurer will be able to originate new Votes and transfer between them.

Two months after the Budget is passed by the Parliament, the Treasurer can come along and insert many new items of expenditure and transfer moneys to them. Under the proposals in the Bill, there is nothing to prevent that from happening. That means that the Estimates that are debated in Parliament will become a complete waste of time. Under the changes, new items of expenditure can be originated and they no longer have to go through the process of approval as unforeseen expenditure. I am talking about items that the Parliament will never see. I am talking about whole categories of expenditure that Parliament has not approved and members of Parliament will not be given the opportunity to scrutinise.

The Treasurer is not in the Chamber. Perhaps the Finance Minister can explain to this House how accountability to Parliament is increased by these particular changes. Again, it comes back to that trade-off between flexibility and accountability. What I think has happened here is that accountability has been completely lost to the notion of flexibility.

I believe that the repercussions are serious for this Parliament in that the Treasurer can insert, without even Cabinet approval, let alone parliamentary approval, additional new ways of spending money.

Mr WELLS (Murrumba) (9.41 p.m.): My colleagues have spoken about many provisions that are contained in this Bill that ought not be. I will speak about some of the provisions that ought to be contained in the Bill and are not.

In certain other jurisdictions of Australia the Audit Act was the vehicle through which a public accounts committee was introduced, yet honourable members are now debating large-scale amendments to the Audit Act and no mention is made of a public accounts committee in any of them.

For some months now honourable members have been hearing what appears to be empty rhetoric from the Premier concerning his belief in public accountability. For his first six months as Premier, he has postured as a man who believes in accountable Government, never definitively committing himself to when he would establish mechanisms of public accoutability. Then, finally, today the Premier said he is going to introduce a Bill to establish a Queensland public accounts committee. He followed up that dynamic undertaking by not doing anything further, for example naming the date.

This Parliament has been given no plan, no formal statement and no time-table. Even if a Bill is introduced at the start of the next session, it is hardly likely that the public accounts committee will be operating before well into next year. There will be time for one show-piece investigation or perhaps even two before the next election, which the Government will then face, neatly avoiding the revelation that a public accounts committee will produce.

Honourable members are told that the Premier has appointed a committee to investigate the possibility of setting up a public accounts committee. It is noticeable, however, that although a public accounts committee is supposed to be a bipartisan body, the committee that he has set up to investigate the matter is by no means bipartisan. In fact, his investigative committee has so far failed to make its report, or any of it, public.

Far be it from me to question the Premier's credentials as an exponent of bipartisan public accountability. However, it is a funny sort of commitment to bipartisan accountability that leads the Premier to appoint a secret committee consisting of his own party members to investigate whether public accountability is desirable. It is even funnier when one considers the track record of one of the people——

Mr Austin: That wasn't why it was appointed—to see whether it was desirable or not. That is nonsense.

Mr WELLS: I would like the Minister's account of why the committee was appointed on the record.

Mr Austin: It was appointed to examine the other States in Australia, to try to pick up the best parts of their committees so that this Government can implement what is considered to be a workable proposition.

Mr WELLS: And to make recommendations to the Government for the——

Mr Austin: To the Government, that's right.

Mr WELLS: Yet this report, which the Minister is lauding now, has not seen the light of day——

Mr Austin: You will get your chance to vote on it in the Parliament. If you don't want a public accounts committee, oppose it.

Mr WELLS: I put it to the Minister that the contents of this report are extremely important and are matters that the public is entitled to debate, yet the report has not seen the light of day.

There is no Bill. That report was submitted to the Government some time ago. The Parliament will rise later today and there is no Bill.

I want to remind the House of the track record of one of the members of that committee——

Mr De Lacy: We are shadow-boxing. There is no Bill. There is no-one to hit.

Mr WELLS: I thank the honourable member for Cairns. There is no Bill; there is no proposition before the House.

One of those committee members, the honourable member for Maryborough, was once a renowned opponent of a public accounts committee. He said things that his partner in this venutre, the honourable member for Warwick—a long-time supporter of public accountability—would never dream of saying. On 19 November 1985 the honourable member for Maryborough said—

"The Federal committee is obviously doing a completely"——

Mr Austin: Someone might go back and read the reports of the committee you were involved in.

Mr WELLS: I suggest that the Minister do that.

The honourable member for Maryborough said—

"The Federal committee is obviously doing a completely inadequate job and is a very poor substitute for legislation such as the Financial Administration and Audit Act in this State, which sets out the guide-lines for proper financial administration, management control and collection and expenditure of public moneys."

Mr Davis interjected.

Mr WELLS: I thank the honourable member for Brisbane Central, who also interjected during the speech of the honourable member for Maryborough. He said—

"That is propaganda rubbish."

Honourable members on this side of the House will be interested in this. The honourable member for Maryborough continued—

"The honourable member for Brisbane Central should look through all the newspapers for the last 12 months and see what malpractices in the State Government he can come up with. None exist, and it is because of the Financial Administration and Audit Act.

Opposition members continually sing the praises of a parliamentary public accounts committee. I believe that I have illustrated that a parliamentary public accounts committee is not a substitute for the legislation in force in this State to ensure a very high level of responsibility and accountability in Government finances."

Thank goodness the honourable member no longer holds those views.

Mr De Lacy: He is the member who is now carrying out a feasibility on it.

Mr WELLS: The honourable member is correct.

However, since then the honourable member for Maryborough has co-authored a report to the Premier recommending the establishment of a public accounts committee. The conversion of the member for Maryborough to public accountability is one of the greatest miracles since St Paul was converted on the road to Damascus, the difference being that the honourable member's writings following his conversion remained a party secret while St Paul's epistles became public property.

Because the Government would not commit itself on when it would introduce a public accounts committee, the Opposition drafted a Bill of its own. All honourable members of this House have a copy of the Bill since, by the grace of the Honourable the Leader of the House, I was permitted to have it incorporated in *Hansard*. The

Opposition produced that Bill because it was weary of all this talk and no action on the question of a public accounts committee. Further investigation of that matter is not needed.

Both Labor and Liberal members of this Parliament have had extensive discussion with people from southern public accounts committees. Both Labor and Liberal members of this Parliament have attended the biennial conference of public accounts committees held in Sydney last year. Members of the National Party were invited and were informed that the conference was to occur but elected not to attend.

At that conference I had the honour to move, on behalf of the Queensland members present, that the next biennial conference of public accounts committees be held in the one State that did not have a public accounts committee, namely, the fair State of Queensland. The biennial conference plenary session was pleased to determine that that was the very place in which that public accounts committee conference would be held. I have since written to the Premier to advise him of that determination of the plenary session of the biennial conference of public accounts committees. So the next conference will be held in Queensland. The Premier has written back to me noting my advice, thanking me for it and undertaking that the State of Queensland would co-operate in the next biennial conference of public accounts committees. At the same time, he did not mention when we would have a committee of our own.

We do not need further seminars on the subject. Members of the New South Wales Public Accounts Committee representing both sides of politics in that State attended a seminar at Parliament House, Brisbane. All members of Parliament were invited to that seminar. Significantly, none of the National Party members attended it, although some members of the National Party were kind enough to send us an apology, saying that they had a previous engagement. Actually, that previous engagement was probably a briefing session by their party Whip telling them that if they did attend they would be in big trouble.

Mr Ardill interjected.

Mr WELLS: I thank the honourable member for Salisbury for his ideas.

There is no need for further information-gathering on the subject, not even for the benefit of the slow learners of the National Party. The need now is for action.

I draw the attention of the House to certain matters that may be controversial in the determination of the exact form of a public accounts committee in this State. The first is that it is necessary to ensure that the committee is empowered to undertake on its own initiative inquiries relating to the public accounts of the State. A section such as this that is contained in the Bill that I presented to the House, though present in the Acts governing several Australian public committees, including the South Australian Act, is absent from the New South Wales Act. I understand that it is the New South Wales Act that the Premier's secret and party-political committee investigating the desirability of bipartisan public accountability has been examining most closely. The New South Wales Act requires the committee to have a reference from the Minister or some other agency controllable by the Government. It is crucial that the public accounts committee which is established in this State should not be a toothless tiger, and therefore it is essential that the committee should be able to undertake investigation on its own initiative.

A public accounts committee cannot adequately protect the tax-payers' money if it is required to obtain a reference from a Minister before beginning an investigation. It must be obvious that a corrupt Minister would not give the required reference. It is all very well for the Premier to say that a public accounts committee will have the power to investigate Ministers. However, it would be very easy for him to draft the legislation in such a way that the committee had the power to investigate Ministers but never in fact did so because the Minister concerned did not give a reference. Of course, one can get around that problem by doing away with the need for a ministerial reference altogether.

A public accounts committee is the tax-payers' watch-dog, and Opposition members are anxious that that watch-dog have teeth.

Another controversial point is the size of the public accounts committee. The Bill of which I gave notice to the Parliament stipulates that the committee will have at least nine members. The size of the committee is important. There is a school of thought which holds that five is the optimum number. Indeed, New South Wales, Western Australia and South Australia have public accounts committees comprising five members. However, Victoria has 12 members on its comparable committee, and the Commonwealth has 15. Therefore, five is not the number that has been universally chosen throughout this continent. Because Queensland is different, it needs a different number on its committee.

In Queensland, the Liberal and National Parties are not in coalition. It is usual for the Government party to take one more than half the number of positions on the public accounts committee in any State and leave one fewer than half the number of positions to the Opposition. With a committee of five, however, there would be three National Party members and one Liberal Party member who, in the wider political arena, would be falling over himself to try to get into coalition with the other tories. That leaves one member of the official Opposition. However good one isolated member might be, it is easy for four people of one political persuasion—whatever it may be—to use forms and expedients to force through determinations or to arrange for some crucial fact to slip through unseen. On the other hand, with a committee of nine, there can be five National Party members, three Labor Party members and one Liberal Party member, thus allowing the political parties representation more or less in proportion to their numbers in this Parliament. Surely it is not too much to ask that the National Party allow us to be represented on a public accounts committee in proportion to our representation in a Parliament which this Government has so expertly gerrymandered.

Opposition members hope with some confidence that the committee, once established, will operate in a bipartisan fashion. However, the best guarantee of bipartisanship is the removal of temptations to partisanship.

Any individual who is one against four will never be certain that justice is being done. Even if it was to be two against five, it would not be sufficient for confident bipartisanship, given the climate of distrust and suspicion that has been assiduously cultivated by the National Party Government over two decades.

The Opposition says to the National Party that it does not ask for a majority of members on the committee. It does not even ask for all of the Opposition positions on the committee. It asks for positions on the committee in the same proportion as it is represented in this Parliament, so that its members can, with the confidence that flows from the knowledge that the matter has been examined by more than one like mind, join with Government members in confirming that, with respect to the matters before the committee, justice has been seen to be done.

A further reason for a public accounts committee of at least nine members is that there is a tremendous backlog that has built up over several decades and would need to be addressed by a public accounts committee. A larger public accounts committee would allow the operation of subcommittees; too small a committee would not.

In the context of backlogs—I remind the Parliament of the Premier's statement today that a public accounts committee will be able to investigate matters back to the start of the Ahern Government. I wish to revert to a matter that was raised during the brilliant analysis that was put forward a little while ago by the honourable member for Caboolture.

Mr Sherrin: Who wrote that for you?

Mr WELLS: The honourable member asks: who wrote this? I point out to the honourable member that, unlike him, I write all of my own material. The fact that the other day the honourable member read a question without notice from ministerial

letterhead of the Minister to whom he was addressing the question reveals exactly where he gets his material from. I do not know who writes his gag-lines, but I think that they are probably unconscious humour.

I wish to refer to that apparent concession that was made by the Honourable the Premier when he said that a public accounts committee could investigate matters back as far as the beginning of the Ahern Government. A legislative provision is not necessary to allow a public accounts committee to go back to the start of the Ahern Government. If the Government includes a clause that stipulates that a public accounts committee can investigate matters as far back as the beginning of the Ahern Government, that will effectively prevent that committee from going back further than that. A special provision to enable a parliamentary committee to investigate the past is not necessary. What else is it supposed to investigate? As soon as extra qualifying words are inserted—and the honourable member for Rockhampton, who is a lawyer, will bear me out on this; so will the Attorney-General, if he is prepared to be honest—the scope of the statute is limited. This supposed concession which the Honourable the Premier has offered is more like a confidence trick than a gift.

Mr Austin: You must have lost the caucus vote for the Opposition on the committee.

Mr WELLS: The Opposition does not take votes for imaginary positions. Government members should be prepared to come good and put their money where their mouths are instead of posturing as people who believe in public accountability. I suppose the Honourable the Leader of the House has put in to the Premier his statement about his personal interests. All Ministers have had to put in a statement about their personal interests. It is a wonderful thing. The Premier is supposed to be making himself a tremendously accountable individual by making his Ministers put in statements of personal interest, but these statements will not be seen by anybody else. So, if the Honourable the Leader of the House had anything to hide—and we know that he does not; of all Government members he would be the least likely to have anything to hide—he could not change sides as often. If he did have anything to hide, he would only be making the Premier an accessory to anything that he had going on, because the public never gets to hear about it.

It is a funny sort of public accountability that we have in this State. There is ministerial accountability, but we do not hear what the Ministers are accountable for, and we have a public accounts committee which exists only in some notional abstract world of the future without any dates, without any undertakings, without any programs and without any plans.

As the Opposition's Bill is before the Parliament, there is no excuse for today's delays and procrastinations. The Government could have moved the necessary provisions tonight as amendments to the Financial Administration and Audit Act. We in the Opposition are not wedded to the fine details of the Bill and we will not resist any constructive amendments to the Bill. We certainly do not intend to use our numbers in this House to stifle debate on this subject.

The National Party Government does not have the excuse that it will take time to draft a Bill, because this Bill is here. The Nationals could allow it to be carried intact or they could amend it if they wished. The time has now come for those who have been bleating about public accountability to put up or shut up. The problems of endemic waste and corruption in this State will be overcome not by the research projects of party hacks or the posturings of their leaders, but by legislation and action.

Mr ALISON (Maryborough) (9.58 p.m.): It is with pleasure that I rise to take part in this debate. Firstly, I will make some comments on the statements made by the previous speaker, the honourable member for Murrumba.

Mr Sherrin: It was a diatribe.

Mr ALISON: Some of his remarks were quite outlandish and, as my colleague the honourable member for Mansfield mentioned, his speech could perhaps be classified more as a diatribe than anything else.

When it is thought about, the honourable member for Murrumba shows his complete ignorance of what is involved in setting up a public accounts committee, the legislation and everything else that goes with it.

Mr Clauson: That's why the flag-pole ran away from them.

Mr ALISON: Yes. That can be understood.

By suggesting that such a measure should be implemented by way of an amendment to some other Act, the honourable member for Murrumba shows complete ignorance of just what is involved.

Mr Innes: It should have been done three months ago.

Mr ALISON: The honourable member for Sherwood is showing his even greater ignorance. He said that it should have been done three months ago. I will get back to that. The honourable member for Sherwood has even less knowledge of what is involved in the setting-up of a public accounts committee from go to whoa. A little later I will detail what we on this side of the House have done in building up to the stage at which legislation will be introduced shortly.

Mr Innes: Don't do it to quickly, or you will frighten yourselves.

Mr ALISON: I have made the point that the honourable member for Murrumba and the honourable member for Sherwood, with his interjections, have just shown their complete ignorance. I know that they are both politically grandstanding. Both are very adept at it. I do not think they convince too many people of their sincerity; rather do they show their lack of it.

By way of response to an interjection, the honourable member for Murrumba commented that he writes all his own material. Quite frankly, if I were he, I would not be bragging about that.

Mr Clauson: He could only get it published in *Hansard.*

Mr ALISON: I thank the Minister. I would not be bragging about it; rather, if I were he, I would be trying to insinuate that somebody else was writing it for me.

Since he has come into this House, the honourable member for Murrumba has taken up the challenge on the Opposition side—if it is a challenge—to be the champion muck-raker, the maker of wild statements and the person who shows a lack of balance in his speeches. His destructive criticisms offer nothing constructive and tonight is an instance. He has offered nothing constructive but has just resorted to knock, knock, knock and has attempted to pull everything down.

In relation to the public accounts committee, I mentioned earlier that the honourable member is merely grandstanding in a cheap political way, as is his wont. A few weeks after he attained the Premiership of this State, Premier Ahern gave a firm commitment to set up a public accounts committee. He announced at that time that that was the intention of this Government, and it remains the intention of this Government. At the same time, he announced the investigative committee that would carry out the quite detailed preparation. Mr Deputy Speaker, you and I were given the honour of doing the homework—the investigative and research work—that is involved with setting up a public accounts committee.

Mr Veivers: The honourable member for Murrumba did a real good job in the Federal Parliament! You want to ask him about that, too.

Mr ALISON: Yes. I have heard something about that, too. Perhaps the honourable member for Murrumba can enlighten honourable members about what he did in the Federal Parliament.

The investigative committee worked from February till March to find out what was best in other public accounts committees throughout Australia. The honourable member for Warwick and I met with representatives from all of the public accounts committees, with the exception of Tasmania. Extensive discussions were held with all those representatives. The honourable member for Warwick and I sat in on all of the meetings in private session and we were well received everywhere we went.

The investigative committee acknowledges—as the Premier does—that this committee will be bipartisan. In due course, that provision will be written into the legislation.

The report compiled by the honourable member for Warwick and me was completed by the end of March and presented to the Premier. Considering the work that had to be done, I do not think that is too bad an effort. As Mr Deputy Speaker would well know, it took eight or nine weeks to undertake the travelling that had to be done and to do all the interviewing—the talking and the listening—that was necessary. It took that period for the committee, along with Mr John Walsh of the public service management section, to complete all the preparation.

Mr Innes: You used the word "bipartisan". Why was not the committee that was intended to set up the public accounts committee also bipartisan?

Mr ALISON: I can see that the honourable member for Sherwood has a hang-up about this bipartisan bit. Who says that the committee that has been set up by the Government has to be bipartisan? Honourable members will be given the opportunity to debate the legislation when it is introduced into this House.

What does the Opposition expect? I know that the honourable member for Murrumba is grandstanding and trying to score political points but, to be fair and to try to take a balanced view, I must say that this Government, under Premier Ahern, has engaged in a great deal of work aimed at setting up a public accounts committee. Unquestionably, as the Premier has said, the legislation will be brought in early in the next session of Parliament—probably in August—when the Budget session is commenced.

The honourable member for Murrumba mentioned that the investigative committee was not bipartisan. I have already commented on that. I point out that nothing states that it has to be. I assure honourable members that the honourable member for Warwick and I have done an excellent job, if I say so myself, on behalf of the honourable member. I know that the report has been well received by the Premier. In due course the legislation will come forward.

Reference was also made by the honourable member for Murrumba to the suggested number of members on the public accounts committee, which is seven. I refer the honourable member and the House to the numbers on the public accounts committee in Western Australia, which he chose not to refer to. In Western Australia the proportion between the numbers of the respective political parties in the House and the numbers on the public accounts committee—there are five—would be exactly the same—give or take a part of a decimal point—as the five he claimed would be on the Queensland committee. The report from the investigative committee proposes that there be seven, and that they be made up of four Government members, two Labor Party members and one Liberal Party member. If the honourable member is looking for a precedent, he should have a look at the numbers of the respective political parties in the Western Australian House and the numbers on the public accounts committee.

In particular the honourable member for Murrumba quoted a speech of mine from *Hansard* where, if I remember correctly, I was referring to the activities of the Commonwealth public accounts committee and the scandals throughout some of the Commonwealth Federal departments. I do not recall exactly the scandals that I was referring to, except that I believe I made reference to the new Federal Parliament House, which is an absolute disgrace.

Mr R. J. Gibbs interjected.

Mr ALISON: What has the Commonwealth public accounts committee done to sort out that disgrace and try to sort out where the blame lies?

Mr Austin: They whitewashed it.

Mr R. J. Gibbs interjected.

Mr ALISON: That is correct, Mr Minister, they did whitewash it. My understanding, off the top of my head——

Mr DEPUTY SPEAKER (Mr Booth): Order! The honourable member will address the Chair. It is obvious that the interjections from the honourable member for Wolston are not being accepted.

Mr ALISON: I believe that one of the scandals that I referred to in my speech which was quoted by the honourable member for Murrumba, was the new Federal Parliament House. Off the top of my head, I believe that the original estimate of the cost of the new Federal Parliament House was $240m. Since that time I have seen figures on the escalation in cost beyond the original estimate of $240m—something in the order of $200m—which leaves over $600m of tax-payers' money that has gone down the drain, very largely, I understand, for union lurks and perks.

The point I was making at the time was; what use was the Commonwealth parliamentary public accounts committee in getting to the bottom of that, or even in endeavouring to stop it? At the time I also made reference to the donation of $130,000 made by the Commonwealth Government some 18 months ago to such an erotic organisation as the Gay Mardi Gras. The Commonwealth public accounts committee made no comment on that.

I turn now to the amendments before the House.

Mr Wells: Will you say that you support a public accounts committee?

Mr ALISON: The honourable member for Murrumba wants the satisfaction of hearing me say that I support a public accounts committee. What on earth does he think that I am doing on the investigative committee if I do not support in this House a public accounts committee, which is National Party policy?

Mr R. J. Gibbs: Because you said before that you wouldn't support one.

Mr ALISON: When I said that I did not support one, it was not National Party policy. Let's get that straight.

To return to the Bill and the debate—I wish to congratulate the Minister, Mr Austin, on the introduction of these amendments.

Mr R. J. Gibbs interjected.

Mr DEPUTY SPEAKER: Order! The continuous interjections from the honourable member for Wolston are not allowed, and he knows that.

Mr ALISON: I wish to refer briefly to the amendments to the Financial Administration and Audit Act and Another Act that are under debate tonight. All these amendments will improve the standard of the Queensland public service. They will improve the standard of accountability and improve the standards of public accounting in regard to the nuts and bolts of the recording of financial transactions. They will generally streamline the whole public service in its accountability and financial activities. There will be greater opportunity for delegation of authority, which will make for greater job satisfaction and a more streamlined, efficient and accountable public service.

I note that reference has been made by the Minister to the fact that the Treasurer's Instructions and Minister's Directions will be replaced by Public Finance Standards. I wish to make some comment on that.

Mr Prest: We have heard all that.

Mr ALISON: I know that the honourable member for Port Curtis would not understand a thing of what I am saying. If he cares to see me later, I can give him the notes and he might be able to read them.

I wish to refer to the Public Sector Accounting Standards Board, which was set up late in 1983 by the Australian Accounting Research Foundation. The board's primary objective is to develop statements of accounting standards and thereby assist in improving the quality of financial reporting by public-sector reporting entities in Australia. In carrying out this function, the Public Sector Accounting Standards Board works jointly with the Accounting Standards Board of the AARF on projects relevant to reporting entities in both the public and the private sectors. The due process adopted in the development of accounting standards involves the board in the preparation of discussion papers, accounting theory monographs and one or more exposure drafts. This process provides members of the accounting profession and others with the opportunity to comment on, and influence, the development of statements of accounting concepts and statements of accounting standards. In addition, since its establishment, members of this board have been active in raising and discussing issues of relevance to financial reporting in the public sector with State and Commonwealth public accounts committees, Treasuries or their equivalents, Auditors-General and local government representatives, and at formal and informal meetings of government accounting interest groups.

While members of the Australian Society of Accountants and the Institute of Chartered Accountants are required to support the profession's standards, this board and the national councils recognise that the profession cannot develop standards that are, of themselves, mandatory for the public sector. Formal authority governing the form and content of public-sector financial reports ultimately rests with Government and Parliaments. However, through the board, the profession can and does support those public-sector regulators concerned with improving the quality of financial reporting. Public-sector financial reporting regulations for reporting entities in a number of jurisdictions increasingly refer to, or include extracts from, statements of accounting standards, which indicates that the profession's contribution is recognised by the regulators.

The Public Sector Accounting Standards Board has direct links with the International Federation of Accountant's Public Sector Committee. The Australian accounting profession's representative to the Public Sector Committee is a member of the board. I am very pleased that the Minister referred to Public Finance Standards, which will replace the Treasurer's Instructions and the Minister's Directions. I am quite sure that reference will be made to the various papers put out by the Public Sector Accounting Standards Board.

The Minister also referred to the delegation of functions and duties of accountable officers to officers in the department. I have already commented that this is an excellent move, one that will introduce modern management techniques into the public service in Queensland and that will result in a more efficient and streamlined public service. The Minister also referred to the provision for a Minister or department to prepare a standard accounting manual for a group of statutory bodies. That good innovation will help bring the Queensland public service into the 1980s and prepare for the future. In addition, it will provide for better job satisfaction and a more efficient, more modern public service. The overall result will be that the tax-payers of Queensland will get better value for their money.

In conclusion, I wish to congratulate the Minister. I look forward to the speedy passage of this Bill through the House.

Hon. Sir WILLIAM KNOX (Nundah) (10.15 p.m.): Some time ago, on 11 July 1978 an address given by a former Auditor-General, Sir Allan Sewell, stated—

> "This matter of the best means of controlling the public purse is a subject which has been and is exercising the minds of most Parliaments under the Westminster system. It has been the subject of a great deal of research and experimentation, not all of which has produced happy results. Indeed, no Parliament has yet really found a truly satisfying answer to this difficult and complex problem."

This legislation, which is really quite revolutionary, proposes major changes in the supervision of the public accounts. It is inevitable, when one talks about public accounts, that reference is made to a public accounts committee.

The Auditor-General's role is one which entails a responsibility not only to those departments that he supervises but ultimately to the Parliament. On many occasions, it has been mentioned that the buck stops in the Parliament. Last week in this House, members heard a Minister say that the buck stops with the Minister. That is not true. Initially, the buck stops in his department with the accountable officer; but, ultimately, the buck stops in this Parliament. In this State, the problem lies either in the inability of the Parliament because of its structure or in the failure of legislation to provide the Parliament with the necessary authority to supervise the public accounts of this State. It is true that we pass the legislation associated with the Budget and all that goes with it, but one finds little evidence of checks and balances being applied by the Parliament of Queensland in relation to public accounts.

We have the situation in which annual reports from one financial year are presented sometimes up to 10 months late in the House. Some statutory authorities have never presented annual reports to the Parliament. I am pleased to see that that situation is being corrected. Even the Auditor-General's reports arrive when the Parliament is not sitting. The sitting days of Parliament are well known in advance.

We have seen that annual reports of certain departments are not presented to the Parliament prior to the Estimates of those departments being debated.

Mr R. J. Gibbs: How would you change it?

Sir WILLIAM KNOX: It is changed by insisting on those things being attended to.

Mr R. J. Gibbs: You had 25 years to do it.

Sir WILLIAM KNOX: When I was Minister and when I knew that my Estimates were coming before the Parliament, I would call my permanent head into the office, as other Ministers did, and tell him that the Estimates of the department were to be debated in the Parliament that year and that I wanted the annual reports to be tabled.

Mr R. J. Gibbs: You never said this when you were in coalition.

Sir WILLIAM KNOX: Yes, I did, and I saw to it that the reports were tabled in the House before the Estimates were debated.

Mr R. J. Gibbs: You never said this in Parliament.

Sir WILLIAM KNOX: Yes, I did. I said it in this House. We saw that the annual reports were tabled in this House before the Estimates were debated.

In recent times, Estimates have been debated yet no annual reports have been provided to the House. That is the state of deterioration that can occur so quickly. The checks and balances are essential to the efficient working of the Financial Administration and Audit Act.

It is quite useless to amend the legislation to arrange for the devolution of authority, which this legislation does, where the checks and balances are not in place. Part of those checks and balances are the subjects that I have mentioned, plus the existence—or the non-existence at the moment—of the public accounts committee.

The chance of the Callaghan affair and all that was associated with it occurring would have been considerably less if a public accounts committee had been in existence in this State. The failure of either the permanent head of that department, the Minister or the auditors to know of the existence of a number of accounts which were operated on——

Mr R. J. Gibbs: Who was the guy who went to the toilet? One of yours. "Dunny Bill", he has become known as.

Sir WILLIAM KNOX: He is not here now.

The failure of the Minister to know that the accounts were in existence, the failure of the permanent head to know that the accounts were in existence, including trust accounts, and the failure of the Auditor-General to know that the accounts were in existence, would have been corrected if the Parliament had a public accounts committee which had the power to inquire and find out. Those are the sorts of things that could have made matters very different for everybody and may well have averted the sad tragedy that has occurred to a number of people——

Mr R. J. Gibbs: Who was the member who was absent from the Chamber when the vote was taken? He was a member of the Liberal Party.

Sir WILLIAM KNOX: I think the honourable member for Wolston is out of his element. He should be somewhere else, addressing another group.

Mr R. J. Gibbs interjected.

Mr DEPUTY SPEAKER (Mr Row): Order! The honourable member for Wolston!

Sir WILLIAM KNOX: In the reports that were tabled today by the Premier, there is reference by the Auditor-General to these remarks. Page 5 of the Auditor-General's report on the financial activities of the Queensland Film Corporation arising from a report of 7 February 1986 contains the following paragraph—

"In my view the answer lies simply"—

referring to why these things occurred—

> "in reliance on the part of all concerned, including the Film Corporation, the Minister and successive auditors, on the fundamental premise that the integrity of the Permanenet Head of a Department or the Chairman of a Statutory Body or any person of similar or greater eminence should be beyond question. History in this State justifies this reliance as indeed it should. However in this instance it is now apparent that it was misplaced."

Further on the Auditor-General states—

> "Nevertheless the fact that it has occurred demonstrates the need for an increased degree of vigilance in all levels of executive and adminstrative structures and for an increased audit emphasis in areas where a high level of autonomy and authority negates the effectiveness of normal internal control mechanisms."

That is fine; but while the devolution of authority goes to people who may be at some time tempted to do things that are irregular, where is the supervision? Where is the monitoring? Where is the questioning? Where is the investigative process in which Parliament is supposed to play a role in regard to these matters? It does not exist in this Parliament at the moment. Until it does, there will be further opportunity for Callaghan-type affairs to occur. That is regrettable, because the responsibility that will now be placed on permanent heads and, indeed, even lesser subordinates will be enormous. These people, who may or may not have a lengthy service and training in the public service, will be placed under great pressure.

So the checks and balances exist not to find out that people have done something wrong but simply to prevent it from happening. This is where the deficiency lay, and of course the Auditor-General alludes to it.

Now there will be a lot more accountable officers. No doubt they will be gazetted in due course. Honourable members have also learned that this legislation will be proclaimed on 1 July. 1 July is not far away, and the Public Finance Standards have to be prepared and published.

From reading the amending legislation and also the original legislation, I do not see that the Public Finance Standards will be part of the regulations under the legislation. If the Minister has not already thought of it, I suggest that those standards be part of

the regulations under the Act and be tabled in this House as Orders in Council or as regulations under the legislation.

It is of little value to this Parliament to know that these matters are being monitored, unless honourable members know what the rules are, unless they know what those standards are to which the rules are supposed to apply and unless they know what standards the public servants are to observe. It they are to remain only the preserve of a limited number of public servants, the Government will have failed in this legislation to do the necessary monitoring which this Parliament should be involved in. This, I might say, applies more so to statutory bodies. Statutory bodies are the area of greatest concern.

The Auditor-General has already commented on this aspect. In fact, this year he has made a couple of reports in regard to statutory bodies that have gone awry simply because the people involved did not understand their responsibilities and even possibly had not even read the Treasurer's Instructions. It is important for the members of this Parliament singly and collectively to know what those standards are that are going to be promulgated throughout the public service to the accountable officer. I hope that the Minister will take that into account because it will help the Parliament enormously.

Another amendment in the legislation relates to the abolition of the Governor's warrants. It is true that other States have abolished that procedure. It requires that every three months the Governor's approval be granted for the release of moneys, although the moneys have been approved by this Parliament through the Votes. The check and balance in that is not that the Governor issues the warrant but that the Auditor-General issues a certificate that goes with the Treasurer's request to the Governor for the release of the moneys. The Auditor-General acts as the check and balance in regard to the issues of those warrants. I agree that it is a procedure that clutters up the scene considerably. I know from my experience that there seemed to be an enormous number of these papers to sign and to send to the Governor. No doubt the Minister has discovered that himself. It seems a tremendous waste of time, but the Auditor-General's certificate is not a waste of time. I would hope that in the release of funds the expenditure for which has been approved by this Parliament, at least there is the continual monitoring by the Auditor-General. I trust that that will be so. The real matter that is being abolished in this procedure is the certificate issued by the Auditor-General.

The other amendment of significance in this legislation is that the definition of Treasurer now covers two people. Under the old legislation, there were two sections of the Act, one administered by the Premier and the other administered by the Treasurer. While those functions are held by one person, there seems to be no difficulty. Of course, when there are two people appearing to be Treasurer—not two people as Premier but two people acting in a Treasurer capacity—I expect it is appropriate to amend the Act to allow for each of those people to act within the various parts of the authority given to them under the legislation. But which of those people will be the Minister accountable to this Parliament?

We have already seen where two Ministers in a portfolio in the Federal House have got into trouble. A Minister had to be sacked because he got the other Minister into trouble. I think it is important that the Minister consider which of the Ministers is the Minister responsible to this House. Looking at the original legislation, I would assume that it will be the Premier who is responsible to the House for the whole of the leglislation even though the Minister Assisting the Treasurer does have responsibility under it. That has to be made clear. Ultimately, of course, while the Premier holds the position of Treasurer he is accountable to the Parliament for the whole of the Treasury.

Those are the sorts of matters that the legislation covers. I think that the legislation will be progressive legislation. However, if we leave out the important aspects of the checks and balances, the legislation will be incomplete and it will fail.

I quote again from the address given by Sir Allan Sewell to accountable officers on 11 July 1978. At page 16, he said—

> "Ministers have overall responsibility for the conduct of their departments and are answerable to Parliament"—

they do not have to be culpable, but they are responsible—

> "not only for their own actions but also those of their departments. The Act does not disturb this position in any way."

The Bill does not change that.

Hon. B. D. AUSTIN (Nicklin—Minister for Finance and Minister Assisting the Premier and Treasurer) (10.30 p.m.), in reply: I thank honourable members for their contributions to the debate this evening. No doubt the legislation was bound to create a great deal of interest, in view of the reports that were tabled earlier today in the Parliament. It was not unexpected that most of the debate was taken up in addressing matters included in those reports rather than matters contained within the legislation.

This legislation removes warrant controls, of which some honourable members spoke. It replaces Treasurer's Instructions or Minister's Directions with the Public Finance Standards, to apply—as suggested by the honourable member for Nundah—from 1 July 1988 and makes other technical amendments, including those related to the Public Service Management and Employment Bill.

In relation to those matters that were raised directly in relation to the Bill—the honourable members for Cairns and Murrumba raised the question of new subdivisional items. The amendments provide only for transfers within approved appropriation limits from an existing heading of expenditure. Unforeseen expenditure approvals will still be required for expenditure in excess of the appropriation limits. The Act already provides for transfers between existing headings of expenditure. The proposed amendment allows further administrative flexibility by allowing the transfer to a new heading within—and I ask honourable members to note the word "within"—the existing Vote.

The question of accrual accounting was raised by the honourable member for Cairns. The application of accrual accounting will be addressed in the Public Finance Standards. The regulations for statutory bodies already provide for that. It is already under way.

The honourable member for Nundah raised the question as to whether or not those standards would be included in regulations. At this stage it is not proposed to include them by way of regulation. This Government proposes to make them freely available to both members of Parliament and the public. I accept the honourable member's suggestion about the checks and balances with the department in relation to those regulations.

In relation to responsibility for the Act—it will be administered by the Premier. The Acts have been appropriated by Order in Council, and this is one of the Acts that are listed under that Order in Council, which is under the administration of the Premier.

Other than mentioning the various reports, honourable members spoke about a public accounts committee. It was inevitable that that matter would be raised. The honourable member for Murrumba waffled on for some time, saying absolutely nothing that he has not already said in the Matters of Public Interest debate. He seems to be reluctant to accept the word of the Premier that a public accounts committee will be introduced. Legislation is being prepared, which will go to the department as early as possible in the new session of this Parliament, which is scheduled to commence in August. Honourable members will have an appropriate opportunity to address themselves to that legislation. When it is prepared, I am sure that honourable members will find it totally workable. A committee has visited other States and generally tried to pick out the best parts of comparable legislation to ensure that the proposed legislation will be workable.

The amendments that are before the House are progressive. They will allow departments to operate as the Government intends them to operate, namely, as a highly

effective and efficient operation. As the honourable member for Nundah said, they will make permanent heads and Ministers much more accountable for the events that occur within their departments. That is a good thing. It is time that the Government moved ahead.

When the Financial Administration and Audit Act was introduced into this Parliament—and I think that it could have been introduced by the honourable member for Nundah when he was Treasurer—it was pioneering legislation. Since that time, other State Parliaments have copied that legislation. Because it is excellent legislation, sections of it have been extracted and plagiarised by the Federal Government for its provisions.

There comes a time when legislation such as the Financial Administration and Audit Act needs to be changed to keep pace with the times and wishes of the Government, to make departments more accountable and to modernise departments. I am sure that the legislation will work.

As the honourable member for Maryborough said, because it will rely largely on advice about the way in which the private accounting system operates, the legislation has the support of private accounting firms and organisations.

I commend the Bill to the House.

Motion agreed to.

Committee

Hon. B. D. Austin (Nicklin—Minister for Finance and Minister Assisting the Premier and Treasurer) in charge of the Bill.

Clauses 1 to 15, as read, agreed to.

Clause 16—

Mr AUSTIN (10.36 p.m.): I move the following amendment—

"At page 6, line 24, omit—

'specified'."

There was some misunderstanding and some question as to whether the word "specified" as included in the Bill meant that certain parliamentary accounts would be affected. After discussions with officers of the Parliament it has been decided that the word "specified" should be removed.

Amendment agreed to.

Clause 16, as amended, agreed to.

Clauses 17 to 30, as read, agreed to.

Bill reported, with an amendment.

Third Reading

Bill, on motion of Mr Austin, by leave, read a third time.

PETROLEUM ACT AMENDMENT BILL

Second Reading

Debate resumed from 23 March (see p. 5545).

Mr R. J. GIBBS (Wolston) (10.39 p.m.): The Opposition welcomes the opportunity to debate this legislation.

Mr Austin: I can see that by your enthusiasm.

Mr R. J. GIBBS: Absolutely. If the honourable member gives me a couple of minutes to warm up, I am sure that he will enjoy it.

This Bill deals with petroleum. We are talking about energy in Queensland; we are talking about the whole future of this State in relation to mineral exploration, which this Bill does cover, and we are really talking about the future of this State in relation to its oil and gas supplies.

In saying that, I am reminded very much of the Liberal Party. It is a Bill which is a 50/50 Bill. It has tentacles both ways. I guess that would be very much in favour of the Liberal Party tonight. I have no doubt that it will support this legislation. It would suit its members to do that. For example, in relation to gas, it is a party that contains a group of people who are blown up by their own importance. Where oil is required or is related, they could certainly affix that description to themselves—a greasy group of people who slip all over the political space in this State.

The more time I spend in this House, the more I find that one of the most embarrassing things to see is the dreadful performances of the honourable member for Nundah—a person for whom all honourable members had great respect and fondness. I just wish that he would quietly go away, leave this Parliament and let the leader who sits in front of him—in trepidation of the political muscle that can be exerted by the honourable member for Nundah—cease to wonder when the dagger will be plunged into his back or when the move will be made. There is no doubt that at present the present leader is not making an impression on anybody in this State.

I want to make some comments about the Bill before the House tonight. At the outset, I state that the Opposition will support the legislation. It is timely for the Minister to want to put this Bill through the House tonight. I understand that, some weeks ago, it was one of the Bills that was to be put on the back burner until later in the year, perhaps July or August or whenever the Parliament resumes. The fact is that the Government has been forced into taking action because of its own inadequacies and because of its own stuffing-up of this legislation, if I can use that expression. International companies and organisations in this State put great pressure on the Minister for Mines and Energy, Mr Tenni, because of his inept performance during the months that he has been the Minister responsible for the proposed pipeline through the Denison Trough. The Minister knows as well as I do that this set of circumstances is comparable to a *Goldilocks* story; it can be told over and over again, every night and every day. The simple fact is that this Government has been talking about the prospect of transporting petroleum by pipeline for aeons. The Government's proposal goes back to the days of the coalition.

I am sure that members of the Liberal Party will make a contribution to the debate on this legislation tonight because the Liberal Party has spent 26 out of the last 32 years as part of the decision-making body of this State. I am sure that the Liberal Party will try to be seen as reasonably progressive; it will try, with the 10 members that it has in this House, to make an input or some type of minor impact by highlighting the need to support this legislation. However, the same circumstances that apply tonight applied in 1983 when the Liberal Party was a member of the coalition Government. Even then, it should have acted in respect of this type of legislation, instead of leaving the future of cities such as Gladstone up in the air by failing to perform and carry out its duties as a responsible member of the coalition Government.

I wish to refer very briefly to an article that appeared in the *Courier-Mail* only a week ago. I cannot help but feel that this article has played a fairly major role in the legislation's being brought forward. I refer to an article that appeared in the financial columns on 15 April 1988 at page 31 under the headline, "CSR's oil and gas float on the shelf". I quote from that report because I believe it is important that honourable members are aware of it—

> "Delays in awarding a contract for the Denison Trough gas field project has forced CSR Ltd to postpone the float of its oil and gas division.
>
> The $100 million float has been planned for late March but now has been postponed indefinitely until the contract for supplying gas to Queensland Alumina

Ltd's operations at Gladstone in central Queensland is awarded by the Queensland Government.

'We've got a major resource and we want to be sure that resource will be guaranteed under a sales contract,' CSR oil and gas general manager Mal Larkin said yesterday.

He said planning was well advanced and market conditions for the float were good, with the Australian share market's Oil and Gas index having risen by a third since the beginning of the year. . .

Mr Larkin said 'geographically and commercially' CSR was well placed to win the contract from major competitors Santos Ltd, Bridge Oil Ltd and Hartogen Energy Ltd."

The article then made this major point—

"However, if CSR lost the contract it would have to consider the circumstances and think carefully about whether to proceed with the float at all.

CSR finance director and deputy chief executive Gene Herbert said they would prefer the new company to go ahead with the Denison Trough project already committed because it would make the float more profitable . . .

The pipeline decision has been delayed by the fall in oil prices and by government studies, but Mr Larkin said there were signs a decision might be reached soon."

I could go on and quote other very relevant parts of this article.

This brings me back to the very point that I made some weeks ago in this House when this Parliament passed the Gas Act Amendment Bill with the support of the Opposition. That legislation established the Gas Tribunal and this legislation establishes a pipeline tribunal. I turn to a number of major points about the establishment of a pipeline tribunal. It is an admission by this Government—and I have only to refer back to the speech made some weeks ago by the Minister for Mines and Energy—that the future of this country's petroleum, gas and energy supplies should be very much a Government concern. I certainly do not disagree with that; in fact I totally endorse that comment.

Mr Tenni: Both federally and State.

Mr R. J. GIBBS: Absolutely, and nobody disagrees with that.

I found it incredible to read in the paper only a few days ago of the total amateurism of the coal-mining industry. The people who flew off to Japan and negotiated the contracts with the Japanese undercut and sold out producers and working people alike in this country. The Queensland Premier, with his vision of excellence, made the statement that he did not want any Government control of this industry at all. He said that the market-place would be left to establish its own price. He cannot have it both ways. The Government wants to have an input and the Minister said in his second-reading speech—and also in relation to the major amendments to the Gas Act that were supported by the Opposition some weeks ago—that he wants major Government involvement in the energy industry in this country. At the same time this Government has given away the right of one of the most important industries in this State, that is the selling and supply of coal in the overseas market-place. I believe that this decision will cost thousands of people throughout this country and hundreds of people in Queensland in the coal-mining industry their jobs.

I do not support the vision or attitude of the Federal Government in its rejection of the establishment of a national coal marketing authority in this country. I know that in the last 10 days statements have been made by certain representatives of the Federal Labor Government that because of constitutional requirements such an authority cannot be established. I do not believe that to be true.

Mr Tenni: We are not putting coal through tonight; it is gas.

Mr R. J. GIBBS: No, we are not putting a coal Bill through the House tonight; we are talking about the energy industry and the Minister's responsibilities for and role in that industry. I find his role very conflicting. He wants to put legislation through the House relating to the supply of gas and oil and he wants—I believe correctly—total control over pipelines.

I certainly cannot dispute that point of view. On the one hand the Government wants that but, on the other hand, the Premier argues that he does not want a major say on how people sit down and negotiate the price of one of Queensland's most precious commodities—that is, coal. That is totally wrong, and it is time that the Government took a stand on that.

The Opposition certainly does not oppose the establishment of a pipelines tribunal which, according to the Minister, is to deal with transportation charges and other pipeline matters. However, I refer to a matter that I raised when the Gas Act Amendment Bill was debated a couple of weeks ago. I cannot accept that the Government can slip into legislation a provision that the tribunal will consist of one person, who will be nominated by the Minister.

Mr Tenni: One or more.

Mr R. J. GIBBS: The Minister says, "One or more", but we know, and he knows, that it will be one person. The Minister will nominate one person.

What is more incredible under the legislation is that the tribunal will not operate unless the Minister gives it the authority upon a question or a direction by him to make a decision. Therefore, it cannot be described as a tribunal; it is simply a rubber stamp for the Minister. The Minister will make the decision as to what sorts of things the tribunal will do, what disputation will be entered into and what advice the tribunal will give the Minister.

The Opposition certainly has no problems in coming to grips with the fact that major problems can arise with property-owners in the establishment of a pipeline of this nature and that people have to have authority, if necessary, to make confiscations on behalf of the Crown. However, I believe that there are ways and means by which that should be done before confrontation occurs.

It appears to me that in this legislation the Minister is indemnifying himself and his department so that they are able to make those decisions without reference to the Government, or to the Cabinet. I am worried about that because it gives the Minister extreme power. I do not believe that that sort of power should be given to people such as the Minister. If it were somebody who is a little more responsible in his actions as a Minister of the Crown, perhaps it would be all right.

Mr Tenni: You said you were going to be nice tonight.

Mr R. J. GIBBS: I try to be nice to the Minister. One tries to be nice in this House, but when one looks over there at the Minister, it is testing one's willpower and patience.

Mr DEPUTY SPEAKER (Mr Row): Order! I think the honourable member's remarks are becoming a little personal. If I may say so, they are close to being unparliamentary.

Mr R. J. GIBBS: Mr Deputy Speaker, you know that I am not a person who engages in that sort of conduct in this House. I know that you are saying that to me only because of the time of night and because you feel that the House needs a little bit of geeing-up.

The Opposition will certainly support the legislation before the House, but I want to make one final point. Some weeks ago when the establishment of the gas tribunal and the mooted line from the Denison Trough to Gladstone were discussed in this place, I raised, as did the honourable member for Port Curtis, the dramas that had occurred

with Queensland Alumina in Gladstone. They have been the reason for the major hold-ups in the establishment of a pipeline. As I understand it, because of the present world price of crude oil, Queensland Alumina and other major companies in Gladstone have not been prepared to switch their operations from the use of oil to gas. At present, the market indications are that the world price of crude will stay at a substantially lower price than the price for which gas can be supplied from the Denison Trough. It intrigues me why such a sudden change of mind has occurred.

I return to the point that I made earlier. I am aware that pressure has been exerted by the Premier, Mr Ahern, with his vision of excellence, in a frantic attempt to put runs on the board. He has been putting extreme pressure on QAL so that he can stand up and trumpet his own importance and say that he brought a major industry into Gladstone, namely, the fertiliser plant that he wishes to locate there.

Mr Yewdale: You've got Mr Veivers totally enthralled.

Mr R. J. GIBBS: I can see that Mr Veivers is totally enthralled. The honourable member for Southport hangs on my every word in this House, as I do when he calls the football on Sunday evenings, even though he is 10 minutes behind the flow of play.

I return to the point that I made to the Minister here two weeks ago. He has now said publicly that he has called tenders for the pipeline. I issued the challenge to him two weeks ago in the House to lay on the table of this Parliament the financial investigations and the inquiries that have been made into the feasibility of the pipeline. He and I both know that there are companies in this State who have grave reservations about the financial viability of the pipeline. I challenge the Minister to lay on the table of the Parliament the feasibility or viability studies that he has had carried out into the construction of the pipeline.

I want the Minister to give an undertaking to the House and the people of Queensland. In view of the fact that he called tenders for the pipeline only three days ago, will the Minister inform the House if those tenders will be made public? Will he lay them before the Parliament so that people can see the prices of the tenders?

An article in the *Courier-Mail* has caused me great concern. It states—

> "However, if CSR lost the contract it would have to consider the circumstances and think carefully about whether to proceed with the float at all."

Mr Tenni interjected.

Mr R. J. GIBBS: I hope that the Minister does answer it. It went into print approximately a week before tenders were even called. It is one of the most irresponsible statements that I have known from a major company in Queensland that is tendering for a multimillion-dollar project. The company has threatened to withdraw from the race and not to float its shares on the market if it does not get the contract.

We operate under a free-enterprise system in which people tender and take their chances in the market-place. I may be oversuspicious, but I cannot help but feel that perhaps there has already been a sweetheart deal done between the State Government and CSR. That is what I read between the lines. It is almost a hidden threat that, if the Government does not give the company the deal, it will not float its shares on the market-place and it will not give the share-holders a chance to participate.

Mr Tenni interjected.

Mr R. J. GIBBS: The Minister can answer me in a moment. If the tender does not come up to par, so be it. However, Government Ministers should be saying to a company such as CSR that these are totally irresponsible public statements, particularly in view of the present state of the market-place, in which share-holders are concerned about the viability of companies.

I find it almost a blackmailing technique or a technique of floating the company in the hope that people will pay top price for a float on the market-place on the basis that

they may get a Government contract. I believe that it is totally irresponsible, and I hope that the Minister will absolutely dissociate himself from that type of statement.

The Opposition will support the legislation. One waits with bated breath to see the reaction of the Liberal Party.

Mr BEARD (Mount Isa—Deputy Leader of the Liberal Party) (11.01 p.m.): I am glad that the honourable member is waiting. Mr Gibbs, of course, did not surprise anyone with his support for this legislation, because it is almost a 24-carat socialist Bill. It is a little bit like Hungarian and Yugoslav socialism, where there is a bit of private enterprise but pretty firm control by the Government, which controls the private sector as well.

When I was reading through the Minister's second-reading speech, with the eyes of someone who believes in free enterprise and that when Governments get too far into business and industry they tend to muck it up, I could not get past the third paragraph wherein he said—

"... there is a need for Government control in the pipeline industry."

That says it all. Is there a need for Government control in the pipeline industry?

There is actually a little bit of a need, and I will concede that. As I have so often said since I was elected as a member of this Parliament, Australia is a land of empty spaces, vast distances and small population, and we live in a world of distorted markets—markets distorted by the Governments of our major trading partners.

To ensure that people who live remote from the larger centres of population are not supremely disadvantaged, a degree of cross-subsidisation has to be accepted. To ensure that primary industries survive in our thinly populated rural areas, a degree of orderly marketing has to be accepted. Honourable members have seen the Commonwealth Bank, a Government-owned airline and Government-owned communications industries arise in this country and survive for essentially these reasons.

For some services city dwellers sometimes have to pay a cent or two more than they might have to under a completely free-enterprise system, so that country dwellers do not have to pay dollars. So a modicum of regulation in the pipeline industry might be acceptable——

Mr R. J. Gibbs interjected.

Mr BEARD: Yes, it is a bit like being a little bit pregnant. The only trouble is that when one starts with a little bit of Government regulation, it is hard to see where it is going to stop.

It could be argued, of course, that the financial disadvantages of living in remote areas might be better overcome by direct grants or greatly increased zone allowances in the taxation system so that at least the costs of cross-subsidisation would be known. However, honourable members are not here to debate that, so I will not go on about the taxation system and so forth. Honourable members are not here to demonstrate either how much country dwellers subsidise transport, the arts and many other facets of life in the metropolitan areas.

What concerns me is the readiness of the Queensland Government—a self-styled free-enterprise, anti-socialist Government—to assert, apparently without fear of contradiction, that there is a need for Government control in so many parts of our industrial and business endeavours.

What this generally turns out to be, unfortunately, is another way in which Government can gain control of some of the dollars that are generated by our entrepreneurs, that is, taxation under another name. That certainly seems to be the case with this legislation. Just as the Government got in on the grouter on the railways and ports for our central Queensland coal-fields, and in the process made it very hard for our coal to compete on world markets and threatened the viability of some of our mines, it

seems to be coming in on the grouter on oil and gas pipelines, which in some ways could be called the railways of the oil and gas industries.

The net result will inevitably be what it was with coal transportation—an increase in the cost structure of an important primary industry which, as it represents a fuel, will be passed on to secondary producers and eventually and inevitably either to the Australian consumer or onto our markets, making it all the harder for them to compete on already difficult world markets.

It is time that the Government decided what is fair and reasonable recompense to the people of Queensland for the eventual exhaustion of our mineral and fuel reserves and charged this as a single, identifiable royalty, not subject to increase at the whim of later amendments or fluctuating markets and, above all, not subject to hidden taxes disguised as freights and other charges. This way, at least private enterprise could plan and budget properly for what is generally an enormous capital outlay in the extractive industries with no possible return for a considerable time and no guarantee of a return even then. The old story is still true, unfortunately: taxation is still the major extractive industry in Australia.

Let us look now in some detail at the Petroleum Act Amendment Bill. Incidentally, while we do so, let us be a little bit pedantic and have a look at the spelling of "licence". As a noun, the word "licence" is spelt with a "c"; as a verb, it is spelt with an "s". The "s" spelling is used throughout the Bill whether for a noun or a verb, but the "c" version is used interchangeably with the "s" in the present Act. The Minister's second-reading speech correctly used a "c" for the noun and an "s" for the verb. Can we fix it up, please? The old schoolteacher had to have a little dig there.

The Petroleum Act was passed in 1923. Since then, it has been amended 17 times. In 1962, when the previous pipeline provisions were replaced by the present sections, the then Minister stated that it was his intention "as soon as practicable, to prepare a completely new Act which will consolidate and clarify the various current provisions". Despite some comparatively minor changes since 1962, the present Act stands in substantially the same form as it did then.

Previous Ministers have indicated that the Petroleum Act would be reviewed after Green Paper procedures—as recommended by the Savage committee—had been followed. It is pleasing to see that the Minister stated that the Government is reviewing the whole Act—it is long overdue—but the Minister made no mention of Green Paper procedures being adopted. It is essential that the petroleum industry and the public at large have the opportunity to have an input into the review of the Act. As far as I am aware, there has not been any opportunity for the industry to comment on the present proposals.

In 1962, the debate on the Bill lasted only three hours, and the Bill was eventually passed at 1.44 a.m. Once again it seems that substantive changes to legislation are being introduced without the proper opportunity for public and industry discussion.

This is substantive legislation. As I said earlier, the Minister stated that there was a need for Government control in the pipeline industry because of long distances between the oil and gas fields and their main markets, and because of limited throughputs available. The control that the Government proposes is to build its own gas pipeline network. If the pipeline business is so high a risk for the reasons the Minister has indicated, what is the justification for spending tax-payers' money on such an undertaking? Where is the allocation coming from? $90m is being quoted for the Wallumbilla to Gladstone pipeline. Pipelines are very expensive. I support the member for Wolston in calling to see where the feasibility and viability studies are.

Further, as I also said earlier, with this Government's well-known history of excessive freight rates on its railway lines for the transportation of coal and other mineral commodities, I wonder whether either the producers or the consumers are very happy about the prospect of the tariff regime set by the Government-owned pipeline. Pipelines should be operated to provide the cheapest means of transportation of the oil or gas from production to sale. They should not be operated to extract more revenue for the

Government. They should be a cost centre to the producer or the supplier, not a profit centre to the Government. There needs to be a better statement of the Government's intentions, why these measures are justified and how the complete petroleum, gas and pipeline measures are intended to be implemented—otherwise we could justifiably believe that the pipelines are merely being hijacked by the Government.

The Minister has said that the Bill has three purposes—

the establishment of a pipeline tribunal for both gas and oil pipelines;

the definition of the powers of the Secretary for Mines and the Minister so as to allow the construction and operation of the natural gas pipeline to Gladstone to proceed efficiently; and

the clarification of the obligations of pipeline-owners as common carriers, to provide adequate capacity and to be licensed.

I shall deal first with the pipeline tribunal. The existing section 4A of the Act provides for the appointment of a Petroleum Advisory Board by the Governor in Council for the purpose of making any inquiry or investigation. The proposed Pipeline Tribunal would obviously duplicate those functions so far as pipelines are concerned, and confer on the Minister, not on the Governor in Council, the discretion to recommend its membership, require the tribunal to inquire into specific matters, and to make recommendations to the Governor in Council.

Mr R. J. Gibbs: What do you suggest?

Mr BEARD: I do agree with the honourable member one little bit. I do not like one person as a tribunal.

Mr R. J. Gibbs: Why didn't your party do something about it?

Mr BEARD: The honourable member should give us a break. I have been here 18 months; another couple of years and I will have straightened out the honourable member, as well as a few others, I hope.

After the tribunal has made an inquiry, the powers of the Minister are extraordinary. I refer to pages 4 and 5 of the Bill, proposed new section 4G. The Minister can recommend to the Governor in Council maximum transportation tariffs, prohibit conditions attaching to a transportation contract, allocate throughput entitlements—that is, who can use what percentage of the capacity of the pipeline—and take whatever action he thinks appropriate in respect of a pipeline licence already granted. Those relate to privately owned pipelines.

That reminds me of the world's third greatest lie, "I am from the Government; I am here to help you." It has been the practice for similar conditions to be imposed in pipeline licences, but those conditions normally only involve the Minister in the event that the consignor and the pipeline-owner have failed to agree on tariffs and throughputs.

The proposed new section will enable the Government to tell a pipeline-owner how he is going to run his pipeline, and the owner will commit an offence by operating his own pipeline contrary to the Minister's recommendations. That is an outrageous provision for a Government that professes to represent private enterprise.

Mr Innes: It is totalitarianism—Hungarian and Yugoslav socialism.

Mr BEARD: Exactly—Hungarian or Yugoslav socialism; a little bit of privatisation, but all controlled by the Government.

Mr Innes: Romanian socialists, actually.

Mr BEARD: The Romanian Premier has been here, and I understand that Mr Innes met him—a charming man, I understand.

The second purpose of the legislation, as expressed by the Minister, is to clarify the powers of the Secretary for Mines. Section 54A of the existing Act already incorporates the Minister as a corporation sole for the purpose of building pipelines.

To digress for a moment, I refer honourable members to what the honourable member for Nundah said in this House on 12 April of this year during the debate on the Employment, Vocational Education and Training Bill. The honourable member warned the House—

> "... it is dangerous to extend the list of Ministers who are a corporation sole. It is very much in the interests of checks and balances that the permanent head, the accountable officer, should be the corporation sole."

I will leave that aspect for the moment and return to the powers that the Minister will have as a corporation sole under the new legislation.

The new sections of the Act will greatly expand the Minister's powers as a corporation. The Governor in Council can, by Order in Council, authorise the Minister, wearing his corporation hat, to run a total petroleum—oil and gas—industry from exploration, production, transportation and refining to marketing. Do I hear the distant drumbeat of socialism? Or is it a nearby drumbeat?

The Minister gives himself extraordinary commercial advantages. Of course, he does not pay royalties to himself, or other compensation to the Crown, nor will he suffer any penalty that is imposed by the Crown or suffer any forfeiture for breach of conditions. All of those things are bad enough. But the most utterly outrageous aspect is that the corporation will not accept responsibility as a common carrier—a responsibility which, under an amendment to section 45, every other pipeline-owner is obliged to accept. The State's much-vaunted gas grid will be able to pick and choose whose gas it carries and on what terms. However, no other carrier will be able to do so, because the pipeline tribunal and the Minister will tell other carriers what they can and cannot do.

It gets worse. The corporation has no liability at law for anything in connection with the exercise of its powers unless negligence is proved, and then damages can only be recovered if, in the case of injury to a person, the plaintiff submits himself to a medical practitioner nominated by the corporation or, in the case of injury to property, permits the nominee of the corporation to inspect the property when the corporation requires. How can those provisions ever be reasonable?

Mr Innes: That seems to be completely consistent with a Government that does not believe in ministerial control.

Mr BEARD: That is why I was not at all surprised when Mr Gibbs supported it.

In his second-reading speech, the Minister described the amendments as minor amendments to facilitate the construction and operation of the gas pipelines. Those measures are anything but minor; they are outrageous in any piece of legislation anywhere.

Mr Beanland: Typical socialism.

Mr BEARD: Exactly.

I turn now to the question of the common carrier. It has already been mentioned that, although the Minister is happy to impose common-carrier responsibilities on all private pipeline-operators, the corporation that is constituted by himself is unwilling to accept that very same responsibility. Common-carrier responsibility is already imposed upon operators of pipelines.

Section 45(3)(b) permits the Governor in Council to impose common-carrier responsibilities by an Order in Council at any time during the term of a pipeline licence. That has been done in the past. However, a pipeline licence may be issued subject to such terms and conditions as the Governor in Council deems fit, and new licences containing an identical common-carrier obligation are in fact being issued.

At this juncture it might be appropriate to ask: what is a common carrier? A common carrier is someone who publicly holds himself out to transport for reward the goods of all people who want to employ him. It is an ancient calling. One may well wonder whether it is appropriate to vest the operators of petroleum pipelines with legal

responsibilities formulated over the centuries in respect of the carriage of distinct packages on carts, trucks and trains.

Operators of pipelines function in entirely different circumstances and conditions. Is a common-carrier pipeline-operator obliged to carry petroleum if he believes that its blending with other petroleum will have deleterious effects on the petroleum being carried? Who is responsible for any loss of value through blending? Does a common carrier have to batch crude oil in the pipeline to stop it blending with other oils? Who bears the cost of batching?

The responsibility of a pipeline-operator should be to transport third-party petroleum without discrimination and at a reasonable tariff, provided he is able to do so given the particular characteristics of the pipeline and the petroleum being carried. That is a judgment best made by the operator, not the Government.

I understand also that common-carrier obligations are almost nowhere applied any more. So far as road transport and railways are concerned, the responsibilities have been modified by the Carriage of Goods by Land (Carriers' Liabilities) Act of 1967. So why should the private pipeline-owner be the last common carrier vested with the full liability at law, particularly and especially when his state-owned competitor is not?

There are several other matters that might be commented on in the Bill. Mostly they are of lesser importance. However, the proposed new section 54A should not be allowed to pass without comment. It allows the Minister to exercise such powers and authorities with respect to controlling the recovery or distribution of petroleum as are for the time being conferred on him by Order in Council. In other words, the Minister's powers would be virtually unfettered. The present Act contains provisions which give the Minister wide powers—for example section 7—but there is nothing to equal this. No legislation should seek to confer such wide discretionary powers.

Finally, it should be stressed that the proposed amendments to the Act go far beyond what is desirable. There should be a proper opportunity for discussion of these issues by the public, by industry and by land-owners who will be affected by the wide powers of the Minister in building this proposed State pipeline grid. The provisions of the Bill would allow the Minister virtually to take over the running of any other pipeline in the State, and that is why the ALP like them. These provisions, coupled with the provision in the recent amendment to the Gas Act, which prohibits a contract for the supply of natural gas in excess of 1 peta-joule a year or 5 peta-joules in total without the approval of the Governor in Council, mean that not only the production and sale of gas are within the control of the Government, but the transportation also. What was it that Marx said about gaining control of the means of production, distribution and exchange? It is happening here in Queensland.

There should be much greater opportunity to examine the implications of this Bill before it is passed. There are so many faults with the Bill that it is pointless trying to blunt its effect by moving amendments in Committee that will not be carried anyway because the Minister has the numbers.

Opposition members interjected.

Mr BEARD: I will draw honourable members' attention to them. The honourable member for Wolston has said that the Opposition will support the legislation. I have told Opposition members what the problems are. I will speak about them in Committee.

Anyway, it is not so much matters of wording, or addition or modification of clauses that are at fault, it is the whole thrust of the Bill. This is socialist legislation giving the Minister extraordinary powers to control the State's oil and gas pipelines and, indeed under the proposed new section 54A, if he wishes, the whole industry.

I cannot believe that some of the Government's own back-benchers who avowedly espouse a free-enterprise philosophy would go along with this legislation. I must presume that they do not understand the ramifications of the legislation. I urge them to read it again and to read in *Hansard* what I have pointed out tonight. I urge them also to be

on their guard when the Minister moves later in the year to review the whole Act. In particular, back-bench members of the National Party should demand a Green Paper and as much public and industry input as possible. They may then be in a position to reverse some of the harm that this legislation does to free enterprise in Queensland.

The Liberal Party will oppose the Bill. As I said a moment ago, I am tempted to move some of these amendments in Committee to try to change the legislation that the people of Queensland consider has been foisted upon them.

Mr R. J. Gibbs: Table them in the House.

Mr BEARD: I will draw the honourable member's attention to them in Committee. The honourable member for Wolston should beware and should read the legislation again with some of his socialist mates. Government members should take a look at what is being agreed to and see how much control of production, transportation and exchange in this industry is being taken over by the Government through this legislation. I am sure that the legislation has not been fully understood by back-benchers on the Government side of the House.

Hon. M. J. TENNI (Barron River—Minister for Mines and Energy) (11.21 p.m.), in reply: First of all, I thank both honourable members for their contributions to the debate, but I do not know whether the second speaker was worth listening to. I must emphasise that the Petroleum Act was originally drafted in the 1920s. Because of a long succession of amendments, the legislation needs an overall review. The Bill before the House is deliberately limited to those provisions that need to be changed or added now and those that cannot wait for a review of the whole Act.

The honourable member for Wolston played a fairly good role in commenting on the Bill. Some of the things he said were not correct, but at least he is supportive of very good amending legislation.

Mr Innes: International socialism.

Mr TENNI: I will talk about the Liberal Party yo-yos, who go back and forth across the House, shortly. Boy oh boy, have members of the Liberal Party spelt out their attitude very clearly tonight!

Mr Gibbs claims that the Government believed that the Bill could be left on the back burner.

Mr R. J. Gibbs: Overall, you would have to agree that we have taken a very responsible attitude in relation to this legislation.

Mr TENNI: Members of the Opposition have; they definitely have. There are just a few points that I want to clear up. Is that all right with the honourable member?

Mr R. J. Gibbs: It is the Minister's personality that worries me more than anything.

Mr TENNI: The honourable member said that the Government intended to leave the matter on the back burner. I point out that that is not the case. The honourable member would agree that a number of provisions in the Bill warrant early attention, and that was always the Government's intention; namely, providing for construction of a pipeline from Roma to Gladstone, and other matters.

I want to make it quite clear that the Government is not obligated to CSR or to any other potential supplier. In fact, the Government has given encouragement to suppliers not only from the Denison Trough but also from the Surat Basin and the Cooper Basin to compete for the Gladstone market. The Government has made that quite clear. I am sure that I have said that in the past in this House and I have certainly said it to the suppliers. The Government is not interested in who gets the market. It is interested in getting the gas that lies underground pulled out of the ground and sold on the market. That is the Government's main aim.

Coal prices that compete with coal export prices from other countries are an entirely different matter. The Queensland Government wants to sell coal at the best possible price and cannot allow other countries to force Queensland coal out of the market, which would lead to closure of mines and unemployment in the future. I am sure that the honourable member for Wolston would agree with that.

Mr R. J. Gibbs: That is not part of the Bill.

Mr TENNI: I had to refer to it because the honourable member was getting horribly mixed up. I do not know whether he thought that it was possible to actually blow big lumps of coal down the pipeline, but that is not the intention. Gas will be put into the pipeline.

The Government's aim is for local industry in Gladstone or anywhere else in Queensland to obtain gas at the cheapest possible price. The honourable member said that the tribunal will be a rubber stamp for the Minister, but I point out that the tribunal will carry out fair investigations of prices and that those investigations will be carried out by a competent authority that will be aware of the need to provide a detailed report.

The honourable member also said that the Government was putting pressure on QAL, but that is not so. I have it on very good authority that QAL is dedicated—it really is—to conversion to natural gas. QAL sees that as its hedge against rising oil prices, and they will rise, as everyone knows.

With regard to the tenders for the pipeline—the Government will comply with the provisions of the Financial Administration and Audit Act, which is all that it is duty-bound to do. There are no sweetheart deals with CSR, and this Government has encouraged open competition for the supply of gas to Gladstone.

All honourable members are aware of the important role which the State gas pipeline from Wallumbilla to Gladstone will play in the development of the natural gas resources of this State and making Gladstone attractive as a site for further new industrial development. This Government has done everything possible to finalise a contract with Queensland Alumina Limited and, at this point in time, QAL's load is a vital economic factor in making the pipeline financially self-supporting. I inform the House that negotiations are at an advanced stage. Negotiations are not yet finalised, but I am confident that a contract will be signed very soon.

Mr R. J. Gibbs: Isn't it true that these negotiations were taking place when the Liberal Party was in coalition with your Government?

Mr TENNI: I could not answer that question honestly.

Mr R. J. Gibbs: But you know I am correct; that's how far back they go.

Mr TENNI: No, I could not honestly answer that. All I know is that I have not done too badly, because I have been the Minister for only five months and I have got it almost sewn up. I wish to thank the honourable member for congratulating me on that matter.

In the meantime, the Government is in the process of calling tenders for a steel pipeline coating and for major construction. The next step will be to select the best tenderers and enter into contracts. Gladstone needs natural gas, and I am sure that the honourable member for Port Curtis, Mr Prest, would agree with that comment. Gladstone needs natural gas no later than the latter half of 1989 in order to meet the needs of a number of important industries. The Government is determined that no industrial gas-users at Gladstone will be disappointed.

I do not know if I should bother answering the comments made by the honourable member for Mount Isa. The Liberal Party is known right throughout Queensland as the yo-yo party because the members go back and forth across the House like yo-yos. Only last week I asked the honourable member for Mount Isa if he was going to oppose the Bill and he said, "No, I do not think so. It looks pretty good. I have got one more

phone call to make." I asked him how long he would speak on the legislation and he told me approximately 10 minutes. He is the guy who made that statement last Thursday and today he has opposed almost every word in the Bill. I really do not think that he knows what he is doing. That astounds me because I thought that this House had a very capable member in the member for Mount Isa. But it appears that he has the same yo-yo sickness as the rest of the members of the Liberal Party have had since they found themselves on the other side of the House.

Mr Beard is concerned about Government control and suggests taxation as the motive. This is not so. The Government has stepped in to make it possible for Gladstone and QAL to get gas; something that parties have been trying to achieve for a number of years.

The Government has always said that it would consider divesting itself of ownership at some future date when the pipeline is operative. Because the Government could not get anyone interested in building the pipeline, it has come to the party and found the money itself. It intends to build the pipeline and, at a later date, if someone comes along and wishes to purchase the pipeline—provided that the Government can get its money back or a bit extra to boot—it will be interested in selling the pipeline.

Mr Innes: QAL aren't signed up yet.

Mr TENNI: To the best of my knowledge, QAL is not interested in buying the pipeline. Surprising as it may seem, the Government is now getting parties who are interested in purchasing the pipeline, and one day I imagine that this will happen.

No Green Paper has been prepared on these amendments, but the Government has had discussions with producers and consumers and has received no objections whatsoever to the amendments, contrary to what the honourable member for Mount Isa believes. A Green Paper will be produced as part of the review of the Petroleum Act.

I say to the member for Mount Isa that the old spelling "l-i-c-e-n-s-e" has been used for consistency. When the Act is reviewed later this year, the spelling will be brought up to date. I hope that clarifies the point.

Mr Beard: Can I count that as a win or half a win?

Mr TENNI: I do not think it is a point worth worrying about.

In the future it is intended to use the petroleum advisory body, if required, for matters other than pipelines. The pipelines tribunal will deal with matters affecting pipelines.

In reply to the member for Mount Isa, I say that common-carrier status is a principle relating to the transfer of goods. A carrier holding himself out as a common carrier must accept goods of the kind that he normally carries, if he has the carrying capacity available, and charge reasonable rates without discrimination. In return, compared with alternative contractual arrangements, the common carrier normally enjoys some lessening of liability for damage incurred in the transport of goods. The Bill changes the previous arrangements whereby licensed pipelines might or might not be common carriers and makes it a requirement that all licensed pipelines be common carriers.

Where there are disputes, the new pipelines tribunal will be able to inquire into charges into transportation capacity and the Governor in Council will have reserve powers to determine the outcome. That goes beyond the common-carrier concept, which normally requires a settlement of disputes in the courts. In the process, that causes unnecessary frustration and costs. Although the Liberal Party wants to cause those sorts of costs, the Government does not.

As the Government already has access to all the relevant information on charges and transportation capacity, it is inappropriate and unnecessary for the pipelines tribunal to be involved with the State gas pipeline. The common-carrier concept is also unnecessary as the whole purpose of the State gas pipeline is to encourage the production, transport and use of Queensland natural gas.

Although the honourable member for Mount Isa said that the Minister's powers have been broadened, the Minister's powers are already in the Act. They are not being changed in scope at all. They are being spelt out in more detail so that everybody will know where he stands.

I am absolutely flabbergasted that there is in this House a party that would in any way endeavour to hinder the passage of this Bill, which stands to benefit so many people in the State of Queensland, particularly those in the Gladstone and Roma areas. After this line goes in, we will probably see a web of pipelines being constructed throughout Queensland. That will happen because this Government has had the ability and the gumption to go ahead and spend some $90m-odd of tax-payers' money with a view to creating an industry that will be great for the future of this State and that will create a tremendous amount of employment over the years ahead.

I am very pleased that the members of the Labor Party support the proposal. I congratulate them for that and for their forward thinking. I only wish that the Liberal Party had given more thought to the matter before that unnecessary speech was made.

Question—That the Bill be now read a second time—put; and the House divided—

AYES, 68		NOES, 9	
Ahern	Lingard	Beard	
Ardill	Littleproud	Innes	
Austin	McCauley	Knox	
Berghofer	McElligott	Lee	
Booth	McKechnie	Lickiss	
Borbidge	Mackenroth	Schuntner	
Braddy	McLean	Sherlock	
Burns	McPhie		
Burreket	Menzel		
Casey	Milliner		
Chapman	Muntz		
Clauson	Neal		
Comben	Nelson		
Cooper	Newton		
D'Arcy	Palaszczuk		
Davis	Prest		
De Lacy	Randell		
Eaton	Row		
Elliott	Scott		
Fraser	Sherrin		
Gately	Simpson		
Gibbs, I. J.	Slack		
Gibbs, R. J.	Smith		
Gilmore	Smyth		
Glasson	Stoneman		
Goss	Tenni		
Gunn	Veivers		
Harper	Warburton		
Harvey	Warner		
Hayward	Wells		
Henderson	Yewdale		
Hinton			
Hobbs	*Tellers:*		*Tellers:*
Katter	FitzGerald		Beanland
Lester	Stephan		Gygar

Resolved in the affirmative.

Committee

Hon. M. J. Tenni (Barron River—Minister for Mines and Energy) in charge of the Bill.

Clauses 1 to 4, as read, agreed to.

Clause 5—

Mr PREST (11.45 p.m.): The discussion so far seems to be in relation to the gas pipeline to Gladstone and getting QAL, as the major consumer, to come to an agreement

with the Government. Of course, the Bill states that one of the matters that the tribunal will take into account is—

"... the amount of transportation charge necessary to provide the licensee"—

that will be the Government—

"with a reasonable profit;".

The way I see it, the Government is looking for a reasonable profit, the same as it was with the transportation of coal from the coal-fields to the port, where the Government made the coal mines the milking-cow.

The TEMPORARY CHAIRMAN (Mr Burreket): Order! I ask honourable members to resume their seats. There is too much audible conversation.

Mr PREST: It is true that over a number of years QAL has been negotiating with the producers of the gas and has shown some interest in wishing to convert to gas should the price of oil continue to rise. At present, it is reasonable to suggest that QAL is obtaining its oil shipments at the cheapest price in the history of its operation. It is pretty hard to persuade a major company that is a user of oil to convert from one form of energy and to take another at an unknown price. As I said, the price it had negotiated with the suppliers was reaching a stage at which it would have been acceptable.

As the Minister said, there are four suppliers. I believe that there are four different qualities of gas. QAL was looking for the best-quality gas. Four suppliers will be putting their gas into the pipeline and QAL will be receiving the end product, which will not be top-quality gas. QAL will be paying the top price and, by all accounts, receiving an inferior product.

Some weeks ago the Minister said that he was taking a submission back to Cabinet to see whether the Government or the Treasury would lower the price that it would charge for the transportation of the gas. That now seems to be one of the main stumbling-blocks. Of course, we have heard nothing from the Minister about his submission to Treasury or to Cabinet in relation to a price that would be acceptable to QAL.

QAL is a major employer in the city of Gladstone. One of the things that QAL must be very concerned about is that it must remain competitive with other people within the industry. Of course, if it does not continue to use the cheapest form of energy available—which, at the present time, is oil—it may drop out of the market, close up shop in Gladstone and go elsewhere. Approximately 1 300 people would be put out of employment in the city. That would have disastrous effects on the economy of Gladstone.

The Minister promised that he was going to try to negotiate with the company an acceptable price for the transportation of gas. The Bill provides that the tribunal—a person—will be able to decide on a price for the transportation of gas that will give the owner or the licensee a reasonable profit. I believe that "reasonable" would be quite acceptable. The Opposition's spokesman, Mr Gibbs, was reasonable when he asked the Minister to table any information he had about the submissions that had been made on the feasibility of the transportation of gas to the consumer and what price it was asking.

The Minister is faced with a great problem. At present he is negotiating with only one consumer, namely, QAL. If—I repeat the word "if"—as he stated, many other industries are wishing to come to Gladstone, he must start negotiating a price for the transportation of oil. I would have thought that it would have been much easier, much quicker and better for the Government to negotiate a cost of transportation with the suppliers, that is, with CSR, Santos and the other two suppliers.

The Opposition would like to see that gas line go through. We sincerely hope that at some point in time it will be acceptable to Queensland Alumina Limited and will attract those other industries that we have been hearing about for so long.

Mr BEARD: The honourable member for Port Curtis made the point that when an industry has to compete on world markets, as QAL has had to do with its product, it cannot afford to have a Government step in and impose something in the line of

supply of its raw materials and treat that something as a profit centre whereby it is going to make a profit. It is rightly and correctly a cost centre—a part of the whole chain of supply of raw materials to the end producer—and it should be treated as such.

This legislation allows the Government to interpose a profit centre for its own revenue in the line of supply and will make QAL's product dearer on world markets. As the honourable member for Port Curtis quite rightly said, it could jeopardise its competitive value on world markets and, in the long run, put at risk the jobs of 1 300 people. That is exactly one of the points that I attempted to make during my speech.

Mr TENNI: When the Government talks about a reasonable profit, it means a profit that has the ability (a) to pay for the management of the line; (b) to maintain the line; and (c) to set aside a reasonable sum of money for the development or upgrading of the line. It is not a profit in terms of a pipeline to the bank for the Government or anything like that.

Discussions are taking place between Treasury, this Government and QAL with regard to the cost of transport through that line. QAL is aware that it is absolutely essential that the transportation charge is such that all of those points that I have mentioned are covered. I am hopeful that the figure that is required to help QAL and pay all costs associated with the line will be reached in the not-too-distant future.

As to QAL's closing down and putting 1 300 men out of work—that is a figment of the Liberal Party's imagination. Approximately two or three weeks ago I spent three parts of a day at that plant.

Mr Beard: Mr Prest is a member of the Liberal Party now?

Mr TENNI: No, I am referring to the speech that was made by the honourable member for Mount Isa.

Two or three weeks ago I spent three parts of a day at that plant. I assure the honourable member that QAL is not about to sack 1 300 men, nor has it any intention of closing down the plant. In fact, those 1 300 men are assured of a full-time job.

By getting gas to that area, this Government is playing the role of protecting the jobs of those 1 300 men. In the future, when oil prices rise—and all honourable members are aware that they will rise—contrary to what the honourable member for Mount Isa said, the jobs of those 1 300 men will be protected.

Mr BEARD: The Minister said that the Government is trying to help QAL. I sincerely question whether it is the Government's role to help QAL. It is the Government's role to create an environment in this State in which private enterprise will get out and make a quid without assistance from the Government. I am not sure that it is the Government's role to invest $90m in a pipeline from Wallumbilla to Gladstone to help QAL. In fact, everything that I have read indicates that QAL is not ready to accept it. It is still buying oil on the world market at prices that are cheaper than it will ever obtain that gas for. I am not aware of any other business in Gladstone that has indicated that it wants to be on the receiving end of the gas from Wallumbilla.

I understand that the gas supplies in both the Surat Basin and the Denison Trough are finite. I realise that all gas supplies are finite. However, those supplies are more finite than others; they are limited. In the long run, a gas pipeline from Wallumbilla to Gladstone, which will be constructed at a cost of $90m, may not be a good investment. If it is not a good investment, private enterprise can go for its life and risk its money and its share-holders' money in it. That is what private enterprise is all about. If it goes broke, it goes broke, and loses its money. It will invest somewhere else. But it is not up to the Government to put money in. It is not there to help QAL, MIM, CSR or anyone else. Private enterprise will help itself if a Government creates and maintains an environment in which investments can be made in the full knowledge of all the risks involved. That is what Government is for. That is why I am objecting to this legislation. It is socialist in its intent and in almost every part of its implementation.

Mr TENNI: I do not know what the honourable member is all about. What we have done——

Mr Beard: I know you don't.

Mr TENNI: I sat down and listened to the honourable member. It is about time he listened to me.

As far as I am concerned, the pipeline would not have gone ahead if the Government had not taken the stand that it did. The stand that it has taken will not only—if the honourable member would like to change the word—"help" QAL and will not only "help" to continue to create the staff that QAL and other people in Gladstone have created through QAL's development there, but in fact it will also create an incentive for maybe two, three, four or five companies, that we know of at the moment, to go into other types of businesses there which in fact will create more employment, which in turn is what this Government is all about, even if the Liberal Party does not want to associate itself with employment in this State. It appears to me that the member for Mount Isa is a knocker of employment. He has certainly painted that picture very clearly here tonight. Neither this Government nor, thank goodness, the Labor Party, is about to join the Liberal Party in that type of action.

Clause 5, as read, agreed to.

Clause 6, as read, agreed to.

Clause 7—

Mr BEARD (11.58 p.m.): It is in clause 7 that I find one of the more objectionable features of this legislation, to which I referred in my speech a short time ago. Proposed new section 7B, which commences halfway down page 6 and moves on to the top of page 7 states, inter alia—

> "Where the rights, powers, authorities and entitlements of a holder of an authority to prospect or of a lease or license in relation to any activity are subject to any prescribed strictures or conditions, the corporation sole, in the exercise of any of those rights, powers, authorities or entitlements, shall be subject to and shall comply with such strictures and conditions:"

Good stuff! It goes on—

> "Provided that in no case shall corporation sole be liable—
>
> (a) to pay royalty;
>
> (b) to pay compensation to the Crown;
>
> (c) to suffer any penalty or forfeiture or to be prosecuted for an offence against this Act;
>
> (d) to have any authority conferred on it by this Act withdrawn otherwise than by an Act;
>
> or
>
> (e) act as a common carrier in relation to a pipeline."

I accept that the corporation sole, as a part of the Government, will not be paying royalties to itself or paying compensation to the Crown. I can live with those things; they are part of life. But to say there that provided that the corporation sole in no case shall be liable to act as a common carrier in relation to a pipeline should be considered when one turns over to page 9 and sees as part of clause 10 that—

> "A license granted under this subsection, whether before or after the commencement of the *Petroleum Act Amendment Act 1988*, shall be subject to the condition that the licensee shall accept and discharge the obligations of a common carrier and, as a common carrier, shall transport for reward, by means of the pipeline authorized by the license, petroleum the property of any other person."

When those two provisions are put together they give such an absolute advantage to the corporation sole—the Government pipeline that does not have to act as a common carrier—that it can pick and choose what it carries. On the other hand, the private pipeline-owner has no such right and must act as a common carrier without any opportunity to say, "This oil will harm the pipeline", or, "Putting it through at the same time with the other oil will damage, or be deleterious to, the quality of the other oil going through." They are not packages; they are not discrete parcels. When oil is mixed at one end, one cannot go to the other end of the pipeline and say, "This is oil A and that is oil B." If the corporation sole were to operate under the same strictures, limitations and conditions as are being imposed here on the private pipeline-owner, I would not now be on my feet arguing about this provision, but it provides an outrageous commercial advantage and I wonder why it has been given to the Government.

Mr R. J. GIBBS: The performance of the honourable member for Mount Isa, who is the Deputy Leader of the Liberal Party, astounds and amazes me. I have never seen a more postulating, fraudulent performance in this Chamber by a member of the Liberal Party than I have just witnessed. Earlier tonight, he spoke about his concern for private enterprise. He spoke up again in relation to this clause. To back up his argument, he referred to a section that really is irrelevant.

I would have thought—if honourable members could have followed the irrationality of his argument—that he would have been concerned about the proposed new subsection 7A. I must say to members of the National Party that, after a period of 16 years, I am more than delighted to see the National Party, by way of this legislation, paying homage to the late Rex Connor. Rex Connor was the Federal Minister for Mines and Energy in the Whitlam Government between 1972 and 1975. The very party that castigated him and argued against the concept of buying back the farm has tonight, along with members of the Labor Party, supported legislation providing as follows—

> "The corporation sole is and shall be deemed always to have been authorized—to search for, recover, acquire and refine petroleum; to dispose of petroleum and petroleum products; to construct, own, maintain and operate pipelines and oil refineries; to distribute petroleum and petroleum products; to do all acts necessary or convenient to the effectual exercise of any of the foregoing authorities."

Let me say quite unashamedly on behalf of the Labor Party that I support that legislation. I have no hesitation in saying that I believe there is an absolute necessity for Government to be involved in the development and protection of the natural resources of this State and of this country. The simple fact is that electoral boundaries and State boundaries do not give the spokesperson for the Liberal Party or anybody else the right to say how free enterprise shall "manipulate", to use the honourable member's words, the natural resources of this country. Natural resources belong to the people of Australia—not just to the people of Queensland, the Liberal Party's spokesman, me or anybody else. Natural resources belong to this nation. I am delighted that this Government is passing legislation that really enshrines the argument that the Labor Party has advanced for years. As I said, this legislation is a great compliment to the late gentleman who was part of the Labor Government at the Federal level between 1972 and 1975. Finally, the principle has been recognised.

The amazing part about the Liberal Party's attitudes to free enterprise and Government control is that I have not heard a squeak out of members of that party about operations engaged in by some of their principals—major members of the Liberal Party—in the recent crash and subsequent rescue of Rothwells Bank, which is a major sponsor and supporter of the Liberal Party. Some of the principals of that bank are major supporters of the Liberal Party, yet I have not heard a squeak out of members of the Liberal Party in relation to the Queensland Film Corporation. If ever there was an affront to that party's argument on private enterprise it would be the Queensland Film Corporation. The same people who are in the Parliament tonight were part of a coalition Government that propped up Evans Deakin with taxpayers' money against the Liberal Party's own free enterprise argument. The group that was part of that decision-making

process is the same group that supported the legislation passed by this Parliament to establish Suncorp. It changed not only the SGIO's name but also the whole structure of the organisation, including the employment structure that affected the public servants who were employed by the SGIO.

The Liberal Party supported every quango that was set up during the 26 years that it played a role in Government. It supported this Government's purchase of Ariadne shares and never raised a question about it. That purchase cost the tax-payers of this State $22m through the SGIO, which in now Suncorp. That money has been lost through that investment. The Liberal Party supported the De Laurentiis film studio when Government money was poured into it.

I ask: where does the Liberal Party's free-enterprise argument stand? It has no argument, and I have to say that Mr Beard's performance tonight was lamentable. He reminds me very much of a quasi-working class boy from Mount Isa who is desperately grasping at straws because he does not have in his mouth the plum that his Leader and his other comrades sitting behind him have acquired from those fine educational institutions. They look at him and see a poor, pathetic man. It was a dreadful performance in this House tonight. He was desperately trying to prove himself by standing up and competing with them. He cannot put in his mouth a plum that is acquired from those fine educational institutions——

The TEMPORARY CHAIRMAN (Mr Burreket): Order!

Mr R. J. GIBBS: I will return to the Bill, Mr Temporary Chairman. I find it incredible that the honourable member for Mount Isa stands up and argues about a clause of the Bill which is pretty irrelevant. If he was to follow through his argument and show concern for private enterprise, he should have attacked proposed new section 7A that relates to the powers that this legislation gives to the Government.

The Labor Party supports the Bill and clause 7. This was a lamentable and pathetic performance by the Deputy Leader of the Liberal Party.

Mr BEARD: Everyone tells me that it is every new member's ambition to be noticed by the honourable member for Wolston. I am told that every young man who comes into this Parliament prays that one day the member for Wolston will notice him and say, "Good afternoon". I am overwhelmed to have had five minutes of his undivided attention. I cannot wait to get a copy of *Hansard*, clip it out and post it all around my electorate and say, "I have arrived. The member for Wolston has noticed me." I do not mind if he uses terms such as "fraudulent", "plum in mouth" and "quasi-working class", because that is exactly my background. The trouble is that the honourable member cannot bear to think that someone who has come from a background that is similar to his might be able to see that the future of this country relies on entrepreneurs who get out and make a quid and, in so doing make the country wealthy. It does not surprise me at all that the honourable member feels very much at home with this legislation and is in agreement with the National Party. I say to him, as I said to the Minister, "It is right up your alley."

Turning to proposed new section 7A—the honourable member for Wolston was dead right; I should have debated that part of the clause as well. However, bearing in mind the hour, I picked out a few highlights on the way through and was not going to debate every word in the clause. Rex Connor would be proud of the proposed new section 7A, and it has come from a National Party Government in Queensland instead of a Labor Party Government in Canberra. It is a classic statement of the socialist aims and ideals, and therefore I oppose it. I thank the honourable member for ensuring that that is now recorded in *Hansard.*

Mr TENNI: I will not go through all that. The honourable member for Mount Isa did not understand the term "common carrier" that I spelt out previously. I will abbreviate it in a way that I hope he understands. A common carrier is intended to

stop an operator from discriminating and from obstructing development. That is important. I ask the honourable member to remember that, and I hope that it sinks in.

The Government pipeline is intended to provide development by private enterprise by providing transport where it would not otherwise have been available. The honourable member should congratulate this Government for creating private enterprise and assisting it to create work. I know he will come back and say that the Government should not be doing this and that it is not right, but this Government has to take the lead. Unless the Liberal Party realises that it must join in, give a lead to the people of this State and assist where possible—and that lead can be taken so that private enterprise can get running and create the necessary employment in this State—it will not get too far.

Mr INNES: Could the Minister, who is obviously very well informed on these matters, inform the Committee whether there are any private-enterprise constructed and owned pipelines in this State and, if so, where they run to?

Mr TENNI: Yes, there are. If the honourable member did not know that, let me just assure him that we on this side of the Chamber ride the horse; he sweeps up afterwards.

Mr INNES: I refer to the droppings that fell from the Minister, and I ask him: where do they run to?

Mr TENNI: There is the Moonie oil pipeline and the Roma to Brisbane gas line. I hope that helps the honourable member. I thought he would have known that.

Mr INNES: I had a suspicion that that was indeed the case. Surely that is the answer to the question of what a private-enterprise Government should do. The reality is that, if the need is there, private enterprise will build it. What the Minister is doing is spending $90m without a contract from QAL in hand and without a contract in hand from any of the other groups that he says are having discussions with the Government. One would have thought that the Minister would have come before the Assembly with an indication of the firm contracts, or the firm commitments, that are in hand before he spent $90m of public money building something that at this stage is still speculative. The reality is that, if it was clearly beneficial as a feedstock to an industry at the moment, private enterprise could offer to build it and no doubt the Government would allow private enterprise to build it. Is that right?

Mr TENNI: I do not know whether it is worth answering that question. I do not know how to spell it out for the honourable member. Apparently he was asleep when I spelt all this out before. Now that he is awake, I will have another go for his benefit. The fact is that the Government tried to get someone interested in building the pipeline. No-one was interested, so the Government has taken the lead.

Mr Innes interjected.

Mr TENNI: I sat down and listened to the honourable member. I ask him to listen to me for a change. If he does, he might learn something.

The fact is that the Government has taken the lead. The honourable member should not worry about the contracts.

Mr Innes: "Don't you worry about that."

Mr TENNI: The honourable member should not worry about it. It will be all right.

By the time that the Government receives the tenders, the contracts will all be signed up. Have no worries about that. What the Government is doing is for the State of Queensland. Why the Liberal Party in this State is not prepared to make sure that it takes place and why it is acting like knockers and like yo-yos, going back and forth across the Chamber all the time, I will never know. Perhaps that is why members of the Liberal Party are on that side of the Chamber.

Clause 7, as read, agreed to.

Clause 8—

Mr BEARD (12.14 a.m.): I had intended to let this clause pass, but I was terrified that that awful man from Wolston might get up and say that I had missed another little socialist trap and berate me again for the benefit of his electors.

Mr Gately: Get up and give him a serve, Bob.

Mr BEARD: I want it noted that Mr Gately is joining with Mr Gibbs. That is beautiful to see.

Clause 8 provides for a new subsection 7D, which deals with the extent of liability of the corporate sole. I wish to draw the attention of the Committee to the following parts of the clause—

> "(c) in the case of injury to the person, when so required by the corporation sole, the person alleged to be injured submits to examination by a legally qualified medical practitioner nominated by the corporation sole . . .
>
> (d) . . . the plaintiff permits a person nominated by the corporation sole to have access to and to inspect the property in respect of which loss is alleged to have been suffered . . ."

Why does the corporation sole have an advantage over any other defendant in any other legal case anywhere in Australia in that it can nominate the medical practitioner to examine the person alleged to have suffered injury and that he can nominate the person to have access to, and to inspect, the property alleged to have been damaged or destroyed?

Once again, that continues the trend right through the legislation that the corporation sole has outrageous commercial advantages over the private owner all the way through, which is exactly the reason why Mr Gibbs keeps supporting it.

Clause 8, as read, agreed to.

Clauses 9 to 15, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr Tenni, by leave, read a third time.

PENALTY UNITS ACT AMENDMENT BILL

Second Reading

Debate resumed from 14 April (see p. 5932).

Mr BRADDY (Rockhampton) (12.17 a.m.): The Bill seeks to amend the Penalty Units Act, which was legislation that passed through this House in 1985 with the support of the Opposition.

I note that, in his second-reading speech, the Attorney-General said—

> "The value of a penalty unit is presently set at $50, and by adjusting such value from time to time, the level of fines imposed should be increased with a consequent benefit to the public revenue, whilst at the same time keeping in accord with the deterrent intentions of the legislation."

I note the honesty of the Attorney-General in talking about the consequent benefit to the public revenue. That is an unfortunate aspect of the legislation which cannot in essence be supported by the Opposition, because the Government has moved too quickly to increase the benefit to the public revenue in this matter.

Only two years ago, a penalty unit was fixed at $50. As indicated in the Minister's second-reading speech, the Consumer Price Index has increased the equivalent of the

penalty unit to in excess of $57. Therefore, the Minister has increased its worth to $60. Clearly, he has increased the penalty unit to $60 not only because it is a round figure but also because it increases the fines and the amount of revenue that the Government will obtain.

When the legislation was debated by the House on 9 October 1985, the shadow Attorney-General, as he then was, Mr Goss, referred to the keeping of proper statistics on criminal matters. It is a pity that the Government is not more anxious to do that rather than increase its revenue. Throughout Australia there is concern about the number of people who are imprisoned for failure to pay fines. It would be beneficial if at this time, when a committee is conducting a review of the prison system, we knew exactly how many people were imprisoned for failure to pay fines and how many prisons have to be built or maintained to imprison fine-defaulters.

I would have thought it would be better value if the Government had set about establishing a unit of crime statistics, as Mr Goss suggested in October 1985, so that honourable members could really understand just what is going on in Queensland in relation to fine-defaulters. Honourable members know now, of course, the tragedies that have occurred in prisons in Queensland and elsewhere in Australia, particularly in relation to young men who are there only because they did not have the ability to make their fine payments. Such a move would have been more beneficial at this time than seeking quickly to increase the penalty units from $50 to $60. It is therefore, I suggest, a matter for some criticism that the Government has moved at this time to do that. Certainly I do not give the Government the approbation of the Opposition in that regard.

I urge the Government to consider very carefully the matter of imprisonment of fine-defaulters. Certainly the Opposition will be examining very carefully any recommendations that come from the Kennedy committee of review into prisons to see with what care that committee has examined this particular problem. That committee does not have the benefit of the statistics to start with. However, clearly it is a matter of which all Governments and all Parliaments should be aware. The problem is there and the Government should be seeking alternative methods of punishment rather than imprisoning young people for failure to pay fines. I would have hoped that the Government would be more anxious in that regard.

There is still time. Perhaps the Kennedy committee of review will start the ball rolling in that regard. Certainly I suggest that the Justice Minister give careful consideration to that, as the Opposition will, when that particular report is handed down.

It seems to me that the Kennedy committee has shown some energy and intelligence in the way it has gone about its business. I commend that committee for the way in which it seems to have handled its work so far, and I commend the Minister for Corrective Services for establishing that committee. It is certainly to be hoped that something beneficial will come out of it for prisoners, for victims and for prison officers. Certainly, alternatives to imprisoning fine-defaulters is one aspect that must be considered in that report.

In the circumstances, the Opposition does not approve of this legislation but it accepts that the Government is proceeding with it. It is on the Government's head that it has seen fit to increase the penalty units at this time. The Opposition certainly has grave reservations about it. However, the whole aspect will be debated further when the Kennedy committee report is handed down.

Mr INNES (Sherwood—Leader of the Liberal Party) (12.23 a.m.): It seems extraordinary that a Bill that was introduced to provide a fixed means to deal with the matter of inflation and to make a penalty imposed by way of monetary value constant in its equivalent deterrent factor now falls for amendment not just as to mechanical matters, which have been found to create a problem and in relation to which the Liberal Party has no objection—that is, the application of the Act to wider situations than those that

were envisaged at the time—but also so that the Government can take the opportunity to break away from the principle of its own formula.

In 1985 the Liberal Party supported the development of this legislation so that honourable members did not have to come back constantly and change the penalties in all the Acts of Parliament. The formula was introduced then, which had as a factor the rate of inflation. That formula has applied.

I think that the current value of a penalty unit—which started off as $50—is $57. Any penalty imposed by the courts would be calculated on the basis of $57 per penalty unit. I think I am right in saying that. The Minister might indicate in his reply if I am wrong.

The Minister is now taking the opportunity to change not only the mechanical application of the Act but also the formula to raise the unit value from $57, which is the correct figure by the application of the original formula, to $60. It is interesting to note the way it is expressed in the Minister's second-reading speech. The Minister said—

> "The value of a penalty unit is presently set at $50, and by adjusting such value from time to time, the level of fines imposed should be increased with a consequent benefit to the public revenue, whilst at the same time keeping in accord with the deterrent intention of the legislation."

The Government places the benefit to revenue ahead of the deterrent intention of the legislation. I would have thought that was always the primary purpose—the deterrent imposed by the fine. It is clear that the benefits to the revenue are now elevated beyond the deterrent intention of the penalty to the extent of another $3 in every $57.

Mr Beanland: It is hardly a low tax.

Mr INNES: As the honourable member says, it is hardly a low tax. It is the same thing that operates with regard to the dispersal of policemen in this State. If somebody wants to find help against house-breaking and assault in the streets, it is nowhere to be found—except to examine the broken window or the scene of the crime. But find a good steep downhill run and one will find a collection of six policemen, because that is revenue-collecting.

Mr Beanland: That's it.

Mr INNES: The member for Toowong agrees with me.

As a person drives down Miskin Street in the honourable member's electorate, which is one of the steepest streets in Brisbane, he will see six policemen on the side of the road at the bottom of that half-kilometre hill. There is no habitation and there are no residences in that area. But a person cannot find those policemen to stop the thousands of dollars worth of damage that is caused by the painting of graffiti in my electorate by train-boarding vandals or people who broke into the 103 houses in one suburb in my electorate two or three weeks ago. Nor can policemen be found by people terrified in their houses by other people wearing stockings or balaclavas over their heads. The police in this State feel that the impulse is the compulsion—the money-grubbing by the financial tentacles of the Government—that is going on throughout this State. That is the same thing, as I said, that terrorised the agents of the Bank of Queensland. The Government is changing the law as it has operated for five years and getting the police out chasing revenue instead of doing their more important job of protecting the person and property. This is another aspect.

The Government is taking the opportunity to move away from the principles of the legislation, which were that from 1985 onwards fines would be adjusted automatically for inflation. Just adding another $3 will bring hundreds of thousands of dollars, if not millions of dollars, in revenue, to the Queensland Government. It is money-grubbing. The Government has broken its commitment. It has broken the formula and the force of the legislation. Nothing is consistent. Private enterprise is not consistent; the principles of the application of law are not consistent; and the Government's attitude to taxation

is not consistent. The Government breaks the principles and it breaks its own alleged rules as often as it keeps them. The Liberal Party does not support the part of the legislation that seeks to take this opportunity to money-grub for more revenue. The members of the Liberal Party are quite prepared to stick with the extended application of the original formula and its original unit value.

Hon. P. J. CLAUSON (Redlands—Minister for Justice and Attorney-General) (12.29 a.m.), in reply: I thank honourable members for their contributions to the debate. However, I felt that the member for Rockhampton and the member for Sherwood ignored the deterrent aspect of the legislation in favour of the public revenue aspect as the basis of their arguments. However, I point out that in 1985 the penalty unit was set at $50. The CPI indicates that in September 1987 the penalty unit should be $57. I would think that in all the circumstances it is appropriate to take the penalty unit of $60, which is the nearest round figure to $57. The maximum amount of penalty units is being increased. It is up to the courts to decide the appropriate penalties in particular cases.

Liberal Party members interjected.

Mr CLAUSON: I hear honourable members from the Liberal Party guffawing like the asses that they usually make of themselves. If they sat down and thought about it for a little while, they would realise that that is the case.

Because judges have a discretion, there will probably be no real revenue effect as a result of the change to the Penalty Units Act.

On 9 October 1985 during the debate on the original Bill, the then shadow Attorney-General, Mr Goss, stated—

> "I agree that the fines imposed on offenders should be related to current monetary values. It is good to have the safeguard that the value of a penalty unit is included in the legislation and therefore we will have to come back to this place to establish a new penalty unit when it is deemed necessary for that to be done. Such a matter should be scrutinised by the Parliament."

There is no inbuilt formula in this legislation. The honourable member for Sherwood was barking up the wrong tree when he said that there was. As Mr Goss quite accurately stated, the amount of the penalty unit was intended to be amended by Parliament. At that time the amount was fixed at $50 per penalty unit. No set formula was fixed at that time. We are back here to debate the issue as to whether the amount of a penalty unit should be increased to $60. Honourable members have had their opportunity to debate the issue.

Motion agreed to.

Committee

Hon. P. J. Clauson (Redlands—Minister for Justice and Attorney-General) in charge of the Bill.

Clauses 1 to 7, as read, agreed to.

Clause 8—

Mr INNES (12.33 a.m.): This clause sets the value of the penalty unit. As the Minister indicated in his second-reading speech, a calculation using the normal criterion of the inflation rate takes 50 to 57, not 60. With a lofty wave of the hand the Minister says, "We will round it off to 60."

The Liberal Party does not believe that that figure should be rounded off to 60. If 57 is the figure, 57 is it. The Minister said that members of the Liberal Party guffawed. We certainly did, because the Minister said that the provision simply alters the maximum penalty. It is perfectly clear that what is intended is the alteration of the maximum penalty. The alteration of the maximum penalty is supposed to raise the horizons of the

courts so that they alter their penalty units according to the current values as indicated by the variation of the maximum penalty. What was half of $100 perhaps 10 years ago—a $50 fine—today would be half of whatever the maximum is, if one applies a parity of reasoning. That is the whole purpose of it—to have a standardised system in which there is an adjustment for inflation.

The Liberal Party will not agree to this lofty change—as the honourable member for Moggill said by way of interjection earlier—from what should be 14 per cent to 20 per cent.

This legislation was introduced in 1985. At that time it was stated that it would keep pace with inflation; that if it came back before this Assembly it would register inflation. We have been told what the inflation rate is. We will stick with that, but not for another $3 in every $50.

Mr CLAUSON: I point out to the honourable member for Sherwood that the $57 allows for the CPI increases to June 1987. If the inflation rate is taken at 7 per cent, or even 6 per cent, as Mr Keating likes to think that it is, that takes it so close to $60 that it is not worth worrying about. In those circumstances I think the honourable member is still barking up the wrong tree.

Question—That clause 8, as read, stand part of the Bill— put; and the Committee divided—

AYES, 41		NOES, 31	
Ahern	Littleproud	Ardill	Scott
Alison	McCauley	Beanland	Sherlock
Austin	McKechnie	Beard	Smith
Berghofer	McPhie	Braddy	Smyth
Borbidge	Menzel	Casey	Warburton
Burreket	Muntz	Comben	Warner
Chapman	Neal	D'Arcy	Wells
Clauson	Nelson	De Lacy	
Cooper	Newton	Eaton	
Elliott	Randell	Goss	
Fraser	Row	Gygar	
Gately	Sherrin	Hayward	
Gibbs, I. J.	Simpson	Innes	
Gilmore	Slack	Knox	
Harper	Stoneman	Lee	
Harvey	Tenni	Lickiss	
Henderson	Veivers	McElligott	
Hinton		Mackenroth	
Hobbs		McLean	
Katter	*Tellers:*	Milliner	*Tellers:*
Lester	FitzGerald	Palaszczuk	Davis
Lingard	Stephan	Schuntner	Prest
PAIR:			
	Hynd		Campbell

Resolved in the affirmative.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr Clauson, by leave, read a third time.

SPECIAL ADJOURNMENT

Hon. B. D. AUSTIN (Nicklin—Leader of the House) (12.43 a.m.): I move—

"That the House, at its rising, do adjourn until a date and time to be fixed by Mr Speaker in consultation with the Government of the State."

Motion agreed to.

ADJOURNMENT

Hon. B. D. AUSTIN (Nicklin—Leader of the House) (12.44 a.m.): I move—

"That the House do now adjourn."

Shut-down of Electricity-generating Unit, Gladstone Power Station

Mr PREST (Port Curtis) (12.45 a.m.): In only 30 minutes' time this House will go into recess until the next session of Parliament, which will be opened in August. I wish to place on record that it is common knowledge and of great concern to me that the Queensland Electricity Commission intends to shut down one generating unit of the Gladstone Power Station because of the surplus power generated in the State. I would like to be assured that the shut-down is just not on. This shut-down will cause between 130 and 150 power-workers to be paid off by the QEC.

An industrial group by the name of Mimproc wants to establish a chemical industry to produce cyanide which would require electricity as a form of energy. If the Government had been able to come to a suitable arrangement with Mimproc about the cost of electricity, there would have been no need to close down the unit and throw the workers out of employment. It is hard to realise that the State Government has chosen to close down this generating unit, and put men out of work, hereby causing hardship to their families and to the economy of Gladstone.

Mr Tenni: That is not true.

Mr PREST: I am led to believe that this company would not only employ workers on the construction of the $44m plant, but also create a permanent work-force of considerable size. It would mean an annual saving of $32m on imports into Australia and would increase Australia's annual exports by $10m.

I ask both the Minister for Mines and Energy, Mr Tenni, and the Minister for Industry, Mr Borbidge, to give further consideration to the application by Mimproc to build this chemical plant in Queensland and to use electricity as a form of energy. Both Ministers have confirmed that discussions have taken place between the Government and officials representing Mimproc, but it seems that neither Minister is sure exactly what stage the discussions have reached. If the point has been reached that a generation unit is to be shut down and the power-workers paid off, I urge the Ministers to have further discussions and give serious consideration to any proposal that is placed before them which would use Queensland's electricity and keep these men in work.

A lay-off of further power-workers is the last thing that I wish to happen. I urge this Government to do everything possible to sell Queensland's electricity to any project that is worthy of consideration, especially if such a project meets health regulations, environmental control and any other conditions required by this Government and the local authorities of the area.

This Government will have a problem attracting industry to Queensland if the cost of electricity is not competitive with that in New South Wales, Victoria, Tasmania and Western Australia. I believe that the price of power that has been offered to Mimproc by Queensland is the third highest in Australia, with only South Australia and the Northern Territory having a higher price. If that is the case, this Government should continue its negotiations with that company and, if at all possible, reach an agreement which will save this generating unit from being closed down.

It was interesting to hear the Minister interject earlier, "That is not so." I raise this matter tonight in order to give an assurance not only to the power-workers of the Gladstone Power Station, but also to the business people of the city that a shut-down is not on. I thank the Minister for his interjection and sincerely hope that other major companies will come into Queensland and use the excess power in Queensland, especially as the new Callide Power Station will officially open in early May.

Time expired.

Proposed State Government Tax on Tobacco Products

Mr GILMORE (Tablelands) (12.50 a.m.): It is with some sadness that I rise to speak this evening. I do so to raise a matter of the utmost gravity concerning my own electorate—the proposal to apply a tax to tobacco products in the State of Queensland. As 95 per cent of all tobacco grown in Queensland comes from my electorate, it is a tax that will affect my electorate only. It is a matter that I intend to bring to this House with the utmost force.

The tobacco industry in my electorate produces annually some $40m worth of product—indeed, this year it will be more like $42m—which amounts to 70 per cent of the rural product from the Tinaroo irrigation scheme. It was built to foster and develop the tobacco industry. The industry is now faced with a predicament, in that there is a concerted effort by Governments right across Australia and across the world to reduce the consumption of tobacco products.

As a Government we cannot attack an individual primary industry in this manner. It is the single most important industry in my electorate and it is an industry which will be gravely affected by the application of any tax on tobacco products in this State.

I have made a protracted and in-depth study of the matter. I have consulted with the industry at both the primary and secondary levels. I have consulted with the Mareeba Shire Council and with Government departments and have produced a lengthy volume on the subject. Because of the nexus between the consumption of tobacco products in Australia and the production of tobacco products, and because of the structure of the stabilisation scheme and an agreement made under the General Agreement of Tariffs and Trade, I have discovered that any tax applied to tobacco products in Queensland must interfere with the consumption of tobacco products in Australia and will therefore affect the production of tobacco products in my electorate.

I believe that there is a coefficient of elasticity of price to quantity of consumption which amounts to minus 0.6 per cent. That simply means that, for every 1 per cent increase in price, there is a 0.6 per cent decrease in the consumption of tobacco products. That has been borne out by several studies that have been done on the subject, and I believe it to be accurate.

Any proposal to introduce a tax of this nature that will have a negative effect on the consumption of tobacco products will cost each tobacco-farmer in my electorate, on average, about $1,300. It is a proposal that the Government should not countenance; it is a proposal that I will not countenance, and I will oppose it to the bitter end.

Arguments in favour of increasing the price of tobacco products as a means of reducing the consumption of tobacco smack of gross hypocrisy and should not be used at any time. This is a legal product. It is legally produced. If it is so bad, I suggest that it be banned altogether. The Government should not tax it in an attempt to starve it out. I suggest that the Government ban it so that it is no longer grown and so that it is no longer a matter of concern for us as a Government or as a community.

Time expired.

Preservation of National Trust Listed Buildings on Expo Site

Mr PALASZCZUK (Archerfield) (12.55 a.m.): I want to go on public record as being in complete support of the National Trust of Queensland's position statement on the World Exposition site redevelopment. The National Trust has performed an outstanding service not only for the people of Queensland but also for all Australians in preserving for future generations the heritage of our past. Unfortunately for the National Trust, the preservation of the heritage of the past seems to have assumed importance in Queensland only in recent years.

If we had been more interested in heritage preservation in years gone by, Brisbane would not now be a city of concrete canyons lined with impersonal fingers of steel and glass. There is precious little of our heritage to be seen in the central business district.

Our planners and builders had the notion that is was necessary to destroy the old and rebuild to make a city attractive. Fortunately, that idea is fast fading.

During Heritage Week, which was last week, it was pleasing to see that the Lord Mayor lent her support to the preservation of the historic buildings on the Expo site, namely, the Plough Inn, the Ship Inn and Collins Place. I am sure that the National Trust is delighted. However, if the Lord Mayor tried a little more, I am sure that she would be able to prevent those buildings from being taken away from us. I am also sure that the members of the National Trust threw up their hands in horror when the present Premier of Queensland supported the demolition and removal of those historic sites.

The salient point that has been overlooked in this stupid suggestion is a very simple one: "You cannot transport history." As I have said previously in the House, those buildings are prized not only for their architecture, but also for their historical association with the area in which they are located. The area is a link with the maritime past of Brisbane. They, together with the dry dock, are a part of the growth of the port of Brisbane. To demolish those buildings and rebuild them on another site destroys their historic significance. At this point, I seek leave to incorporate in *Hansard* a document that explains fully the value of the three buildings in question.

Leave granted.

NATIONAL TRUST OF QUEENSAND

POSITION STATEMENT ON WORLD EXPOSITION SITE REDEVELOPMENT

The National Trust of Queensland totally opposes the reported plans to relocate three historic buildings standing within the world exposition Site, South Brisbane, during redevelopment of that site. The buildings are the Allgas Building, the Plough Inn and Collins Place.

Land on which the Allgas Building stands was acquired by William Joseph Connolly by Deed of Grant on 15 March 1855 and the present building was erected in 1885. It was known as the Caledonian Building and occupied by the firm of Allen & Stark—a prominent firm in the history of Brisbane. The Plough Inn stands on land acquired by George Gipps Orr on 2 September 1856 and the original Plough Inn opened on that site in 1864. The present Inn was built in 1887. The site of Collins Place was bought at public auction in Sydney by John Collins in July 1857 and he sold it to Michael Foley, a prominent publican and investor, on 6 November of that year. Although the date the present house was built is in question, by 1890 it was advertised as a "superior residence" and offered for rent by Michael Foley.

These buildings in their present location are tangible examples of the heritage of Brisbane. They are fine examples of substantial buildings erected to meet the needs of their municipality of the day. The Allgas Building, designed and positioned to capitalise on the commercial activity of South Brisbane, and the Plough Inn, purpose built to cater for the needs of workers in both the commercial and waterfront sectors, complement each other in their present positions and mark the alignment of the chief commercial street of nineteenth century South Brisbane. Similarly, Collins Place is the sole reminder of the days when Grey Street was principally a residential area with some of the more affluent residents of South Brisbane living there. The buildings are important, not only because of their architecture, but also because of their position.

The importance of positions is recognised by Article 9 of the Burra Charter adopted by the International Council of Monuments and Sites (ICOMOS). Article 9 asserts that a building should remain in its historical location. Moving it is unacceptable unless this is the sole means of ensuring its survival. As the location of these buildings is historically significant and they need not be moved for their survival, Article 9 should apply in their conservation.

The National Trust of Queensland does not entertain the notion that the buildings in their present positions are relics of a by-gone era and would be enhanced by relocation into an "historical village." Relocation would greatly diminish their historical value and cultural significance. Indeed, if relocation entails demolition and reconstruction, not only is the historical significance severely diminished, but the fabric of the buildings is materially altered as well. Redevelopment of the Exposition Site should take cognizance of the significance of the three buildings in their historical locations and plans should be made to complement them rather than to degrade them.

To remove these buildings and reassemble them eleswhere, perhaps as replicas of their former selves, would destroy the last authentic vestiges of the heart of nineteenth century South Brisbane. Therefore, the National Trust of Queensland opposes any plans to relocate the Allgas Building, the Plough Inn and Collins Place. The Trust contends that, because of their cultural significance, the buildings should be conserved in their present positions and complemented by future development of the World Exposition Site.

Mr PALASZCZUK: If we follow the same line of reasoning, why should we not relocate the Jondaryan Woolshed closer to Brisbane as a more accessible tourist attraction? The Rocklea showground in my electorate could be a possible site. Of course, that

proposal is as absurd as the Expo site redevelopment proposal. I am sure that the member for Cunningham would agree with me on that matter.

It is sad to say that the battles fought by the National Trust have not always been successful. However, it has not been for the want of trying. The one that always seems to come readily to mind is the infamous midnight destruction of the Bellevue building. That was to the eternal shame of the Bjelke-Petersen Government. Let it be remembered that many of the Ministers in the Ahern Government were willing participants.

Other well-known demolitions that disheartened the National Trust are those of Cloudland Ball Room, also demolished by stealth; the Adelaide Steamship Company building; and the bank on the opposite corner at Queen and Wharf Streets. The developer could not get them down quickly enough. Fortunately, the People's Palace was saved. The Canberra Hotel was demolished to make way for the world's tallest building. Luckily, that will not now go ahead. But that has not stopped the preparations from reaching the comic farce stage. I am sure that the National Trust will agree that that will add nothing to our heritage. In fact I am sure that future generations will shake their heads at our stupidity.

Mr Stephan interjected.

Mr PALASZCZUK: And they will also shake their heads at the Government members who are interjecting so vehemently.

One could go on for hours and list the wilful destruction of our heritage in the name of progress and, of course, of greed. I support fully the National Trust in its endeavours and I wish it all the best in the future.

Effect of Wet Weather on Sorghum Crops on Darling Downs

Mr ELLIOTT (Cunningham) (12.59 a.m.): I wish to draw to the attention of the House the plight of the people in the sorghum-growing areas of the Darling Downs and other areas who have been affected by floods recently. I was concerned about a statement that was made by the chairman of the Barley Marketing Board. I was amazed that he would make a statement that had the effect of talking down the market. Firstly, I take issue with the chairman of that board on a matter of principle, which is that in a position such as he holds he would see fit to make a statement that would have that effect. I am absolutely amazed that he would do that.

Secondly, I take issue with him on the conclusions that he has drawn about the demand for sorghum. Basically, he was saying that the quality of the article was reduced substantially. In the area of eye appeal, that could well be true. Obviously, white sorghum in particular has been weathered and has some mould on it.

I took the trouble to get a sample of white sorghum and asked the Minister to have it tested at the DPI laboratories. The results are very interesting. In fact, the moulds that are attached to that white sorghum are not toxic in any way, shape or form.

Tests were also carried out to see whether there has been any build-up of alfatoxins due to the weathering process. In fact, neither of those things have happened. The conclusions are that that white sorghum is in fact still very palatable and good quality stock feed.

A test was also carried out in respect of the protein level. I personally find it quite hard to understand, but apparently there is some process that occurs during the weathering of sorghum. The particular sorghum that I gave to the Minister to have tested had had 12 inches of rain on it over a prolonged period. If that is not a reasonable test of weathering, I do not know what is. Yet it is claimed that the protein level has not dropped; that in fact there is a fair possibility that it has increased. I am not a chemist. I do not know just what goes on. Perhaps the fungus growth or whatever it is may be able to attract protein from the atmosphere through that process, in a manner similar to that of some other plants. That may explain it.

The point I make is that I am amazed that a leader of a commodity board would make such a statement. I challenge the validity of his assumptions. The proof of the pudding, as they say, is in the eating. I have just sold some of that weathered sorghum for $100 a tonne on-farm, and yet the chairman has been suggesting that this product has been reduced in value to such an extent that its value is way, way below that price. I do not think that he has taken into account the hand-feeding of stock that is taking place. There is obviously a very good market for such sorghum in the dairying areas of the Northern Rivers of New South Wales. My colleague the member for Southport, who is an old dairy-farmer and is capable of doing a bit of work and getting up early in the morning occasionally, would well know that there is a very high demand in that area.

Many properties have been flooded for such a long period that all of the fodder crops and grass are dead, they are absolutely history. Winter is near. A lot of hand-feeding will have to be done. There was never a lot of sorghum in the market, anyway. I challenge anyone to have a look at what was planted. Quite frankly, the amount of sorghum crop was overestimated. The western areas of the Darling Downs grew hardly any sorghum at all.

I believe that we should not be talking the market down. In fact, I believe that the value of sorghum will rise. I urge all of the growers to think very seriously before they allow anyone to panic them into selling sorghum at a low or reduced price——

Time expired.

Education Act Amendments; Permanent Part-time Teaching; Route 20, Meeting with Deputy Premier

Mr SCHUNTNER (Mount Coot-tha) (1.05 a.m.): I will speak briefly about three issues. The first is amendments to the Education Act. It is high time that the Government made a significant statement about what is happening at present in relation to those amendments and what is intended throughout 1988.

All honourable members know that the amendments to the Education Act were passed in this House in November last year but, after the change of Premier and the Cabinet, were not proclaimed. It is understood that the Government has been seeking views on the changes that have been proposed, but how long will that process go on? What happens after those views have been received? Will they be tabled in this House? Will the Minister make a statement of intent to the House indicating what in fact is to occur? I think it would be highly undesirable if in about August or September another Bill were to be brought before this House as a result of those views without some significant statement prior to that so that people could gain an understanding of what is intended.

The second matter I raise is permanent part-time teaching. It is time that the Government stopped ducking the issue. It is quite obvious that permanent part-time teaching has been introduced in many parts of Australia and overseas and could be introduced into Queensland without any extra cost, as all salaries and other payments are on a pro rata basis. If 1 000 teachers were employed on a permanent part-time basis of the equivalent of half-time each, 500 extra jobs would be created. I am quite certain that there are at least 1 000 teachers in the service who would appreciate the opportunity to teach on a permanent part-time basis. Five hundred extra jobs would, of course, allow many of the unemployed teachers to gain employment. I repeat: it is time for the Queensland Government to stop ducking the issue and set about the implementation of permanent part-time work without delay.

The third point to which I refer is traffic Route 20 through the Bardon/Rainworth area. A couple of weeks ago I asked a question in the House. On 19 April the Minister answered the six parts in that question. He referred to a letter that he had written to me. The letter responded to the same six-part question that I finally was able to ask during question-time. However, the answers were different, particularly in relation to the fifth part of my question. From a further check of the conflict between those answers it is obvious that what the Minister told the House is not consistent with the facts. I

urge the Deputy Premier to sort out the confusion in his mind with reference to the answer that he gave in this House on 19 April to the fifth part of my question.

I refer also to the Deputy Premier's visit to Great Britain, where I understand he examined the videotaping of police interviews. In referring to that, I also mention the meeting that I had with the Deputy Premier on 28 January and the erroneous statements made by him in this House. I suggest to the Deputy Premier that, while he is looking at videotaping of police interviews, maybe he should look at the prospect of allowing members of Parliament who have meetings with him to have a videotape made of those meetings.

Remote Commercial Television Service

Mr HOBBS (Warrego) (1.09 a.m.): Tonight, I bring to the attention of the House the serious concern of the people in remote areas about television licences for the towns that wish to provide a commercial television service for their community. The problem has been simmering for a while and remained virtually undetected until the Queensland Government and North Queensland Television bit the bullet and provided a commercial television service for inland Queensland.

At this stage I commend the Government for the $2.5m subsidy that it provided to the Remote Commercial Television Service in an effort to get it off the ground and make it a reality, thereby providing a service to the people in remote areas of Queensland. As most people would know, the service was turned on and officially opened by the Minister on Sunday, 24 April.

The Federal Government may not process for at least 12 months the licence to officially operate many of these self-help television schemes that will provide a service to remote towns. That is where the problem lies. It must be made clear that those towns were not provided with free stations, as were many larger towns in Queensland. The smaller towns and councils have to provide their own funding and maintenance arrangements for their own rebroadcast stations.

Some applications for licences have been lodged for many months—in fact, from when commercial television was first considered to be a reality. It is obvious that the Federal Government has a low priority on the licensing of self-help television stations in remote areas. I call on the Federal Minister to expedite the granting of those outstanding licences and provide a fast-track method for local authorities and community-interest groups to obtain licences to rebroadcast commercial television in Queensland and all other remote areas of Australia.

Another problem that arises in relation to the installation of rebroadcast stations is that Telecom, which owns and operates the present ABC stations throughout remote areas, has tendered to install a commercial television service. Many of those tenders have been accepted by local authorities on the basis of the low tender prices. Because Telecom owns the present ABC facilities, it can reduce the capital outlay for the installation of commercial television by using the existing tower, dish, air-conditioning, power and other components. Telecom is faced with the decision of whether or not to install without a licence or do the right thing by the local authority and the citizens concerned, namely, erect the station and then request the Minister to eventually approve the licence and frequency provided.

I understand that there is a huge backlog of licence applications to the Federal Minister and that many unlicensed rebroadcast stations are operating throughout Australia. Those stations are unlicensed through no fault of their own. Private operators have lodged their applications. No doubt they are waiting in the hope that their licences will turn up. Being entrepreneurial, those people have proceeded with those installations.

This situation is not good enough. Some action is needed. I request the Federal Minister to approve all outstanding applications so that citizens living in the remote parts of Australia will be provided with a commercial television service which other people in Australia have enjoyed for the past 30 years. I rest my case.

Motion agreed to.

The House adjourned at 1.14 a.m. (Wednesday).

BILLS ASSENTED TO AT CLOSE OF SESSION

The following Bills, having been passed by the Legislative Assembly and presented for the Royal assent, were assented to in the name of Her Majesty on the dates indicated—

(3 *May* 1988)—

Central Queensland Coal Associates Agreement and Queensland Coal Trust Act Amendment Bill;

Employment, Vocational Education and Training Bill;

Land Tax Act and Another Act Amendment Bill;

Local Government Grants Commission Act Amendment Bill;

Mt. Gravatt Showgrounds Bill;

Retail Shop Leases Act Amendment Bill;

Revenue Laws (Reciprocal Powers) Bill;

Superannuation Acts Amendment Bill 1988;

Superannuation (Government and Other Employees) Bill.

(12 *May* 1988)—

Acts Amendment and Construction Bill;

Electricity Act Amendment Bill;

Financial Administration and Audit Act and Another Act Amendment Bill;

Penalty Units Act Amendment Bill;

Petroleum Act Amendment Bill;

Public Service Management and Employment Bill;

Queensland Grain Handling Act Amendment Bill;

Queensland Treasury Corporation Bill;

Statutory Bodies Financial Arrangements Act Amendment Bill;

Travel Agents Bill;

Workers' Compensation Act Amendment Bill.

PROROGATION

On 21 July 1988 the following Proclamation was issued by His Excellency the Governor—

A PROCLAMATION by His Excellency the Honourable Sir Walter Benjamin Campbell, one of Her Majesty's Counsel learned in the law, Governor in and over the State of Queensland in the Commonwealth of Australia.

[L.S.]

W. B. CAMPBELL,

Governor.

In pursuance of the power and authority vested in me, I, Sir Walter Benjamin Campbell, the Governor aforesaid, do, by this my Proclamation, prorogue the Parliament of Queensland to Tuesday, the Ninth day of August, 1988.

Given under my Hand and Seal at Government House, Brisbane, this twenty-first day of July, in the year of our Lord one thousand nine hundred and eighty-eight, and in the thirty-seventh year of Her Majesty's reign.

By Command, MIKE AHERN.

God Save the Queen!