NOTE: There could be differences between this document and the official printed *Hansard*, Vol. 315

THURSDAY, 2 AUGUST 1990

Mr SPEAKER (Hon. J. Fouras, Ashgrove) read prayers and took the chair at 10 a.m.

PETITIONS

The Clerk announced the receipt of the following petitions—

Declaration of Parts of Fraser Island as National Park

From **Dr Clark** (85 signatories) praying for action to be taken to declare all forestry and vacant Crown land on Fraser Island a national park.

Licensing of Firearms

From **Mr Slack** (124 signatories) praying that a licensing system for firearms be not introduced until public debate and alternative courses of action are investigated.

Similar petitions were received from **Mr Campbell** (101 signatories), **Mr Pearce** (98 signatories) and **Mrs Edmond** (42 signatories).

Literature and Films Boards of Review

From **Mr King** (8 540 signatories) praying for the maintenance of the Literature and Films Boards of Review and for a continuation of controls outlawing the sale of all pornographic matter.

Enforcement of Fisheries Rules

From **Mr Pearce** (96 signatories) praying for the appointment of more fisheries inspectors and for an increase in penalties for breaches of the rules.

Retention of Bread Industry Committee Act

From **Mrs Edmond** (2 signatories) praying that the existing Bread Industry Committee Act, including penalty provisions, be retained.

Golden Casket Office Replacement of Lotto Machines

From **Mrs Edmond** (378 signatories) praying for reconsideration of the decision by the Golden Casket Office to replace Lotto machines.

Petitions received.

PAPERS

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

Report of the Raine Island Corporation for the year ended 30 June 1989.

The following papers were laid on the table—

Orders in Council under—

State Housing Act 1945-1989

City of Brisbane Town Planning Act 1964-1988

Fire Service Act 1990

Rural Training Schools Act 1965-1984 and the Statutory Bodies Financial Arrangements Act 1982-1989

Industrial Development Act 1963-1987

Enterprise Zones Act 1988

Small Business Development Corporation Act 1980-1986

Retail Shop Leases Act 1984-1990

Fauna Conservation Act 1974-1989

Land Act 1962-1989

National Parks and Wildlife Act 1975-1989

Regulations under—

State Housing Act 1945-1989

Builders' Registration and Home-owners' Protection Act 1979-1989

Local Government Act 1936-1989

Fire Service Act 1990

Private Employment Agencies Act 1983-1985

Employment, Vocational Education and Training Act 1988

National Parks and Wildlife Act 1975-1989

Retail Shop Leases Act 1984-1990

Proclamations under—

Fire Service Act 1990

National Parks and Wildlife Act 1975-1989

Recreation Areas Management Act Amendment Act 1990

Notification under the Small Business Development Corporation Act 1980-1986.

MINISTERIAL STATEMENT

Foreign Investment Guidelines

Hon. W. K. GOSS (Logan—Premier, Minister for Economic and Trade Development and Minister for the Arts) (10.05 a.m.), by leave: Yesterday, I gave an undertaking to table in the House a statement on the Government's foreign investment guidelines. I now table a copy of a speech I gave to the Queensland/Japan Chamber of Commerce——

Mr Borbidge: You said you would table the guidelines.

Mr W. K. GOSS: The honourable member should wait. I now table a copy of a speech I gave to the Queensland/Japan Chamber of Commerce on 12 July. That 17-page speech contained a clear outline of the Government's position on foreign investment.

Mr Borbidge interjected.

Mr W. K. GOSS: To make it perfectly clear for the member for Surfers Paradise, I have extracted from that speech a two-and-a-half-page statement on foreign investment which will make it plain to everyone, even the member for Surfers Paradise, that the Government's position on foreign investment is clear and is there for everyone to see.

Mr Borbidge: Does Mr Ishihara have a copy?

Mr W. K. GOSS: Yes, he has. The principles contained in this statement will be incorporated in a booklet which will be published by the Queensland Government soon.

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

MINISTERIAL STATEMENT

Contamination at Mount Isa Childcare Centre

Hon. T. M. MACKENROTH (Chatsworth—Minister for Police and Emergency Services) (10.06 a.m.), by leave: Last month, the Government was alerted when suspected high levels of lead contamination were found in the grounds of a Mount Isa childcare centre. Government chemical laboratory testing on that site and on an adjacent block occupied by a Lutheran pastor and his family revealed that there were indeed unacceptably high levels of both lead and cadmium in the soil, and it was recommended that both sites be evacuated.

Further testing has since been carried out in that area to a radius of some three kilometres. The results of that preliminary testing have confirmed that, in Mount Isa, the Government is faced with an immense challenge and potentially Queensland's largest contaminated site to date. I emphasise at this point that the findings at Mount Isa are preliminary. We are only in the early stages of further testing, planning and management, but every action is critical.

We are dealing in Mount Isa with two very dangerous contaminants: lead, which is an accumulative poison, and which can impair mental development in children if they are subjected to prolonged exposure; and cadmium, which is also an accumulative poison, and which, in large doses, can cause damage to kidneys.

However, I am confident that all of those critical actions are being taken, and I would like to put on record at this stage that any alarm or anxiety about the town has been alleviated by the cooperation of Mount Isa Mines and its readiness to address the problem quickly and comprehensively. After the first test results were known, the company came forward and indicated its willingness to cooperate in identifying and cleaning up any contamination. I commend the company for that.

I hope that the attitude of that company will set a bench-mark and a point of reference for any similar situation which may arise elsewhere in Australia.

The preliminary tests show the following—

- Several areas outside the area of the St Paul's Church block are heavily contaminated with lead and cadmium.
- These include areas of the Barkly Highway State School, the railway yards and barracks, a playing field, a club car park and areas bordering on residential blocks.
- At this point dangerously high levels of cadmium in the railway yards seem to be confined to the railway tracks themselves. Further testing will be necessary here.

In light of these results, some early action has been co-ordinated by the Government's Chem. Unit. This includes—

- evacuation of the child-care centre and pastor's family;
- fencing off potentially dangerous areas of the state school;
- establishment of a comprehensive program of testing to be conducted jointly by MIM and Mount Isa City Council;
- appropriate levels for remediation of sites determined; and
- a draft management plan prepared for the area as a whole as well as for individual properties.

Mount Isa Mines is proceeding to draw up detailed plans for further assessment of the contamination, a public education program and a remediation program.

After sampling, analysis and assessment, individual management programs will apply to each area, depending on the land use and the chance of exposure to contamination. Some areas will be suitable for remedial action, that is, scraping and removing the

contaminated soil and filling the area with clean soil. It seems at this time that the State school fits this criteria. Other areas will perhaps need evacuation. That question will be determined by further testing. Most importantly, ongoing monitoring of all sites will ensure that there is never again the possibility of further problems.

Throughout this entire operation, the welfare of the people of Mount Isa will be the bottom line. The Chem. Unit's role in overseeing the work will guarantee that the Government's own strict guidelines are adhered to.

I have already referred to the potentially extensive nature of the contamination problem in Mount Isa and I emphasise there is no quick-fix. It may be some time before we are entirely satisfied that all the necessary actions have been taken and followed through. However, I believe the situation has already become a model for the manner in which these problems should be handled in the future.

The Government itself reacted swiftly and responsibly when the contamination was confirmed; Mount Isa Mines immediately assumed a responsible role in identifying, testing and remediating the sites; the Mount Isa City Council immediately offered assistance and resources; and the public—especially Mount Isa residents—have been widely consulted and involved at all stages. The occupiers of all properties will continue to be kept fully informed as the process continues.

The mistakes of the past will undoubtedly be of incalculable cost to us as each of them is discovered and addressed. However, the conduct following this incident gives me confidence that cooperation between Governments of all levels, the corporate sector and private individuals can minimise the anxiety and the cost—in human and financial terms—for all involved.

MINISTERIAL STATEMENT

State Transport Systems

Hon. D. J. HAMILL (Ipswich—Minister for Transport and Minister Assisting the Premier on Economic and Trade Development) (10.10 a.m.), by leave: I have a statement concerning a recent visit I made to New Zealand. Firstly, I table the itinerary of that trip.

Whereupon the honourable member laid the document on the table.

Mr HAMILL: Secondly, I seek leave to have my statement incorporated in *Hansard*.

Leave granted.

Mr Speaker . . . Honourable Members are aware of this Government's commitment to provide an efficient transport infrastructure and services.

In the few months we have been in office we have implemented wide ranging reforms in the transport sector.

The new Department of Transport has integrated the former Departments of Transport, Harbours and Marine, Main Roads and Queensland Railways into one cohesive unit.

We recognise the need for significant reforms in the State's rail and port systems.

In March this year, State Cabinet instructed the Policy and Planning Unit within the Department of Transport to undertake a detailed analysis of Queensland's port system.

Their recommendations are before the Government and I would like to express my gratitude for the excellent work they have performed.

In regards to rail, we have already taken significant steps to ensure Queensland's rail operations are placed on a more commercial footing.

I have exposed the myth perpetrated by those opposite that Queensland Railways makes a profit. It does not. In fact Queensland's general freight operations lose about one million dollars a day and in the interest of Queensland taxpayers I am taking steps to ensure this situation is addressed and rectified.

In order to broaden our perspective on micro economic reform I recently visited New Zealand to hold high level talks with Ministers and Chief Executives of New Zealand Railways Corporation, the Wellington Port Company and the Department of Transport.

These discussions proved fruitful in adding an important new dimension to the policy making process and created a greater awareness on the part of myself and members of my Ministerial Committee who accompanied me.

I would like to place on record my appreciation of the interest those colleagues, the Member for Nundah, Mr Phil Heath, the Member for Isis, Mr Bill Nun and the member for Greenslopes, Mr Gary Fenlon, have shown in this issue and the contribution they are making to the reform process.

Our aim is to provide an efficient, cost effective and responsive transport system to meet Queensland's needs in the 1990's and beyond.

MINISTERIAL STATEMENT

Transport Planning, South-east Queensland

Hon. D. J. HAMILL (Ipswich—Minister for Transport and Minister Assisting the Premier on Economic and Trade Development) (10.11 a.m.), by leave: I rise today to inform this House and the people of Queensland how this Government will integrate community consultation into its transport planning process. I can think of no Government initiative which better demonstrates the difference between this Government and its predecessor.

This Government recognises the impact transport planning decisions can have on individuals and their families and believes that the community has a direct role to play in the decision-making process. Our community consultation program is one element of a package of measures aimed at bringing some genuine direction to the transport needs of south-east Queensland.

I have already outlined to this House the operations of the South East Queensland Passenger Transport Study. This study takes the needs of passenger transport users as a starting point in developing policy. Today I add another series of initiatives, which together with the passenger transport study, will tackle the long-term issues of vehicle and freight movement through city streets.

Planning for the road and traffic needs of Brisbane and its neighbouring cities and suburbs is a complex issue and I do not pretend that there are easy or quick-fix solutions to the problems which confront us. What I am offering is a program of detailed study and community consultation which will bring these problems into sharp focus and help us find solutions which are acceptable to the community and which have a minimum impact on the urban environment. This will be achieved by—

- A freight study to provide accurate information and data on commercial freight operations through city streets. The study will consult closely with industry and the community to develop options to alleviate the impact of commercial freight traffic on urban environments.
- An investigation to begin immediately on a western route to by-pass the City of Brisbane. This study will examine all options, specifically the question of how close to the city the by-pass should be built.
- A community consultative process designed to give community input into broad area strategy and local roadwork programs. Local area consultative committees will be formed within the next month to examine five specific sections of Route 20, where both I and local residents have identified road safety problems which must be addressed. Another local area consultative committee will address the elimination of the open level rail crossing at Cavendish Road, Coorparoo, at the same time.

The process has been developed by my department and will involve independent facilitators who will help establish local area consultative committees. These will comprise

local residents who volunteer to represent their community and ensure that all interested parties have a voice.

I believe these are issues of critical importance to Queenslanders living in urban environments. I seek leave to have the remainder of my statement incorporated in *Hansard*.

Leave granted.

I have raised the community consultation process in discussions with Brisbane's Lord Mayor, Alderman Atkinson who has responded positively to our objectives.

I would like to place on record my thanks for her prompt and detailed response to our proposal and her suggestions on ways to enhance this procedure.

The transport planning package announced today honours a commitment I made at a public meeting in Ashgrove in early March.

I assured a meeting at the St Paul's Anglican Church at Ashgrove that there would be no freeways in the western suburbs and gave an undertaking to establish proper consultative programs to address road safety issues on Route 20.

Residents along that route and near Cavendish Road, Coorparoo have lived with uncertainty about their futures for too long.

The aim of this planning and consultation process is to bring that uncertainty to an end.

At the public meeting in March residents confirmed that there were serious safety problems on sections of road along Route 20 and believed that road safety statistics actually understated the number of accidents.

I told that meeting that with the exception of work at the railway level crossing at Enoggera, in itself a significant safety issue, the only roadwork on Route 20 during the next 10 years would involve work directly related to road safety matters.

I guaranteed the community would have a direct involvement in decisions about this work, a guarantee I am now delighted to honour.

I know, from my regular meetings with the member for Greenslopes that residents near Cavendish Road have suffered similar uncertainty to those on Route 20.

They have suffered from our predecessors attempts to impose transport planning decisions on them. That is not my style, nor the style of this Government.

People deserve the chance to have a say in significant decisions that effect their lives and lifestyles and that is what the program I am announcing today will give them.

These are traffic problems which have developed over decades but have not been properly addressed because of the indecision, procrastination and policy atrophy of our predecessors.

Our Local area consultative program has been designed to give local communities direct involvement in transport planning in their area.

We are tackling the transport needs of our urban communities at all levels.

Every traffic study that has been carried out in Brisbane predicts continued growth in the use of motor vehicles on city streets.

This is a fact that cannot be disputed and now is the time to co-ordinate a proper planning process to address that reality.

I am confident a combination of improved passenger transport initiated by SEPTS, a freight study, and the investigation into a Western Bypass, something I believe is inevitable, will help restrict and control this build up of traffic on suburban streets.

We are introducing effective long term planning so those people who live in heavily congested traffic corridors can know, as far as humanly possible, what the future holds.

If traffic estimates show there may be a demand on their property for roadworks in 15, 20 or 30 years from now, they deserve to be told so they can plan accordingly. Too often in the past such advice has been limited to a notice that the Transport Department's Division of Roads may require their property, sometime in the future. I know this has been particularly frustrating for officers of my department who have wanted to deal with people honestly but been hamstrung in their endeavours. Those days of unnecessary secrecy and uncertainty are now over.

MINISTERIAL STATEMENT

Labor Ministers Conference

Hon. N. G. WARBURTON (Sandgate—Minister for Employment, Training and Industrial Relations) (10.14 a.m.), by leave: There has been a long-standing arrangement for biannual meetings of Commonwealth, State and Territory Ministers with responsibilities for industrial relations and training.

As part of my ministerial responsibilities, I represented the Queensland Government at the May 1990 meeting. I table a copy of my report on my activities at that time and seek leave to have the remainder of my ministerial statement incorporated in *Hansard*.

Leave granted.

I travelled to New Zealand on Monday 21 May and undertook a pre-arranged round of discussions with Ministers of the New Zealand Government and senior executives of training authorities and colleges. I also visited the Wellington Polytechnic College.

Since 1988 the New Zealand Government has implemented a number of reforms in administrative arrangements for training. Elements of this have been devolution of responsibilities; encouraging community consultation; and innovative funding arrangements. The opportunity to examine the experience at first hand was of value as basis for considering options for change in Queensland.

Those meetings occurred on Tuesday and Wednesday.

On Thursday I participated in pre-Conference discussions with my Federal, State and Territory Colleagues.

The Labour Minister's Conference on 25 May had an agenda of important contemporary issues.

A particularly important decision was an agreement to participate in a review of ways of meeting the additional costs of training that will result from award restructuring. The review will be headed by Mr. Ivan Deveson, Chief Executive of Nissan Australia. Queensland will be represented on the Secretariat supporting the review panel.

A significant agreement by the Conference was on the benefits that would flow from greater cooperation and coordination between the seven industrial relations systems. It was agreed that as a first step to greater cooperation between the Federal and State systems the heads of each industrial tribunal will be appointed as Deputy Presidents of the Australian Industrial Relations Commission. Facilitation of this has been anticipated in the new Queensland Industrial Relations Act. Bi-lateral negotiations will be taking place on additional cooperative measures.

I feel that these agreements provide opportunities for change that will be beneficial to Queensland.

MINISTERIAL STATEMENT

Aboriginal Welfare Fund Investigation

Hon. A. M. WARNER (South Brisbane—Minister for Family Services and Aboriginal and Islander Affairs) (10.15 a.m.), by leave: I rise in relation to the repeated claims of Queensland Aborigines alleging the disappearance of wages and funds held in trust by my department. These concerns have been raised with me consistently since I took office.

On the basis of a preliminary investigation, I believe that the evidence is serious enough to warrant the appointment of an external accountant to investigate and examine departmental records and accounts, particularly the Aboriginal Welfare Fund and associated accounts. My department will commence that process within a week.

Not only did the preliminary investigation reveal the need for closer scrutiny, it also unearthed many of the now unacceptable policies and practices of previous Governments in this State in relation to Aboriginal and Islander people. Those practices

were ignored, supported or tolerated by the community generally and allowed those unusual events to take place without controversy or questioning. They deserve our condemnation and represent a shameful period in our history.

I am talking about the days when Government legislation enforced the payment of Aboriginal wages to a responsible person. Those responsible persons or protectors were given the job of general care, protection and management of all Aboriginal property in assigned districts. Those individuals took control of the lives, well-being and movement of indigenous people in their area. They acted as trustees for Government savings bank accounts into which all Aboriginal wages were deposited.

Regulations under the Act allowed for specific deductions to be made from Aboriginal wages by their employers. Those deductions were then provided to the protector for banking. From 1919, those regulations stipulated that 75 per cent of single men's wages be automatically docked, while married men and men with families lost 33 per cent to 50 per cent. Boys under 18 lost 80 per cent. The remaining money was then kept by the employer, who rationed it out to Aborigines as pocket-money. A further separate deduction was made from the wages of single men—5 per cent—and married men—2.5 per cent—for the relief of natives. That was called the Aboriginal Provident Fund.

Those events are certainly not the issues being investigated. Whatever our abhorrence at the level of control and interference by past Governments in the lives of Aborigines, those practices were official and legal Government policy. They were very typical of the paternalistic, colonial benefactor mentality of the time.

However, what is most disturbing is evidence of apparently illegal practices in relation to those accounts. These instances deserve special investigation.

According to departmental records, it does appear that, after the depression, Aboriginal funds were raided in order to cover financial shortfalls in the then subdepartment of Native Affairs. The records highlighted—

> ". . . the difficulty of providing for the needs of the sub-department in the financial year 1930-31. It divulged that the money required to meet the shortfall was raised from native funds."

That memo stated also that finance for the very same financial year was transferred to the department's standing account from native accounts.

Numerous other examples confirm the use of Aboriginal funds to augment departmental coffers. However, no evidence suggests that funds were ever reimbursed to Aboriginal accounts up to this day. No evidence exists of any investigation of those accounts, despite the existence of critical reports within the department. There is no evidence of any will by successive Governments to make restitution to indigenous Queenslanders.

Those practices where the welfare fund has been used as departmental funds have continued in one form or another up to the present day. I have strong suspicions that many departmental investments utilising the welfare fund have been haphazard and are of doubtful propriety.

Pin-pointing the precise amounts and from which individual Aboriginal accounts they came may prove impossible. However, that is what this investigation is about. Its task will be made all the harder because of the alarming state of departmental records. Research has revealed that many of the records of the Aboriginal Welfare Fund that evolved from the standing or working accounts are missing. While State Archives is continuing to search for records, it is apparent that relevant policy documents for the period 1943 to 1981 have been removed from file.

The history of the fund is complicated, having operated as up to five accounts and having changed form a number of times up to the present. However, I am confident that adequate records may exist at the State Archives, with the Commonwealth and Westpac banks which operated on Aboriginal communities, or elsewhere in the Government. As I said, it may prove impossible to determine who is owed what, but we will

have to wait and see. If only amounts can be identified, I would be prepared to take action to set up some form of trust fund to be administered by the Aboriginal community for its own benefit.

I believe that this investigation is warranted both to expose the extent of the problem and to demonstrate to Queenslanders the level of mistreatment of indigenous people that has occurred. No previous Government is innocent, nor is the community that allowed it to happen. It is true that we cannot undo those events. However, I believe that it is the responsibility of all Queenslanders to recognise past injustices, to admit them honestly and openly, to right them where we can and to ensure that the values of our society in the future will never again allow this to occur.

MINISTERIAL STATEMENT

Flameless Incineration Pty Ltd

Hon. G. N. SMITH (Townsville East—Minister for Manufacturing, Commerce and Small Business) (10.20 a.m.), by leave: I bring to the attention of the House a matter of a blatant waste of taxpayers' money by previous coalition conservative Governments. What follows sets out exactly what happened in December 1978 to $105,417 of taxpayers' money that was invested by the then conservative party coalition Government in a company called Flameless Incineration Pty Ltd.

This is a sad and sorry tale. In short, once again it has left the Goss Government to pick up the pieces that are left over from yet another act of gross irresponsibility by the conservative coalition parties. Indeed, the Goss Government has had to write off more than $105,000. That act in itself shows clearly how the Liberals and Nationals really made Queenslanders pay for their inglorious years in Government.

I shall now set out the chronology of how the conservatives literally burnt the taxpayers' fingers on Flameless Incineration. I believe that the people of Queensland owe a debt to the Honourable Deputy Premier, Mr Burns, who in 1981—a long time ago—drew attention to the reckless actions of our predecessors.

Let me start at the beginning. In 1975, a Queensland company by the name of Flameless Incineration Pty Ltd purchased from a United Kingdom firm, Arnold Pierce and Associates, the licence to utilise and develop circulating fluidised bed furnaces which had the potential to utilise a wide range of fuels, including abattoir waste and other materials with a low calorific value.

The chief executive officer of the company involved was Mr Bob Kille. I am reliably informed that its chairman, Patrick Gay, was at that time a well-known National Party supporter and a close friend of the former Premier Sir Joh Bjelke-Petersen.

This project attracted the interest of the then Metropolitan Public Abattoir Board, because the prospects of using abattoir wastes as fuel had obvious attractions. As a result, a pilot plant was constructed at the Cannon Hill abattoir and was commissioned in March 1978.

However, in 1978, Flameless Incineration Pty Ltd applied to the Government for financial assistance with respect to the development of the pilot plant on the grounds that in the long term the new technology would open new markets and employment opportunities, and that although the company should expect eventual financial gains, the short-term development costs were proving to be onerous.

At the time, the company claimed that it had expended some $300,000 on construction, development and operation of the pilot plant. The company estimated that a further $100,000 would be required to complete the development program, bringing expenditure to about $400,000.

In December 1978, Cabinet decided to provide financial assistance to Flameless Incineration Pty Ltd to the extent of $100,000 to meet costs associated with the development of the pilot plant. The pilot plant operated at the Cannon Hill site for

approximately two years and was dismantled pending the development of a more advanced unit in the United Kingdom by Arnold Pierce and Associates, which had maintained close links with Flameless Incineration Pty Ltd and had cooperated with the work that it was undertaking at the Cannon Hill abattoir.

Up to this time, Flameless Incineration had not found any markets for its product, largely due to the technology not having been proven on a commercial scale. Incidentally, the Cannon Hill abattoir installed furnaces supplied by another firm.

Subsequently, owing to the loss of key technical personnel both in Australia and in the United Kingdom, and a change in ownership of Arnold Pierce and Associates, Flameless Incineration Pty Ltd claimed to have experienced difficulty in continuing its developmental works and advised that it had invested $750,000 of the company's funds as well as the $100,000 from the Government.

It would be an understatement to say that the project was now well in a state of demise. The company realised this and through its parent, Gay Constructions, sent a request to the Government that it be forgiven the $100,000 loan in view of the losses which it claimed to have sustained and which it claimed also had to be written off.

Even the National Party realised there was a problem, because in March 1986 the then Cabinet decided that the loan of $100,000 would not be forgiven and that Flameless Incineration Pty Ltd was to be advised that it was expected to honour the debt. This was a classic case of shutting the stable door far too late because the horse had well and truly bolted.

The then Department of Industrial Development advised Flameless Incineration of the decision made by the Government and requested the payment of all outstanding moneys. No reply or money was received from the company, so Crown law was requested to pursue the matter.

In January 1987, Crown law sent a letter of demand to the company and threatened legal action. This led to a meeting of company officials and the then Minister for Industrial Development, with the company saying it was seeking further legal opinion on the matter. But the company did not contact the department again.

The department continued seeking Crown law opinion until finally in December 1988 advice was given——

Opposition members interjected.

Mr SMITH: Members opposite should cop it sweet.

As I was saying, in December 1988, advice was given that information had been received that there were no assets available to pay the debt and therefore even if a judgment was obtained no moneys would be available for recovery.

I ask honourable members to listen to this. Finally, in September 1989, when the National Party Government knew the ship was sinking, just three months before the Goss Government's crushing electoral victory, the then Cabinet Budget committee approved the write-off of the loan, and the accrued interest, to Flameless Incineration Pty Ltd. The Nationals realised 11 years too late that the taxpayers' money was gone. It was then up to the Labor Government to formally wind up the loan and write it off. That has now been done.

Perhaps I should leave it to the Auditor-General to tip the bucket on Flameless Incineration. The Auditor-General's report on departmental accounts and other accounts for 1981 noted that an advance by way of a loan for $100,000 had been made to the company. I ask honourable members to note the details of the terms of the loan. The advance, by way of a loan for $100,000 for a term of 15 years at the rate of 1 per cent per annum for 10 years, had been made by the department to Flameless Incineration Pty Ltd for the purpose of developing fluidised bed technology in connection with the construction of a tonne-per-hour flameless incineration pilot plant at the Cannon Hill abattoir.

The Auditor-General stated quite clearly that the Industrial Development Act 1963-1979 did not provide for the making of loans, nor did the Act provide for loans of this nature to be made from other sources. He said bluntly that no security was taken for the loan. In other words, nearly 10 years ago the Auditor-General told the National Party of the irresponsibility in making this loan. Unfortunately, the Queensland taxpayer had to pay the price for the conservatives' irresponsibility.

It would appear that the only thing that ever got reduced to smoke by Flameless Incineration Pty Ltd was the money paid by the National Party. So I suppose in one regard the company had some success.

QUESTIONS UPON NOTICE

1. Private Medical Insurance Contributors' Use of Public Hospitals

Mr BEANLAND asked the Minister for Health—

"With reference to moves on 1 August by the State Government to block people who have private medical insurance from using the State's free hospital system—

Does he agree that this move would be totally counter-productive as it would lead to a big lift in charges for private medical insurance, forcing people to opt out and putting more pressure on the free hospital system?"

Mr McELLIGOTT: Firstly, I point out that there is no such thing as private medical insurance. Medicare covers private medical costs but private health insurance covers hospital costs for treatment as a private patient in either a public or private hospital.

Secondly, the Government has not moved to block privately insured patients from using the free public hospital system, nor would it ever attempt to do so. What I did float was the issue of privately insured people who are currently treated as public patients in the public hospital system. In other words, these people pay their private insurance premiums, often for many years, but when they go to hospital they do not take advantage of that private insurance cover.

Current procedure within the Queensland public hospital system is generally to treat patients as public patients unless the patient requests to be treated as a private patient. However, in other States the reverse is true. Privately insured patients are deemed to be private patients unless they choose to be treated as public patients. I stress that this in no way removes the right of the patient to choose between public and private care—which is a fundamental right guaranteed under the Medicare agreements.

These people are already paying for their private health insurance cover. Such a change in admissions procedure would raise their consciousness of the issue and require them to choose to go either public or private. If they chose to go private, their hospital costs would be fully covered by their private cover.

It is no secret that economic times are tough and all departments must share in the need for spending restraint. The question has to be asked as to whether it is preferable for the Government to cut back on health services or whether it is more appropriate that the health funds, which are already collecting health insurance premiums—I stress that—should be required to meet a greater share of their responsibilities.

If this change resulted in more privately insured patients choosing to be treated as private patients, not only would it result in more money for Queensland's public hospitals but it would also free up more hospital doctors to treat public patients.

The issue of what, if any, effect it would have on contribution rates is a complicated one dependent on a number of factors, not the least being the current size of health fund reserves and the number of privately insured who would still choose to be public patients.

2. Referral to Relevant Authorities of CJC Report on Poker Machines

Mr GILMORE asked the Chairman, Criminal Justice Committee—

"Will his Committee inquire into allegations contained in the CJC report on poker machines relating to possible actions by the member for Mackay which may have allowed fraudulent tax benefits to be gained and, if so, will he give an undertaking to pass on the results of any such inquiries to the relevant authorities?"

Mr BEATTIE: The question asked by the honourable member for Tablelands raises significant and important matters of principle, as well as the appropriate committee procedures and powers.

The powers of the Parliamentary Committee for Criminal Justice are set out in section 4.8 of the Act. They give the committee the responsibility of monitoring and reviewing the Criminal Justice Commission in the discharge of its functions. The committee is required to report to this Legislative Assembly with such comments as it sees fit on any matters pertinent to the commission.

On 21 March this year, this Parliament carried a motion that gave the committee power to send for persons, papers and records, and to examine witnesses on oath or affirmation; in other words, the power to hold public hearings.

As members know, on Friday, 1 June 1990, the Criminal Justice Commission released a report on the poker machine industry entitled *Report on Gaming Machine Concerns and Regulations.*

As part of the committee's monitor and review responsibilities, that report was released publicly, strictly in terms of section 2.18 of the Criminal Justice Act, and the committee invited the general public and interested groups to make written submissions to it on the contents of the report over the following five weeks; that is, until 5 p.m. on Monday, 9 July 1990.

To ensure that those parties who were adversely named in the Criminal Justice Commission's report had a maximum opportunity to state their case and publicly defend themselves, on 6 July 1990, the committee decided to extend the time for the closure of written submissions from those named by over three weeks until 31 July 1990. At the same time, the committee gave an opportunity to those adversely named to appear at the public hearings of the committee to publicly respond in an oral form, under privilege, to the Criminal Justice Commission's references to them. The dates of those public hearings were 16 and 17 July 1990.

In the interests of natural justice, special consideration was therefore given to those adversely named in the Criminal Justice Commission's report The parliamentary committee did not seek to subpoena those adversely named in the report, but rather invited them to attend. The choice was an individual one for them to make. The committee took the view that written submissions to the committee were the more significant. Nevertheless, all submissions placed before the committee were regarded as important.

The member for Mackay has made a written submission to the committee and made a ministerial statement in this House. Both the submission and the Minister's statement to the House will be considered by the committee at the appropriate time. Subsequent to the release of the CJC report, the member for Mackay had a meeting with the Chairman of the CJC, Sir Max Bingham.

At page 96 of the report released by the Criminal Justice Commission it reaches the following conclusion in relation to a complaint lodged with the complaints section of the Official Misconduct Division of the commission—

"The Commission is of the view that the complaint does not involve official misconduct within the meaning of Section 2.33 on the part of Mr. Casey either in respect of his alleged activities in 1980 or his involvement in the deliberations of Cabinet in March 1990."

In other words, as far as the commission is concerned, it therefore has no further interest in Mr Casey.

However, in relation to the honourable member's question referring to "inquiry into allegations", I will clearly advise the House of the committee's limited powers and resources in this area. The committee does not have the resources to carry out substantial investigations or inquiries outside the public hearing and submission process adopted by the committee in relation to the CJC poker machine report and the homosexual law report. That role is properly the responsibility of the Criminal Justice Commission, not the committee.

The committee's responsibility is to monitor and review the activities of the commission while the commission carries out such detailed inquiries and investigations. From time to time, the monitoring and reviewing role of the committee will include inquiries through seeking public submissions and holding public hearings to enable the committee to make appropriate reports to this House. However, the committee is not a court of law, nor is it an arm of the Police Service or an extension of the investigative arm of the commission.

The committee and the commission are still very much on a learning curve and, indeed, it will be necessary for the commission to hold public hearings in the future; indeed, more public hearings will be held by the commission than by the committee.

The committee is in the process of developing guidelines with the commission about its reporting process and guidelines covering the commission's activities in general. On 5 July 1990, I wrote to the commission seeking the development of guidelines for procedural safeguards for all matters, including investigations and inquiries. This followed a discussion between myself and the Chairman of the Parliamentary Committee for Electoral and Administrative Review, Matt Foley, and relevant correspondence that he had written. The commission, in turn, replied to my letter, and those guidelines are now a matter under review and will be the basis of a future report from the committee to this House.

On 19 July 1990, the committee also wrote to the commission raising nine specific questions in relation to the poker machine report that are fundamental to answering the honourable members' question.

On Wednesday of this week, the committee received a detailed reply from the commission, and that is currently under consideration and will be the subject of discussion at the committee's monthly meeting with the commission this Friday.

Therefore, the committee has not yet made a decision on how to do deal with those adversely named in the CJC report. To date, the committee has sought to do everything in its power to give natural justice to those adversely named. It may well be that the committee will be forced to refer the people adversely named in the report back to the commission for a further report.

The committee's considerations have been affected by an action commenced in another place. However, it is conscious that its considerations on the poker machine report should not be delayed, and the committee hopes to make a report to this House as soon as possible—hopefully within the next four weeks.

I pay tribute to the work of all members of the committee from all political parties who have worked extremely hard to ensure that the Fitzgerald agenda is pursued.

Mr Speaker, I seek leave to table for the information of the House the letters of 5 July and 19 July referred to in my statement.

Leave granted.

Whereupon the honourable member laid the documents on the table.

3. Mr M. J. Tenni; Raoul and Associates Real Estate Dealings

Mr GILMORE asked the Minister for Justice and Corrective Services—

"With reference to a previous question to him in relation to the investigation by his department of a previous minister of the Crown, Mr Martin Tenni; now that the investigation is complete—

(1) What were the findings of the investigation?

(2) What did the investigation cost?

(3) On what date was the cheque for payment for the licence received by the department?

(4) On what date was information regarding the application received in the Minister's office?

(5) On what date was the cheque receipted by the department?

(6) Is it normal practice for the Minister's office to order such investigations, or are they reserved for former members of Parliament?

(7) How many other such investigations have been undertaken during the period of this Parliament?"

Mr MILLINER: (1) The investigation found, and I quote from the inspector's report—

"During the course of the interview, Tenni stated that he had sold no real estate during the period of his employment with Raoul and Associates Pty. Ltd."

The report further stated, and I quote—

"Tenni stated, off the record, that he may have said to the reporter"—

that is, a reporter named Zwar of the *Cairns Post*—

"that he was having a ball and was involved in the successful sale of real estate, that it appears that he was talking up his status."

That is a good statement. That would indicate that Mr Tenni believed that the white-shoe brigade is still alive and well and operating in Queensland. Unfortunately for Mr Tenni, this Government, unlike its predecessor, fails to officially recognise the white-shoe brigade and refuses to deal with every shonk or spiv who comes along.

(2) As inspectors were in north Queensland at the time, the cost of the investigation would have been nominal.

(3) 14 May 1990.

(4) 15 May 1990.

(5) 14 May 1990. However, I point out that receipt of a cheque by a department when that cheque accompanies an application form does not necessarily mean that the application will be successful.

Mr Mackenroth: The cheque would probably bounce, too.

Mr MILLINER: That is right. It probably did, but we have not checked that out.

(6) All matters indicating breaches of the Auctioneers and Agents Act that are brought to the attention of the registry are investigated, regardless of the source of that information.

(7) I have no record of any formal interviews conducted with former members of this House.

4. Homeless Children; AIDS

Mr SLACK asked the Minister for Family Services and Aboriginal and Islander Affairs—

"With reference to criticism by Commissioner Burdekin of the Human Rights Commission of her Government and the Family Services Department in relation to the lack of positive action relative to homeless children, and his reported statement that evidence to the commission that 12 AIDS reported cases in this group was a gross underestimation and, considering the seriousness of the situation—

(1) What action is she taking to deal with the problem of homeless children.

(2) Has she discussed with the Health Minister what action is to be taken in relation to the AIDS problem within this group?

(3) Has she any plans to have these children, who are literally roaming the streets, identified and tested for AIDS?"

Ms WARNER: (1) My department has in place a range of strategies to deal with the problem of youth homelessness. Over the past nine months, considerable priority has been given to coordinating the responses of my department with those of other State and Commonwealth departments, which has led to the recent funding of a range of coordinated services for homeless youth in the high-need areas of Cairns, Mount Isa, Logan, north Albert and the southern suburbs of Brisbane.

In the 1989-90 financial year, in order to provide a range of accommodation and support services for homeless youth, a total of $5.27m was allocated by my department to 47 non-Government organisations throughout Queensland. I seek leave to table the schedule giving details of that.

Whereupon the honourable member laid the document on the table.

Ms WARNER: In addition to those funds, in cooperation with the Commonwealth Government, the Queensland Government has given considerable priority to increasing the financial resources available to the community for the purpose of providing accommodation and support services to homeless youth.

That financial assistance has been provided under two programs. Under the youth initiatives program, a total of $698,000 has been allocated to the high-need areas which I have identified. The Commonwealth Government provided an additional $1.664m to Queensland for capital housing projects to complement services funded with the funds to which I referred.

Following a review of the State Budget in January 1990, an allocation of $150,000 was provided to pilot a number of community-based services aimed at enhancing the quality of relationships and support between homeless youth and those at risk of homelessness, their parents and families.

I urge the member for Burnett to understand that the issue is not simple and there can be no quick-fix solutions. All that the Government can do is to provide services and help those young people to find permanent homes and solutions to their problems. The honourable member for Burnett is of the view that further disciplinary measures should be taken against children to prevent them from being homeless. I reject that view. The Government will do everything in its power to assist homeless youth.

I seek leave to answer the second question upon notice. That matter formally falls within the portfolio of the Minister for Health. In light of the position taken yesterday by you, Mr Speaker, may I answer those questions?

Mr SPEAKER: Yes.

Ms WARNER: (2) The matter of the provision of AIDS-related services to homeless youth falls within the portfolio of my colleague the Minister for Health.

An allegation was made at the Burdekin inquiry that there were 12 HIV positive street children who live in Fortitude Valley and Logan City. The Minister for Health will contact the commission in an effort to secure more information in respect of those allegations so that the matter can be pursued.

Over the past five years, programs for the prevention of HIV and AIDS in youth have operated extensively in Queensland, including Commonwealth, State and community initiatives. In June 1990, five community youth agencies received funding through the Health Department under the innovative health services for homeless youth program, which includes service delivery, health education, prevention and research components. Over the next two years, the Brisbane Youth Service will receive in excess of $300,000 to provide an accessible primary health care service to homeless youth in inner-city Brisbane. A health bus funded by the Health Department provides a similar service in Logan City and the Gold Coast. The Minister for Health can provide further information regarding these programs.

(3) The Government's policy has been to provide educational and preventive services for young people rather than seek compulsory testing for AIDS. The Government is committed to the ongoing provision and expansion of a coordinated range of accommodation, health and support services for homeless youth. The incarceration of HIV positive or AIDS infected young people is not an option; it is an infringement of basic human rights. The matter of AIDS and homelessness is not the sole responsibility of the Government. Both parents and society in general must take some responsibility for that.

I suggest to the member for Burnett that he considers the way the previous Government, of which he was a member, tried to introduce draconian measures to solve complex social problems. They did not work for the 32 years that the National Party was in Government. The Government does not intend to even try those methods.

5. Australian Horticultural Corporation

Mr SLACK asked the Minister for Primary Industries—

"(1) Is he aware of the concerns of Queensland citrus growers regarding the structure and operation of the Australian Horticultural Corporation?

(2) Does he share those concerns and has he approached the Federal Minister to have the boards restructured to ensure Queensland representation?

(3) If not, will he assure citrus growers that he will insist that the board restructure in order to protect the interests of the citrus growers of this State, who, I might add, are being required to pay increasingly high levies to promote inferior fruit from the southern States?"

Mr CASEY: (1) Apart from comments made by the member for Burnett, I am not aware of any specific concerns of citrus-growers regarding the structure and operations of the Australian Horticultural Corporation.

(2) I have been advised that growers' representation on the Australian Horticultural Corporation should be initiated through the appropriate Queensland grower representative body, the Committee of Direction of Fruit Marketing—the COD.

(3) I do not possess the powers to direct the COD in this matter. I suggest that concerns be directed to the COD board of management for any necessary action.

QUESTIONS WITHOUT NOTICE

Four-year Parliaments

Mr COOPER: In directing a question to the Premier, I acknowledge that discussions are taking place on a referendum for four-year terms for Parliament, and I ask: will the Premier now, or at some time prior to the holding of that referendum, provide this

House with a categorical assurance that his Government will run its current full term of three years in office, as required by the electorate?

Mr W. K. GOSS: As the Leader of the Opposition knows, or should know from the brief time that he was Premier of this State, that is a matter to be determined by the Premier and the Government of the day. There could be any one of a range of circumstances in which the Leader of the Opposition could be rushing into this Chamber and demanding that the Government go to the polls on a particular issue of grave public importance. He should think about it. He is complaining at this very moment——

Mr FitzGerald: Do you wish to run your full three years?

Mr W. K. GOSS: If the honourable member stops interrupting, he will hear the answer.

Mr FitzGerald: You are a very patient man.

Mr SPEAKER: But I am not.

Mr W. K. GOSS: Opposition members are complaining about what has been done to the farming sector, for example. It may be that some progressive, enlightened reform is brought in by this Government—and there will be many over the next two and a half years—and it is so seriously and fundamentally opposed by the National Party and the Liberal Party—that is their entitlement—that they think that the public should have an immediate say. The Leader of the Opposition must accept that situation.

It is my expectation that this Government will run its full term, but it is absolutely absurd to make lock, stock and barrel promises, for which the National Party is so famous. I understand the concern that has been voiced by the Leader of the Opposition. I also understand that some other issues that have been raised by the Leader of the Liberal Party are causing concern. That is something that happens with every Government.

As to the four-year term—as I have done before, I publicly express my appreciation to the leaders of both other parties for their positive, if somewhat guarded or conditional, support for the proposal at this stage. It was quite a deliberate decision by the Cabinet that, before legislation was introduced, there should be full and frank direct consultation between the Attorney-General, who has the carriage of that legislation, and the leaders of the other two parties, particularly in relation to the drafting of the questions, the methods of voting and any other matters that they might want to raise. I understand that discussions are taking place, and I point out that the Government appreciates the positive attitude that is being displayed. If this reform is brought about, it will be a positive step for government in this State, irrespective of which party is in Government. Of course, Queensland will be the last Australian State to go to a four-year term.

It is a positive measure. It is, however, foolish and irresponsible for any Premier of any party to give categorical or lock, stock and barrel assurances in respect of future events over which none of us has any control.

Port of Brisbane

Mr COOPER: I refer the Minister for Transport and Minister Assisting the Premier on Economic and Trade Development to the pre-election commitment by the State Government to open, accountable government and to recent developments at the port of Brisbane concerning the new No. 2 berth, and I ask: why has the role of this berth, which for the past three years has been designated as a common-user facility for port operators, been allocated quietly, without the calling of tenders, to a joint venture between Patricks and ANL on a five-year-lease basis? Can the Minister explain why, when increased port productivity is essential for our economy, his Government has allowed progress on vital waterfront reforms to grind to a halt at the port of Brisbane?

Mr HAMILL: I thank the Leader of the Opposition for his question. I would have been delighted had he taken some note of the comments that I made in this House yesterday regarding waterfront reform.

Mr Cooper: We heard it yesterday, but it wasn't very clear or satisfactory.

Mr HAMILL: Then perhaps I need to spell the matter out in very simple terms for the benefit of the Leader of the Opposition.

The Government's thrust is to generate real competition in the port of Brisbane. For a very long time, one stevedoring interest at the port of Brisbane has impeded real competition. That lack of competition—as usually happens as a result of monopolistic practices—has only succeeded in forcing up the cost of stevedoring, resulting in increased costs to the community. The Government has taken a range of actions to increase competition in stevedoring at the port of Brisbane.

As to the specifics of the first question asked by the Leader of the Opposition—in the near future, I will furnish him with full details by letter.

In relation to port productivity—as I said yesterday in the House, the process of waterfront reform in the areas that come under Government control—that is, port management and administration—is well advanced. For the first time, a Government in Queensland has grasped the nettle and has moved to implement a series of recommendations which will achieve efficiency in the port.

Mr Borbidge interjected.

Mr SPEAKER: Order!

Mr HAMILL: The Government has also acquired an additional crane to foster increased productivity and to generate new business at the port, a point upon which I elaborated yesterday in this House. The Government sees the expansion of the port of Brisbane as being critical to economic development in south-east Queensland and it makes no apology for the very constructive measures being taken to achieve that goal.

QIDC Interest Rates

Mr PREST: I refer the Treasurer to the allegations made by the honourable member for Burdekin, Mr Stoneman, that the QIDC proposal to lift the concessional rural rate to a more commercial level reeks of the classic Big Brother approach. Will the Minister explain how the QIDC proposes to treat the issue of concessional rural rate loans?

Mr De LACY: I thank the honourable member for the question. I was interested in the member for Burdekin's comments that the Government's proposal for people seeking concessional rural rates—in other words, a subsidy from the taxpayer—would have to "bare their souls to Big Brother when he comes along to assess their situation". Perhaps he thinks that we are still in the good old National Party days when people got taxpayers' funds in the form of very concessional rates because of their political allegiance and because they produced their green and gold card.

Opposition members interjected.

Mr SPEAKER: Order! Intelligent interjections are part of a very good Parliament, but I suggest that 10 members interjecting at once is not good. I ask honourable members to maintain some decorum.

Mr De LACY: Thank you, Mr Speaker. On that criterion, you would be ruling out all the Opposition's interjections.

Mr Stephan interjected.

Mr SPEAKER: Order! The member for Gympie will cease interjecting.

Mr De LACY: In relation to the concessional rural rate, the Government has given the undertaking that nobody will be affected if they are assessed——

Mr FitzGerald interjected.

Mr SPEAKER: Order! I warn the member for Lockyer under Standing Order 123A.

Mr De LACY: As I was saying, the Government has given that undertaking, and will stick with that undertaking, if they are assessed as not having sufficient financial capacity, which renders them unable to service the more commercial rate.

The Government has also said that all specific non-review periods will be honoured. The point I make, however, is that last year it cost the Queensland taxpayers $14m for these concessional rural rates. It is not targeted assistance; it is going to a lot of people who do not need assistance. This Government is into providing legitimate assistance, but it is not into just giving hand-outs to friends of the National Party, friends of the Labor Party or friends of anybody else.

I wish to make one other point on this subject because it was raised in an article titled "Straight Talk", written by the member for Peak Downs, Vince Lester. He has also raised this issue of concessional rates and has criticised the Government for increasing the rural rate from 13.5 per cent to 18.5 per cent. He stated—

> "I now send a signal to Brisbane and Canberra: give small business and the farming community a go, otherwise our whole State and nation will suffer dramatically and I am speaking now as an economist and not as a politician."

Government members interjected.

Mr De LACY: Now I know who has been advising the member for Burdekin, where he has been getting his economic advice from.

Cooke Inquiry into Trade Union Activities

Mr PREST: In directing a question to the Minister for Industrial Relations, I refer to the Cooke inquiry into union activities. I ask: will he advise the costs to date of the inquiry? When can we expect to see the remaining reports? What is the present position regarding the recommendations made in the commissioner's first report?

Mr WARBURTON: I thank the honourable member for that question. In answer to the first part of it, I inform the House that, currently, public funds have been expended to the extent of a little more than $3m on this inquiry. I am sure that, in relation to the second part of the question, honourable members will recall that I advised this Parliament in May that I expected to receive the second report from the commissioner in late June or early July. As yet, I have not received that second report into the activities of another union.

Honourable members will also recall that, in addition, I advised the House in May last that immediate action had been taken in relation to quite a number of the recommendations concerning alleged criminal activity. Those matters were referred to the Office of the Director of Prosecutions. My colleague the Attorney-General advises me that those matters are well in hand and are being pursued.

More recently, however, instructions were issued to the Crown Solicitor to prepare the necessary complaint and summons relating to a specific recommendation concerning offences against section 55 of the Industrial Conciliation and Arbitration Act. These offences related to alleged wilfully false entries in the accounts of a particular union. I have now received advice from the Crown Solicitor—which has been supported by a further legal opinion that I obtained this morning—that any prosecution commenced would be statute barred. Simply put, I, as the relevant Minister, am unable to proceed in respect of that particular matter arising out of one of the recommendations in the first report of Commissioner Cooke. Based on the fact that my legal advice is correct, as I indicated, prosecution was statute barred prior to my receiving the first report from Commissioner Cooke in May this year.

Mr W. K. Goss: Three million dollars!

Mr WARBURTON: Yes. I am most concerned that this is the situation. This House has reason to be concerned that this position has come about.

Initially, I intend to forward the legal advice I received to Commissioner Cooke and I will seek his explanation as to why this situation has been allowed to eventuate.

Prisoners' Special Release Programs

Mr BEANLAND: I ask the Minister for Corrective Services: in the light of the armed robbery that took place at Toombul shopping centre yesterday in which three people, including an elderly bystander, were shot, does he believe that the community approves of his department allowing a convicted armed robber to escape after she was allowed out of gaol to attend a self-esteem course when she had served only seven months of a six year prison sentence? Could he inform the House how this soft treatment of violent offenders acts as a deterrent to other armed criminals who choose to open fire in crowded shopping centres?

Mr MILLINER: I understand that the police are investigating the armed robbery that took place yesterday at Toombul. I am not aware of the circumstances of the investigation.

As to the incident concerning the other person—investigations are being undertaken by the external investigation unit, and it would be wrong for me to pre-empt the results of those investigations.

Granting of 38-hour Week to Railway Workers

Mr BEANLAND: In directing a question to the Treasurer, I refer to yesterday's decision in the State Industrial Commission in which Queensland's 17 000 railway workers were granted a 38-hour week, and I ask: does he expect the 38-hour week to flow through to other sectors of the public service, for example police and nurses? What will be the cost to the taxpayer of those shorter working hours? What effect will that have on the State Budget, where he has already conceded that he will have to make cuts of between 3 per cent and 6 per cent?

Mr De LACY: I will address the last part of the question first. The Government has not conceded that it has to make cuts of between 3 per cent and 6 per cent. It merely asked all departments to provide opportunities for cuts of between 3 per cent and 6 per cent. The Government is examining all the programs in all departments. Many of the old departmental programs are no longer relevant or achieving the objectives for which they were established. This is one of the many processes that the Government has been examining in its Budget review process, which is the most thorough and the most hands-on Budget review process which has ever been carried out in this State.

Government members: Hear, hear!

Mr De LACY: I hear a few "Hear, hears" from behind me.

In relation to the 38-hour week for railway workers—I am not in a position to say whether or not that will flow to other parts of the public service. That will be a matter for determination by the commission. The Government is moving to separate the Railways as a State-owned enterprise that can operate on a fully commercial basis. It is possible that some of the industrial decisions may be quarantined within Queensland Railways. However, that is a matter for determination by the Industrial Commission and not by Treasury.

Bicycles on Suburban Trains

Mr ARDILL: I ask the Minister for Transport and Minister Assisting the Premier on Economic and Trade Development: can he inform the House whether any problems have arisen following the progressive move which he recently introduced to allow bicycles to be carried on suburban trains, a facility long denied to cyclists?

Mr HAMILL: There was considerable community interest and support for the initiative taken to allow bicycles to be carried on suburban trains. The Government

adopted this position on a 12-month trial basis to allow, outside peak-hour travelling, that facility to be afforded to cyclists on suburban trains. I am pleased to report that the process has gone without incident and that there has been considerable community support for this important initiative.

Misbehaviour of Youth in Southern Suburbs

Mr ARDILL: I ask the Minister for Police and Emergency Services: is he aware of recent criticism in the lead-up to the Brisbane City Council election by two local aldermen regarding the behaviour of young people from the southern suburbs of Brisbane and from Logan City, which has allegedly caused fear in both the elderly and the young people of Salisbury electorate? Will he ask the Queensland Police Service to investigate those matters and consider what action can be taken to allay the fears of residents of the Salisbury electorate and adjacent areas?

Mr MACKENROTH: I am aware of the criticism that has been made not only by those two Liberal aldermen but also by a number of other people who are contesting the council election next year. They seem to think that a good way to attempt to obtain publicity for their election campaigns is to kick the Queensland Police Service. Quite frankly, they would be better off sticking to gutter politics—they should really be in the gutter.

Mr Cooper interjected.

Mr MACKENROTH: No, I did not. The Leader of the Opposition should read my speeches. I was critical of the fools who were running it.

I will have the claims investigated, and I will inform the member for Salisbury of the results of those investigations.

Foreign Investment Guidelines

Mr BORBIDGE: In directing a question to the Treasurer, I refer to the two-and-a-half-page extract from a speech of the Premier, which the Premier tabled this morning, claiming that it is the Government's guidelines for foreign investment, and I ask: are they the same guidelines that were the basis of the Government's foreign investment stance relating to the Ensham mine debacle, the Dreamco Green Island fiasco and the Daikyo Four Seasons Hotel sale which caused massive confusion in the business and investment community? If they are not the same guidelines, what other unwritten and undisclosed rules are applied by the Government on an ad hoc project-to-project basis? Can he advise the House what criteria are used in determining requirement No. 2 on page 1?

Mr De LACY: Yes, they are the guidelines.

Foreign Investment Guidelines

Mr BORBIDGE: Now that the Treasurer has had time to think about it, I ask again: can he advise the House what criteria are used in determining requirement No. 2 on page 1 of his Government's foreign investment policy that he, as Treasurer, administers?

Mr De LACY: The guidelines have been spelt out. They are lying in front of the honourable member.

Mr Borbidge: What's the criteria?

Mr De LACY: If the honourable member has them in front of him, why does he not read them?

Regional Projects Investment Program

Mr DAVIES: I ask the Minister for Manufacturing, Commerce and Small Business: following his announcement on the regional projects investment program this week, can he outline in greater detail the key elements of the program and its implementation?

Mr SMITH: I am delighted to respond to that question. First of all, I confirm that Cabinet made a decision——

Opposition members interjected.

Mr SMITH: I will wait for honourable members opposite to finish; I have plenty of time.

On Monday Cabinet decided to formalise the arrangement that had previously been agreed to. For the purpose of administration, the State of Queensland is to be divided into 10 regions. The purpose of the Regional Projects Investment Program is to make available opportunities, on a non-discriminatory basis, throughout Queensland.

Some of the key functions of that program will be to undertake prefeasibility studies and to provide grants for worthwhile projects. That is the first element of the program. The second element will deal with programs undertaken by regional groups, such as development groups, chambers of commerce and local authorities which require marketing and funding. The third element of the program will enable professional staff to be put in place in the regions to assist those organisations to advance those projects.

For the purpose of formalising the regions, with the agreement of local bodies and local government organisations, a major projects committee will be set up. A small group will be formed to oversee the operations and to administer funds. In addition, regional offices will be established to administer the funds.

The Regional Projects Investment Program will provide the opportunity for those organisations which have worthwhile projects to advance them in a way that was not possible before. The program will impose much less rigorous eligibility requirements upon those organisations than were imposed by the enterprise zone system. To begin with, the eligibility criterion has been reduced to $2.5m. The number of jobs required to be created has been reduced to 25—a vastly different number from that required by the previous Government. Also, there is no insistence on high annual turn-over, which was one of the basic weaknesses of the enterprise zone system.

It has been agreed that in terms of offering incentives to major protects, for the first time there will be a formal committee, an interdepartmental committee, to assess the programs. This committee, in effect, will be a one-stop shop for potential developers, be they Queenslanders or those from other States. Potential developers will be dealt with in a non-discriminatory way.

The first meeting of a major projects committee will be held in Cairns today and in Townsville on Saturday. I expect that the mayor or the mayor's nominee in those major centres would assume a major role and be a major player in the organisation and direction of those committees. I am confident that this program will produce results across Queensland which the enterprise zone system was never capable of delivering.

Regional Projects Investment Program

Mr DAVIES: I ask the Minister for Manufacturing, Commerce and Small Business: can he inform the House of the benefits of the Regional Projects Investment Program for Townsville and north Queensland?

Mr SMITH: Mr Speaker, I am glad that there is one member in the House who is genuinely interested in the Townsville area. Although he is new to this place, he is doing very well.

The Government is washing away the propaganda that the enterprise zone system somehow took something away from north Queensland. In fact, I would expect that under the new program——

Opposition members interjected.

Mr SMITH: Honourable members should take it in. I have all day. The new program will continue to maintain and utilise the buildings used under the previous system, mainly because under those programs the Government is committed to the expenditure of large sums; that is the responsibility of the previous Government. It was the previous Government which entered into the grand scheme of paying huge, unjustified rents. However, we will utilise that space and make the best of it.

Mr Borbidge: What about the $100m in projects?

Mr SPEAKER: Order! The honourable member for Surfers Paradise will cease interjecting.

Mr SMITH: None of the programs administered by the enterprise zone system will be lost. They will continue to be administered by DMC staff employed on an interim basis pending finalisation of the Regional Projects Investment Program. Townsville and Cairns will lose nothing; they will gain.

From now on the organisations in those areas will know what they are doing and where the funds are coming from. They will be able to advance projects which they believe to be worth while for their areas.

Yungaba Immigration Depot

Mr HOBBS (Warrego) (11.14 a.m.): In directing a question to the Minister for Land Management, I refer to the fact that he will certainly be aware of the on-running controversy surrounding applications for a road closure adjacent to the Yungaba Immigration Depot at Kangaroo Point to facilitate a residential development. As part of that controversy, last June the Treasurer made an impassioned speech to this House in which he urged the then Minister, Bill Glasson, to resist unspecified pressures on him to accede to the road closure, and warned him that the eyes of the Labor Party were on the Minister over this issue.

The Minister will also be aware that the Cabinet decision of the previous Government was not to close the road—I repeat not to close the road—because of the very legitimate issues of public access to the riverfront that were involved. I ask: can the Minister explain to the House why his department has agreed to the road closure, which threatens public access and the views of other residents of the area? In the light of Mr De Lacy's earlier statements to this House, can the Minister indicate what pressures he may have encountered over that decision?

Mr EATON: The decision on that road, which was based on negotiations conducted by the former Government, was left in abeyance when the agreement was signed. I believe that the former Government intended to change that decision following the last State election.

The Labor Party accepted deputations from people who opposed the road closure. A recommendation was taken to Cabinet, and Cabinet made the decision.

Proposed Sugar Corporation

Mr HOBBS: In directing a question to the Minister for Primary Industries, I refer to his recent speech in Tully during which he stated that the proposed sugar corporation deserved the best corporate guidance available. The Minister also heaped contempt on the capacity of the very many capable cane-growers throughout this State. He said—

> "We are not talking about the running of a local football club. Firstly, the best players don't always make the best administrators. A lot of them have packed into

too many scrums. Secondly, players tend to think about the next 80 minutes rather than the next season, and have a worrying tendency to chase anyone not wearing the same coloured jersey."

Given that highly insulting analogy from the Minister, who is not noted for his own business management ability, and given that the Federal Minister Mr Kerin has indicated a view similar to that of growers, namely, that production and marketing are separate functions, I ask: will the Minister acknowledge the wishes of almost 100 per cent of cane-growers in this State that they should have a better level of representation on the proposed board because the total funding for the board will come from the industry, or will he continue to treat cane-growers as burnt-out footballers in the arrogant manner that has become the hallmark of his administration of that vital industry?

Mr SPEAKER: Order! Before the Minister answers that question, I warn the member for Warrego and other members that that question could have comprised just the last two sections without a speech at the beginning. In the future, if a member asks a question that contains a long-winded introduction that has nothing to do with the question, he will be asked to resume his seat.

Mr CASEY: Mr Speaker, you must accept that the member for Warrego behaves like an old warhorse polo-player, and honourable members know what happens to them after a long time.

Mr SPEAKER: Order! The Minister will answer the question.

Mr CASEY: This question raises the overall integrity of what became known as the sugar working party report, which was undertaken by two very eminent people in the sugar industry who were totally acceptable to all sectors of the industry. The chairman of the working party, Mr Fitzpatrick, was a member of the Savage committee which was set up in 1985 by the previous State Government and the current Federal Government to examine the sugar industry. They were asked to consider urgent matters that the previous State Government had put in the too-hard basket.

The formulation of the report is now being negotiated within the industry. Those negotiations are being conducted in conjunction with all sectors of the industry and those who are affected by it. They are not driven by the economic theorists of Canberra—as was suggested by one of the leading entities in the sugar industry to which the honourable member refers.

That work is continuing. I am hopeful that, by the end of this week, an English version of the proposed legislation will be in place. In keeping with the Goss Government's attitude to industry, all sectors of the sugar industry will be consulted. Honourable members would be aware that the sugar industry is Queensland's most important manufacturing and growth industry. Further input from all organisations will be considered. If they so desire, members of the Opposition may make proper submissions.

As to the sugar industry working party report—although I received submissions from and consulted with several of my Government colleagues who represent sugar electorates, I received no submissions from Opposition members. That demonstrates that their interest in the sugar industry is nil. They are trying to create harassment in the negotiating process, but that will not work.

Closure of DPI Offices

Mr HAYWARD: In directing a question to the Minister for Primary Industries, I refer to publicity surrounding the closure of DPI offices at Jandowae and Inglewood, and I ask: can the Minister inform the House why that occurred?

Mr CASEY: This issue has been raised publicly by some members of the Opposition—contrary to their interest in the sugar industry. The decision to close the DPI offices at Jandowae and Inglewood was made on the basis of effective and efficient use of the department's resources. In fact, the department recommended the closures.

The workload of offices of the Department of Primary Industries in many parts of Queensland is changing. In many areas that workload has dropped, because of the BTEC program and changes in stock movements. Because of the closure of several meatworks, stock are now transported to various marketing areas of the State.

The closures have been considered by the department. The stock inspector from Jandowae has been transferred to Crows Nest, and the administrative assistant has been transferred to Bundaberg. Nobody has lost a job in the process.

Following representations by the honourable member for Barambah—who put up an excellent case—that there was an increase in the workload and a need for support at Boondooma, the stock inspector at Inglewood was transferred to that district. That is in contrast to the case put to me by the member for Condamine. While I was in north Queensland conducting my ministerial business, the member for Condamine rang my office and stated that a grave rural crisis existed because the Jandowae office of the Department of Primary Industries was about to close.

As a result, that afternoon I cancelled important engagements and endeavoured to ring the member for Condamine about his grave rural crisis. But what did I find? He was busy playing golf. He was not looking after his electorate, which he alleged was experiencing a grave rural crisis. When the honourable member has completed his rounds of golf, he might find time to read the correspondence that he has been sent which shows clearly that there was no further need for the office at Jandowae to remain open. In fact, probably the only need there had ever been to establish an office at Jandowae was as a result of a request of a certain gentleman who lived close by.

Health Risks Resulting from Aerial Spraying of Chemicals

Mr HAYWARD: I refer the Minister for Primary Industries to the acknowledged health risks involved in airblast spraying of potent chemicals, particularly by hobby farmers on rural residential subdivisions, and I ask: what protection is currently available to residents and neighbours affected by such activities? Will the Government take steps to develop an effective remedy to this increasing health risk?

Mr CASEY: The question asked by the honourable member raises a matter that is of grave importance to all people in Queensland who are concerned about public health.

Every member of this House would be fully aware that, over a number of years, aerial spraying in particular has caused a number of problems for people who live either in a rural residential environment or in an urban environment. The protection of the health of all people, including those engaged in primary industries, is paramount in the consideration of the use or misuse of agricultural chemicals.

At present the protection that people have from the spraying of such chemicals is virtually nil. That is mainly because of the policy vacuum in relation to the administration of that type of legislation that was created by members opposite when they were in Government. I will admit that a couple of years ago one of the previous Ministers set out to address this matter. He compiled a Green Paper which confused more people than it helped and served. The submissions that were received from all over the State are stacked high in the Department of Primary Industries, and are still to be sifted through. However, the whole problem was compounded by the fact that at the same time as the Minister issued that Green Paper, he also issued a Green Paper on the so-called right-to-farm legislation. This Government rejects that totally as being simply covering legislation, which leads to a great deal of fighting in the courts and is simply a bonus for the QCs, barristers and solicitors in this State. The Government would prefer that all the groups concerned consult and discuss what should be done.

In conjunction initially with my two ministerial colleagues the Deputy Premier and Minister for Housing and Local Government and the Minister for Environment and Heritage and later with the Minister for Land Management, I will be drafting legislation. It is hoped that, by the end of this year, the community will be able to consider that legislation as a decent means of protecting the public health of the people of Queensland.

Staff Reductions in Queensland Railways; Retention of Inland Rail Services

Mr LESTER: I ask the Minister for Transport: is it true that as a result of the granting of the 38-hour week to railway workers in Queensland, Queensland Railways can expect staff-shedding of up to 1 200 people Statewide? Is he aware that this is causing great concern among railway workers in Queensland? Can he guarantee that railway personnel will retain their jobs, thus avoiding making our railways deathtraps? I point out that the word "deathtraps" is the term used by the railway union; it is not my term. In addition, can the Minister also guarantee the retention of the important service provided by the inland trains—the Midlander, the Inlander and the Westlander—as he has guaranteed the retention and, indeed, the expansion of the record loss-making city-suburban trains.

Mr HAMILL: I am cognisant of the fact that the bicentenary of the birth of Adam Smith has just been celebrated. May I say that Adam Smith's memory will not be challenged at all by the economists in the Opposition.

No job losses will occur in Queensland Railways owing to the introduction of the 38-hour week. That point has already been made abundantly clear, and I make it again here today. Queensland Railways workers entered into constructive negotiations with respect to the shorter working week, something which had been denied them by the Liberal and National Parties in Government since 1982. There were some 28 heads under which the commission accepted certain trade-offs to bring about the introduction of a 38-hour week without any job losses occurring.

With respect to rail services across the State—the point needs to be made that this Government recognises community service obligations. Nevertheless, it also recognises that considerable subsidies are made available for the maintenance of both rail passenger and freight services. Let me remind members of this House of cost recoveries of 8 per cent on the Westlander, 16 per cent on the Midlander and 14 per cent on the Inlander trains. Someone has to pay the bill. I trust that the economist opposite would direct his mind to these important issues of State.

Mr SPEAKER: Order! The Minister will resume his seat. The time allotted for questions has now expired.

Mr Borbidge interjected.

Mr SPEAKER: Order! I warn the member for Surfers Paradise under Standing Order 123A.

SUPPLY

Vote of Credit—$5,072,000,000

Mr SPEAKER read a message from His Excellency the Governor recommending that the following provision be made on account of the services for the year ending 30 June 1991—

(a) From the Consolidated Revenue Fund of Queensland, the further sum of $2,797,000,000;

(b) From the Trust and Special Funds, the further sum of $2,250,000,000; and

(c) From the moneys standing to the credit of the Loan Fund Account, the further sum of $25,000,000.

Committee

Hon. K. E. De LACY (Cairns—Treasurer and Minister for Regional Development) (11.31 a.m.): I move—

"That there be granted to Her Majesty, on account, for the service of the year 1990-91, a further sum not exceeding $5,072,000,000 towards defraying the expenses of the various departments and services of the State."

Motion agreed to.

Resolution reported, received and agreed to.

WAYS AND MEANS

Committee

Vote of Credit—$5,072,000,000

Hon. K. E. De LACY (Cairns—Treasurer and Minister for Regional Development) (11.33 a.m.): I move—

"(a) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1990-91, a further sum not exceeding $2,797,000,000 be granted out of the Consolidated Revenue Fund of Queensland exclusive of the moneys standing to the credit of the Loan Fund Account.

(b) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1990-91, a further sum not exceeding $2,250,000,000 be granted from the Trust and Special Funds.

(c) That, towards making good the Supply granted to Her Majesty, on account, for the service of the year 1990-91, a further sum not exceeding $25,000,000 be granted from the moneys standing to the credit of the Loan Fund Account."

Motion agreed to.

Resolutions reported, received and agreed to.

APPROPRIATION BILL (No. 1)

First Reading

A Bill, founded on the Resolutions reported from the Committee of Ways and Means, was presented and read a first time.

Second Reading

Hon. K. E. De LACY (Cairns—Treasurer and Minister for Regional Development) (11.38 a.m): I move—

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

This Bill appropriates an amount of $5,072m for expenditure for the normal services of the Government until the passage of the 1990-91 Budget legislation. An amount of $2,797m is provided for the Consolidated Revenue Fund, $2,250m for the Trust and Special Funds and $25m for the Loan Fund. The total amount of this Bill is in addition to an amount of $4,425m which was appropriated by Appropriation Act (No. 2) of 1989.

This legislation is essential to the ongoing implementation of the Government's agenda for reform. It is necessary to provide sufficient Supply to cover the expenditure requirements of the Government until completion of the processes of discussion and debate on the Budget and the passage of Appropriation Bill (No. 2) later in the year.

The Bill is an integral part of the overall fiscal process of the Government. It is therefore appropriate to briefly comment on significant background matters that are impacting on the framing of the forthcoming 1990-91 State Budget, the first Budget for a Labor Government for more than 32 years.

There is little doubt that all State Governments are faced with a very difficult task in matching the resources available to them in the coming year with the aspirations of the community. In Queensland, particularly, the Government has inherited a legacy of neglect with a clear need for substantially improved services in key areas such as education.

The outcome of the Premiers Conference and subsequent forecasts for a relatively flat national economy during 1990-91 will mean that the Government must continue the fiscal discipline and responsibility that it has exercised so far to address the present deficiencies in the quality and mix of Government services.

Clearly, the outcome of the Premiers Conference was not what the Government would have liked. Queensland has been made to bear $70m to $80m of overall financial assistance grants cuts totalling $400m. The adoption by the Commonwealth of the five-year option for new State relativities has meant that the Grants Commission outcome was only marginally favourable to the State, instead of more than compensating for the cut in grants.

However, there have been some welcome developments in terms of the financial relationship between the Commonwealth and the States. The first was the offer by the Commonwealth to maintain the real value of financial assistance grants over the next three years. That still means, however, that States are not being funded for population growth.

The second development was the recent speech made by the Prime Minister on Commonwealth/State relations. I say unreservedly that the Government welcomes the Prime Minister's preparedness to consider a reduced reliance by the States on tied funding arrangements in the future.

The fundamental imbalance between the limited revenue-raising powers of the States and the very wide range of services that the States are expected to provide must be seriously addressed.

The reliance on a narrow revenue base with taxes that are, in many respects, regressive and highly sensitive to fluctuation in the economic cycle is totally inappropriate. Unfortunately, the offer made by the Commonwealth to hand over the bank accounts debits tax to the States does little to correct these more fundamental problems.

Against this background, the Government could have considered a number of revenue options to meet its reform agenda. However, I say quite clearly and unequivocally that the Government remains firmly committed to the pledge that it made to the people of Queensland not to introduce new taxes or to increase fees or charges beyond consumer price index movements.

Queensland taxes are already, in overall terms, lower than the taxes of other States, and this will become even more obvious in the coming year. New South Wales, Victoria and the Australian Capital Territory have already announced an increase in payroll tax to 7 per cent compared with 5 per cent in Queensland. Those States have also doubled their financial institutions duty. That trend will almost certainly be followed by the other States—except Queensland.

The Government is also committed to a Budget strategy that is both financially sound and responsible. There will be no borrowings to fund recurrent programs. Long-term liabilities such as superannuation, workers' compensation and motor vehicle third party insurance will be fully actuarially funded. There will be no borrowings to fund capital assets that do not generate a revenue stream to repay debt.

In terms of investing taxpayers' funds, I can assure honourable members that Queensland is not moving along the same path that has shaken both the Western Australian and Victorian Governments, as suggested earlier this week in media coverage of the Moody's report.

The Queensland Treasury Corporation's investment goals and policies and its relationship with the Government were obviously misunderstood by Moody's Investor Services. The QTC Investment Board has adopted a substantially conservative investment strategy. This and other strategies are openly disclosed to all relevant parties, including the business community. There are no hidden agendas or risky investments. As assessed by Moody's, this State is, and will continue to be, the best State in terms of debt management.

Despite the strong fiscal disciplines that the Government has placed upon itself, in the forthcoming Budget it will move to introduce a range of initiatives. By necessity, this will require two critical processes: firstly, a fundamental reappraisal of the spending priorities of the last 32 years; and, secondly, getting value from every dollar of taxpayers' money spent.

Ineffective and unhelpful programs and activities currently in place will need to make way for our own initiatives and new priorities which are clearly focused on what the community needs and has a right to expect. The community has given the Government a clear mandate to direct taxpayer funds to areas of high priority such as education, welfare, Fitzgerald reforms and the environment. Worthwhile programs that are delivering what the community wants generally will not be affected. However, where there is clear evidence that taxpayer funds have been poorly directed in the past, the Government will not hesitate in reallocating those funds to important social policy areas that have been badly neglected by the previous Government.

In terms of value for money, the emphasis must be on the quality of the services provided. Whilst it is clear that other States outspend Queensland in a range of essential services, quality is not just related to dollars spent. Performance evaluations of programs and activities will be critical to improving outcomes and the quality of Government services.

While not pre-empting the Budget, today I can assure Queenslanders that the Government will: maintain its pledge of no new taxes and no increase in charges beyond the CPI; deliver on its commitments to improve services; continue to implement Fitzgerald reforms, and, importantly, pursue a regime of fiscal responsibility never before seen in this State.

I commend the Bill to the House.

Mr STONEMAN (Burdekin) (11.46 a.m.): Before I broadly overview some of the current areas of concern in this State, it is worth while to reflect on some of the components of the Treasurer's speech. As has been the practice down the years, the Opposition recognises the need to provide funds at this stage to carry the Government through to the introduction of the Budget later this year.

Mr STEPHAN: I rise to a point of order. Mr Speaker, there is no Minister in the House.

Mr DEPUTY SPEAKER (Mr Campbell): Order! I call for the Minister.

Mr STONEMAN: It is appropriate that the Treasurer left, because he is about to get a good bucketing.

As I was saying, it is necessary that an Appropriation Bill be passed at this time to cover the period until the Budget is introduced so that the Government can continue to provide services to the State, something that was done so effectively in this State for the last 32 years. As the Treasurer said, this Bill is an integral part of fiscal management.

In his speech, the Treasurer said—

> "In Queensland, particularly, the Government has inherited a legacy of neglect with a clear need for substantially improved services in key areas such as education."

That is a rather remarkable statement because the Premier and the Treasurer know that, because of our good fiscal management, this State is in a position of pre-eminence in Australia. There is no doubt about that. The Treasurer can smile in the contented knowledge that the ship of State is in good shape.

His statement about a legacy of neglect would tend to make one believe that our children are not receiving an adequate education and that, as is the case in other States, there are queues of people waiting for operations at our hospitals. The reverse is the case. This State has no waiting list except for major surgery and, more often than not, those patients are waiting for organ donations. That waiting list is not caused by a

shortage of operating time. No children are being disadvantaged by lack of education. Both as a parent and as a person involved in the planning side of things, I have been very much involved for many years in the education process. I have travelled throughout the nation looking at other education systems and I have discovered that our education system is the envy of all the other States.

The honourable member for Townsville would know that because of the large itinerant population in his electorate, and I instance members of the armed services. Because they move round the nation, they are able to compare the systems in different States. I am sure that the honourable member for Townsville would agree that many of these people discover, to their surprise at times, that rather than being backward in education and other services, Queensland is at the forefront.

In his speech, the Treasurer said—

> "Whilst it is clear that other States outspend Queensland in a range of essential services, quality is not just related to dollars spent."

That is an absolute contradiction of my earlier quotation of the Treasurer's statement that there had been clear neglect. I certainly agree that quality is not related to the amount spent. That is the problem that the Queensland Teachers Union has had for some years. It does not recognise that the amount spent does not necessarily relate to the end result. The important factors are the input, the teachers, the curriculum structure and the management services.

I return to what I was saying about members of the armed services. It is interesting to note the growing number of people who, when they are transferred from Queensland, leave their children here to continue with their education. I am not saying that our system is perfect—I would be foolish to even contemplate making such a statement—but let me say without equivocation that the process has been successful, and that is the process on which the Queensland people will judge the Government. It is because of the previous Government's good fiscal management that the Premier and Treasurer can now contemplate the future with confidence.

I appreciate that the Treasurer might have wished for a better outcome at the Premiers Conference, but let me say that it is the soul mates of this Government—their colleagues in Canberra—who make any outcome of discussions with the Federal Government almost a farce. Because of the management of this State's economy, Queensland is the laughing-stock of the Western World.

Imagine a State such as Queensland each year having to go on bended knee to the Federal Government to ask the advice and seek the indulgence of financial managers in Canberra—the people who have brought this nation into ridicule in terms of world standards—and cop whatever the Federal Government wants to give this State so that it can run its affairs! Over the years that treatment was accommodated by the sound financial management of the previous Government. The test of the Goss Government is what it will do in similar circumstances.

Some fearful statements are contained in the Treasurer's statement. For example, page 4 states—

> "While Queensland taxes are already in overall terms lower than the other States this will become even more obvious in the year to come."

I believe that statement will come back to haunt the Treasurer. I believe that the observations that have been made by Moody's, the track record of other socialist Governments, and the processes that have been found by the Greiner Government to have brought New South Wales almost to its knees but have since been turned around—much to the pain of people who were affected—will prevent Treasury officials from allowing this Government to walk away from proper financial management, unless it is bound to do so by factional and social demands that have been imposed by the policies that enabled it to win Government.

Mr De Lacy: Will you apologise when you're found out to be wrong?

Mr STONEMAN: I will be delighted to apologise. I say to the Treasurer that one swallow does not make a summer. It will take the Treasurer a year or two to get into the swing of pulling down the economy and seeing how it works. To date, he has been able to ride on the coat-tails of the economy that had been managed by the National Party. He has had to acknowledge, along with the Australian Bureau of Statistics and other economic commentators, that it is the best economy in this nation. The Treasurer has taken on this portfolio to get a free ride, and members of the National Party know that that will not continue.

Mr Elliott: It won't last long.

Mr STONEMAN: The honourable member is so right. I say to him that if I am found to be wrong, I will be delighted to apologise, because it will mean that the farmers, graziers and developers will experience a sudden turn-around from indications that have been coming forward from a Government that has been in office for eight months.

The reality is that WA Inc and Tricontinental in Victoria—the development consortium that everybody is trying to forget—indicate that Labor Governments cannot manage the economy. The Treasurer should travel to Victoria and ask the people what they think about that State's economy.

Given that Queensland's taxes are already low, the Treasurer's statements must mean that the position will improve even further. Does this mean that Queensland will have lower taxes? Does it mean that the Treasurer will shelve the programs that were part of the ALP's platform? Or does it mean that the Goss Government will continue to attack the productive sector? I believe that the thrust of the Government's Budget strategy is showing as clearly as a light on a hill. It intends to hit the productive sector. Members of the Labor Government believe, "They don't vote for us, so let's screw them." This Government has no understanding of the impact on the productive sector of the attack upon which it has embarked. The productive sector provides jobs and the major part of the taxation base in this State. It was supported by the previous administration over the last 30-odd years because the people involved in that sector have brought this State to pre-eminence in economic stability.

The Treasurer stated that the Government is committed to a budgetary strategy that is financially sound and responsible. I am delighted to read that statement because it means that to achieve that standard, the Government will have to continue processes that have been tried and tested. The Government cannot suddenly pull up the ship of state and change direction while maintaining a financially sound and responsible process of management. It is simply not possible to do that—much as people may wish to stamp their own brand on the way in which the State is run. The Government will discover that the financial management practices of the previous administration have been teased out over decades, tested in accordance with world standards, and found not to be wanting. Again, I mention the contradictions in the Treasurer's statement.

Mr De Lacy: There are a few contradictions in yours, too, you know.

Mr Hayward: I want him to name some of these productive sectors that have been affected. Name five! You haven't named one yet.

Mr STONEMAN: I have 78 minutes remaining, so I will leave that matter for a moment. The honourable member for Caboolture will find that, in due course, they will be cited, chapter and verse.

The Treasurer has said that long-term liabilities, such as superannuation, will be fully actuarially funded. That process has been guided by the Treasury Department and previous Governments to such an extent that Queensland's superannuation schemes are sound. The other States have dipped into the piggy bank because they have not been able to resist calling on superannuation funds.

Mr De Lacy: And you are in Opposition. It must really hurt.

Mr STONEMAN: I concede that it hurts to see this State in such a position of total risk and proceeding down the WA Inc and Victorian paths. I can inform the Treasurer that it does hurt. The community ought to be aware of these risks. The Government has confirmed that the practices that were implemented in the past will continue.

As we tease out the statements that the Treasurer made this morning, we must ask where the Government will obtain the funds to undertake its promises. I repeat that the only way that it can achieve those promises is to take from one area and give to another, or increase taxes.

On a number of occasions, we have seen the Premier ducking and diving on his promises to implement fully Fitzgerald recommendations. In the next few months, if honourable members collect the Premier's words, they will discover that they build up a mosaic of escape clauses. It is like digging a tunnel under the fence to escape from prison. The Premier is gradually building a series of words that will allow him to escape from those promises. Unfortunately, that is the type of situation that is arising.

It is necessary that a broad overview be taken of the Treasurer's speech. The Treasurer assured members that Queensland is not moving along the same path that has shaken both the Western Australian and Victorian Governments, as suggested in reports early this week. I believe sincerely that the Treasurer has been found out. Moody's is not dumb; it has recognised the signposts and has received the signals. It has been watching them for years. We have the same Treasury and the same structure, but the political managers and the people setting the policy are different.

That is why, yesterday, the Treasurer was very hurt and said that the same words were used in a report when the National Party Government was in control and Moody's did not find a problem there but, now that the Labor Party is in power, Moody's suddenly thinks that it is a shaky process. Of course it is! Moody's knows that the Government does not have a manager on the Treasury benches. It knows that the Government does not have a person who has been through the grist of the mill by having to battle to build a business up, to employ people, to cop all the charges, and to work against interest rates and inflation and survive. That is what Moody's is talking about.

The Australian Bureau of Statistics found that Queensland's net financing requirements were the best of all Australian States. Moody's report has revealed that the conservatives have the financial expertise to manage State economies. That is the point that I am making and which I will continue to make.

New South Wales was given an excellent report. A judgment was not made on the amount of money that was owing there.

Mr De Lacy: Have you read Moody's report? You ought to read it, because I tell you what, you're on pretty dangerous ground to be quoting from Moody's. You ought to see what they say about the last National Party Government.

Mr STONEMAN: The measure of financial management success or otherwise of is in the document that the Treasurer himself produced titled *Queensland Economic Review*. We all know that the Treasurer made an unbelievably shattering attack on the former National Party Government—his Ben Hur statement—when he discovered that the economy was in a mess when he inherited it from that Government. Then, lo and behold, along came these other statements claiming that Queensland's economy is the best in the nation. He has made those claims in Canberra. Of course, when he is in Cairns, he has another story.

When compared to New South Wales, the Labor States have been given a poor report. Moody's gave the New South Wales Government a good report. The point is that Labor Party Governments cannot manage the economy. They all drift down the one line. It is no fluke that Western Australia, South Australia, Victoria and the Federal Government all have the same problem: they are in a mess under Labor.

Queensland's economy is clearly outperforming those of all other States. If the Treasurer leaves the economy alone, he will have to battle only a credibility problem. He should allow the people from Treasury to continue to use the old guidelines of the former National Party Government and the State will remain firm. However, the problem is that, time and time again, the Treasurer is frightening away investors—the creators of jobs—and attacking the productive sector. Queensland's debt service ratio is lower than that of any of the other States by a country mile.

The Treasurer referred to the Government's obtaining value for every dollar of taxpayers' money spent. Shortly, I will return to that. He must obtain the taxpayers' money in the first place. There must be taxpayers. If the Treasurer does not support the productive sector, because incentive will disappear rapidly, the number of taxpayers will decrease.

The honourable member for Townsville would have seen this article in the *Townsville Bulletin* of 31 July , but I draw the attention of members to the headline "Norgate fleet to be reduced by almost half". The chickens have come home to roost and a major transport operator in north Queensland is squeezing down production and has been forced to sell off its trucks. The article stated—

> "Managing director Rodney Battle said the Townsville-based company used to do all the work for the Pentland meatworks."

I am sure that all honourable members are concerned about the possibility of those meatworks either closing down or of falling into the hands of the one existing operator. The article continued—

> "That loss, combined with his parents' retirement and the threat of big transport registration increases, gave him no option but to rein in at the expense of more than 20 seasonal driving jobs Norgate's full fleet supported."

The sale of the trucks and the loss of 20 jobs will create hardship. However, greater hardship will be incurred by the people who supply tyres, spare parts and fuel for those trucks. Their families will be the losers. The article continues—

> "Mr Battle said the Federal Government's Inter State Commission Report on road transport charges was a very worrying document and he could only see the situation getting worse.
>
> Type two road trains cost $98.24 per week to register but if the report is accepted"—

and the report has been largely accepted by the Government of this State—

> "transport operators will be paying $1,186.46 per week, or 1 209 per cent more to keep their trucks on the road."

These increases will continue. The article quotes Mr Battle as saying—

> "We will still be servicing fuel supplies out west but the people in the west are going to have to pay if we are to cover costs and make a profit."

These operators must make a profit to survive; otherwise they will be forced out of business. The new charges will not provide the incentive to these operators to continue. Again quoting Mr Battle, in part, the article states—

> " 'I truly believe if you live away from the coast, you are disadvantaged and the Government will screw you.'
>
> He said it was terrible that rural people were being penalised after building the nation and continuing to create the wealth for coastal populations to enjoy.
>
> 'The average worker on the coast would no more consider working in the conditions they put up with out west than fly to the moon.
>
> I feel enormously sorry for anyone who lives west of Charters Towers. They pay and pay and pay and when they have finished paying they pay again. But until the people on the coast start hurting, the message is not going to get through,' he said."

Through you, Mr Deputy Speaker, I say to the Treasurer that that is a very eloquent statement. It says it all. It is that part of the productive sector that the Government, in

company with its Federal colleague, Mr Keating, is now screwing down. I know the Treasurer is not on very good terms with Mr Keating at the moment. Mr Keating has given the Government six cuts, or two lots of six cuts and finally, in desperation, he sent Mr Gayler to Queensland to administer some more cuts.

I would have to say that, for the first time, Mr Gayler has done the country a major service. I did wonder what he was doing, but at last we have found a way for Mr Gayler to act in the best interests of this State. He was sent by Mr Keating and Mr Hawke to Queensland to do the Government over—and he did. I will return to that in a moment. I believe that Mr Gayler has shown a depth of wisdom—and I must apologise to him for not having recognised it—that we did not realise was there.

I am concerned that the Treasurer, in his second-reading speech, stated—

> " . . . the Government will not hesitate in reallocating those funds to important social areas that have been badly neglected by the previous Government."

I do not believe that every member of this House and every person in this State would wish to see people in less fortunate circumstances than, perhaps, the average, assisted by every means possible. Those people will not be helped in any way, shape or form if the economy of this State does not continue to grow and prosper. There is no way the Government can help the less fortunate by just giving them money. The Government cannot rob the rich, so to speak, to pay the poor.

In fact, there are no rich any more. The rich are becoming an endangered species. That is the problem. The Government believes that if a person has more than a few acres of land, he must be a millionaire. Most people on the land battle all their lives. As Mr Battle said, the people who own the land and the average worker on the coast would no more consider working under the conditions they put up with out in the west than fly to the moon.

There must be incentive for the man on the land to continue, but this Government is taking away incentive. It must be made to understand that this proposed reallocation of resources, of tax funds—the fiscal policies of this Government—will penalise the productive few in favour of what the Labor Government considers to be social policy areas that have been badly neglected.

I do not believe that anyone in this State could say that we have anything other than a proud record of continuing and increasing assistance in social areas. There is no way in the world that there are levels of deprivation that are worse in one area than another. In fact, one of the processes that underpins the social problems experienced in this State is the need to support the family unit, the need increasingly to hold that unit together.

The means by which that is done is to provide job security, financial investment incentives—all of those things. Then, the family unit will be able to operate as it should. Increasingly, as a result of the Commonwealth's fiscal policies, the family unit is being fragmented. Mothers have to go to work to try and maintain a certain level. That is the sort of problem that now will escalate as a consequence of the reallocation of funds proposed by the Treasurer.

The final point that needs to be made in relation to the Treasurer's speech is that the Treasurer said that he was not pre-empting to Queenslanders that the Government would maintain its pledge of no new taxes and no increases in charges beyond the level of the consumer price index.

Mr Borbidge: What about land tax?

Mr STONEMAN: Exactly. The honourable member for Surfers Paradise would well know that the list of broken promises in terms of the increases in charges beyond the CPI now fills several pages. It is growing daily.

I ask the Treasurer: if I can show him where there have been increases in charges beyond the CPI, will he apologise to me? As I guaranteed to honour a pledge to him a while ago, will he reciprocate? Will he do that?

Mr Borbidge: Silence!

Mr DEPUTY SPEAKER (Mr Campbell): Order! The honourable member cannot challenge people in the House.

Mr STONEMAN: I am sorry, Mr Deputy Speaker. I thought that this was a debate.

Mr DEPUTY SPEAKER: Order! The honourable member can debate, but he cannot challenge other members in the House.

Mr STONEMAN: I am just saying that there is a deadly silence from the Treasurer. I answered the Treasurer's interjection and said, "Okay, I will gladly apologise." However, when I asked him to reciprocate, he put his head down and did not acknowledge me.

Unfortunately, in the future I will continue to table documents that indicate increases in charges beyond CPI movements. Obviously, the Treasurer has no capacity for embarrassment. After having broken promises on many occasions during the past eight months, he had the audacity to include that in his speech.

The other issue that intrigues me is that the Treasurer gave a commitment to implement Fitzgerald reforms. That was the horse upon which the Labor Party rode to Government. There is no way in the world that this Government plans to fully implement those reforms. It was elected on various mandates. However, the Government is gradually slipping away from its commitment to implement the reforms.

The Government will increasingly retreat from its commitment not to increase charges beyond CPI movements. When the Government came to power, the Treasurer tried the old trick of saying, "It is much worse than we thought, so we will have to change our attitude." The trouble is that the community, the Australian Bureau of Statistics and the Federal Treasurer would not wear that statement.

I commend Treasury officers for the economic review of the quarter ended March 1990. It is an outstanding document. With the Treasurer's pledge, I hope that the Treasury will continue to publish such documents. It is my suspicion that if, in the future, the economy starts to decline pressure will be brought to bear upon the Government not to publish such reviews.

The track record of the previous Government has been acknowledged around the nation as first class. I commend the Treasury officers who were part and parcel of assisting in that process. Undoubtedly, honourable members will witness a movement away from that procedure; there will be many broken promises.

The Treasurer said also that the Government will "importantly pursue a regime of fiscal responsibility never before seen in this State." What a statement! This Government is already reverting to the dark ages prior to 1957. It is almost as if the Labor Party has been in a time warp since 1957.

Mr Borbidge: The Treasurer can't answer questions.

Mr STONEMAN: I will come to that, too.

Like Rip Van Winkle, Mr Warburton, the Minister for Employment, Training and Industrial Relations, suddenly awoke and turned back one of the major micro-economic reforms in this country, namely, the industrial processes as set out in the enterprise agreement structure—the VEAs—which brought industrial harmony to this State in such an unprecedented manner that other States and the Commonwealth have said that VEAs are the way to go.

Mr Borbidge: Mr Keating.

Mr STONEMAN: Mr Keating said it.

Queensland has gone back to 1957. It is interesting to note that the number "57" is displayed on the digital timer in the Chamber. This Government has adopted a dark-age mentality. It is rolling back the clock to the 1950s and the 1940s—back to the old

systems that were proved wrong. Even the socialists in Canberra acknowledge that those systems must be removed. However, the Treasurer has said that Queensland is entering a new era that has never before been seen in this State. This Government must continue the management practices that led this State to its pre-eminence and its current position.

I turn now to some of the myths that were referred to by the Treasurer. Obviously, he has finally read the State Budget papers. Do honourable members remember the great statement about Ben Hur being revisited? The Treasurer went to great lengths to explain three myths, namely, the balanced Budget, low-debt and strong-investment myths. That was the type of propaganda that the Labor Party peddled before the election.

Investors are now starting to vote with their feet. Investment in this State is starting to grind to a halt. Coal-mining is a continuing process; new coalmines must be constantly brought on stream and mining must continue to go deeper and deeper. I hope that the new Gordonstone mine, which was announced yesterday, proceeds. No plan is ever complete until it begins operation. It could well be that, in common with Daikyo and Kumagai Gumi, the operators of that mine will discover that they are dealing with a new mob of bandits who are like the ones that operated in Victoria and Western Australia. Smooth talking is one thing, but when it comes to putting it into practice, this Government's management team is found wanting.

One would have to admit that the Federal Treasurer has a very dubious record but, because he realised how out of date the practices in Canberra were, at least he praised the Queensland economy. It is too late. The people of Australia are starting to ask, "Do we trust this man?" According to a poll in yesterday's paper, only 3 per cent of people believe Paul Keating.

Mr De Lacy: How does the National Party poll against me?

Mr STONEMAN: Paul will beat Keith hands down; I would have to acknowledge that.

The Treasurer of this State has treated the electors as fools. He has told them that they do not understand. He has spoken about the myths created by the National Party over the years. He has spoken about wool being pulled over their eyes and so on. Do honourable members remember this Treasurer's great statement? Do they remember the Donald Duck days? Do they remember those heady days of exposé when he stood before the television cameras and announced that somehow or other it was all wrong?

If the Treasurer had read the document—even the hastily prepared document prepared by the Treasury—he would have discovered that he was barking up the wrong tree. And he continues to do that.

Mr Borbidge: The first Treasurer in the history of Australia to argue against his own State's credit-rating.

Mr STONEMAN: That is exactly right.

Before the honourable member for Surfers Paradise entered the Chamber, I had referred to a number of policy attitudes displayed by the Treasurer; a number of means by which he operates. When he is in the club in Cairns he talks about the rat-fink foreign investors. When he is with the miners he talks about something else. When he is in front of the television cameras he has another attitude. When he goes to Tokyo, he has yet another attitude, but his minders can control him to some degree. He goes on and on. He has treated the electors as fools. He has talked about State debt. He is an embarrassment. He has embarrassed Queensland in the eyes of the nation and he has embarrassed it in the eyes of international investors.

Why are international investors now querying investment in this State? They can consider investing in the whole of Europe. That is the frightening part. Foreign investors can invest anywhere else in the world where they can be embraced as they should be, with a considered approach. They should be embraced not with the racial approach that has been displayed—the ideas from Cairns that seem to have been built up in the

Minister's branch of the party—but with the considered approach that has stood this State in good stead with foreign investors.

Honourable members would have a lot to be worried about if the Appropriation Bill had been prepared in the Minister's office. We know that this Appropriation Bill was handed to the Treasurer. Earlier he had to call for the "Hear, hears". It was interesting to see the glum faces when he spoke about a reduction of 3 per cent to 6 per cent across the board. It has been widely reported that the Premier told Ministers they had to wipe 6 per cent off their programs. How is that being done? It comes back to the productive sector.

Let me refer to Moody's again. Its praise of Queensland in 1990 is overwhelming. Moody's stated that Queensland ranks the best among the States on virtually all debt-servicing and borrowing measures. Such glowing reports are not made without a reason. The former National Party Government had the correct formula for 30-odd years. It discovered how to manage the State's finances. With the aid and support of the Treasury officers, this State was doing magnificently. With the best will in the world the Treasury officers cannot hold together a bunch of taxpayer bandits. Low taxes and charges, growth, development, jobs, services and a progressive industrial relations policy were apparent under a National Party Government.

I refer now to the Industrial Relations Act. How will that benefit the productive sector of the State? What about those people who have been rewarded for holding the people of this State to ransom? What message does that send out to the other people who were working under better conditions, receiving more pay and were happy doing what they wanted? They have been told by this Government that that is not on; that there is no way in the world that they can contemplate it. The present conflict between the State Government and the Commonwealth Government in regard to industrial relations policies is as profound as the conflict between this State and the Commonwealth in relation to foreign investment policies.

Someone must have worked until late last night to extract a speech--and that is all it is, an extract—that is this Government's foreign investment policy. Much has been said about this policy for a long time. A secretariat has been built up. Every Monday we are told that the foreign investment policy will be tabled. Yesterday the Premier said suddenly, "Yes, we will give it to you." What did he do? He made a speech that was lambasted in the press. Immediately after the Premier made that speech the Japanese consul said, "You have got to give us some guidelines." The Premier had the audacity, the impertinence and the unbelievable and unmitigated gall to say that if people cannot read the document, someone should read it to them and then they will find out what it is all about.

The Government has extracted a few paragraphs from that document. Under the heading "The elements of the Government's foreign investment policy through

which we hope to achieve this balance include", it states—

> "Making an assessment of each proposal to identify the potential benefits of the state, noting especially the potential effects on particular industry sectors and regional economies."

That policy is an unbelievable mouthful in itself. The international investors want the Treasurer to spell out what that statement means and advise them on what basis the Treasurer made those assessments. What are the particular industry sectors in the regional economies that he is talking about? Does this mean—I suspect it does—that a series of policies apply in Cairns?

Have any members opposite heard a song and dance about the 100 per cent purchase of the completed AAMI building, worth $24m-odd, located at the other end of the city? The Government has not mentioned a single word about 100 per cent foreign ownership of that building. However, in the City of Cairns, which is struggling following the unbelievable problems created by the pilots strike when the "great negotiator" could not put anything together, people are knocking the purchase of Four Seasons because they

say that it will give that corporation market dominance. What they do not know is that that was the first hotel that Daikyo had purchased in total and that it had been on the market for some considerable time. Had that purchase not proceeded, many Queensland businesses and jobs would have toppled.

People have been reasonable when they have asked: why does not the Government spell out its policy on foreign ownership? Today in this place the Premier made a song and dance about it and said, "This is our policy." In fact, it was an extract from a speech that he delivered. I ask the Treasurer: where is the foreign investment secretariat? Where is that report? How long do Daikyo and other foreign investors, those people who brought this nation, and particularly this State, to its current position, have to wait to see those foreign investment guidelines?

Queenslanders are seeing another wishy-washy, ad-hoc presentation, made on the run, shuffled out last night, given to "Dr Death" to flea over and to come up with a statement, which included a paragraph that could only have been written—and I know he would not have written it because he was sending the heavies up here—by Bob Hawke. That statement really was "Hawkespeak".

The Treasurer went on to say—

> " . . . through the new foreign investment secretariat and the Department of Treasury working closely with industry to address proposals where industry input is appropriate."

Who decides where that input is appropriate? At what level does someone in a board room in Tokyo, the United States or Europe say that this is clear?

Queenslanders keep hearing the Premier and Treasurer saying, "It is clearly stated. We have stated it again and again." Last night, honourable members saw the Treasurer being interviewed on the *7.30 Report*. It was an embarrassing interview. I bet the Treasurer is not game to look at the replay of last night's *7.30 Report* in which he said, "Look, we have said it again and again and again. We have enunciated the policy." The commentator of that program asked, "What is it?" All the Treasurer could say was, "We have said it a hundred times."

Mr Davies: What was your Government's policy?

Mr STONEMAN: Even though the honourable member is not in his usual place, I will take that interjection. Under the National Party's policy, there was no furore or problem in regard to foreign investment in this State.

This morning's question-time was interesting because the honourable member set up the Honourable Geoff Smith with a couple of questions and then sat back smugly. I would say that undoubtedly the member for Townsville has got the position. It could even have been an overkill this morning because the member did the Minister the first time. Anyway, I can assure the member that the champagne corks will be popping in his office in Townsville.

The National Party Government's policy on foreign investment brought the economy of this State to pre-eminence in this nation. That policy was applauded around the world. It was a policy that saw foreign investment come and go, and come and go productively.

I challenge the members of the Government, in the broad sense, to show me any real estate, with the exception of the floating hotel—which was manufactured overseas anyway—that has ever left this State as a result of foreign investment. The British and the Europeans came to Australia before the turn of the century in the 1850s and 1860s and opened up vast tracts of land in western Queensland. They sunk bores, created towns and built up expertise, which led to people going on to become the owners of those properties themselves. In other words, the farm was bought back.

When the economy worsens, it is necessary for foreign investment to enter Australia. The reasons for that foreign investment coming to Australia are well known, but obviously members opposite are not aware of them. When the price of our goods diminishes

overseas and Australia's currency deflates against foreign currencies, investment in Australia becomes attractive. The worm has turned.

When the next Federal election occurs, the Government in Canberra will change as surely as the sun will rise tomorrow morning. When that change of Government occurs, a gradual buying back of the farm will occur because overseas investors will regain confidence in Australia's economy. This debate is all about confidence. This Government is spiking confidence. I do not believe that it is knowingly spiking confidence. It is spiking confidence because it is inept and has no understanding of management principles.

What is happening down in the bowels of Treasury, which has people examining the current return on stamp duties? Earlier this year, stamp duty receipts had already exceeded the anticipated total for the year. The previous Government budgeted a conservative figure of about $99m. If my memory serves me correctly, those receipts had already reached $140m-odd and were way above anticipated figures. That result is the outcome of conservative management practices adhered to by the previous Government. When things go well, Government is in a position to put a bit of cream on the cake; if they do not, it has to take up some slack. However, socialist Governments around this nation are spending money before they receive it, then when that money runs out, they again attack the productive sector.

A Government member interjected.

Mr STONEMAN: I will now examine some of the turn-arounds. In some instances, this Government has started to wake up.

When Mr Goss was in Opposition, during a Budget debate he described the investment in the gas pipeline as a redundant and unnecessary investment. He said that, in Government, the Labor Party would sell it immediately. The Labor Party has broken its promise. It has suddenly discovered that there are some benefits to be gained. Already, there is talk of doing the same thing. I think that the Premier said that it would have embarrassed even Gorbachev.

The pipeline is now being touted by the converted Leader of the Labor Party as the powerhouse for big, new development in central Queensland. That was always the plan. It was not recognised by members of the Labor Party when they were in Opposition. Although it is now somewhat belatedly recognised by them, they still have not learned their lesson. Government members have not admitted that they could be wrong on a whole lot of other matters.

I am pleased that the Premier has entered the Chamber. Recently, the Premier made a 180-degree turn on this issue. It was marvellous. Unfortunately, the same will not apply to the Premier's attitude towards foreign investment and a whole range of other matters. It will certainly not apply to the Premier's intention to plunder the public purse.

Another example of the change in attitude shown by the Premier can be found in his statement about the Government jet. He said, "We want to get a much more modest plane, one without gold taps and so on." I wonder where the Government jet is rusting now. I wonder what the people in the flood-affected areas of western Queensland would have done if the Government jet had not been available to assist in the relief operation. Unfortunately, the Premier is too pig-headed to change his mind on that issue.

That is a means by which the Government can further attack the people in rural and isolated areas of Queensland. The Premier should have the means to travel to those hot spots—to Longreach, Charleville, Quilpie and Boulia—to see what is going on. Residents of those areas are entitled to be visited by the Premier and by Ministers, even if they are predatory in their approach to those residents. The only way that Government members will realise the importance of visiting remote areas of Queensland is by travelling there. However, the Premier says that the Government will sell off that toy.

The Government jet is just sitting there. It has not been sold because the Government recognises that, because the jet is used in the organ transplant process, political damage would be done if it were sold. So there is a dilemma. The Government jet is not being used by Ministers--unless they are being sneaky about it. It certainly will not be used by the Premier, but he should be using it constantly. Whilst I commend the Premier for recognising his mistake in the debacle over the pipeline, I cannot believe that he does not have the intelligence to understand his mistake in respect of the Government jet and how that is harming the productive sector of Queensland.

Because the Premier needs to travel between this Chamber, Cairns, Mount Isa and many other parts of Queensland, huge demands are made upon his time. As he is at the helm of this State, he must be able to travel everywhere. He has taken away a vital tool that would enable him to do that. That indicates the attitude of the Government. It is shrinking into centralism.

Yesterday, the Minister for Health made a further attack on rural communities when he announced the regionalisation of hospital boards. I cannot believe that the member for Mount Isa, Mr McGrady, is not in the Chamber. He will not be pleased to learn that hospitals in his area will be administered from Townsville. Daily, the Mount Isa Hospitals Board was in touch with its staff. Mount Isa is unique because the Mount Isa Hospitals Board covers the Camooweal Hospital, which is situated 80 or 90 miles north west of Mount Isa on the Northern Territory border; the Dajarra Hospital; the Mornington Island Hospital; and the Doomadgee Hospital. The Mount Isa Hospitals Board has a huge responsibility which needs the practical understanding of the residents of that area.

Mr Livingstone: No qualifications.

Mr STONEMAN: I take the honourable member's interjection. Honourable members were elected because they have been assessed by the electors as being able representatives—regardless of whether it is true or not, and regardless of the areas they represent. We represent the interests of the people who elected us.

The members of hospital boards may not have a medical background, but they represent the communities in which they live. They understand the problems faced by nurses who travel to Mornington Island or to Dajarra. However, people in Townsville will now be responsible for the administration of hospitals in those areas. It will be a strange set-up. There can be no doubt that it will be a mob of cronies—the Redcliffe Hospitals Board revisited. The most capable member of that board was Brian Dobinson. There was no cronyism there. Shortly prior to his appointment to that board, he had left Townsville. He suddenly emerged as the Chairman of the Redcliffe Hospitals Board. That was quite remarkable.

Returning to the honourable member's point about "no expertise"—a range of medical and local expertise will be lost by the approach that has been taken towards regionalisation.

Mr Johnson: It just goes to prove that if you live west of the Great Divide, you don't count.

Mr STONEMAN: Exactly. The honourable member for Gregory has a vast, hands-on knowledge of western Queensland.

Honourable members interjected.

Mr STONEMAN: The member for Gregory has worked in the west. He has used a crowbar. He has ridden a rough horse and he has been through trials and tribulations. He knows what it is all about.

Honourable members interjected.

Mr DEPUTY SPEAKER (Mr Campbell): Order! Honourable members shall not interject from other than their correct seats.

Mr STONEMAN: Mr Deputy Speaker, there is no real problem. I can handle them from any position.

The decision not to use the Government jet precludes the Premier from gaining an understanding of the State of which he, for the time being, is at the helm. He has wiped out the potential to travel around Queensland. The inconsistencies are unbelievable. It shows increasingly a withdrawal from the productive areas. It is a case of out of sight, out of mind.

I am sure that some of my colleagues who are more eloquent than I am and have an understanding of specific matters will have something to say about the QIDC debacle, because there is an unbelievable range of disaster documentation in the Polichronis report. It is extremely sad that people who were granted loans at particular rates of interest now have to come back on bended knee and beg again. It is said that these cases are being reviewed. All cases have been constantly reviewed. I do not know how many times I made representations on behalf of my constituents who received a letter stating that their capacity to pay had improved so their rate had been increased from 13.5 per cent to 15 per cent. That is all part and parcel of the review process.

The Treasurer, in his capacity as spokesman on foreign affairs, referred to a 50 per cent level of involvement by overseas companies. However, when it suited the Government, the Premier negotiated a 65 per cent United States involvement in the Gordonstone mine. He has issued a warning to the rest of the investment community. The Government has no consistency in terms of foreign investment and it seems that a range of actions is being taken on the run.

The Treasurer's statement on leasehold and freehold land was unbelievable. A title vests in all land whether it is freehold or leasehold. Did the Treasurer suggest that, if a person held freehold land and a foreign investor came along, that person would have to sell the land to the Government or a holding authority and then, in turn, it would be passed on to the foreign investor as leasehold land? What would the Treasurer do if a foreign investor held freehold land which he wanted to sell to another foreign investor? Would the owner have to say, "I am sorry, but I can sell you only a lease?" In that case, to whom would he sell the freehold? In press statements, the Treasurer has acknowledged that technically it is not possible and that he might need to have a rethink. He just went off his brain. He was pressured by his local branch. He had not spoken to his constituents in the main street of Cairns.

I will bet my bottom dollar that the honourable member for Barron River was cringing when this was on because her electorate—I know it very well and I have relatives in business there—depends entirely on the continuing expansion in the area. The honourable member for Barron River is fortunate in representing one of the most beautiful areas in this nation. The electorate has been and is continuing to be enhanced by a tremendous amount of foreign investment, and it will continue.

Relatives of mine have a business in the Smithfield shopping centre, which is right in the middle of the honourable member's electorate. They are worried because people are not coming in through the door. As I understand it, there was to be further development of that centre, but business is not increasing at the rate required to offset inflation, increased costs, high interest rates and so on.

The effects from the pressure being applied from one part of the State are overflowing to the detriment of the rest of the State. That is why the quiet word has come from the consul in Canberra, "The boys back home in Tokyo are getting worried. You are going to have to stand on this mob in Queensland." So the Federal Treasurer and the Prime Minister have had to take the appropriate action. They have sent their hitman, Mr Gayler, up there. I dip my lid to that man because he has more in him than I thought.

A detailed analysis of State funding, undertaken by Moody's, shows that Queensland needed to devote only 15 per cent of revenue in the year to June 30 last to fund its debt. The figures for the other States are: New South Wales, 17.1 per cent; South Australia, 19.3 per cent; Tasmania, 22.5 per cent; Victoria, 21.2 per cent and Western

Australia, 17.9 per cent. Moody's warned international investors that, with the change of Government, this State might be embarking on a road to heavy intervention in the State economy. That is the point I am trying to make for the benefit of the honourable member for Barron River and the Treasurer, as the member for Cairns. Once the Government starts to interfere in the free flow of economic structures, the day comes when someone has to pay, and one instance is loss of jobs. If there is no investment, there is no development and no jobs. There will, of course, be some jobs.

In the housing industry, some people are starting to put their hands into the till. I will be interested to see whether the Minister for Housing says something about the statement that has been given to me. I do not have the precise details, but a senior real estate operator in north Queensland rang me the other night and said that, under the previous administration, approvals for Housing Commission loans were taking six to eight weeks. It must be remembered that most houses are bought subject to finance, and with a Housing Commission loan, the contract was up in the air for six to eight weeks before it could be finalised. Somebody had to sign an agreement that he would wait that long. It has been reported to me—and I hope that the report is not true—that this will now take between 16 and 18 weeks. Who in the real estate world can say to a vendor, "Look, we don't know how long it will take but it will be at least four months—maybe up to five months"? The vendor will say, "No. Go and find another buyer."

The fact is that people cannot get access to housing and the people who want to sell houses have had the market taken away. When part of the market is taken away, real estate agents jeopardise liquidity and jobs are lost. People who want to sell and perhaps reinvest their money by upgrading their home will also miss out, and people at the lower end of the socio-economic scale who want to get into the housing market to purchase a home will miss out, too.

The financial managers of this State—the Goss Government that has its sticky hands in the till—are stretching the approval time so that the money can be used for other purposes. Benefits that will flow to the tax-paying community will be spread very thinly. That is a sad process, and it will be seen again and again in the actions of this Government. This Government does not understand that if it tinkers with the economy, the interference will have an effect somewhere along the line. I think it was an American President who said, "If it ain't broke, don't fix it." The economy of this State is not broke, so why does the Government tinker with it?

For the couple of years that this Government has left, it should leave financial management to Treasury officials who have built up their financial expertise over a period of many years. The Government should not dip into the social program referred to by the Treasurer, who said earlier, "We are allocating those funds to important social policy areas that have been badly neglected by the previous Government." If that is the case, where will the money come from? It will have to come from somewhere.

The Government is attacking the productive sector across the board. Companies in the building industry are falling like nine pins and people are losing confidence. Businessmen say, "Why would I continue to borrow with the expectation that interest rates may come down and the economy may improve, and in the expectation that perhaps Hawke and Keating have come to the end of their days?" Why would they borrow when the Queensland Government is busily eroding the market?

Honourable members should bear in mind that there are only two groups in the marketplace—foreign investors and local investors. The market will be halved if foreign investors are forced out, but the big problem is that competition diminishes or is wiped out entirely. Capital funding in Australia is not available in sufficient quantities to generate sustained economic growth.

I remind honourable members that sustained economic growth results in increased job opportunities. Each day, more and more people enter the job market in search of employment. The hallmark of efficient economic management in Queensland was that the State not only accommodated its natural increase in population but also had to absorb an influx of people from interstate. Those population pressures had to be dealt

with over a period of many years, and they were dealt with successfully—without dipping into reserves and without increasing the funds set aside for debt-servicing. Previously, I mentioned that 15 per cent of this State's revenue—a remarkably low level by any standard—will be devoted to paying the interest on the State's debt. In addition to managing all those tasks, the previous Government maintained actuarially sound superannuation schemes, a high credit-rating throughout the world, and never had Moody's saying, "Hang on, you had better watch out." That is all that Moody's has said and, as the Treasurer correctly pointed out, it did not say that the State's economic position was worse. Moody's simply said, "There is a new bunch at the helm."

In the few months that the Goss Government has been at the helm, major erosion in business confidence has occurred in this State. The other day I spoke to a businessman who previously employed 190 people. He now has three employees. In the first instance, he told me that he had six employees, but he later phoned me and said, "I am sorry, I got it wrong. I had forgotten that we had to put off another three." The business employed only the owner, his wife, and one other person. The Government has been attacking that company and has eroded its opportunities. The company was involved in construction and development throughout the State and had been creating job opportunities, particularly in central Queensland where the pipeline has been constructed—the project over which Mr Goss did a backflip. Prior to the entry into this Chamber of the Leader of the Opposition, I was saying that Mr Goss should be applauded for recognising at long last the processes that had been put in train by the previous administration. Thank goodness he had the sense to do that; however, it appears that in other places he is not prepared to do so.

A whole series of programs implemented by the previous administration must be balanced against the attacks that are being made now by the present Government. There are two sides to the ledger. Prior to 2 December, Queensland enjoyed sound fiscal management. The Treasurer has promised that that will continue, but it cannot continue if Labor Party policies are adopted. Not one member of the Government has had any experience in top management. If the job of this State's financial manager were advertised in the paper, every member of the Government who applied would be unsuccessful.

Mr Davies: What's yours?

Mr STONEMAN: I have no academic qualifications.

Mr Hayward: I am interested in your management expertise.

Mr STONEMAN: I recognise that the member for Caboolture has academic qualifications, but I can tell him that I have been to the university of hard knocks. I believe I have paid my dues and have succeeded.

Sitting suspended from 1 to 2.30 p.m.

Mr STONEMAN: Because the Opposition can address so many problems on this subject, I am running short of time in the debate. Fortunately, the Opposition has a great team of speakers to come.

Prior to the luncheon recess, I was about to overview the situation regarding the various attitudes that have prevailed over the years that have led us to various questions being asked. Those questions have been raised not in the political atmosphere of Opposition but by people such as Moodys and the international investment community. Previously, Queensland had sound fiscal management. Today, the Treasurer undertook to maintain that sound management. Of course, he has a wonderful opportunity to follow the procedures of the former Government. Unfortunately, experience in the Government is very limited. It has a broad academic base but it does not have a broad practical base.

The maintenance of continuity of sound fiscal management as a positive industrial relations process requires not giving in at every turn and not bowing before union demands all the time. Unfortunately, the Goss Government tends to be determined to

move back into the 1940s. That will be the rock on which the Government perishes. The business community is being increasingly taken aback at the difference between the rhetoric of the Labor Party prior to the 2 December election and the action since the election.

Mr Prest: They showed that up in Caloundra.

Mr STONEMAN: We all know that in Caloundra the Labor Party was not prepared to run on its record of eight months. While it was in its honeymoon period as a Government, it had a great opportunity to contest that by-election. Similarly, in Sherwood, where the Labor Party almost took the seat from Angus Innes at the last election, the Labor Party was not prepared to stand a candidate. Government members should not talk about the by-elections in Landsborough or Sherwood, because that was a sorry state of affairs. On television, solid supporters of the Labor Party said, "I've had enough. We've been let down." Approximately 30 per cent of the voters did not go to the polls. However, that is not what I am here to debate today.

Over the past 30 years, positive support for development has been the foundation and a fundamental facet of the operation of the security of this State. At the moment, people in Brisbane are attempting to drum up positive support from the Goss Government for the spaceport in north Queensland. That is one of the greatest opportunities that any State in the southern hemisphere, let alone any nation, has had. Queensland has an opportunity that has never before been presented. No-one would diminish the role that was undertaken by the former Premier, Sir Joh Bjelke-Petersen, in precipitating that project. I salute the work that he did over the years and the vision that he had in grasping opportunities such as development of that spaceport. At that time, Labor Party members laughed at the project.

The spaceport project is receiving very luke-warm support from the Goss Government. Foreign investment is already very tentative. However, Mr Comben, with his great environmental push—he has almost become the invisible man—is lurking ready to spike development. Ms Warner is, quite rightly, supporting the cause of Aborigines and Islanders. However, the only way that they can have their much-needed programs enhanced is by the creation of further development. The spaceport has the capacity to bring a range of financial and physical benefits to the Cape York area and to this State in an unprecedented manner. The electorates of the Treasurer, the honourable member for Barron River and the honourable member for Townsville and regions of north Queensland have been again spiked by the wiping of the Cape York-North Queensland Enterprise Zone. As other speakers have enunciated, that has resulted in the loss of a huge number of opportunities. It has spiked confidence in the business community. I am talking about the capacity for a Government to engender confidence in the investment community. That confidence has been spiked as surely as if the Government had put a pin into a balloon.

The Government has the major problem of balancing environmental considerations with the need to continue development. The Hawke Government is now discovering the cost of being in the grip of the greens and the Left. The President of the Labor Party in this State, a leading Socialist Left faction member, Mr McLean, is leading the charge against the expansion of opportunities for true interaction in technology in telecommunications which would provide competition that would be to the betterment of all Australians. However, the Government wants to maintain the old monopoly in telecommunications. Mr McLean fought alongside the unions tooth and nail against the Aussat satellite structure and the Q-Net program. I am aware of that because I was involved in those programs. If Q-Net had not been introduced, where would the people of inland Queensland be? It saved millions of dollars for the Government. Without Q-Net, the people of Quilpie, Thargomindah, Boulia, Betoota and Camooweal would never have had the communications access that they have now. Previously, they did not have television, and they would never have had it without Queensland Government support for the transponder rental on the first launch of the satellite which enabled broadcasts via north Queensland television. That is now at risk. Everywhere honourable members

turn, the productive sector of the inland of this nation is under total threat. I will return to that shortly.

There is a need for balanced social spending. The Government cannot take out of the purse more than the amount that goes into it. That is the underlying factor that has maintained the security base of this State over the years. If the Government borrows money, it will be impossible to maintain that base. In 1981, Australia's net debt as a percentage of Gross Domestic Product was 6 per cent. Sweden, Australia's nearest trading partner, had a net debt of 15 per cent. By 1987, Sweden's debt had increased to 23 per cent. However, by 1989, Australia's debt had increased to 32 per cent, which is an increase of more than five times the percentage in 1981. It is that sort of increase that creates the problem we face on the international market. Only a sound economy such as we have in Queensland has the capacity to bring us out of the mire.

On the other hand, social spending has to be balanced with the need to enhance the productive sector. It is not possible to stifle the productive sector by giving away the money that would otherwise have gone to benefit it, yet expect it to go on forever. To do that would be to fall into the economic trap suffered by Victoria, South Australia and Western Australia—and New South Wales prior to the election of the Greiner Liberal Government.

We must recognise increasingly the role of primary industries in the economy. Primary industries underpin the economy of this nation. Australia has always ridden on the back of primary industry and, come hell or high water, it will continue to do so.

The mining sector and the tourist sector are increasingly important. In fact, they are of equal importance. Provided the Government, in response to the green movement, does not adopt an attitude akin to lying down in front of the bulldozer, primary industry will continue to be the base for the productive dollar in this nation. It must be; and it must continue to be.

The Goss Government is attacking primary industry on all sides. By way of example, I refer to the Rural Mail section of the *Courier-Mail* of Wednesday, 1 August. The back page features good news about the Broncos. I salute them. They are doing a wonderful job. Let us hope they win the premiership. I am sure they will. However, if one turns to the page headed "Rural Mail", the news is not nearly as good. It features an article entitled "Drop in wheat price to cost farms $350m". The article illustrates some of the economic vagaries experienced by primary producers. A further article details the drop in the wool price. It is headed "Wool shows $166 drop". I understand that the Australian Wool Corporation is still obliged to buy half, or more than half, of the bales sold each week. Despite the fact that the Wool Corporation is presently funding 20 per cent of gross returns to the growers, the price of a bale of wool has dropped by $166.That is an unbelievable decrease.

A further article is headed "Mackay land on market". I wonder who will buy this land. Government restrictions place limits on the amount of land able to be purchased by foreigners so that, even if they were not in the market to purchase, they have been removed as a viable market force. I turn the page. Another article, headed "Pork men hit ban removal", details a Federal Government decision to lift the ban on imported Canadian pigmeat. That decision will have a significant impact on the domestic markets. When I was Minister for Primary Industries, I fought that move tooth and nail. As a result of the Federal Government's decision, the pork industry in this State will go down the drain. Do we hear support from the Government for pig-producers?

Another article on the page is headed "Rego fee ire boils over". These are all on one page. I wonder what I would have found if I had looked at another page. The article states—

> "Farmer anger over the hike in farm vehicle registration fees dominated a tense session with the Primary Industries Minister, Mr Casey, at the Queensland Graingrowers Association annual conference in Caloundra yesterday.

Delegates were upset that the Premier, Mr Goss, had to make a last-minute cancellation, leaving Mr Casey to stand in and answer the many barbed questions.

Anticipating the flak, Mr Casey attempted to justify the rise of several hundred percent in registration fees in his address. But the anger flowed into questions, with Mr Casey repeatedly told Mr Goss could not be trusted after having broken an election pledge not to increase charges beyond the CPI."

Mr DEPUTY SPEAKER (Mr Hollis): Look at the other side of the page.

Mr STONEMAN: I thought the position of Deputy Speaker was an apolitical one.

The particular item is headed "Smile for a day" and shows a picture of the Premier. That is the only thing the Labor Party would be interested in. The advertisement shows the smiling face of the Premier, while the rest of the page details attacks on primary industry.

There is a photograph of a lady with a cow imported from Japan.

An honourable member: How can you tell?

Mr STONEMAN: I can tell. I was looking for the name of the cow, because it is a rare Japanese variety.

Would that lady have spent the money to import this cow if she had known of the approach adopted by the Government? The Government is attacking primary producers and the productive sector—those in real estate, developers, the whole gamut of those who produce the wealth of the State and the nation.

Honourable members do not seem to understand the Treasury document on economic review. It provides details of retail prices—the cost of living. If we consider a scale on which Brisbane represents 100 per cent, in Cloncurry, food and vegetables are 11 per cent dearer. So, people who are on the same wage in Cloncurry, battling under the same conditions, paying the same interest rates but living in harsher conditions and with no access to services, are paying 11 per cent more for basic goods and services. In Richmond and Julia Creek the cost of living is approximately 18 per cent higher.

Mr Prest: When were those statistics taken?

Mr STONEMAN: This is the *Queensland Economic Review*, which was published by the Queensland Treasury and applauded by the Treasurer. The figures relate to the quarter ended March 1990. If Mr Prest wants to argue with that, I suggest that he consult officers of the Treasury Department.

The cost of living on Thursday Island is 44 per cent higher. One of the main reasons for that is its isolation. Areas closer to centres of population have a lower cost of living. If the Cape York space base were to proceed, there is no doubt that the people of Thursday Island would enjoy a lower cost of living.

I do not intend to move for an extension of my time in this debate. It should be understood that credibility must be earned. It cannot be inherited. This Government inherited an excellent set of fiscal figures and a management model that is to be applauded. However, the Government cannot inherit the credibility that goes with that. That is what Moody's said, that is what the Opposition said and that is what I intend to continue to drive home.

Time expired.

Mr HAYWARD (Caboolture) (2.47 p.m.): In case honourable members have forgotten, I point out that this House is debating the Appropriation Bill 1990-1991 (No. 1), which will authorise the issue of funds for public accounts to effectively cover supply services from September to December 1990. The Budget debate will occur later this year.

It is necessary to debate this Bill now because of the ongoing implementation of this Government's agenda for reform. The Government made many election promises and gave a commitment to education, welfare, hospitals, the environment and Fitzgerald reform.

Mr Stoneman spoke about myths. I believe that he is trying to create at least two myths.

Mr Sullivan: Do you think he "mythed" the point?

Mr HAYWARD: I was going to say that one of Mr Stoneman's great myths is that he will be back in Government in two years' time. On the basis of his performance, there is no chance of that.

It is obvious that Mr Stoneman has not read Moody's report. It is strange that he quoted from it continually and selectively.

Mr Stephan: You are not going to do that?

Mr HAYWARD: No.

Mr Stoneman claimed that this Government had its hands in the public till. Moody's said—

> "Reforms are aimed at restoring faith in public institutions which was shaken following the improprieties of the previous administration."

If Mr Stoneman believed what he said, he would have mentioned that and acknowledged that the previous administration was riddled with improprieties. Mr Stoneman should not talk about neglect because taxpayers' funds were poorly directed, and all honourable members are aware of that. Members of the National and Liberal Parties know all about the misdirection of taxpayers' funds. Many undertakings in their electorates were never delivered.

As to the poor direction of funds, Moody's said—

> "Government-business relations are being re-examined in the light of past practices including financial irregularities and cronyism."

Mr Stoneman did not mention that. He spoke only about platitudes and the productive sector.

During the past 32 years of National Party rule, Queenslanders heard only platitudes. That is the difference between this Government and previous Governments. The people of Queensland were sick of those platitudes and reflected exactly what Moody's said. They were concerned about the improprieties of the previous administration and the past practices, including the financial irregularities and cronyism.

It is interesting to note that, for a period, Mr Stoneman was the Minister for Primary Industries. During that time he had an opportunity to remove the cronyism within the drought secretariat. However, he did nothing about that. That is typical of the National Party's performance—platitudes and no action.

Mr Dollin: And the DID.

Mr HAYWARD: Yes, that is another example.

This Government has made a commitment not to introduce new taxes or to increase fees or charges beyond movements in the CPI.

Mr Stoneman loves talking about the productive sector. Moody's said—

> "Statements by the new Premier Wayne Goss and Treasurer Keith De Lacy indicate that they are pro-business and pro-development . . . the Government holds that the private sector has the primary role in generating economic activity and employment and that growth must be the precursor to the fulfilment of social objectives."

It is obvious that Mr Stoneman did not read that document, which is a ringing endorsement of the actions of this Government in the past eight months. Mr Stoneman should read the report.

It is important to understand that State revenue comes from two sources, namely, the Commonwealth and funds generated through and by the State. It has been made clear in this House and well covered by the media that, this year, the Commonwealth is providing less revenue to the States. Queensland has fared better than most States. Nevertheless, the Commonwealth is providing it with less money. As a result, the States then have to rely on their limited revenue-raising powers. We all know what they are. I refer to land tax, payroll tax and stamp duty. The State is fairly limited in the scope that is available to it to raise revenue.

Mr De Lacy made it very clear that the Commonwealth has extended to the States the right to raise money through the bank accounts debit tax. The responsibility for collecting that tax has been transferred from the Commonwealth to the States. Mr De Lacy notes quite correctly that, unfortunately, that tax does very little to underpin the fundamental problems that were previously highlighted through the lack of direct grants from the Commonwealth.

Given the circumstance of a decline in available income and the Government's commitment that it will not impose any new taxes and that any increases will be in line with the increase in the CPI, Queensland is nevertheless an expanding State which has a population growth greater than that of any other State in Australia. As every member of this Parliament would understand, that population growth carries a demand for services and also places more pressure on members.

The demand for those services occurs throughout the State. It is not concentrated, as it is in other States, around certain capital cities, although in Queensland there is a large demand in the south-east corner. Queensland is unique in that it is a decentralised State. As most of us in this Chamber travel throughout the State, we realise just how decentralised it is.

An enormous pressure is applied to the Government to provide services to the people who need them. This Government has made a commitment to provide those services in areas that require them.

Mr Stephan: You aren't trying to say that you are thinking up reasons to increase some of those charges, are you?

Mr HAYWARD: I did not quite hear what the honourable member said. I think he mentioned increasing charges. I thought Mr De Lacy had made it very clear that there would be no new charges above the rate of the CPI increase.

Mr Stephan: He is increasing charges.

Mr HAYWARD: If the honourable member is talking about farm vehicles——

Mr Stephan: I am talking about two in particular, but there are more than two that have been increased.

Mr HAYWARD: I ask the honourable member to name the five that he knows.

Mr Stephan: There are more than two that have been increased.

Mr HAYWARD: I ask the honourable member to name them.

Mr Stephan: Tell us about the increase in land tax.

Mr HAYWARD: Later I will turn to the matter of the increase in land tax.

The honourable member would know that, over the past six years, there has been a continuous clamour—a demand—to fix up the inequities that have existed in the land tax system that has operated in this State. The honourable member cannot deny that.

People would have gone to the honourable member and spoken to him about those issues. Those inequities are being rectified; it is as simple as that.

One of the best examples of the increased growth with which this Government has to contend is contained in a report titled the *Indicative Planning Council Report 1990*. Most honourable members have probably received that report in recent days. It is a very interesting document. It examines land supply and demand. It refers to the number of dwellings commenced in the past four years. I will refer to that in the context of the services that need to be provided to cater for those dwelling commencements.

The low year in Queensland was 1986-87, in which 21 000 dwellings were commenced. In 1988-89, some 44 000 dwellings were commenced. It is projected that, in the south-east corner alone, in the next six years 30 600 dwellings will be erected per year. Even with Mr Stoneman's mathematics, one could work out that approximately 183 000 dwellings will be erected during the next six years.

It is interesting to consider that number in the light of the number of blocks of land available for such development. The availability of blocks of land varies in different local authority areas. Those problems will have to be addressed by us as members of Parliament. For instance, according to this report, the supply of available blocks in Brisbane will last only 2.91 years. In the Caboolture area, which is represented by Jon Sullivan and me, land will be available for only 5.94 years. There seems to be plenty of land available in Ipswich. It has enough available blocks for the next 66.81 years. In some ways, those figures are an indication of where the development is likely to occur. Brisbane, Caboolture, the Sunshine Coast and the south coast will have enormous pressure put on them. Irrespective of the party to which they belong, the members who represent those areas are aware of that.

I am trying to develop the point that this report highlighted the fact that, because of the growth, money has to be found to supply services for the people who settle in those areas. The report highlights concern for Brisbane City, which is obvious because of the available supply of land. The report states—and it is important for us to understand this—that within the next 10 years six south-east Queensland local authorities will have exhausted their serviceable land stocks. That indicates the enormous growth.

The report concludes that there is an acute shortage of available completed allotments in Brisbane, Cairns—which is the electorate of the Honourable the Treasurer—the Gold Coast and the Sunshine Coast. I am probably not telling anyone anything he or she did not already know, but I am simply saying that it is important to consider that in the light of the provision of capital infrastructure for the provision of services.

As a result of the growth and its accompanying demand, schools and teachers and hospitals and nurses will have to be provided by the Government. That pressure is being applied very quickly. Within the context of this massive growth is a declining relative share of available receipts to Queensland, which I pointed out earlier.

Although I have not done so in this session, in many speeches that I made to the previous Parliament, I detailed the decline of Queensland as a centre for head office business activity. Coincidentally, that decline started in 1983. That is when public company head-office activity began to decline in this State. Certainly those members who now sit on the Opposition benches did not want to believe what I was telling them, but the fact of the matter is that those references to the decline are highlighted yet again in Moody's report.

How could one expect public company head-office activity to expand and grow in Queensland in light of the following Moody's comment—

> "Government-business relations are being re-examined in the light of past practices including financial irregularities and cronyism."

The comment continues about public institutions and how faith in them has been shaken following the improprieties of the previous administration.

Queensland had a decline. When head offices go, duty and taxing transactions also go, and a decline occurs. The State needs those funds in order to be able to generate its own income. The State also loses other benefits that are generated from the operations of head offices, such as banking facilities, people with computer expertise, accountants, solicitors, and the corresponding trickle-down taxation effect from people who would move into this area to service those head offices. This Government is about getting more head-office growth in this State.

No-one could deny that Queensland is a State of ideas and opportunities—even Mr Stoneman grudgingly admitted that Queensland continues to grow strongly. He spoke for 85 minutes before he actually got down to what I consider to be the most important point. This State has the strong core industries of mining and agriculture. Because 14 per cent of Queensland's gross State product comes from those two areas, they are important for the Queensland economy. They account for over 75 per cent of Queensland's exports. In fact, mining accounts for 50 per cent of the State's exports.

Today's *Courier-Mail* article highlighted the job creation effect of the Gordonstone mine outside Emerald. Queensland is good at mining and agriculture, and those industries underpin this State's performance. However, Mr Stoneman did not talk about the next step, which is that, because of the movements in commodity prices, diversification is required. He alluded to it but he had no solution. He was asked to provide a solution, but he had none.

From the Government's point of view, the solution for Queensland is diversification, because each of those mining and agricultural industries is commodity based. Mr Stoneman knows what the problem is, because he was a member of a Government that lasted 32 years; but it had run out of ideas.

Mr Stoneman failed to say that Queensland's industries are largely price-takers and that there is little value added, in an economic sense, in those products that are produced. Queensland is very good at producing them but it does not get the value added. Queensland, therefore, has to consider diversification in two simple ways. It has to be considered in a vertical way to increase the value added into commodity exports, which Queensland currently has, and it also has to look at the position horizontally because new avenues have to be opened up for growth in this State.

One obvious area that was talked about by the previous Government, but which has been acted upon by this Government, is tourism. That is clearly one area in which Queensland does have a competitive advantage. It has natural attractions and a life-style that gives Queensland an edge.

Queensland is experiencing massive growth, particularly in the south-east corner, in the Cairns region and also in other areas, but it must ensure that that infrastructure is adequate for the tourism industry. What is required is the cooperation of private and Government capital to develop that infrastructure. Moody's report makes that very clear, and it has given a vote of confidence in this Government being able to provide that infrastructure. The report states—

> " . . . the Government holds that the private sector has the primary role in generating economic activity and employment and that growth must be the precursor to the fulfilment of social objectives."

In order to expand horizontally into that area, the Government needs to ensure the development of both public and private infrastructure.

Other Government speakers will also address this aspect; but what is most important when one considers this issue is that Queensland must manage its natural environment so that its uniqueness is maintained because, from the point of view of tourism, that is one of Queensland's selling points. This Government is committed to maintaining that uniqueness.

Mr Stoneman gave me the impression that if he was operating a bulldozer, he would be out there tomorrow bowling over Queensland's natural environment and, by so doing, affecting the potential for this horizontal development.

Recently, in answer to a question from the Leader of the Liberal Party, Mr Beanland, Mr Goss pointed out finance is a problem for businesspeople in this State. He used the example of a borrower in Brisbane and a borrower in Melbourne. The fact of life is that a person who is borrowing in Brisbane is at a distinct disadvantage.

Honourable members whose electorates are outside Brisbane often run into businesspeople who will say, "I went to the bank for a loan. I could not get it. They said they had to go to Brisbane." That is always an aggravation for people who live in western or northern Queensland; but that same aggravation is even greater when a decision cannot be made in Brisbane and has to be referred to Melbourne. Queensland business is then put at a distinct disadvantage.

Mr Beanland: You do not honestly believe that, do you?

Mr HAYWARD: Can I make the point that I just do not know to whom the honourable member has been talking, certainly in Eagle Street, because whoever it is just has not been telling him the truth. The reality of life is that people are sick of having to refer to Sydney or Melbourne to get a decision made on whether or not they can finance a project in Queensland.

If the honourable member lived where some Opposition members live—out in the bush—he would probably understand more of what I am talking about, because I am sure they have experienced that problem.

Mr Johnson: You have to go to Melbourne.

Mr HAYWARD: It depends upon the size of the commitment people want. I am trying to use the same analogy.

Yesterday's *Courier-Mail* editorial described the Labor Party as having a rump of support for a State bank. The writer did not distinguish between State-owned and State-based banks and refused to acknowledge the difference between the two. I would be interested to learn the source of the *Courier-Mail*'s funding.

Mr Coomber: Which one do you support?

Mr HAYWARD: I would, obviously, consider a State-based bank. It is important to develop head offices in Queensland. I hope that the people in Eagle Street with whom Mr Beanland has been talking would have told him that they support a State-based bank.

Mr Coomber: Do we have that now?

Mr HAYWARD: If they have not told him that, they have not informed him of what is going on. Did an honourable member ask, "Do we have that now?"? Obviously, the honourable member has not spoken to anyone, because the head offices of Australia's four major banks are not located in Queensland. Westpac's head office is in Melbourne.

Another Brisbane newspaper, which is probably more in touch with business in Brisbane, asked the Westpac bank to comment on banking in Queensland . The person at Westpac told the reporter to telephone Melbourne for a response. The reporter could not believe it. If Westpac was setting itself up for a king hit, it certainly received one.

I refer to comments made in the *Courier-Mail*. I hope that I would be included in that "rump", because Queensland needs a large, competitive bank with its head office in Queensland. That is not only my view and the Labor Party's view; that is what businesspeople are saying. They are saying that that kind of bank is needed in Queensland. I know the honourable member for Surfers Paradise gets around and I am sure the businesspeople have told him the same thing. I do not mean to pick on the honourable member, but I know that he has heard the same thing.

I cannot understand where the honourable member for Toowong has been.

Mr Borbidge: Nor can we.

Mr HAYWARD: Exactly. Moody's comments are reported in the *Courier-Mail* in these terms—

> "Queensland historically is uncomfortably exposed to the international commodity market."

When members of the Government try to change this situation in order to decrease that dependency on southern States, the editorial in the *Courier-Mail* made them out to be slightly troublesome or, at the very least, oddball.

That editorial does not represent the opinions of the majority of Queensland businesspeople. I remind honourable members that the reporter to whom I referred earlier was referred to Melbourne for a response on Queensland banking.

Not only large projects but also medium-sized projects lack access to funds. Mr Goss, in answer to a question from the member for Toowong, pointed out that Queenslanders are net savers of money, yet that money is put into a southern-based bank. Then, when Queenslanders want to borrow money, they have to go through the southern-based bank. Queensland's available funds go south for investment, so those medium-sized projects go south for the funding and there is not a financial intermediaries cut for Queensland. There is a bias against Queensland-based projects.

The Premier summed up the situation well in his comments in today's *Courier-Mail*. He said—

> "It was unfortunate that Australian companies were not taking the long-term view and investing in big projects like Gordonstone and . . . "

That is sometimes difficult, because access cannot always be gained to people who are on the ground locally.

People who have been successful say they do not have a problem with the banks. However, given the tightness of the situation at the moment, people do have a problem. A State-based bank would provide income to the State by obtaining the cut that is available through duties and the transactions that are involved. It would also develop the necessary expertise to deal with those matters.

In order to continue to prosper, Queensland must be able to initiate deals, which ultimately means financing those deals. In 1990, that must be done. Queensland does not yet have a developed, home-grown capital market. Funding for major projects is still obtained from interstate or overseas and, for the foreseeable future, will continue to be the case. More importantly, the funding is obtained from Sydney and Melbourne.

When one talks to accountants and businesspeople in Brisbane—obviously the member for Toowong has not done so—one hears that they are constantly assisting clients in structuring and in selecting financing strategies for their projects. The problem is that most of that financing is authorised and sourced from interstate. However, as the Premier pointed out in his answer to the member for Toowong, Queenslanders are net savers. So the money is disappearing. The Premier made it very clear that the Government would like to solve this problem.

Honourable members often talk about the Pacific rim. The member for Burdekin did not refer to that today, but he usually does. However, all that talk is not action. With respect to the Pacific rim, Queensland does not need to worry about competition from within Australia. Our major competitors are banking centres such as San Francisco and Los Angeles. Although Sydney and Melbourne may have a chance against those centres, Queensland has no chance. Because Queensland is competing on an international market, it is very difficult to initiate activity in the Pacific rim . Historically, there is very old money in cities such as San Francisco. There is also a lot of competition between Los Angeles and San Francisco as to which of those cities will handle the financing of a lot of the Pacific rim projects. So we are faced with a lot of competition from those two cities. Unfortunately, they will not wait for us.

My vision for a Queensland-based bank is not as a lender of last resort for dubious ventures, which is what Mr Beanland thinks it should be—that is the extent of his scope

on this issue—but as an organisation able to compete with the big four banks. My preference is that the role of the State Government should only be as an equity participant. The bank should focus on parochialism for Queenslanders in its borrowing.

Most people who watch the Sydney Rugby League would notice of a Saturday or Sunday night that they see State Bank replays. Isn't it strange that the New South Wales State Bank has eliminated the words "New South Wales" from the ad, which simply uses the words "State Bank replay." It plays to the parochialism of Queenslanders and is probably convincing Queenslanders that it is based in this State. It is unbelievable that that should occur. It has even issued calendars with the words "State Bank. We sponsor the Rugby League competition" and has tied itself in with the Broncos.

A State bank would lead to another head office for Queensland. Firms would locate here because the head office would become the money source. That is where the money would be coming from. It would lead to the expansion of professional support services. What is important is that the financial intermediary cut would stay in Queensland—I am talking about stamp duties, payroll taxes and the other moneys that can be raised. That money would stay in Queensland.

It would give Queensland an ideal tool for Pacific rim opportunities. We would not have to worry as much about Sydney and Melbourne; our competitors would then become places like Los Angeles and San Francisco. What is important is that it would provide a source of revenue for this State from dutiable transactions and lead to an expanding State market and the expansion of head offices in Queensland.

Time expired.

Mr BEANLAND (Toowong—Leader of the Liberal Party) (3.17 p.m.): It is time that the Government faced up to its economic responsibilities. After eight months in office, the Treasurer must cast aside his empty rhetoric and exercise a degree of responsible economic management. In March, the Treasurer castigated the state of the Queensland economy. He said to this House—

> "But the unemployment rate has remained unacceptably high, household incomes and average earnings have been well below the national average and living standards have not kept pace with the rest of Australia."

If this then is the standard by which the Treasurer and the Government wish to be judged, how have they performed? The Government's own *Economic Review*, which is produced by its Treasury Department records, shows a decline in economic activity, a below-average investment performance, an increase in unemployment and below-average increases in average weekly earnings, all of which has occurred under the stewardship of the present Treasurer.

If the Treasurer's confused and contradictory stand on foreign investment is of concern, the seeds of this confusion and these contradictions lie in his entire approach to his ministerial responsibilities. Even now, this Government is backtracking on its election promises at an alarming rate. Only eight months ago, the Premier declared—

> "Under my Government there will be no new taxes . . . Increases in all existing taxes and charges will be kept below the rate of inflation."

This week publicity has been given to the statement in Moody's *Sovereign Credit Report* that—

> "Premier Goss has promised not to raise total taxes and charges as a share of GSP."

This is clearly different from what was promised in November last year. But what did the Treasurer say only two days ago about this and other statements in Moody's report? Exempting a section of the Queensland Treasury Corporation, he claimed—

> "The Government has no fundamental objections to the remainder of the comments contained in the report."

What are we to believe—the Premier's unequivocal pledge on 19 November 1989 that the inflation rate would govern rises in taxes and charges or the Treasurer's confused admission on 31 July that a mystical comparison with GSP would determine tax rises?

Today, one notes that the Treasurer claims in his speech to this Appropriation Bill that there will be no increases in charges beyond the CPI. That is like so many other ALP commitments, which seem to change with the wind. The Government's duplicity is crystal clear. This double talk on taxation is designed to cloud its expenditure commitments of more than $1 billion over the next three years. Let me catalogue some of them: $250m years for education; $57m for additional police; $100m for purchase of poker machines; $68m a year for reduced working hours; $50m for funding of various commissions and inquiries; $33m a year for mortgage relief and $28m a year for senior citizens concessions. Whatever the social worth of these proposals, the Treasurer must put his ideological hang-ups to one side and address the vital question of how the promises will be funded.

The Treasurer has slightly more than a month to put his economic house in order before the presentation of the State Budget. Like many Queenslanders including Mr John Gayler, the Labor member for Leichhardt, I have no faith in the Treasurer's ability to live up to his obligations. The seeming incapacity of the Government to cope with the important questions of responsible expenditure and revenue-raising do not indicate its ability or will to address the even more fundamental economic questions. Without that ability and will, this Government will be seen as an abject failure.

As major providers of services in this country, State Governments are ideally placed to exert influence on the economic development of this country. It is not sufficient to simply lay the blame at the feet of the Federal Government when things go wrong. Each State has the capacity and responsibility to act to foster economic growth. Gone are the days when the electorate, the business community or the financial markets will simply accept the hollow condemnation of the Federal Government as a substitute for responsible fiscal management by the States.

This brings me to a crucial point: just what is the precise role of the Government in a modern society? The prime function of any Government must be to deliver services to the population and to ensure that those services are delivered both efficiently and effectively. All electors and all Governments must now realise that the era of the big spender is over. What has disappointed me is that, in the past eight months, the present Government has given little indication that it is prepared to make the important decisions and address the fundamental changes that are required. These days, just what are the obligations of a financially prudent Government?

Firstly, Government should be run, first and foremost, for its customers—the people of Queensland. Secondly, Government trading enterprises should be managed so as to deliver positive returns to taxpayers, that is, to those whose funds have been invested in these enterprises over the years. Thirdly, Government has an obligation to its employees to deliver better results—better management, more satisfying working conditions and greater productivity. These are the challenges that the State Government must face and overcome before the turn of the century. If the Government is unable or unwilling to act now, it will be future generations that will have to shoulder an increasingly heavy financial burden.

A complete restructuring of the management of the public sector in this State is required. What is needed is a Government that will implement a coordinated strategy to deliver services with efficiency and effectiveness. I believe that those objectives can be met only by implementation of the following 10-point plan—

- a moratorium on recurrent expenditure growth;
- a comprehensive audit of the State's financial position;
- major reconstruction of Government programs to clearly separate commercial and social objections;
- budgeting on a full cost-recovery basis, including the real cost of capital;

- the introduction of a comprehensive policy on rates of returns and dividends for commercially orientated agencies;
- accelerated movement towards the user-pays principle, where appropriate;
- awarding contracts purely on commercial grounds;
- introduction of competitive neutrality in the commercial functions of Government;
- removal of any obligation or understanding of Government departments and agencies in relation to the purchase of goods and services, and from other departments and authorities; and
- a significant devolution of decision-making authority to senior departmental and enterprise managers.

If the Government followed this plan and coordinated it with an effective program of micro-economic reform, the economy and delivery of the Government services of this State would be more efficient. It remains to be seen whether the Government has the courage to proceed in this direction, or whether the vested interests that are now becoming evident will win the day.

Crucial to this overall program is an increased emphasis on labour market flexibility. Despite what may be thought by some elements of the labour movement, the class war is over. We can no longer indulge in the "us and them" mentality which has characterised industrial relations in this country for so many years and which is also part and parcel of the attitude of this Government. It can only be by employers and employees working together that there can be any hope of achieving the conditions that are necessary for economic prosperity. No Government should stand in the way of making this country more competitive on international markets. According to the OECD, Australia's recent productivity record with respect to labour has been markedly inferior to that of other industrialised countries. Figures from the Australian Bureau of Statistics reveal that all levels of productivity growth have deteriorated since 1984-85. There can be no clearer sign indicating that Australia's attitude towards industrial relations needs to change.

I am concerned that in this State, the Government seems to be turning back the industrial relations clock. In particular, I cite the outlawing of voluntary employment agreements and the centralisation of the industrial relations process. It is the view of the Liberal Party that workers in this State should have the right to negotiate directly with their employers on matters of wages and conditions. It is ludicrous that these negotiations should have to take place a trade union mouthpiece. What makes the stance of this Government even more inexplicable is that, in order to satisfy its instinctive opposition to any expression of individual freedom, it will force workers who already work under VEAs to accept reductions in pay. For example, when employment agreements are outlawed from September this year, SEQEB workers are facing pay-cuts of up to $100 a week. I point out that those workers have entered into financial commitments based on a higher level of wages. Now they face the prospect of severe financial hardship in endeavouring to meet those commitments. It is obvious that power workers and Metway Bank workers are in a similar position, yet the attitude adopted by this Government certainly demonstrates a class-war mentality—an "us and them" mentality.

I share the view expressed by the Business Council of Australia that more flexible procedures are required for wage-setting, work practices, disputes settlement and contract agreements. The council has estimated that if workers are able to negotiate directly with employers on an enterprise basis, productivity could rise by an astounding and extraordinary 25 per cent. By adopting this approach, firms would be able to adjust work methods to meet the needs of customers, to utilise available technology and to cater for changing employee skills. At the same time, in circumstances in which fair remuneration is linked to performance, each individual worker would have a personal stake in the continuing prosperity of the company.

Increased efficiency of individual companies is of benefit to the entire community, particularly if it improves the living standards of the people of this nation. No Government

can run away from the need to deliver services to people at a reduced cost. The statistics compiled by the Australian Grants Commission reveal that in the last year, business undertakings of the Queensland Government lost a total of $399m, which represents $143 for every Queenslander. This compared with a loss per head in Tasmania of $57; in the Northern Territory, $95; in South Australia, $115; and, in Western Australia, $121.

Although Queensland's performance compares favourably with that of New South Wales and Victoria, a tremendous scope for improvement exists. Although the New South Wales Government is endeavouring to alter its position, the Cain Labor Government is virtually insolvent, falling even further into debt, with individual taxpayers now having to pick up the bill. What a scandal that is! The Cain Government is looking at flogging off anything that it can lay its hands on merely to balance its Budget.

In May last year, the Federal Treasurer, Mr Keating, said—

> "It is no use the States crying poor while, at the same time their profligacy is revealed . . . by sub-economic pricing of key resources, such as for outmoded rail services . . . the State Railways are crying out for reform."

It is for that reason that I endorse the stand of the Premier of New South Wales, Mr Nick Greiner, as expressed at the National Press Club only last year in favour of significant micro-economic reform. Without that commitment from all Governments, we cannot expect to see the increase in efficiency and effectiveness we are seeking.

In Queensland, there could be no clearer sign of our determination to pursue reform than a major restructuring of the State's railway system. Seventy per cent of railway revenue comes from the carriage of this State's vast coal deposits. Two-thirds of that comes from a State supertax on coal—a tax over and above the real freight costs of coal. More than 92 per cent of revenue comes from the carriage of minerals, goods and livestock. A mere 5.9 per cent of railway revenue comes from country and suburban passenger services.

The last annual report of Queensland Railways revealed that the loss on all passenger services amounted to more than $57.4m. Unfortunately, the sorry story does not stop there. The patronage rate of three western services is now running at less than 10 per cent. Revenue from those services does not even meet the fuel bills to run the trains. On some branch lines, revenue represented a miserable 4 per cent of the costs. An efficient railway system is not an end in itself. Greater efficiencies in that area would result in savings of several hundreds of millions of dollars.

It was only after years of campaigning that Governments throughout Australia resolved to address the parlous state of the nation's ports. It was the inefficiencies on the waterfront that were doing so much to harm our export industries. Chronic overmanning, outdated and outrageous work practices and an appalling industrial relations record were making Australia a laughing-stock throughout the world. It was only when the incredible economic cost of that state of affairs was realised that any attempt at reform was made. Even those reforms have almost ground to a halt, mainly from union pressure.

It is appropriate to look to the successes in other States and, in particular, in New South Wales to see what can be achieved through reform. Upon his election as Premier two years ago, Mr Greiner appointed a commission of audit which identified the gross inefficiency of the New South Wales public sector and laid down a framework for reform. A State-owned Corporations Act was passed establishing a framework whereby the business operations of Government were subjected to the same competitive incentives as the private sector. New legislation was passed for the public transport sector, separating commercial and non-commercial activities and imposing a primary obligation on the boards of those agencies to pursue commercial objectives. The emphasis was placed on performance in the marketplace.

Grossly inefficient enterprises were offered for sale or closed down. Within mainstream Government services, inefficient commercial services were put out to competitive tender.

Prices were restructured to indicate the true cost of delivery, while Treasury controls were relaxed to permit Government agencies to act in a more commercial way. Throughout the entire process, the interests of State taxpayers, consumers and Government employees were given first consideration.

What is required in this State is a similar approach to the public sector. We should not be deluded into believing that the public sector should be different from the private sector and that it is entitled to a different standard of evaluation. If private undertakings are judged by comparing their performance with that of their rivals, so should it be with public activities. Let me illustrate that point. From 1953 to 1962, total Government spending in Australia averaged over 28 per cent of GDP. By 1971, it had grown to 33 per cent. By the mid-1980s, it reached a massive 44 per cent. The most disturbing feature of those statistics is that all that spending has to be funded by the taxpayer.

It is becoming increasingly clear to most thinking Queenslanders that government can no longer keep reaching into the taxpayers' pockets. If there is to be an essential service provided by the Government, it will have to be financed from savings in other areas. The challenge for the Government is clear. It must be prepared to identify areas of waste and implement procedures to eradicate that waste.

I offer the following suggestions as to how that could be achieved. The first is in the area of privatisation and corporatisation. We must consider the sale of Government enterprises. Any sale of assets must not be designed simply to offset the running expenses of government; it must be directed towards a reduction in the State debt or the acquisition of other more productive assets. Unfortunately, the record of the present Queensland Government on the sale of public utilities is extremely poor. Its handling of negotiations over the sale of the Gladstone Power Station did little to inspire confidence in its ability to treat this issue seriously.

At the same time, the Government must give consideration to the greater involvement of private enterprise in what were once regarded as public monopolies. Large public undertakings such as hospitals and railways are obvious areas in which private contractors could be commissioned to undertake a large number of tasks. We could even take a leaf from the New South Wales book, where 98 per cent of Public Works Department construction is now undertaken by the private sector. Another way in which private enterprise can be involved is through joint ventures. Housing projects, the construction of major public buildings and assistance to the arts could lead to the creation of new partnerships in this State.

The second limb of the reform process must involve management reform. Just as the circumstances surrounding the 1985 power dispute forced a review of the entire management procedures of SEQEB, we must now pursue those reforms in other areas. Efficiency is as much a result of decisions taken at the top as it is of the work practices of employees.

The third point is that the Government must give proper consideration to pricing reforms. Ideally, prices should reflect costs of the delivery of services to consumers. It is no longer good enough simply for the Government to increase taxes and charges in accordance with increases in the rate of inflation. The prices for these services must reflect the cost of delivering them to consumers.

The fourth point to consider is the whole area of regulatory reform. In 1985 the Savage committee reported on the degree of regulation existing throughout Queensland. Unfortunately, little has been done since then to diminish the extent to which the Government intrudes into the marketplace and the everyday lives of Queenslanders. Statutory rules and regulations must be reviewed on an ongoing basis. We must attack the excessive regulation of business and encourage the extension of self-regulation, where appropriate. Government can be neither efficient nor effective if all it produces is masses of red tape.

The fifth essential area of reform is industrial relations, one that I have already discussed. It is time for this Government to put aside some of its more bizarre and

destructive policies, realise that times are changing and meet these challenges head on. Through its economic policy, this Government must demonstrate its commitment not only to micro-economic reform, but most importantly to the people of Queensland.

I turn now to some comments by the honourable member for Caboolture. In his remarks about the banking system, he overlooked two very fine and efficient banking operations in the private sector in Queensland—namely, the Bank of Queensland Ltd and Metway Bank Ltd. These two banks perform excellently in this State. If we look a little further, I think we could fairly class Suncorp, a Government-owned operation, as a third bank. Suncorp operates not only through its finance arm and insurance arm, but also through its building society arm.

Let me say quite clearly that the Liberal Party has every faith in the Bank of Queensland and Metway Bank to continue to perform effectively. They have found their niche in the market. They are playing an important role in the marketplace. Of course, those two banks have their head offices in Queensland. As with other banks in Australia, which have to go to their boards in Sydney and Melbourne and other places, many items are referred for approval to the boards of those two banks in Brisbane.

We in Queensland have a very efficient and effective banking operation. I am not sure what the Government of this State is really talking about when it says that some Queensland deposits are going over the border and that Queensland is not in fact getting the full use of deposits that originate in this State.

In Queensland we have many large corporations which have branch offices here. These corporations borrow funds for use here in Queensland, but the borrowing of those funds appears against the point of origin of those borrowers. That is normally arranged through the head offices of those corporations in Sydney or Melbourne, but the funds are used here in Queensland. Those funds are used for the benefit of the people of Queensland. Before the Labor Party starts to quote figures which I think many of us have seen, it should attempt to discover how those statistics were arrived at, where the funds come from and where the funds are actually being spent.

I repeat that, apart from the major banks, we have two very efficient Queensland-based organisations. Like the major banks, approvals must be gained from their boards of directors. This Labor Government should be more concerned about how, in the last eight months, Suncorp and the Queensland Treasury Corporation have invested more than $600m of Queensland taxpayers' funds south of the border.

This debate is about the efficient use of taxpayers' money for the benefit of Queenslanders. Let us look at what has happened. In the last eight months Suncorp and the Queensland Treasury Corporation, two organisations controlled by the State Government, have invested more than $600m south of the border. Not a word has been spoken by any Government spokesman. Not a word has been spoken by the Premier. He shies away from the fact.

Our "Donald Duck" Treasurer runs away from the issue, and we now have the spectacle of the honourable member for Caboolture running away from it. If Government members want to talk about what is spent here in Queensland, they should look to themselves and to Government expenditure. The record quite clearly shows that, not only has the Government authorised the investment of that money in the last eight months, but also it has made other large investments south of the border. If it is such a great issue, why were those other investments not sold off and the funds returned to Queensland for the use of Queenslanders?

The whole matter is nonsense. Suncorp and the Queensland Treasury Corporation have invested in real estate, in some cases, and in shares. To date, more than $600m has been invested in real estate over the border. Let us look at the facts. The situation speaks for itself. I have every faith in the banking system in Queensland. There are two very good, effective, privately-owned banks competing here in Queensland.

I thought honourable members might have heard something about what the Government proposes to do to ensure that Suncorp and the Queensland Treasury

Corporation spend more funds north of the border instead of south of the border. Perhaps if the Government applies itself to that and worries less about other matters, the State might be better off.

I have every confidence that the Bank of Queensland, the Metway Bank and other major banking operations will continue to provide efficient and effective services for people right across the State, including small-businessmen, major corporations and other sectors of the financial community. Those banks are doing their best for the people of Queensland.

Mr BEATTIE (Brisbane Central) (3.45 p.m.): I support Appropriation Bill (No. 1) and acknowledge the Government's sound economic management and its intention not to introduce new taxes and to limit increases in charges to CPI movements.

I intend to deal with one of the major initiatives in Australian politics in recent times. I did not hear the honourable member for Toowong mention this initiative, which was a very serious oversight on his part. The initiative to which I refer will have a significant impact on the future direction of this State and this nation. I refer to the initiative taken by the Prime Minister at a recent national press conference. On 19 July, during a speech titled Towards a Closer Partnership, the Prime Minister announced a special Premiers Conference in Brisbane on 31 October and 1 November. Clearly, the Prime Minister is acknowledging not only Queensland's sound government but also the importance of this State to the Commonwealth.

I support and applaud the Prime Minister's statement. He said—

> "The time has come to form a closer partnership between our three levels of government."

I am sure that those honourable members who are concerned about the future of this country will agree with that statement.

I believe that the Prime Minister's speech will become part of history. It acknowledges many of the problems that this nation faces. The Prime Minister said—

> "Our first task is to move by sensible, practicable steps to get better co-operation within the framework of the Federal Constitution as it stands. That is where I propose we focus our main effort.
>
> Our second task is to apply the spirit of national co-operation in a new approach to reform of the Constitution itself."

He said also—

> "The goals are to improve our national efficiency and international competitiveness, and to improve the delivery and quality of the services governments provide."

The Labor Party adopts that attitude. Anyone who opposes it does so on the very narrow base of political self-interest.

The Prime Minister said—

> " . . . we have imposed on ourselves a burden of different rules and regulations and requirements which needlessly weighs against the tremendous advantages we can have as a nation-continent."

The Prime Minister dealt with a number of the problems of which many honourable members are only too well aware. I refer to the differences in our education system, which affects people who move interstate, and the differences in our legal system. As honourable members are aware, our legal system is based on the British system of law, of which we are all proud and to which we refer regularly. However, because differences exist in education, qualifications and training, it is very difficult for people to transfer between States. That is a fundamental problem.

The Prime Minister deals with doctors, lawyers and other professionals who have qualifications from the best universities in Australia and the world. He spoke also about

skilled tradesmen who have the finest job experience. However, if they want to work outside their home States they must obtain licences from a State licensing board. The Prime Minister spoke about achieving greater efficiency and better cooperation. As I said, I am sure that all honourable members would support that initiative.

Duplication and unnecessary jealousies exist in law enforcement, crime-fighting and the police force. As a result, the Mr Bigs of the crime world and other offenders are not always caught. Frequently law enforcement agencies are reluctant to exchange information. That is in nobody's interests except those dishonest people who want to pursue a life of crime or break the law. In the future, people who commit white-collar crimes and those involved in the heavy drug industry will become more sophisticated because they have the advantage of unlimited funds obtained during the course of their criminal activities. Because Government agencies face budgetary constraints, they must achieve greater cooperation. I am not saying that cooperation does not exist between those agencies; it does. However, it can be improved.

As to the Prime Minister's initiative in this regard, he said—

> "How sensible is it to shrink what is already a relatively small Australian market into separate State markets?
>
> Yet that is what we do:
>
> - when we force manufacturers to put different labels and different packages on the same products;
> - when we give three different definitions to bread;
> - when one State demands that margarine be sold only in a package shaped like a cube;
> - when each State has its own separate design requirements for water meters; its own quality standards for chemicals used in agriculture.
>
> Two States forbid a certain kind of heavy semi-trailer that is legal everywhere else; there is no uniformity between States on the time a truckie can spend behind the wheel; each State issues its own driver's licences."

Mr Deputy Speaker, because you have an interest in the transport industry, you would be aware that some truckies have obtained a number of different licences and used them to avoid the points systems in the various States. The Minister for Transport, David Hamill, has been seeking to tackle that problem and will continue to do so. However, unless there is coordination of those matters, his task will be difficult.

It is true that ministerial councils on law enforcement, education and other general issues have brought together State and Federal Ministers. I share the Prime Minister's view that that on its own is not enough. I am delighted that the Premier, Mr Goss, and the Treasurer, Mr De Lacy, have supported in strong terms the Prime Minister's initiative. I believe that, in the interests of future generations, it is important that all parties in this House support that initiative as strongly as they possibly can.

Mr Harper: You are not a centralist, are you?

Mr BEATTIE: I will come to that point. I have many points to make. I will deal with the centralist issue at an appropriate time.

The Prime Minister continued—

> "And in particular I point today to the challenge facing us in these areas."

I hope that the honourable member for Toowong looks at the areas that were identified by the Prime Minister. They are the way to the future. The honourable member for Toowong ignored many of the considerations that were put forward in the Prime Minister's address. The Prime Minister spoke about the need for micro-economic reform, financial relations, delivery of services and the national agenda for social justice, and he dealt specifically with industrial relations, a point conveniently ignored by the honourable

member for Toowong. The Prime Minister spoke also about other areas in which challenges are being faced and which need to be dealt with—the protection of the environment and constitutional reform.

The Prime Minister dealt with the hard issues. We heard the honourable member for Toowong speak about a number of these matters, but he did not bother to read the Prime Minister's speech. The honourable member for Toowong spoke about transport and other matters. But what did the Prime Minister say? He said—

> "I mention micro-economic reform first . . ."

He spoke about it at great length. He continued—

> " . . . we must improve the performance of the structures which underpin the national economy—it means better ports, a more modern transport system, faster communications, cheaper power."

He spoke about improving the financial system and about what needs to be done.

All of those issues have been and are being tackled by the Federal Government. But the Federal Government alone does not have the power. It needs the cooperation of the States. The Prime Minister gives an illustration of the difficulty that has arisen. He stated that the situation was so silly that a cargo container being sent by rail from Brisbane to Perth may be subjected to three non-integrated rail systems, four changes of locomotives, five different State working systems, six different sizes of loading gauge, 10 different engineering standards of the basic standard gauge rail track, and 12 or more hours at sidings or junctions for crew changes, refuelling and inspections. That is a totally ludicrous situation which no-one would support.

We all know the sad history of Australia in terms of the railway systems and the unfortunate fact that Australia does have different rail gauges. Now, in 1990, we must look forward to some of the changes that can take place with cooperation.

The Prime Minister stated—

> "There are two objectives: first, to put into better order the existing service delivery system"—

that is fundamental—

> "and then, to make sure that as we take up new challenges, and governments undertake new commitments, we don't create a new set of problems, through overlapping and duplication of responsibilities."

That is fundamental to where we are going.

When we become involved in these political debates, we have to remember that Australia is a large continent with 17 million people. With that goes extra difficulties. People often compare Australia to the United States. In some ways, that is a valid comparison; but in many ways it is not. Australia does not have a population of more than 200 million people, as the United States has. America's population is spread evenly throughout the country. It is unfortunate that, by and large, Australia's population lives predominantly on the coastline. The population is spread out to the extent that additional transport costs are incurred. Cooperation between the States and the Commonwealth is fundamentally important to that.

I take up the issue that was raised by my honourable colleague the member for Auburn, Mr Harper. I am not a centralist by any means. It is my firm view that there need to be strong State Governments. I do not believe in State rights per se but I do believe in strong State Governments. Having seen the operation of all political parties at a national level, I am firmly of the view that too many of them believe that Australia stops at Sydney, Melbourne and Canberra. So I do believe in strong State Governments, because we cannot forget that we live in the most decentralised State in Australia.

Queensland is the only State in which more than 50 per cent of the population lives outside Brisbane. It cannot be forgotten that we sitting here in Brisbane are closer to Melbourne than we are to Cairns. Because of this decentralisation, there is a requirement

for a strong State Government and strong support for local government. That has been one of the planks of this Government.

All honourable members would be aware that the Minister for Housing and Local Government, the Honourable Tom Burns, and the Labor Party are on record as supporting the integrity and independence of local authorities. I am talking about a partnership that is in the long-term interests of the nation to which we belong.

For a short time I want to deal specifically with the issue of industrial relations, not only because it is fundamentally important to the future but also because I was irritated by the approach taken by the honourable member for Toowong. In his speech, the Prime Minister dealt specifically with industrial relations. He did not back away from the issue. Well into his speech he said—

> "We have a profusion and confusion of industrial relations systems. As a result, there are wide variations between awards and work practices, determined by seven major tribunals and a host of smaller ones. It encourages leapfrogging in wages and conditions and fosters uncertainty for unions and employers alike as to whether their industry is covered by Federal or State rules, or both.
>
> It's not just an inconvenience—it's an impediment to stable wage fixing and sound economic policy."

When we talk about industrial relations, it is time that we exploded some of the nonsense that comes from the Liberal Party. Throughout Australia's history, the Liberal Party has consistently opposed a central wage-fixing system. It opposes it because it wants industrial anarchy and because it thinks that a central wage-fixing system gives big employers the opportunity to play one group of employees off against another.

The bottom line is that the central wage fixing system provides justice, equity and fairness to all Australian employees, and it also provides stability. Through the Accord, the Federal Government has provided Australia with the most consistent period of industrial harmony since the late sixties. That is the record for the central wage fixing system. If members want to turn away from the central wage fixing system, which the Liberal Party consistently advocates, they will end up with big employers fighting with big unions and a large part of Australia and Australians struggling out there on their own outside a central wage fixing system.

In the three and a half years that I practised in the industrial area, coming from a legal background, I was continually amazed at the entrenched positions that were taken by various parties. The only way one can overcome that is by having a central wage fixing system that has the credibility and respect of all parties. One cannot have a system that is discredited from time to time by State Governments, as was attempted in this State. One must have a credible system, and the way to do that is a central system.

The Prime Minister then moved on to talk about the environment. He stated that his Government has always endeavoured to adopt a cooperative approach. He further stated—

> "The Commonwealth and States are already co-operating on national air and water quality standards; the Landscape program; management of the Great Barrier Reef Marine Park; and the Tasmanian World Heritage Area."

The basic thrust of what the Prime Minister is saying is that, if Australia is to deal with many of the major environmental considerations and problems facing the world, it has to be done on a cooperative basis, a national basis supported by the States.

His commitment was not an empty one when he spoke about holding the special Premiers Conference in Brisbane on 31 October and 1 November. He has allocated specific executive staff to get it done. There is no point in going to the National Press Club and delivering a speech without having the mechanics for delivering the contents at an appropriate time. The Prime Minister stated—

> "Further, before the conference, I plan to establish a Commonwealth-State Steering Committee chaired by the Secretary of my Department with equivalent State Government representation."

He is starting the cooperative basis right at the beginning. He further stated—

> "Its main role will be to arrange for the preparation of papers for this first Conference and then in broad terms to co-ordinate in advance future work.
>
> Moreover, I propose to set up forthwith a special group in my Department headed at a very senior level to provide continuing support."

In other words, it was not a one-day wonder; it was a determined effort by the Prime Minister to bring about structural change in cooperation with the States.

Queensland itself can play a significant role in that process. Indeed, I believe that Queensland could provide the model for the rest of Australia. For example, members of this House would be aware that the Treasurer, Keith De Lacy, has initiated a review of non-bank financial institutions, such as building societies and credit unions.

Both the Treasurer and I believe that this review could become a model for the rest of Australia. This general model would not only relate to Queensland but indeed to the rest of Australia. The review is headed by none other than Mr John Brady, who is the former head of the financial institutions division of the Reserve Bank of Australia, a very credible person who can hardly be accused of taking any political position. He is supported by Professor Jeffrey Carmichael, Professor of Finance at the Bond University, and by Mr John Stanford who is Senior Lecturer in Economics at the University of Queensland.

There is no doubt that the findings of that review will be of considerable interest to the rest of Australia. The difficulties that the Victorian Government has had in relation to building societies and, in particular, to Pyramid are no secret to the members of this House or to the community. In my view there would be no point in an investigation starting in Victoria; it would focus simply on Pyramid. What is needed is an overview, and this State has had a successful record in the building society area.

I digress and say that one of the keys to that success has been that the Government has not deregulated building societies in this State. Obviously some people want to see that happen, but the fact that building societies have not been deregulated and lending has been limited to home loans has been one of the strengths of the building society industry.

I congratulate the Treasurer on initiating that review of the non-bank financial institutions because I believe that it will benefit the whole State at the appropriate time when an assessment is made of what models can be used by the other States.

I will deal with a couple of other matters that I think are important. The honourable member for Toowong dealt with the issue of Suncorp and the Queensland Treasury Corporation investing money in other States. I understand that the Liberal Party is short of resources, but perhaps the member for Peak Downs can assist them by providing some of his economic expertise. The bottom line is that the investments of Suncorp and the Queensland Treasury Corporation have been in large corporations interstate because that is where their head offices have been located. Those investments have been necessary to obtain a good return—part of the equation is receiving a good return for Queensland. Clearly, this Government has a strategy for those head offices to be based in Queensland, not interstate. However, the reality is that any financial institution worth its salt that did not get a good return by investing in the head offices interstate would be roundly condemned by the members of this House, including the honourable member for Toowong.

The investments are made in those head offices, but they conduct specific major activities in Queensland. In a sense, those bodies are investing in Queensland's future because those major corporations, with their head offices interstate, have major activities here in Queensland. In that sense, they are investing directly in Queensland.

I hope that later on the honourable member for Toowong will have the opportunity to have a discussion with the honourable member for Peak Downs and perhaps together

they will come up with some economic sense. Up to date, this House has not heard a lot of it from Mr Beanland.

I will now deal with railways and the need for consensus. Today, the honourable member for Toowong continued the argument of confrontation in the industrial relations area. The bottom line is that confrontation does not work. That has been proved over and over again. The member for Toowong referred to outside contractors working on the railways. I would be surprised if many members of the National Party would disagree with me when I say that the railways opened up Queensland. They provide essential services to communities throughout this State. I have had many dealings with those communities. It is all very well to talk about bringing in outside contractors. However, in order to provide essential services to country areas, Queensland Railways conduct a lot of work which is not profitable, and never will be profitable.

Over the years, along with other honourable members, I have fought to protect the interests of railway workers in country areas. Often, the only means by which people in country areas can transport their goods to the market or gain access to the community in general, is by the railways. I am totally opposed to the concept of selling off the profitable parts of Queensland Railways—as was suggested by the honourable member for Toowong—for a quick buck and then ignoring the implications for country areas.

If the major railway lines in Queensland are ripped up, Queensland will be destroyed as a decentralised State. The railways are the reason why Queensland is the only decentralised State of any significance in Australia. If the honourable member for Toowong cannot formulate better policies than that, he does not deserve to be a part of any Government in Queensland. The nonsense that was enunciated by the member for Toowong would outrage both the railway workers and people in country areas in Queensland.

Honourable members have spoken about value-added returns to Queensland. Over a period of time and at a number of levels the Government has considered two areas that have the potential to raise revenue. The major centres in Queensland can become focal points for raising education and health revenue for Queensland. The liver transplant unit at the Royal Brisbane Hospital is involved in a very useful exercise, not only from a health point of view but also from a revenue-raising point of view. It has the potential to become a major income earner for Queensland. Citizens of Japan are paying approximately $100,000 for a liver transplant. Because the cost of that operation is approximately $100,000, no great return is being achieved at the moment. However, the potential is there.

Liver transplants are only one area for potential revenue-raising. Queensland can become a focal point for providing health services.

Mr Hayward interjected.

Mr BEATTIE: I take the interjection from my colleague the honourable member for Caboolture. Medical technology is a key factor In providing health services, which can provide valuable revenue for this State. In the future that is the sort of thing that honourable members should consider. The same applies to education. Queensland can provide education in a way which will return money to this State.

Honourable members, particularly those in the Liberal Party, need to take a broader view of Queensland's economic future. We need to take off the political blinkers. We need to accept the initiative taken by the Prime Minister and to endorse it so that, in the long-term, Queensland will be better off.

I refer to industrial relations, which is something that the honourable member for Toowong should note. The Prime Minister referred to changes in industrial relations, and he said—

> "I note with special interest that the Premier of New South Wales, for one, has not discounted the possibility of significant changes in the industrial relations area as part of a Federal framework."

In other words, he is prepared to cooperate in a constructive sense to bring about that initiative. It is a pity that the honourable member for Toowong is not prepared to do so.

Mr COOPER (Roma—Leader of the Opposition) (4.12 p.m.): I want to highlight the shortcomings and the inadequacies of the Government's approach to the QIDC. The supposed reform of the QIDC by this Government was a full-blasted act of revenge based on the extremely poor and amateurish Polichronis report, which is a shameful distortion of reality. It is certainly biased. It contradicts itself, It is very poorly researched and it relies very heavily upon opinion and hearsay which it then presents as evidence. It contained many nebulous generalisations that prove nothing and of which no evidence was produced. It is misleading in portraying early teething problems, which have been overcome—and they were overcome at the time of the report—as current problems.

Without any justification, the report blackens the reputation of responsible staff and board members. It attacks efficient officers for exercising judgments with regard to rural lending. Methods which had proved successful over many years are condemned in this report by someone who, by his own admission, had no experience whatsoever in rural lending, which were right and proper. More than 80 per cent of QIDC lending was in the rural sector. I do not know how any such report could have any credibility whatsoever.

It is absolutely shameful that people of the highest standing should be denigrated by design and condemned on the mere opinion of some person making judgments in a field that is totally and completely outside his competence. If the report were fair and objective, I wonder how it could contain such a remarkable lack of positive information about a corporation which demonstrated so much achievement in its very short life, particularly during the tenure of office of the board that was dismissed. I will outline how successful that tenure was. During that period, profits were strong and return to the Government was high. Industry was being served and developed. Government schemes were being administered efficiently. Growth was excellent and morale was high. Point after point in the report needs correction. Statements range from half-truths and superficial judgments to poorly researched assertions and straight-out misstatements of fact. I will refer to some of them in my speech.]

The report is very ready to make allegations of political interference. It is true that some staff and also Mr Polichronis could not distinguish between legitimate representation and interference or pressure. Political pressure or interference forces the assessing officer to make a decision contrary to his considered judgment after all the facts have been taken into account. That just did not happen prior to December 1989.

The Public Accounts Committee investigated thoroughly many cases in which allegations of interference were made and found no evidence of anything except legitimate representations having been made. Reviews of decisions were sought by many clients, some acting directly and others through their members of Parliament, and it was their right to do that. Representations were made by members of all political parties. I ask whether any ALP member or any other member, especially one who represents a rural electorate, could tell the House that he or she has not made representations for a constituent. The records show that most have done so, and that is quite right. They were doing their job.

It is interesting to note that, on this matter, the report recommends action virtually identical to that taken by the previous chairman, Mr Jim Brennan. Within days of his becoming chairman, he wrote to all State Ministers requesting that all representations be directed through his office. That certainly was not acknowledged in the report.

Mr Polichronis makes charges of lending outside policy. Again he demonstrated that he was not capable of correct assessment. For instance, when, on page 23, he

attacked the administration of the Primary Industry Productivity Enhancement Scheme—the PIPE scheme— he was wrong about the stipulated term and misinterpreted the application of the stipulated interest rates. In paragraph 6.4.2 of the report, he states—

> "The scheme provides for subsidised loans at interest rates from 8 per cent to 12 per cent over terms of between four and ten years."

That is an absolute, blatant misstatement of fact and contradicts the part of the report that attacks Appendix VI. That appendix clearly states, in paragraph 10.8, that the terms may be up to 20 years. Lack of research by the author is again apparent from this statement in the report—

> "I am unable to find any documentation where this variation from policy has been approved."

Proper research would have revealed that no variation from policy was required. A memo from the Department of Primary Industries, dated 16 November 1988, states—

> "Producers may receive loans for periods of up to fifteen to twenty years. It is anticipated that longer terms will apply particularly to farm build-up proposals."

Again, the criticism in the report has no basis in fact. The report also implies that, because the total allocation for the PIPE fund was not lent pro rata over the intended three-year term of the scheme, there had to be something wrong. The report does not state what is wrong. The failure to research the subject, or to grasp the essential points of the organisation, is clearly shown up.

When the scheme was introduced, it immediately met the real need and the pent-up demand, particularly in the rural sector. The fund was to revolve. The money was not repayable to the Government but to the fund. Payments of interest and redemption were to replenish the original fund and thus increase the lending base. Even though there was no stipulation that lending be spread evenly over three years, in practice the approximations could easily have been achieved; yet, time after time, the allegations in the report can be shown to be unfounded.

In his desperation to find evidence of fault in the administration of natural disaster schemes, the author quotes cyclone Winifred which, by his own admission in the report, occurred prior to the existence of the QIDC. Even then, he fails to produce any evidence of maladministration of that scheme.

At page 22, the report criticises the Industry Appeals Committee. That committee was an ad hoc committee, which included two specialist representatives from whichever industry happened to be involved in the appeal. An appeal could be requested by an applicant who had been refused assistance under a Government scheme. He or she was required to appear in person to discuss all aspects of the position for consideration by specialists in the applicant's particular industry. This process could and sometimes did bring to light information which had not been fully explained previously. In that circumstance, an appeal could succeed. The process was highly regarded by the Queensland Farmers Federation, as evidenced by a circular from that organisation which stated in very clear terms—

> "There is general support for the operation of this system . . . There is a need to promote this facility of unsuccessful applicants as an appeal system assists in overviewing the consistency of decisions made . . . I—"

the secretary of the Queensland Farmers Federation—

> "have spoken to a number of people who have participated in ISAC's as members of the appeal committee. All are supportive of the concept and would wish to see it maintained."

Against this background of approval by all of those in a position to make a judgment, the report concludes, without any supporting argument, that the committees "had not been effective". Again, the credibility of the report and the person who made it must be at rock bottom.

The statement in the report that both sides should be represented fairly is a gratuitous insult. On every occasion, both sides were represented and all aspects were examined objectively and fairly, as any member of the committee could attest. But Mr Polichronis chose not to report the views of anyone with first-hand knowledge of the system. His selective reporting exemplifies the bias of the report. What was Mr Polichronis' yardstick for "effective"? The evidence is that the procedure worked fairly and effectively. In fact, it had some remarkably good outcomes. It gave the client a better insight into his affairs and even the unsuccessful applicants left feeling fully satisfied that the correct decision had been made. The charge that both sides were not fairly represented is not supported by the outcomes. Of the five appeals heard under the system, three were successful and two were rejected.

The recommendation contained on page 21 of the report that there be a separate board for Government schemes is a return to a system that was previously in operation. It was abandoned because it did not work efficiently. The system that replaced it meant a reduction in the cost to Government of both the natural disaster assistance fund and the Rural Adjustment Scheme. At the same time, complaints made by applicants dwindled from 20 or more a week to almost nil. A report that had been compiled responsibly would not recommend a return to an inferior system, and the support for such a recommendation would not be based on nebulous generalisations, which abound throughout the pages of this report.

That recommendation indicates the shallowness of the report and highlights the consistent lack of basic understanding of the complexity of rural assistance schemes and of rural lending generally. The Government's acceptance of the recommendation to which I have referred can result only in a failure of Government schemes to achieve their purpose. Under the scheme previously in place, very careful assessments were made with the assistance of local input, and local knowledge was available through QIDC's branch managers. That input ensured that public funds were correctly directed to applicants on the basis of need.

The previous high level of performance of QIDC's practices cannot be matched by the system recommended by Mr Polichronis, which has been tried and proven to be inferior. The report is tangled in a web of confusion over an imagined conflict between commercial lending and Government schemes. Any thinking person who has knowledge of this sphere would quickly realise that an applicant who was eligible for assistance from a scheme would not seek to have the application brought forward on a commercial basis. By putting the two types of loan applications further apart, the essential input of information from the branch manager in the field is absolutely lost. Assessments will now be made on inferior knowledge.

The confusion will continue in relation to arrears because Mr Polichronis is not only out of his depth in relation to this issue but also at odds with Mr Goss, who called on banks to stand by their clients and be more than fair-weather friends. The report presumes to criticise control measures which were used extremely successfully by the Agricultural Bank—in fact, so successfully that in the last 20 years of its operation, the Agricultural Bank's bad debt write-offs totalled a mere $100,000 or only $5,000 a year. Thus, by condemning those proven methods, Mr Polichronis shows how little credibility the report has. He did not grasp the essential element in rural economics, namely, that there are long-term cycles which produce a series of good years and bad years alternately.

A rural bank knows that it has to roll with the punches and stand by a client until good times return and arrears can be met. Experience and an understanding of the many relevant factors enabled QIDC senior management in the rural sector to make proper assessments of each individual case. The necessary experience was available from the most senior former Agricultural Bank lending officers who had transferred to the QIDC. History shows that scores of clients were able to pay out arrears that had accumulated over two or three years with the profits from a bumper crop or a few lush seasons. Collections must inevitably be on a seasonal basis and should depend on harvest returns, etc., and should certainly not be based on the calendar. Excessive demands inhibit

recovery and the ability to achieve sound financial viability. These excessive demands have been made of clients under the new arrangements.

One can certainly sympathise with Mr Polichronis because he had no experience at all of rural lending. He thereby forfeits any right to pass unsupported, and insupportable, judgments on rural people. He appears to be affected not only by confusion but also by gullibility because he cites complaints from people in the Government schemes division who claimed that they suffered because they were more commercially oriented in their approach. By their very nature, these schemes should not be dealt with on a commercial basis. If that were not the case, they would not need to exist. As for suffering—ample evidence is available of good prospects for promotion of efficient officers in the schemes division. Those who had ability and merit obtained promotions. Indeed, one of the failings of the report is its readiness to give credence to complaints, elicited by invitation from Mr Polichronis, from a few malcontents. Perhaps it is gullibility that also prompts the author to record trivial, imagined slights of the former chief executive officer by the rural State manager who at times went directly to the chairman for advice or to present loan applications that came within the chairman's discretion only. The chief executive officer was not the recognised rural expert, so the natural place from which to seek direction in relation to rural matters was the office of the chairman. The chairman had wide experience in these matters.

A further point that should be taken into consideration is the mandatory imposition of constant monitoring and careful control of the administration of the new Government scheme, PIPE. That scheme initially relied on the knowledge of two people—that is, the chairman and the rural State manager—after they had both been properly briefed by the responsible Minister. This aspect alone demanded frequent consultation to ensure that correct administrative procedures had been followed in accordance with the Government's intention in relation to the scheme. The report also fails to acknowledge this fact, and I can only wonder why. I suggest that Mr Polichronis simply cannot have it both ways: on the one hand, he cannot complain of lack of direction from senior management and directors; on the other hand, he cannot complain when that direction is sought and obtained.

The report also makes general and unsupported allegations of loose interpretation of criteria and of lending outside policy indications, but elsewhere it demonstrates that the author is ignorant of the guidelines. It is therefore little wonder that his judgment is flawed. For example, the author was not aware of the guidelines in relation to the terms of PIPES. Proper and objective research—which was obviously lacking—would have revealed that guidelines existed.

I draw attention to a matter which was wrongly and sensationally highlighted by the media. I refer to the claim that QIDC accounts were overdrawn. In fairness to Mr Polichronis, I must say that he did not make an absolute statement in relation to that matter; rather, he stated that some schemes were technically overdrawn. Obviously he was splitting hairs. I presume he was referring to the occasion when money had been approved by State Treasury for Government schemes but had not been transferred to the QIDC at that time. QIDC funds were required to meet an immediate loan. When that was approved, the impending transfer of funds from Treasury was effected soon after. The Government certainly cannot cavil with that because that is exactly what Mr Goss did when the Charleville floods occurred. He directed that loans be made available immediately and arranged for funds to be made available subsequently, and in fact that was done.

There is no question that QIDC was targeted by the Labor Party for purely political reasons. In the process, truth was banished in relation to some matters. In this regard I must refer specifically to the repeated claim that the QIDC was responsible for irregularities in the freight subsidy rebate scheme.

So that the media and everyone else are clear on this issue, I state emphatically that the QIDC had nothing to do with the administration of a freight subsidy rebate scheme about which there was so much publicity. The publicity usually cited the QIDC

as being involved. However, the scheme was administered by the DPI; it had nothing to do with the QIDC. The QIDC was receiving public opprobrium for something for which it was not responsible.

At one time, the Federal Government suspended funding for the Rural Adjustment Scheme, which was administered by the QIDC, but that was blatant political grandstanding. Not one irregularity had been found in its administration. In fact, Federal Government officers controlling the Rural Adjustment Scheme in Canberra paid tribute to Queensland's high standards which they considered were at least the equal of any in Australia.

The report comments on low morale in the QIDC. In fact, morale had risen to an excellent level until a memorandum went out from Mr Polichronis to all staff inviting them, in effect, to dob in their mates in secret. That would shatter the morale of anyone in any organisation. In fact, minutes of managers' meetings prior to the fatal circulation of Mr Polichronis' memorandum record that morale was not a problem. I assure the House that, if morale was low while Mr Polichronis was soliciting accusations, it is even lower now, with staff looking over their shoulders wondering who will be the next to go, victims of vindictive pay-backs.

The claim that many of the PIPE Scheme loans could have been made on a commercial basis without stretching the resources of the client is, like so much of the report, merely the opinion of one person who, by his own admission, had no experience of rural lending. He presumes to stand in judgment over carefully considered decisions made by a series of very experienced lending officers with the benefit of on-farm assessment and extensive knowledge of the districts and of the industries involved.

The report tries to cast doubt on the validity of the profit by calling into question the fees charged for management of Government schemes and the Government policy of making up the interest short-fall on concessional loans. Again, the report cannot have it both ways. On the one hand, it stresses the need to be commercial and, on the other hand, it denies the QIDC's right to charge a commercial rate for services rendered. Rates charged by the QIDC were conservative by commercial standards. Subsidised interest in special cases of need was a Government policy. Funds for those loans were raised by the QIDC at commercial rates, so the commercial requirements of the Act decreed that proper off-sets be made. The QIDC was merely reimbursed for the losses it would have incurred by lending at lower than normal rates to implement Government policy. When the report states that interest subsidy was the difference between the prime rate and the concessional rural rate, it again has its facts wrong. It was in fact the difference between the special rural rate and the concessional rural rate, which is a lower subsidy.

It is misleading to state "concessional lending is open ended" when it had a definite ceiling on the amount any one client could borrow and the lending manual defined the guidelines for eligibility. The report's assertion in relation to the PIPE Scheme that "it is quite easy to tailor almost any application to fit the requirements" is puerile and demonstrates the report's propensity for sweeping statements with no substance in fact.

A summary of approvals and rejections up to 30 September 1989, nearly 12 months after the scheme commenced, shows how wrong Mr Polichronis' claim is. At that time, 40.3 per cent of applications accepted had been approved; 29.3 per cent had received part of the required loan; and 30.4 per cent had been declined. That is hardly tailoring schemes to fit the guidelines. Other prospective applicants had been advised at branch level not to lodge formal applications because they would not be eligible under the scheme's guidelines. In fact, considerably more than 30 per cent of those seeking assistance could not meet the requirements.

Proof of efficiency and commerciality—and morale—is surely reflected in the bottom line. Appendix VII of the report gives a comparison with other financial institutions in Australia. The QIDC compares more than favourably with all those represented, being third top out of 12 on the figures quoted up to the time of the dismissal of the board.

A comparison with other Government-owned institutions in Western Australia, South Australia and Victoria, and even with the private banks, shows that QIDC far

outperforms them all in profit per employee and in operating profit as a percentage of total assets, which is surely a test of efficiency and commerciality.

The comparative figures quoted in the report for operating profit to total assets are—

	%
R and I Bank of Western Australia	0.7
State Bank of South Australia	0.75
State Bank of Victoria-	0.89
Commonwealth Bank	0.86
National Australia Bank	1.2
Westpac	0.82
QIDC (Half year 31.12.89)	1.43

The QIDC beat the lot.

Comparative figures for profit to number of employees are—

	$
R and I Bank of Western Australia	1,638
State Bank of South Australia	21,083
State Bank of Victoria	16,383
Commonwealth Bank	12,718
National Australia Bank	22,107
Westpac	16,629
QIDC (To 31.12.89)	57,301

Again, the QIDC beat the lot.

Elsewhere the report is misleading in selectively quoting QIDC figures of 1987-88 to support its claim of poor performance. That figure is for the second year of the QIDC's operation. Honourable members should remember that the QIDC is even now only four years old. It would be more accurate and relevant to quote recent figures which reflect performance up to 31 December 1989. Those figures were obviously available, as they appear in the report's appendix. Why were they not quoted by Mr Polichronis and used for judgment in the body of the report?

Those are excellent results which could not have been achieved if the board or senior staff had been inefficient or if morale had been low. Obviously, those results could not have been achieved if the corporation had lacked commerciality. Where is the credibility of the main thrust of the report?

While dealing with the bottom line, let us consider the returns for the Government on its investment under the previous board. For the six months ended 31 December 1989, the return was $5.87m in income tax equivalent, plus a 40 per cent dividend of $3.347m, making a total of $9.217m. This represents a return of 40.96 per cent on capital of $45m and a return of 28.65 per cent on shareholders' funds of $64.341m.

How credible is the report that neglects to portray these results? Those results, there for all to see, were totally and completely neglected and omitted from the report by Polichronis. That report is quite patently a mixture of opinion and misstatement. Its purpose is transparent; it is to do a hatchet job to justify the actions of the Government in dismissing a competent, conscientious and efficient board. The action by the Government leaves its credibility, as well as that of Polichronis, as threadbare as the report.

I am sure that rural producers will see this report for what it truly is. It is a politically inspired demolition of an extremely effective organisation for the sole purpose of perceived revenge. As far as I am concerned, Mr Polichronis should hang his head in shame.

Dr CLARK (Barron River) (4.39 p.m.): My thesis this afternoon is that the Government is committed to the position that forward planning is an integral part of sound economic management and that both of these processes must be guided by well-founded research.

In April this year the Applied Population Research Unit within the Department of Geographical Sciences of the University of Queensland published a report of great significance to Queenslanders. As we move into the twenty-first century the report, entitled *Recent Population Changes and Their Implications for Queensland 1990*, will provide an invaluable planning tool for all levels of Government.

Some of the highlights of that particular report are as follows—

- Queensland is presently the fastest-growing State or Territory in Australia and one of the fastest-growing areas in the developed world. The rate of growth in 1988-89 was 3.15 per cent.
- In the 1988-89 financial year, Queensland recorded its highest level of growth (86 594 persons) and its highest level of net migration, both interstate and overseas, (64 279).
- Queensland looks likely to continue with high rates of growth until at least the turn of the century. There should be an additional 511 800 to 854 200 people in the State by the census year 2001.

. . .

- The population of south-east Queensland should reach well over 2.25 million persons by the year 2001, an increase of some 500 000 over the 1989 population. This increased population will require at least $20 billion infrastructure development over the next 10 years.
- Based on recent trends, the other growth area in the State is the far northern region centred on Cairns, which is expected to increase its population by 70 000 between 1986 and 2001.

While recognising the truly phenomenal growth rate in south-east Queensland, it is the growth rate of the far-north statistical division, which contains my electorate of Barron River, that I propose to describe in some more detail. The paper continues—

> "The growth in the Far Northern Region has certainly been rapid in percentage terms; in absolute terms it has averaged about 4 000 to 5 000 per year. This means that in an average year about 8% to 12% of Queensland's growth has occurred in the Far North although this region at present possesses only about 6% of the State's population."

A comparison of the Queensland statistical divisions with respect to percentage population growth between 1981 and 1989 reveals an average growth rate of 3.4 per cent for the far northern region, which extends from Cardwell to the Torres Strait and west to Carpentaria Shire in the Gulf of Carpentaria.

The 1989 report of the Australian Bureau of Statistics indicates that the far northern division had a population of 179 000, which is an increase of approximately 38 000 since 1981. This 3.4 per cent growth rate is the highest after that of the Moreton statistical division, which covers the south-east corner of the State but excludes Brisbane City, and stands at an average of 6.1 per cent for that same period from 1981 to 1986.

The large increase in population in the far northern division has been a result of migration rather than natural increase, as is the case in other parts of the State where rapid growth is occurring. Evidence of this large increase in growth is provided by statistics relating to house construction. Of the 41 000 new dwellings commenced in 1988-89, the far northern statistical division accounted for 9 per cent of the total—again, the highest after the Moreton and Brisbane statistical divisions. Within the far northern statistical division, the growth has not been uniform. The growth has occurred primarily in two local authority areas—Mulgrave and Douglas Shires. For 1988-89, the growth rates in the Douglas and Mulgrave Shires were 9.8 per cent and 6.9 per cent respectively. It is the most rapidly growing parts of the Mulgrave and Douglas Shires that fall within

my electorate, namely the Marlin Coast north of Cairns and Port Douglas. Thus, of all the State electorates within the far northern statistical division, it is Barron River that has and continues to experience the fastest growth.

It should be clear by now why I am so concerned about the report of the University of Queensland Applied Population Research Unit, the population predictions contained in it and the future implications identified as a result of this predicted growth.

The far northern statistical division is expected to grow in 1989 from an estimated 179 000 persons to the most likely forecast figure of 231 000 by the year 2001. Given, of course, that no prediction can be absolutely precise, the report indicates that the growth expected in the far northern division in the next decade could, in fact, be in the range of 50 000 to 90 000. That indicates a possible total of a quarter of a million people in the far northern statistical division by 2001.

I turn now to examine the services that are likely to be required in the far-north region, bearing in mind the location of the growth within the division and the need to provide the bulk of those services in Barron River and the neighbouring electorates of Cairns and Mulgrave.

The Applied Population Research Unit has indicated that each increment of 50 000 persons will require approximately the following additional goods and services, which give a clear indication of the needs of the far-north region. The unit indicates that there will be a need for 15 000 to 18 000 new dwellings, 500 to 600 new retail outlets, 25 to 35 new schools, 350 to 450 new hospital beds and associated facilities, 100 to 125 new medical practitioners, including specialists, and 20 000 to 22 000 new cars.

Those figures refer only to requirements to service new populations at present standards of service. They do not consider the replacement of worn-out facilities or deceased service-providers and do not take account of changed standards or levels of provision. As well, they do not include all the furnishings, staffing and other needs that will be generated by each new house, school, office and other facilities.

As well as those relatively easy to calculate additional services there will be an increased need for many other services that are more difficult to calculate, including new and upgraded roads, new public transport facilities, upgraded sewerage and water supply facilities, expanded airports and air transport facilities. In fact, they include a substantial expansion of existing physical infrastructure in all important aspects.

As a rough rule of thumb, every five years Queensland will need to expand its existing physical infrastructure by approximately 10 per cent to 20 per cent just to maintain existing levels of service provision without making allowance for presently deteriorating and worn-out infrastructure.

The report to which I refer indicates clearly that, behind Brisbane and the Moreton statistical division, the far-north division is the greatest area of need for new goods and services. That must never be forgotten.

To put the needs of the far-north division in more specific terms, I point out that additional services and facilities to supply a population equal to that of Toowoomba will need to be provided in the far north in the next decade or so.

The University of Queensland report has attempted to cost the public and private capital resources that will be required in the next decade for infrastructure development in the far-north division. Extrapolating from the figures that are provided in the report, I estimate that $500m or half a billion dollars will be needed to provide a level of service that is provided by people today.

The Government has embarked upon a program of responsible economic management, which was clearly described by the Treasurer during this debate. Part of that responsible management requires that resources are allocated where they are needed. I am aware that the Government is already taking very seriously the findings of that report.

Earlier this week in this House, in answer to a question, the Minister for Education indicated that the department is already acquiring land in the Barron River electorate to provide for schools that will be needed in anticipation of the increase in population.

The Minister for Housing and Local Government, the Honourable Tom Burns, has indicated that the Housing Commission intends to purchase and provide 10 000 houses during the next three years in addition to the 100 000 houses that will be made available for lease or purchase.

In the near future in this House, I intend to describe in more detail the specific requirements of my electorate.

Unfortunately, the previous Government paid little attention to the areas of real need. That Government was concerned primarily with providing schools, hospitals, roads and such like in the electorates of National Party members regardless of any statistical information or research reports. The Minister for Administrative Services provided proof positive of my proposition when he graphically illustrated the previous Government's spending pattern on capital works which showed just how poorly treated were Labor electorates.

I have confidence in the Treasurer and other Ministers of the Government allocating resources where they are needed and responding to research findings, rather than votes alone. There is no doubt that the funding required for the provision of additional infrastructure throughout Queensland will have to be provided by both Government and private sources.

The issue of developers' contributions to the provision of new infrastructure, particularly community facilities, is an interesting one that I intend to pursue at another time. The Cairns City Council has received Government funding and is currently researching this issue. That council has already discovered that, in comparison with other States, Queensland has let developers off very lightly in relation to contributions. However, because of the nature of the previous Government and where its priorities lay, that should come as no surprise to honourable members.

I change my focus from areas of geographical need to the services and policies that are needed to take Queensland into the twenty-first century. It is clear that the community has given the Government a clear mandate to direct taxpayer funds to areas of high priority, such as education, welfare, Fitzgerald reforms and the environment. As the Treasurer indicated, worthwhile programs that are delivering what the community wants generally will not be affected in the budgetary process. However, where clear evidence exists that taxpayer funds have been poorly directed in the past, the Government will not hesitate in re-allocating those funds to important social policy areas that were badly neglected by the previous Government.

In terms of value for money, the emphasis must be on the quality of services provided. While it is clear that other States outspend Queensland in a range of essential services, quality is not just related to dollars spent. Performance evaluations of programs and activities will be critical to improving outcomes and the quality of Government services.

I welcome the commitments made by the Treasurer, Mr Keith De Lacy, and recognise and appreciate his commitment that this Government will maintain its pledges of no new taxes and no increases in charges beyond the CPI and will deliver on its commitments to improve services, continue to implement Fitzgerald reforms and, importantly, pursue a regime of fiscal responsibility never before seen in this State.

I recommend the Bill to the House.

Mr BORBIDGE (Surfers Paradise—Deputy Leader of the Opposition) (4.52 p.m.): In rising to support the Appropriation Bill, I intend to point out quite clearly to honourable members on both sides of the Chamber the record of this Government and this Treasurer during their period in office. As this Parliament moves towards its Budget session, it is very important that their performances be put clearly on the public record.

This Government and, in particular, this Treasurer are systematically destroying the hard-won business reputation of this State. Our reputation as a great place to invest,

our ability to create new jobs and our reputation as the economic powerhouse of the nation rest in the balance.

On 2 December 1989, when the National Party left office, if every public servant in this State who was eligible to resign did so, the Government would have been able to meet the pay-out of the superannuation cheques the next morning without having to draw on one cent of consolidated revenue. When the National Party left office, this State's workers' compensation scheme and its compulsory third party insurance scheme were in the black—actuarially sound. They are claims that could not be made by any other Government in Australia.

Put simply, the Goss Government and his Treasurer inherited the best performing economy in the nation—an economy that was consistently judged by Moody's as having an AAA rating. This is fact—not fiction, as the Treasurer tried to tell the people of Queensland in March.

How can anyone forget the performance of the Treasurer when he handed down his infamous state of the economy report—a report that was going to tell the people of Queensland once and for all just how deeply in debt we were? Do honourable members remember the front-page headline of that day's *Sun*?I happen to have it here. It states, "Going broke". The Treasurer locked the media up, told them his side of the story, and in good faith some of them believed them. But what a mistake the Treasurer and that headline turned out to be!

This so-called state of the economy report put the State's debt at approximately $181m. According to the Treasurer, the State was falling apart. It was a staggering revelation that the debts left by the National Party were way above what was supposedly in the Budget estimate. The article stated—

> "This means that on a per capita basis, Queensland is by far the worst off."

But the Treasurer was confident that the Government's spending program would not be affected by what he alleged was a con job on Queenslanders by the National Party. He said that his Government budgeted for a huge deficit legacy left by the Nationals. The article continued—

> "But Mr De Lacy was understood to be surprised by the extent of what he described as 'deliberate deceit' about the state of the economy."

What a different story was told when this man who pretends to be Premier attended the Premiers Conference. What a different story it is when he quotes from Moody's. Yesterday's *Courier-Mail* stated—

> "The Moody's report on State credit ratings will be read more easily in Brisbane than in most capitals.
>
> . . .
>
> Net debt is the lowest per capita at only 7 percent of total Australian public sector debt.
>
> . . .
>
> Moody's . . . praise is far from faint: 'Queensland ranks the best among the States on virtually all debt service and borrowing measures.' "

Here it is for the world to see: the hypocrisy of the Labor Party in this Parliament.

The major problem with the entire episode was that the Treasurer had not even properly examined the Budget papers. In his passion to denigrate the previous Government he became the first Treasurer in the history of any Government in Australia to argue against his own State's hard-won credit-rating. As the former member for Landsborough said in the House on that occasion, he was a boy on a man's errand. To top that off, I would say that he was a boy who did not even know the difference between gross debt and net debt. That happened only a couple of months into his ministerial career; the Treasurer did not get off to a good start.

But it gets worse. He has to go nose to nose with Keating at the Premiers Conference. Canberra is a long way from Brisbane, so the Treasurer felt that he could let the cat out of the bag and tell everybody that the State Budget was suddenly $4m in surplus, not $181m in debt. Surprise, surprise! In March this State was $181m in the red; in July it was $4m in the black. What a turn-around! What hypocrisy! What double standards!

Let me refer now to how the Treasurer and Mr Seventy-seven Per Cent fared when they went down to Canberra. They went like lambs to the slaughter. Even with this State having the best performing economy in the nation, the strongest economy of all, the best ratings from Moody's, this Treasurer still came home empty-handed. The question must be asked: was this Government capable of arguing our case? The answer is, "No." We may as well have sent the member for Port Curtis. He probably would have done a better job.

Mr FitzGerald: He would have made a bigger impression on the seat, anyway.

Mr BORBIDGE: As the member for Lockyer said, he would have made a bigger impression on the seat.

The Treasurer's six-monthly report reads as follows: off to a bad start; stumbled badly; tripped a couple of times; looking shaky.

Then, along came foreign investment. In recent weeks we have once again witnessed the pathetic attempts by this Government and this Treasurer to explain to the business community of Queensland the intricacies of their so-called policy on foreign investment—the flagship policy that was to determine just what was in foreign investment for Queenslanders. Today,1 600 consultants and contractors associated with the construction industry in Cairns and the Gold Coast know exactly what was in that foreign investment policy for them—nothing, absolutely nothing—because last week they were employed and this week they face unemployment.

Mr Gilmore: Tomorrow night they are meeting in Cairns.

Mr BORBIDGE: Tomorrow night they are meeting in Cairns, and I will have much pleasure in telling the Treasurer about what the Labor Party and the union movement are up to in his electorate at the present time.

Those people who have been put out of work, whose jobs have been frozen along with these $800m-worth of development projects, are the victims of a Government—in particular a Treasurer—that has been found wanting once again. I shall analyse the performance of the Government and the Treasurer in respect of foreign investment matters.

Since the Government's election and since the Treasurer's appointment, from time to time this Government and this Treasurer have approved 100 per cent foreign ownership; from time to time approved zero per cent foreign ownership; and from time to time they have approved 50 per cent foreign ownership. On occasions, they have told the people of Queensland that they had control of foreign investment but, on other occasions, they have told the people of Queensland that they have no control. They told them that the 100 per cent sale of a coalmine to the Japanese was a development issue and not a foreign investment issue. However, then they said that building a tourist facility was not about development but rather about foreign investment. Is it any wonder that the board rooms of the world are totally confused? But the story gets better.

The Government and the Treasurer set up a creature called the Foreign Investment Review Secretariat. They put it in the Treasurer's department and they buried it. They said that they were at odds with the Federal Treasurer over a decision taken by the Foreign Investment Review Board. So, they sent Queensland's answer to Basil Fawlty down to Canberra to tell Mr Keating just where he had gone wrong. However, when the Treasurer came back to Queensland, he said, "Well, we were not really at odds after all. Everything is rosy. But don't worry, the Treasurer is going to produce a brochure to explain what it all means."

What a disaster! I point out to the Treasurer and to all honourable members that everything is not rosy and that it is he who has single-handedly created mass confusion amongst business in this State, across Australia and in the board rooms of the world.

The undeniable fact is that, unless this Government quickly and clearly spells out exactly what its policy is, Queensland will be facing a foreign investment crisis. That policy, and the specific guidelines that must accompany it, should be put on the table now, and it should not be, as members witnessed this morning, the selective part of a speech. The comments by the Premier and the Treasurer this morning were, quite frankly, an insult not only to members in this Parliament, but also to the business community of this State. I say to the Treasurer: do not insult honourable members' intelligence and, more importantly, do not insult the intelligence of the business community.

The guidelines for which this House has waited nearly eight months are a two-and-a-half page extract from a speech given by the Premier to the Queensland/Japan Chamber of Commerce and Industry, a speech that created much of the confusion that exists. Today, in this House, the Treasurer was unable to answer questions relating to the two-and-a-half page document tabled by the Premier, despite the fact that he is the responsible Minister. However, honourable members can rest assured that the Treasurer was able to confirm that the document presented to Parliament today was the basis for his conflicting decisions on the Ensham mine debacle, the Dreamworld fiasco and the Daikyo Four Seasons calamity.

This Government has been clearly caught out by its ad hoc, knee-jerk reaction to foreign investment issues, and the business community today has witnessed the spectacle of a Treasurer not understanding the policy that he is supposed to be administering. What has been presented is a vague document on which Government decisions are being made on an ad hoc basis. They are based on some secret criteria that the Treasurer this morning refused to expand upon. It is a matter of whatever suits the Treasurer's whim at the time, whether it be 100 per cent foreign ownership, 50 per cent foreign ownership or zero per cent foreign ownership. No matter which way the Premier or the Treasurer look at it, the decision by Daikyo to down tools in Queensland is as a direct result of governmental confusion on foreign investment. This ad hoc approach has made it virtually impossible for investment in this State at a time of severe economic downturn.

Daikyo is the company that was investing $800m in Queensland at a time when hardly anybody else was. Recently, its north Queensland chief executive, Neville Bates, told journalists—

"It's like playing a game of football where they keep changing the rules."

While I do not expect the Premier to understand foreign investment, he should by now understand football because he spends enough time there.

Remember what the Premier said when he thought the MFP steering committee changed the rules on him. He did not like it one little bit. What is most disappointing is that the Premier and the Treasurer refuse to accept any of the blame. They cannot see that the business community is confused or that their policies should be spelt out in a more precise fashion. They blame it on someone else, be it the Trade Practices Commission, the Foreign Investment Review Board, the Federal Treasurer, Mr Gayler or the previous Government.

The Premier was quoted in the media as saying that he did not know that the Trade Practices Commission was studying the Daikyo sale in Cairns; yet only a couple of weeks previously, his Treasurer was on the same radio program foreshadowing the TPC's involvement in this area. Is it any wonder that the business community is hopelessly confused?

Federal Labor member for Leichhardt, John Gayler, who represents Cairns, is in no doubt as to who is to blame. He blamed the freeze on the State member for Cairns, Mr De Lacy, and the State Government which he said had "bungled the issue", and he went on to say that it "had played politics irresponsibly for self-advantage". According to Mr Gayler, the State Treasurer had been sailing in unchartered waters, and that it is

time for him to butt out and leave it to the Federal Government, which has after all got the actual power in that area.

He further stated—

> "Mr De Lacy has played politics in his harassment of Daikyo. There is no doubt that they were looking for one to knock back. All they've done is create uncertainty."

The Treasurer stands accused of massive economic negligence perpetrated in the name of his enormous personal ego. Even his Labor colleagues are waking up to the enormous damage and havoc that he is wreaking on the economy and the once-proud reputation of this State.

Honourable members on the Government side will be delighted to hear that, this weekend, various Labor Party people including branch members and union members, will meet in north Queensland.

Mr Littleproud: Is it at the workers' club?

Mr BORBIDGE: I do not know whether it will be at the workers' club.

Mr Littleproud: They have done it up. There are a few questions about the payment.

Mr BORBIDGE: I hope that all the tax obligations have been fulfilled. The resolutions that have been circulated in respect of the Cairns meeting this weekend call upon the Premier to formulate a credible foreign investment policy to save Labor Party seats in north Queensland. They call on the Premier to dump the Treasurer even though he is a local boy.

Government members interjected.

Mr BORBIDGE: Honourable members should talk to the people in north Queensland. They should talk to Mr Gayler, who has been more than active in the media and elsewhere. Many good Labor supporters in north Queensland agree with Mr Gayler and disagree violently with both the Treasurer and the Premier.

Dr Clark: I know whose side the people of Cairns are on.

Mr BORBIDGE: The Premier, by continuing to associate himself with the Treasurer is demonstrating——

Mr FitzGerald: Whose side is the member for Barron River on?

Mr BORBIDGE: As the member for Barron River is interjecting, I ask: whose side is she on? Does she support Mr Gayler or the Treasurer? **Mr DEPUTY SPEAKER** (Mr Campbell): Order! The question was definitely out of order.

Mr BORBIDGE: I can understand the reluctance of the honourable member. I am sorry, Mr Deputy Speaker. I was provoked.

The Premier, by continuing to associate himself with the Treasurer, is demonstrating either incredible arrogance, which Opposition members know that he has, or incredible naivety. The Treasurer is an appalling failure who is prepared to sacrifice this State's hard-won international reputation on the altar of short-term political expediency in his own electorate. Perhaps when they are facing massive unemployment, the people of Cairns will realise the horrendous legacy that they have inflicted not only upon themselves but also upon the people of Queensland. The Treasurer is a man who, in seven short months, has done for this State what the Yorkshire Ripper did for night shopping in Leeds.

This points to the massive crisis in confidence to which the Opposition has regularly referred. Our unheeded warnings from as far back as February are beginning to come

true. Last year, Opposition members warned of statements made by the Treasurer to Parliament when—foreshadowing Labor Party policy, I presume—he said—

> "I am opposed to Japanese investment and what it is doing for my community . . . I have been challenged about my views on Japanese investment in the Cairns region. It is no secret that I have opposed it in all public forums . . . I do not care what anybody says, the Cairns region can do without that investment. It is not doing the people of Cairns one iota of good at all. They would be better off without it. I will make that statement in any forum."

Members of the Opposition want to make it clear that both Queensland and Australia need foreign investment. We realise that and we have always encouraged it, but always on our terms and always with the realisation that the Federal Government holds most of the power. The former National Party Government always asked the question: will this investment provide a net benefit to Queenslanders? What members of the former National Party Government did not do was stand up in front of the people of Queensland and say that they were going to do something when they knew that they could not. Unlike the Government, the Premier and the Treasurer, the members of the former National Party Government did not create false expectations; they got on with the job.

Members of the former Government realised that existing levels of overseas investment in Australia are a direct result of the very problem that threatens our standard of living. The Hawke Government has deliberately encouraged people to live beyond their means. Because Australia spends more than it earns, it is more susceptible to foreign investment and continuing sales of Australian assets.

Until this problem is addressed and Australia becomes more competitive, questions will continue to be asked about the level of foreign investment. Australia must encourage foreign investment in the manufacturing—or technology-based—industry. For the benefit of honourable members, I point out that approximately 12 months ago in Osaka, when I was Minister for Industry, on behalf of the Ahern Government, I hosted a seminar that was designed to encourage foreign investment in the manufacturing industry and technology transfer in the State of Queensland. That seminar was very successful. Despite the rhetoric of the Premier, I am not aware of any real action by the Government to do likewise.

Government members interjected.

Mr BORBIDGE: The Government has been in office for eight months. It is about time that it started performing. The Premier will have to account to the overseas business community for the liability that is sitting next to him, whose own Labor people in Cairns want the Premier to remove him from Cabinet.

Mr W. K. Goss: They were just so delighted to see the back of you.

Mr BORBIDGE: I can understand the sensitivity of the Premier. He is presiding over a monumental mess in foreign investment policy that is unrivalled in the history of any Government in Australia.

Australia can use foreign moneys to become more competitive and to speed up the process of micro-economic reform. Foreign investment can be the catalyst—the means by which Australia can dig its way out of its current problems. However, the Goss and De Lacy approach is to throw out the baby with the bath water, to create the sort of mass confusion that has resulted in one of Australia's better corporate citizens thinking about packing up and going home. That company employed thousands of Queenslanders and contributed much to this State over a period of approximately 20 years. The Premier's action was completely unnecessary.

In reality, the Treasurer was only seeking to score some short-term political points in his own electorate—a view that was so well pointed out by his colleague, Mr Gayler. Eight months to the day since the election of the Goss Government, what does Queensland have? It has plenty of rhetoric—a lot of talk—but no action. After eight months, the

Treasurer has a report card that indicates he is one of the most dismal failures ever to occupy such high office anywhere in Australia.

I say to the Treasurer that he is on the nose in every board room around this State, and he is certainly on the nose overseas. I say to the Premier, as he prepares to go overseas, that I will be very interested to see whether he takes the Treasurer with him. I also say to him that if he is a reasonable man, he will pick up the mood of the people whom we need to invest in this State if the real economic development that we all want is to be achieved. That mood is turning rapidly against this Government and this Treasurer. While the Premier continues to associate himself with this Treasurer, the mood of the people will turn very quickly against him.

Dr WATSON (Moggill—Deputy Leader of the Liberal Party) (5.16 p.m.): It gives me pleasure to enter the debate. It is obviously a timely debate because, this week, the economic indicators were issued. They indicated that Australia is in a decline which has lasted for 20 consecutive months. We are fast approaching the same kind of decline that occurred in the 1980s when Australia was in the grip of a massive drought, the world economy was in the grip of a massive downturn and the prices for Australian products had declined significantly. Queensland has also shown a very sharp decline in July which indicates that, by the time the Budget is brought down in a couple of months' time, business activity in Queensland will have decreased even more substantially.

This is also the day on which honourable members finally got to see the foreign investment guidelines that have been issued by the Government. One cannot help but address some of those issues today. Let me begin on a positive note. I was heartened to hear the Treasurer make a commitment to a Budget strategy that will be financially sound and responsible. He indicated that there will be no borrowings to fund recurrent programs. He said that long-term liabilities, such as superannuation, workers' compensation and motor vehicle third party insurance, will be fully and actuarially funded. He said that there will be no borrowings to fund capital assets that do not generate a revenue stream to repay the debt. That is, undoubtedly, potentially good news for Queensland.

During the past 30 years, when the foundation was laid under successive Liberal Treasurers and, for the past six years, under National Party Treasurers, Queensland became strong because of the encouragement for private investment. The climate was right. The Treasurers controlled Government expenditure. They ensured that ongoing programs were funded out of recurrent expenditure and that, in the main, the liabilities incurred could be serviced out of a steady cash flow. Finally, they ensured that Queensland had a good apolitical public service.

A disappointing part of the Treasurer's speech was when he indicated that the Commonwealth had adopted a five-year option for new State relativities. That means that the Commonwealth Grants Commission outcome was only marginally beneficial to this State, instead of compensating it for the tax cuts.

At the beginning of June, I asked the Premier whether or not he intended to support a three-year or five-year relativity period. At that time he indicated that he had not made up his mind. About three or four weeks before the Premiers Conference, he had not decided how he would argue and had not done any lobbying. Obviously, from the perspective of an outsider, it appeared to be in the interests of a State such as Victoria, which was under a tremendous amount of financial pressure, and a State such as Western Australia, to move for a five-year relativity period.

Mr W. K. Goss: What about New South Wales? You forgot them.

Dr WATSON: And it was also in the interests of New South Wales, I agree. The point is that the Premier had not made a decision. He had not got out there and tried to cultivate a political climate in which Queensland could benefit.

As was mentioned by the honourable members for Caboolture and Barron River, the decision to opt for a five-year relativity period will affect this State adversely not only this year but also in subsequent years. A five-year relativity period means that the

increase in population in the south-east corner of Queensland will not be compounded into this State's financial grant as quickly as it would be with a three-year period. That means a difference of $70m or $80m this year, and the difference will become greater over the next few years. So it was disappointing that the Premier and the Treasurer did not adopt a more aggressive stance at the Premiers Conference in support of this State's legitimate claims.

It is also appropriate for this debate to be taking place at a time when Moody's has issued some warnings. The Treasurer has tried to respond partially to those warnings, but I do not think that he has actually grasped the central point. Moody's indicated that it was concerned about a practice that has been adopted over the past few years by some State central borrowing authorities and other State-owned vehicles such as insurance offices and development authorities, which are taking an active approach to the economic development of their States by investing taxpayers' funds in commercial ventures, real estate and local projects, often as loans and sometimes as equity. Moody's has said that this process has already shaken the Governments of Western Australia and Victoria, and that Queensland, having reorganised its central borrowing authority, may now be embarking on the same course. Of course, the Treasurer has indicated that this will not be so, but words are cheap; actions are more important.

I must be concerned because Queenslanders do not really want to get into the same position as the one in which the State Governments in Western Australia and Victoria found themselves. The problems centre on what people have referred to as WA Inc, or some other kind of "inc" in the other States. Let me cite the words of Patrick O'Brien in a publication titled *Economic Witness*.

Mr Welford: Oh, he's smart!

Dr WATSON: He is very smart. The Western Australian Premier expressed the purpose of WA Inc in the following terms—

> "There will be a new order in this State and an elite of the able and that's what will come to pass and it will come to pass as quickly as I am able to make it happen because I believe that's the salvation of this State and the salvation of this country."

Some salvation!

The elite to which he referred included the following elements: party and union leaders who had supported Burke's quest for the ALP leadership in 1981; academics and former student leaders who were interested in public administration; Burke's friends and associates; and some prominent Western Australian businessmen who were patrons or founders of the John Curtin Foundation. The same types of events are occurring in Queensland, albeit a little slower and with less fervour than accompanied the events that occurred in Victoria and Western Australia. In Queensland, we have certainly seen academics and former students leaders advising the Premier, and we are certainly seeing in some of the legislation that has already been introduced into this Parliament the current ALP Government responding to the beckoning of party and union leaders.

The critical importance of the Western Australian experience is that it illustrates the fragility of the parliamentary form of government, the Westminster system, and traditions and principles of accountability. Since 1983, Western Australia has become almost a model of how to effect the transformation from democracy to oligarchy by administrative means. People might say that that is also academic, but when one has regard to appointments that have been made by the Goss Government—including appointments in the Treasurer's own office—one wonders whether a similar situation will occur in Queensland. For example, Queensland has imported to Regional Development on secondment no less a person than the assistant director of the Western Australian Department of Regional Development.

In a recent article in Western Australia's *South Western Times*, Carmen Lawrence suggested that she was quite happy that the new Labor Government in Queensland was adopting elements of the Western Australian program. The article states—

> "Dr Lawrence said the South-West programme had become a model for development in other states.
>
> 'At the recent Northern Australia Development Council at Karratha, the Queensland Treasurer and Minister for Regional Development, Keith De Lacy, said he had unashamedly gone through our policies and taken elements from them to adapt to his state's needs.' "

Moody's is not referring to something that has occurred but, rather, is looking at the present behaviour of the Government. Moody's is trying to anticipate what might happen, given circumstances similar to those that have existed in other States.

Those comments lead me to the real issues that I want to discuss for the next 20 minutes.

Mr Welford: Was that just the introduction?

Dr WATSON: That was just the introduction.

One of the problems caused for this Government and for every other Government is the uncertainty that government can generate with respect to the activities it undertakes and the impact of that uncertainty on investment. Uncertainty kills investment, and it is also one of the problems associated with inflation—which the Federal Treasurer has only recently rediscovered. In common with other activities, inflation increases the risk associated with investment because it undermines the ability to predict future asset prices.

Mr Coomber: And confidence.

Dr WATSON: It undermines confidence and the ability to predict the way in which Governments will use monetary policy. Although that is endemic throughout Australia under Labor Treasurers, other kinds of activities at State level can have an equally forceful impact on confidence and, therefore, investment. The particular aspects I wish to briefly discuss are the Government's activities in the area of the public service. Later during my speech, I will discuss the Government's activities in relation to investment.

The Liberal Party believes in a strong, efficient, competent and apolitical public service. It believes in promotion and appointment on merit. This morning I was interested to hear Rod Henshaw's program—probably many honourable members heard it—when the outgoing Ombudsman, Mr Cedric Johnson, was interviewed. He recalled the time when he walked into his first appointment as parliamentary secretary to the former Leader of the Liberal Party and Deputy Premier, Ken Morris. Ken Morris was the representative of the area that I currently represent when it was known as the electorate of Mount Coot-tha. Rod Henshaw asked Mr Johnson whether or not he thought the public service was becoming politicised. Mr Johnson answered guardedly, but his reply was in the affirmative. He recalled when he was first appointed parliamentary secretary to Ken Morris. He said that he walked into the office and Ken Morris did not know who he was. Ken Morris had had nothing to do with his appointment; it had been done by somebody outside. He sat down to work with Ken Morris. He indicated that at no stage did Ken Morris ask him or attempt to lead him in an endeavour to find out what his political allegiances were.

In a parliamentary situation, Ministers have political advisers who must advise on political activities. We expect those advisers to have political allegiances. However, the public service is a different matter altogether. In order to promote confidence in a public service, one must ensure that one goes through reasonable selection procedures and that one appoints people based on merit. Because most businesses deal not with politicians but with the bureaucracy, that process is important to gain the confidence of the business community. Stability in the bureaucracy translates into stability of interaction with the

business community in general and therefore enhances the confidence of the business community.

I will not reflect upon any of the appointments that have been made by the Government. I could talk about a couple of appointments that have not yet been made but which lead to questions of uncertainty. Following the promotion of Mr Ross Dunning as Director-General of Administrative Services, a new Commissioner for Railways is to be appointed. My colleagues have informed me that Mr Dunning has been an outstanding public servant who has had a great deal of administrative experience in Queensland Railways and who contributed greatly to the electrification program in this State. The question is: what will happen to his replacement?

Mr Fenlon: Tell us about it.

Dr WATSON: My understanding is that, last Thursday, the name of the replacement went before Executive Council and was knocked back. The interesting point is that the replacement would have come from outside the public service.

Mr Ardill: It might be Tony Philbrick.

Dr WATSON: It could have been Tony Philbrick; I do not know. It amazes me that there is not an officer within that large department who could fill the position. The nomination of that person was refused because it was discovered that he was under investigation elsewhere.

If that occurred in only one department, one would not worry. However, I understand that a similar situation exists in the Department of Resource Industries, which is down to a short list, and that there is no suitable applicant from within the department.

Mr FitzGerald: It's selected already.

Dr WATSON: The appointee has been selected already. Do you know where the person is coming from?

Mr FitzGerald: I'm pretty certain it's out of——

Dr WATSON: Out of Canberra?

Mr FitzGerald: I believe so.

Dr WATSON: I understand that the person is coming from a Labor Minister's office in Canberra.

Mr Ardill: You probably know them all.

Dr WATSON: I might know the person. He might be quite good.

It is interesting the way that people develop confidence in the public service. I am not certain that bringing outside people from other Labor Minister's offices is the appropriate way to develop such confidence.

Mr Fenlon: When only the best will do.

Dr WATSON: Maybe; maybe not.

The development of the confidence of the public service is critical for the development of confidence in the business community, which is critical for the development of investment in the State. The development of an apolitical public service is not a trivial issue.

Mr Hayward: You should ask Nick Greiner.

Dr WATSON: There are no members in this Chamber from the previous Labor Government, but in the 1940s and 1950s that Labor Government politicised the public service and held Queensland back.

Mr Coomber: They had no-one to transfer from Canberra then, did they?

Dr WATSON: No.

The second issue I wish to address is the question of investment and the foreign review guidelines which were tabled by the Premier earlier today. Those guidelines set out that the Queensland Government does not put a high priority on foreign investment when it is skewed towards speculative activities and adds no value. They also set out that such foreign investment results in a diminution in the level of Australian assets without necessarily contributing to a long-term increase in the State's productive base. In some strictly logical sense I suppose that is true. However, investments which take over existing Australian assets do not necessarily contribute to the long-term increase in the State's productive base. Investments, by their nature, are uncertain. If they were certain, the rate of return would be driven to zero. The two paragraphs from the Premier's statement that I mentioned are vacuous; they make no distinction between one kind of investment and another.

Mr Coomber: Go a bit slower, David, it's going over their heads.

Dr WATSON: I guess that it would not take much to make something go over their heads.

When one attempts to devise a policy that distinguishes between good and bad investments, it is not a bad idea to start off with a logically correct basis. It is not a bad idea to start off with something that is economically defensible rather than something that is fallacious.

The other sections of the foreign investment guidelines direct themselves to whether or not a particular investment should be undertaken. In the last few months we have seen the Goss Labor Government in this State go from one disaster to another.

First, there was the Ensham debacle. As all honourable members will recall, that occurred when CRA and AGIP lost their authority to prospect. *Australian Business* made the following observation—

> " 'Kevin Rudd (Goss' private secretary) has done a fantastic job of getting an army of advisers out of raw recruits, but I think they're a little commercially naive—in absolute ignorance of how the commercial world works,' says one senior businessman. 'Ensham was the first thing they couldn't handle—because it wasn't a political issue,' says one mining executive. 'They (the advisers) are still wary and suspicious of mining and business. Deep down, I don't think any of them like or trust us."

The *Australian Coal Report* of May 1990 saw things a little differently. It states—

> "To the ACR it just looked like stupidity. The Government was apparently impressed by Idomitsu's commitment to the early development of the thermal coal mine. CRA and AGIP thought it more prudent to get some sales contracts to underpin development."

The fact that CRA was the parent company behind Pacific Coal and that it developed one of the major mines in this State—Blair Athol—must say something about CRA's perceptions. The critical thing about Ensham was that it did nothing to endear the Government to the business community. Of course, it did nothing to engender confidence in the ability of this Government and the Premier and the Treasurer to make serious investment decisions. When one looks at the figures associated with Ensham and when one considers that the freehold title to the land and the resources that it contains are still owned by CRA and AGIP and that negotiations under the new Mineral Resources Act will have to take place between those former partners, Idemitsu and CRA, one realises that a long-term problem has been created, which will continue to cause uncertainty and bitterness within the business community.

Yesterday honourable members heard the announcement of the proposed development of the Gordonstone mine by ARCO. One wonders whether or not this is

merely an attempt by the Government to try to rectify the disastrous decision in relation to Ensham. That decision does not fill one with confidence. This morning's edition of the *Courier-Mail* states that Mr Keating's approval on the ground that the project would create significant economic benefits was given only hours before the expiration of a deadline set by committed Japanese and European steel markets.

Mr Littleproud: A bit of political survival there, do you think?

Dr WATSON: I reckon so. Those overseas markets would have withdrawn had the go-ahead not been given by midnight on Tuesday. In the words of the Premier, the project would have fallen over or stalled.

Is this the way to conduct business? Is this the way to engender confidence in long-term investment projects? Must business must wait til the eleventh hour before getting a commitment by this Government and its Federal colleagues?

What about the Foreign Investment Review Board guidelines? In this particular case, it looks like the project is a good investment. The Government has allowed ARCO to take potentially up to 95 per cent, if required, before it sells it down. In other words, ARCO can take the Suncorp proportion and Suncorp is permitted to sell part of its holdings to ARCO.

Mr Coomber: I wonder how long Suncorp had to think about making a decision?

Dr WATSON: I don't know how long Suncorp had to think.

Mr FitzGerald: By direction, I advise——

Dr WATSON: Does the honourable member think they were told? That was the problem with Western Australia Incorporated, was it not? That is the problem, of course, about which Moody's was concerned. It was concerned that the business activities of the Government may lead to decisions being made not on a commercial basis.

In any case, this is not the way to engender confidence in the business community. If the Government wishes to encourage business, it must be certain of the rules of the game. Business must have some certainty about the decision-making processes of the Government. Everything we have seen with regard to Ensham and Gordonstone leads one to exactly the opposite conclusion.

Inconsistency has also been revealed in the Daikyo issue. Other honourable members have referred to Mr John Gayler in this debate. I submit that the critical issue is that, in his answer to Alan Hogan on the *7.30 Report*, Mr Gayler said—

> "Well can I just say to you that I believe that a lot of the problems that exist in relation to the State Government's policy on foreign investment exist because there's some uncertainty as a result of some of the statements that Mr De Lacy has made. We've been through a throng of them. I mean we've had possible leasehold land instead of freehold land. The imposition of equity, Australian equity and foreign investment. We've had a number of these things and quite frankly, the business community don't know where they stand."

As to whether or not Mr Goss was correct, John Gayler said—

> "Well as I say I mean Mr Goss is obviously not getting out into the business community then. The only clear guidelines laid down for foreign investment are those at a federal level."

Mr Harper: Was that Gayler or was that Keating?

Dr WATSON: That was Gayler. He said—

> "We've got it right and I might say this, and I'm sure Mr Keating would be quite happy to assist the State Government in formulating the policy on foreign investment."

Yesterday, the Federal Government assisted by varying its own guidelines.

It is simply not good enough for the Government to be doing backflips and toing and froing on critical investment issues. One constituent of mine who is affected by the decision will have to lay off eight staff at the end of next week. He is an engineer who is involved in a project on the Gold Coast. He is not the only one. I estimate that approximately 100 other workers have been affected.

Time expired.

Dr FLYNN (Toowoomba North) (5.46 p.m.): I welcome this opportunity to join the debate on the first Appropriation Bill for 1990-91. It gives me a chance to bring to the attention of the House a number of matters that are of importance to me and my electorate in relation to solving problems cost effectively. Obviously, that must be done in the current economic climate.

Firstly, I take a minute to record publicly my sadness at the passing of Mr Max Ward, a life member of the ALP in Toowoomba. Max died on Monday in the Toowoomba General Hospital after a relatively short illness. He was buried today in Toowoomba.

Max led a hard bush life. For many years when he was a farmer at Wandoan he was the president of the Wandoan branch of the Labor Party.

Mr Harper: And a good guy.

Dr FLYNN: I note the remark of the honourable member for Auburn.

Max did not mind carrying the fight into enemy territory and was not afraid to speak his mind. During his retirement in Toowoomba, Max remained a very active party member. Although he was a pensioner and a man of modest means, Max was always exceedingly generous in supporting the Labor Party. He also cared about people, and would always help elderly folk with their postal or electoral visitor votes. I will miss Max because of the help that he gave to me and because of the man that he was. The ALP in Toowoomba will not be able to replace him. I offer my sympathy to Max's wife, Mardi, and their family.

Law and order remains a difficult and important issue in the community and a high priority in the Government's program. I draw to the attention of the House a recent spate of break and enters involving doctors' surgeries in Toowoomba and surrounding towns. Once again, those offences have highlighted the law and order issue in my electorate. The raids, which are perpetrated by professionals in search of drugs and cash, are of great concern to me personally and to other Toowoomba doctors, the police and the community generally.

During my five years in private general practice in Toowoomba, that was the third such break-and-enter epidemic that I can recall. As I will later recount, my own surgery was involved on two occasions.

I have given some thought to the epidemiology of those outbreaks, which are not dissimilar to outbreaks of flu or gastroenteritis. They start suddenly, rage throughout the town for a month or so and then suddenly cease. It is my opinion that most of the offences are committed by itinerant drug addicts who feast on the easy pickings of a provincial city or rural area and then move on. I often wonder whether they might have a regular country circuit like the agricultural shows.

Such outbreaks draw the community's attention to the need for more police. Government and Opposition members alike will be aware of this Government's promise to provide an additional 1 200 police in its first term of office. They will be aware also of the Government's initiatives in this regard, including the doubling of the staff of the Drug Squad and the appointment of 100 public servants to the Queensland Police Service to free police from paperwork and release them for operational duties.

The first extra recruits have begun training at the Oxley Police Academy. The academy's curriculum is being upgraded to accelerate training and to make it more relevant to modern policework. Negotiations towards transferring watchhouse duties to

the Department of Corrective Services are continuing. That will release 120 police officers to operational duties.

We need more police, but prevention is better than cure. Many doctors must upgrade the security of their surgeries, which I am doing. A little over 12 months ago, my surgery was first forcibly entered. It was a shock to me to see how easily the rear door had been jemmied. Fortunately, attempts to remove a wall safe were unsuccessful. That offence occurred on one of Toowoomba's famous foggy nights. No doubt the offenders chose the suitable weather conditions to cloak their movements. Apart from muddy footprints and a broken door, the surgery emerged without loss on that occasion.

Unfortunately, after that incident I was complacent, especially because the wall safe remained secure. I avoided the expensive decision to upgrade security. Last week, a second break and enter occurred at my surgery. On that occasion the culprits were more daring and more skilled. The robbery occurred between 7.30 and 9 p.m. on a clear evening within view of a busy take-away food outlet.

Once again, the door of my surgery was jemmied. On that occasion the safe was successfully removed, and a small quantity of drugs and cash was stolen. My partner and I have now decided to take the expensive step of upgrading security at the surgery. To be honest, that will cost more than the losses from three or four future break and enters. However, it must be done to prevent our becoming victims in the next epidemic. Although it is impossible to make any premises burglar proof, our measures will make it more difficult for offenders to gain entry. That will act as a deterrent and an aid to detection.

I have raised this matter to highlight the need for doctors, especially in provincial cities and rural areas, to review the security of their premises and, where necessary, to act to improve them rather than remaining complacent, as I was.

Mr FitzGerald: This is an Appropriation Bill, not a personal explanation.

Dr FLYNN: I am explaining how the community needs to help if we are to solve law and order problems.

Mr FitzGerald: More money for more police.

Dr FLYNN: We need more police and more community involvement in terms of helping to detect crime and doing everything possible to upgrade security and to make it more difficult for criminals.

I welcome this Government's initiatives in improving Queensland's Police Service. I look forward to further initiatives in the Budget and urge the community to become more active in preventing crime, especially by paying attention to the security of homes and premises.

I thank the many Ministers who have visited Toowoomba in the first eight months of our Government. They have come to inspect facilities, meet with community groups and explain Government policy. I know that their regular visits have reassured the people of Toowoomba that its position as a vital regional centre is fully appreciated by our Government.

I thank particularly the Minister for Administrative Services, Ron McLean, for his recent visit to inspect school facilities. His hands-on approach has helped correct a number of stubborn maintenance problems in schools in my electorate. Even more importantly, the improved communication between the Departments of Education and Administrative Services, school principals and p. and c. associations which he is actively fostering will make sure that we get value for money for our education dollar. These are tough economic times, and obviously the actions which have been taken by the Department of Administrative Services and the ongoing initiatives within the Department of Education are necessary if we are to improve our children's education in a cost-effective fashion.

I congratulate the Deputy Premier, Mr Burns, for his personal interest in and the action that he took over the problems facing the Harlaxton community and for his positive response to Rochville residents' concerns about a major development in their area.

I would also like to raise another important local issue, namely, the proposed closure of 7SD, a major Defence Department store facility in Toowoomba. This is obviously a Federal Government matter, outside the jurisdiction of this House. However, many in the community do not understand the demarcation of responsibilities between our three tiers of government. I do not blame them. At times, I, too, have trouble.

As a citizen of Toowoomba, I oppose the proposed closure unless it is based on sound economic and operational grounds which need to be adequately explained to the Toowoomba community. So far, this type of explanation has not been forthcoming. If it is decided that the proposed closure is to proceed, then an adequate redeployment, retraining or redundancy package needs to be offered to civilian employees.

A large number of comments in the Toowoomba media relating to the severe adverse effects that this proposed closure would have on the Toowoomba economy are overstated. From the experience of my electoral records alone, I am aware that in the first eight months of this year the population increase in the Toowoomba North electorate has been over 500. No doubt a similar increase has occurred in the electorate of Toowoomba South as well. With this steady rate of growth and the other new projects that have been announced, Toowoomba is growing steadily. By the time any such closure did occur, the Toowoomba economy would have already grown to the extent that it would offset any economic loss caused by the retraction of this one particular defence facility.

I had intended to speak about the proposed new federalism, but that matter has been fairly well and extensively covered by my colleague the member for Brisbane Central. I fully endorse his comments.

I have already alluded to the fact that most people in our community have great difficulty in understanding the demarcation between the three tiers of government—Federal, State and local. I believe there is a need to rationalise services, to eliminate duplication, to improve communication between the various tiers of government, to more clearly define their responsibilities and to have closer and more sensible economic interrelations.

I have said before in this House that I believe the State boundaries are lines with a sense of history. They were put there for historical purposes. By and large, they do not relate to any type of economic region or a community of interest. In most cases, they do not even relate to natural boundaries. Although I am not advocating the abolition of State boundaries, I certainly think that the new review of State and Federal interactions is a positive step in this decade leading up to our centenary of federation. I heartily endorse it. I am sure that it will produce many positive results. I am not surprised that it is occurring as a result of cooperation between State and Federal Labor Governments.

I congratulate the Health Minister on the work that has been carried out this year towards examining Queensland's public health sector services. It will still be some time before the proposals are implemented. However, I am convinced already that the review that is ongoing will lead to significant improvements in cost-effectiveness for the delivery of our health services.

I am sure that all members on both sides of the House will be aware of our Government's commitment to nurses to improve their pay rates in line with rates in other States. This matter is currently being examined through the process of award-restructuring. That process is ongoing. Obviously, because of the many complex issues involved, it is taking a fair period of time to complete.

I raise the possibility of an interim pay rise for nurses to assist them to move one small step towards the ultimate goal of being paid rates in line with those paid in other

States. I hope that funds can be provided in the forthcoming Budget to allow that to occur.

Sitting suspended from 6 to 7.30 p.m.

Mr HARPER: Mr Deputy Speaker, I rise to a point of order. I draw your attention to the state of the House.

Quorum formed.

Mr DEPUTY SPEAKER (Mr Campbell): Order! Before I call the next member, I remind members of Standing Order 141 concerning repetitious argument. Six members have referred to a newspaper article that contained comments made by Mr Gayler. Any further comments or points made about that will be regarded as repetitious argument.

Hon. N. J. HARPER (Auburn)(7.32 p.m.): It is appropriate in considering the question before the House that members broaden their thinking to the financial concerns of the community generally. For instance, I believe that this House should address the incredible position into which the world's greatest Treasurer has led our national economy with all that entails—the devastating effects on every man, woman and child in this democracy that we are proud to call Australia.

Mr Hamill: You won't be very popular.

Mr HARPER: My remarks are principally aimed at the Government, and I am pleased that the Premier has graced this House with his presence, at least in the short term.

Members need also to consider broken Labor promises. This Government stands condemned, firstly, for its broken promises. The toll road fiasco was only the first of an ongoing saga that will progressively destroy the myth of this Government's integrity. This Government stands condemned equally for the threats that it has implemented, the destruction of productivity incentives, the denial of the employees' right to themselves negotiate for improved remuneration and working conditions without trade union officials interfering, the harassment of permanent public servants and the cronyism to which Dr Watson, the honourable member for Moggill, earlier referred.

I cite to honourable members the voluntary employment agreements. The financial loss to be suffered by SEQEB workers on the Gold Coast with their contractual arrangements has been well documented. They and their families are indebted to Goss Labor and the Government's trade union masters for their loss of income and deterioration in working conditions acceptable to them.

Honourable members should recall the spiel released to this House by the Minister for Industrial Relations when he carried out the hatchet act at the direction of Goss Labor. They should then consider what Power Brewing workers have to say about the skills and expertise that Mr Warburton claimed union officials would exercise on their behalf. This morning's *Courier-Mail* reported them as saying that they were insulted by a union proposed award to replace the voluntary employment agreements that they themselves successfully negotiated. The Power Brewing staff claimed that the union's expertise and skills would cost them losses of up to $66 per week. That is simply SEQEB revisited.

Mr Ardill: You took away the total livelihood of those SEQEB men.

Mr HARPER: The honourable member should listen and, if he is genuinely interested in representing the people he claims to represent, perhaps he will convince his Government to do something meaningful.

However, there is a group of probably some 15 000 working people in southern Queensland, undoubtedly part of a much larger group throughout the State, which has financial concerns of a different nature, additional to those being shared by other Australians. Again, those concerns have been brought about directly as a result of action taken by this Labor Government—not the Treasurer, but jointly by Wayne Goss and

Neville Warburton, the Honourable the Premier and the Minister for Industrial Relations respectively.

That closely knit team——

Mr De Lacy interjected.

Mr HARPER: I will repeat it for the benefit of the Treasurer.

Mr De Lacy: Why are you leaving me out of that?

Mr HARPER: Because I am referring to it as a "closely knit team". I am sure that the Treasurer would agree that Neville Warburton and Wayne Goss are indeed a closely knit team. That team has ensured that trade unions may again levy their members for political purposes, with impunity.

It was the Goss/Warburton team that disregarded the recommendations of the Hanger committee—despite all the huffing and puffing that the two Ministers went on with in claiming to embrace the committee of inquiry—in regard to section 57A of the now superseded Industrial Conciliation and Arbitration Act, the section dealing with political objects funds. I will cite what the Hanger report said on this matter. Under the heading "Political objects funds", it states—

> "Section 57A of the Act provides that a union shall not expend money on objects which constitute political objects unless it maintains a political objects fund which shall be separate and distinct from other funds of the union.
>
> A member is not required to make any contribution to the union for political objects unless a separate rate of contribution is determined by the union and the member has notified the secretary in writing that he desires to contribute to the Political Objects Fund. Subscription for membership must not include a contribution to the Political Objects Fund and a member shall not be placed at any disadvantage by reason of his refusal to subscribe to a Political Objects Fund."

Hanger goes on to say that—

> "Section 57A of the Act commenced operation on 13 April 1983. It is understood that the insertion of the section was in response to complaints by some unionists objecting to part of their union subscriptions being used to finance the objects of a political party."

Under the heading "Discussion", the Hanger Committee—that independent, objective committee—said—

> "We have said in chapter 1 of this report that the conciliation and arbitration system is based upon the existence of a trade union movement and that therefore the system should encourage the existence of free and strong trade unions who are able to properly and effectively provide services to members."

For that reason, trade unions are in a somewhat privileged position in the system. They have advantages that others do not have. In particular, preference provisions are inserted in awards for the benefit of assisting trade unions. The existence of preference clauses and closed shop arrangements means that there is some degree of compulsion upon persons to belong to a trade union.

The Hanger Report continues—

> "It is trite to say that many members of trade unions are reluctant members and we believe that it is, therefore, wrong to compel such persons to contribute money to a trade union knowing that the money is to be used for the furtherance of the aims of a particular political party. It means that many members of trade unions would be contributing to support one party when they, in fact, prefer to support another. That amounts to a significant inroad into personal freedom which should not be encouraged.
>
> We therefore see no reason to alter the present section 57A.

The committee recommends as follows—

That section 57A of the Act be retained."

What did the Government do? What did the very close Warburton/Goss team do? They took section 57A out of the arbitration system. When the test came, when the need came for contributions to their political funds—forced contributions—the virtues of the impartial Hanger Committee went out the window so far as Goss Labor is concerned. So much for the pre-election promises of Labor.

The Premier of Queensland is running around the countryside trying to drum up support for trade union officials to seek to impose their own personal will, their own political thinking, on their membership in an attempt to force those members to support the Australian Labor Party financially. This is the same man who had the audacity to criticise a former Premier over fund-raising for political purposes.

Through his association, his personal association with the union campaign, this champion of Labor in Queensland is denying to members of the Federated Clerks Union in central and southern Queensland the democratic right to themselves determine whether they should make any contribution to their union for political objects.

Just as I earlier invited honourable members to consider the Hanger Committee's recommendations in that regard, let us now look at a few facts pertinent to this undemocratic attitude of the central and southern Queensland branch of the Federated Clerks Union of Australia—a branch, by the way, which is apparently heavily in debt to its parent body, but which would appear to have no difficulty in writing a $30,000 cheque to give to the ALP tomorrow.

On 20 September 1985, Bernadette Callaghan, the central and southern Queensland branch secretary, wrote to branch members of the FCU in these words—

"Since the launching of the Trades and Labor Council industrial campaign on August 20, some confusion has arisen over issues relating to the affiliation of this Branch of the Union to certain bodies. Because of the large number of inquiries received in the Union office, I feel it necessary to inform each member of the facts. They are:-

Trades and Labor Council Affiliation

This Branch is not affiliated to the Trades and Labor Council, nor will it be until the matter is decided by a majority decision from a referendum of members of the Union. In other words, you will decide. This has been the policy of myself and my colleagues on the Branch Council since the election of 1982.

During that election campaign, we advised that such a question must be addressed by all members. A quote from our election material—'The Better Deal Team will initiate a programme of democratic reform of the branch with a view to having the elected officers accountable at all times to the members of the Union. This programme will include . . . referendums of members' views on major contentious issues.' "

I am still quoting from Bernadette Callaghan's letter——

Mr Ardill: It's good stuff.

Mr HARPER: It is good stuff. The letter continues—

"This policy was reiterated in the Branch journal of March 1984 in the Branch President's article headed 'Members must have a say on political role!' I quote from that article—'Any question of affiliation with either the Queensland Trades and Labor Council or a political party will be put to a referendum of the Branch membership.'

Our position has not changed on this issue, nor will it.

Members should be aware, however, that the union is affiliated nationally to the ACTU, and has been for many years.

Political Party Affiliation

Our position on political party affiliation is the same as that taken on TLC affiliation, i.e. it must be decided by way of a referendum of all financial members. You will decide.

I raise the issue here as clearly members are confused over what occurred in Victoria. The officials of that Branch did affiliate to the ALP—but that affiliation covers that Branch only. This Branch was critical of what occurred in Victoria as the members were not given a say on the matter. We believe that on major issues such as this, it must be the members concerned, and only the members concerned, who must decide.

At our Branch Council meeting of August 24 1985, our position was again clarified. The Council reaffirmed its long standing policy to hold a referendum prior to any affiliation to the Trades and Labor Council or a political party. We are committed to your Union remaining democratic."

That is where I finish the quotation from the letter from Bernadette Callaghan. Let me compare those words with these words from the same lady's letter to her members, dated June 13 1990—it may not have been a Friday, but it was an unhappy day for the lady, I am sure—under the subheading, "ALP affiliation"—

"The Branch Council also discussed the question of affiliation with the ALP, in the wake of the party's attaining government in Queensland.

This question now needs to be addressed as the vast majority of our members are employed under State Awards and affiliation with the ALP would permit our involvement and input in the formulation of policies affecting the working conditions and standard of living of our members.

The Branch Council determined that the views of the membership should be canvassed on this proposal by way of meetings and/or bulletins before a decision is taken at the next Council meeting, to be held in August.

A meeting will be held in Brisbane on July 10 at 5.30 pm in the Union Office, 29 Amelia Street, Fortitude Valley. Special guests will include the Premier, Wayne Goss, and ALP President Ian McLean. Meetings will also be held in Maryborough, Sunshine Coast, Gold Coast, Ipswich and Toowoomba (details to be advised).

It is recognised that not all members will be able to attend these meetings and I am therefore writing to you to give you an opportunity to express your opinion on this matter."

There I complete the quotation from that letter. Incredible though it may seem, both undertakings bear the signature of Bernadette Callaghan, branch secretary.

So that honourable members in the Government can be assured that what I am saying is correct, I seek leave to table photocopies of each communication.

Question—That leave be granted—put; and the House divided—

Resolved in the affirmative under Standing Order No 148.

Mr HARPER: I now table photocopies of the two letters to which I referred.

Whereupon the honourable member laid the documents on the table.

Mr HARPER: I was about to say that broken promises are par for the Labor course. Let me go back to the meeting to which Bernadette Callaghan referred and to what occurred at the meeting on 10 July when, supposedly, members—even members not able to attend—would be given an opportunity to express their opinion on this matter. Premier Goss addressed the 60 to 80 assembled members out of a metropolitan membership of something in the order of 10 000. Why is it only an estimate of 60 to 80? Because there was no attendance book and no way of checking the credentials of those attending, of course; so it has to be an estimate. Why was there not a better attendance? The answer to that question is that, even though members received the official bulletin *The Clerk* in the mail, apparently the same address that is used to deliver

the union magazine does not serve the purpose of delivering meeting notices. The result is that there was no notice of the meeting and no attendance.

I draw attention to the fact, however, that meetings on this issue that are the subject of reasonable notice are attended by these same FCU members who even return from leave to attend and air their views. Assistant secretary Chris Woods could vouch for that, although he apparently has no qualms about saying he will disregard rank-and-file opinion expressed at the meetings he attends.

I want to get back to the Goss meeting of 10 July. Despite her written pronouncements, Bernadette Callaghan totally ignored the expressed opinion of hundreds of her members who had voted and signed petitions against affiliation. Approximately 97 per cent of FCU members employed by the airlines signed or voted against affiliation when canvassed for their opinion. At Taubmans Paints, most FCU members signed a petition indicating their opposition to the affiliation. Not to be deterred, Bernadette Callaghan—the champion of a referendum of branch membership—decreed that the matter would be decided by the union's branch council or committee, and it meets tomorrow.

Once again, Wayne Goss has allowed himself to be used—this time by the branch council, which is controlled by the Socialist Left. He does so against the wishes of those thousands of FCU members who simply ask for the democratic right to vote by postal ballot on this affiliation issue; to express their opinion by the method promised to them by their union-leaders in 1982, reiterated in 1984, and confirmed in 1985. Is it any wonder that predictions are being made that this union will come under the microscope of the Cooke inquiry? And so it should!

After all, the Goss Government came to power on a promise of open, honest, accountable government—government by consultation; yet, this is a prime example of the Premier associating himself with a deal that is a total contradiction of his espoused philosophy—pre-election philosophy, of course.

There is a much broader issue to which I believe the Cooke inquiry must turn its attention, that is, the catalyst for this trumped-up move by union officials to take $30,000 from the accounts of the Federated Clerks Union of Australia, Central and Southern Queensland Branch, and give it to the Labor political machine to help with a supposed short-fall in election campaign funds. Well may genuine trade unionists ask, "Where has all the money gone?"

Let me turn back the clock to when Labor was previously in office in this State—a long, long time ago. That was a period during which remarkable development occurred in Queensland, a period during which property values escalated. Those who have followed Labor 's course over the years—and I am sure that the member for Brisbane Central has done that, together with the true-blue trade unionists of the fifties and sixties—would know that the Labor Party should be the most affluent of all political parties in this State.

I am not referring solely to the now-resurrected compulsory levy that was paid for so long by trade union members to the political wing, irrespective of their personal political persuasions. Among other aspects, I am thinking of the recorded affluence of the AWU, which is often referred to in Labor circles as the financial arm of the ALP. That recorded affluence—financial affluence—had its origins in the astute stewardship of a truly revered former Queensland branch secretary, the late Joe Bukowski. AWU members in particular—but, in general, ALP supporters—and most certainly Mr Marshall Cooke, QC, should surely seriously question the loss of that sound asset base that was built in the Bukowski era. Where has all the money gone? Well may the question be asked.

Why is the ALP short of money now? Where did it go? What has happened to those funds that were built up so painstakingly in sound brick-and-mortar assets—for example, Dunstan House and others, including 4KQ—that recently were converted to cash? Therein lies the rub. Why is there now a need to coerce union-members into

making financial contributions to the Labor Party? What chance does the Queensland economy have under Labor, if its own political coffers have indeed run dry?

Tonight we are debating the Appropriation Bill presented by a Labor Government whose members have been responsible for the stewardship of the ALP since the days when Bukowski built up a sound asset base. These same people have let ALP coffers run dry.

Mr SANTORO (Merthyr) (8 p.m.): I join in this debate to support the remarks made earlier by the honourable the Leader of the Liberal Party and the honourable the Deputy Leader of the Liberal Party. During my speech, I wish to confine my remarks to five major areas that should concern this Government as it seeks to meet its pre-election commitment of providing responsible and stable financial management of the Queensland economy. Those areas include accountability, State corporatism, foreign investment, industrial relations, election promises and Government charges.

Part of the good economic management of the State must include the stringent accountability to the Parliament of all Government departments, statutory authorities and all other Government instrumentalities and agencies, including corporations. To that effect I and, I am sure, all my Liberal colleagues welcome the initiative of the Public Accounts Committee to ask every Minister and every departmental head to draw up a list of companies which operate under the Companies Act and which do not report back strictly to the Parliament. Any move that will help to make such Government agencies more open to the constructive scrutiny of this House will be welcomed by the Liberal Party.

In relation to this aspect of Government operations, I wish to make a few suggestions as to how to further improve the operation of private enterprises and Government departments. In doing so, I wish to place on the record of this place the very good work that a policy committee of the Queensland Young Liberals undertook in 1982. Even that far back, that committee set down a legislative and budgetary framework which clearly indicated economically rational management tools which would maximise the real return on the funds which taxpayers entrust to their Parliaments.

I wish to place on record my party's appreciation for the accountability mechanisms that have already been installed by the previous State Government and their continuation by the current Government, particularly in regard to the Public Accounts Committee—perhaps Terry White's most enduring monument in this place. However, much more can be done by this Government. I ask the Honourable the Treasurer to consider the introduction and, where this has already occurred, the extension, if necessary, of some initiatives that I will outline.

Within the Budget sector, the Liberal Party suggests the following—

(1) The release of periodic statements of public investment and assets, including equipment and stores as well as fixed assets, together with valuations at cost and estimated current values, plus depreciation schedules, if applicable.

(2) The publication by the State Government of monthly Niemeyer statements providing details of financial transactions and progressive Budget outcomes.

(3) A study into the introduction of program budgeting in the public sector so as to allow the effective evaluation and reassessment of priorities and objectives.

Within the area of legislative procedure, the Government would do well to consider that statutory authorities should be established only where it can be shown that alternative approaches are inappropriate or impractical, with the onus to be on those proposing the creation of such a body. The Government could consider that, where possible, objectives desired by Government are pursued by legislative enactment rather than regulatory measures, that is, the first line of accountability should remain with the Parliament and not be delegated to the Executive.

The Government could also consider that, where statutory authorities are to be established, enabling legislation should include an operating charter for the body—

including an explicit statement of objectives, functions and powers, a description of financial and economic obligations and generalised policy guidelines which ensure that, subject to the principles of parliamentary accountability, the detailed implementation and execution of policy is left to the managers of the authority. The Government could consider that, where a statutory authority is designed to perform a particular task or undertaking, a sunset clause should be included in enabling legislation so that, after a number of years, the Parliament can and must review the progress of that body in achieving those goals, and then affirm its continued existence, if that is considered to be appropriate.

Another matter that the Government could consider is that, when introducing legislation, Ministers should provide the Parliament with a financial impact statement which contains the following information—

(1) the estimated saving, revenue, or loss of revenue implicit in the proposed Bill to the end of the fiscal year;

(2) the estimated cost to the Government to implement the proposed Bill, and the estimated recurrent cost for a full financial year when the legislation is fully operative; and

(3) wherever practical, an estimate of the net financial burden, including costs of compliance, or saving to industry or other sections of the community which will result from the proposed Bill.

The frequent display of the above principles within the deliberations and decisions of this place would certainly make for a more economically responsible form of government not only from the Labor Party in power today but also other Governments that will undoubtedly follow it.

I now wish to turn briefly to the issue of State corporatism. That a fetish for State corporatism dominates the psyche of the Labor administration is undeniable. One only needs to look at the sad experience of other States that have been governed by the Labor Party and the disastrous results of their adventurous incursions into entrepreneurial State-funded economic activities to realise that. The catastrophic results of that on the economies of these States and their people have been documented previously during this debate by other speakers on this side of the House. I shall refrain from reiterating what is already abundantly on the record.

However, I wish to reiterate the warnings already voiced by other speakers today, and also by the respected Moody's Investor Service. The attacks on the latest report of the service by senior members of the Government will not tarnish the essential validity of what Moody's had to say, for the ample experience of other States that I have already mentioned must be clearly considered when it prepares its reports. Anything less than that could be interpreted only as analytically irresponsible. Moody's has not damned the State Labor Government but, justifiably, it has issued a warning, which I will place on the record. Moody's said—

> "Some State-level central borrowing authorities or other State-owned vehicles, such as insurance offices and development authorities, are taking an activist approach to the economic development of their State by investing taxpayer funds in commercial ventures, real estate and local projects, often as loans and sometimes as equity."

The Moody's report went on to say—

> "These agents of the Government are becoming entrepreneurs or commercial risk takers in enterprises of inherently uncertain—and sometimes dubious—value. The distinction between government and business enterprise becomes blurred, and the risks of secret deals are heightened. This process has already shaken the governments of Western Australia and Victoria. Queensland may now be embarking on the same path, having reorganised its central borrowing authority."

I say to the Treasurer that that simply represents a warning which should be heeded rather than mindlessly denigrated.

Today the Liberal Party acknowledges that many of the recent appointees to the boards of State Government statutory financial authorities are known and renowned for their commercial and financial expertise. However, it is incumbent on the Government that such people be given a clear policy direction that their role should not be the risk-taking, entrepreneurial one which has led similar authorities interstate to grief.

The Government must ensure that the role of such authorities is a supportive, rather than a competitive, one vis-a-vis private enterprise and that, when a competitive element creeps into their operations, the playing field on which they play is, in fact, an even one. They should not be allowed to enjoy tax benefits, guarantee benefits and the like which are not available to their private-enterprise competitors.

Much has been said about foreign investment in Queensland and the effects it has on the social and economic fabric of the State. One would have expected from the Labor Party a far greater and even more sensitive appreciation of its importance to the State and thus a clearly defined and easily understood policy. What we, in fact, have is a Government position which is racked with conflict, division and a palpable feeling of uncertainty. This morning the Premier tabled what he and his Treasurer purported to be definitive foreign investment guidelines. These are the same guidelines which he outlined at a recent Chamber of Commerce lunch.

At this lunch his statement of policy was criticised by the Japanese consul for lacking clarity. The Premier's response to this criticism was that anyone who could not understand his views and those of his Government should go out and learn to read and speak English. This insulting and totally unconvincing retort to a valid criticism was levelled at the representative of this State's and this nation's major trading partner. The Premier should remember that Japan remains our number one trading partner and major export destination, with over $3 billion-worth of Queensland goods leaving our shores for that destination each year. Gratuitous insults to such nations will not help the economic well-being of our State.

Yesterday the Premier was quick to take credit for the $500m Gordonstone coal project which has been made possible by the Federal Government's once-only relaxation of foreign investment guidelines. Foreign investors will not even start to look at Queensland as a foreign investment destination if this State's policy in this vital area is one based on the rule of exception rather than one which applies fairly to all.

In relation to policies applying fairly and to all, I wish to quote from the Labor Party's pre-election policy release entitled *Foreign Investment Policy under a Goss Government*. It states—

> "All investors, including foreign investors want and are entitled to receive certainty in terms of the future direction of Government policy. For this reason, Labor in this document elaborates on specific guidelines for future foreign investment activity in Queensland."

Any fair assessment of the Labor Government's stated position within this House certainly does not live up to the expectations and promises contained within that document.

My learned colleague, the honourable member for Moggill, told me that I cannot mention John Gayler. Mr Deputy Speaker, I was listening to your previous——

Mr DEPUTY SPEAKER (Mr Campbell): Order! I have made that ruling. Please do not mention that matter.

Mr SANTORO: I heard your ruling, Mr Deputy Speaker. I wanted to seek your indulgence to make a brief remark. If that is not possible, I will continue.

Foreign investors are willing and able to do several things which Australian investors are not willing and able to do. These include a willingness to adopt a long-term perspective in their investment outlook and attitude and, therefore, a willingness to invest in sectors

such as the hospitality industry in which acceptable returns on investment are more long-term in their nature.

It is undeniable that Australian corporate investors are not renowned as risk-takers in areas such as the hospitality industry. If Australians wish to enjoy the five-star hotels and tourist resorts which these days we demand, unless we are prepared to save and invest with the long-term perspective in mind, then foreign investment, including Japanese investment, remains the answer.

Secondly, it is undeniable also that foreign investors have access to investment funds at interest rates far less than those available to Australian investors. This availability of low-cost investment funds is one of the major reasons why foreign investors are able to indulge in that luxury, including in particular investment in the local, investment funds starved Australian economy.

For this, we must clearly and unequivocally blame Mr Goss' Federal counterparts——

An honourable member: Is this all your own work?

Mr SANTORO: If the honourable member wishes to see my manuscript, he is welcome to come to my office and forage through the neatly ripped up copies of it.

We must clearly and unequivocally blame Mr Goss' Federal counterparts who have, for the past seven years, lumbered Australia with economic vandalism which has given this nation record interest rates, banana republic status, international uncompetitiveness and, these days, rapidly declining living standards.

As my colleague reminds me, Mr Goss presides over a massive foreign debt that is increasing at a rate of billions of dollars every month. Mr Goss tacitly admitted this reality this morning when he acknowledged on radio—and honourable members on the other side of the House would be well served by listening to their leader—that this was——

Mr Hayward: We always listen to our leader.

Mr SANTORO: Take heed of what he says.

Mr Goss admitted that this was the reason why the $500m for the Gordonstone project had to be obtained from overseas sources; thus Mr Goss' plea to the Federal Treasurer to relax this country's foreign investment guidelines. I suggest to Mr Goss and his Government that he should stop playing the political game when it comes to foreign investment. He cannot—in fact, he must not—maintain his Government's foreign investment policy, which is gloriously unclear.

He cannot simply table a speech in the Parliament lacking the technical detail necessary for the making of informed investment assessments and decisions. As demanded by foreign investors, this Government's attitude and policy to foreign investment must be clarified and officially promulgated. Otherwise, the concern and confusion expressed by potential foreign investors will quickly turn into strident condemnation by Queenslanders experiencing more rapidly declining living standards than is currently the case as a result of the Federal Labor Government's anti-private-enterprise policies.

I wish now to turn briefly to the issue of industrial relations. The impact of the Labor Government's industrial relations policy, particularly on the viability of the Queensland economy, has already been commented upon by previous speakers in this debate. I acknowledge many of the valid points that have been made, particularly by the two speakers from my party.

I wish to say a little more on this issue so that I may, for the benefit of honourable members on the other side of the House, clearly draw the distinction between their approach to industrial relations and that of members on this side of the House.

The industrial relations policy of the Liberal Party is based on its undying support and respect for the most essential component of the productive process, namely, the individual. This respect is inherent in all planks of the Liberal Party's industrial relations

policy, including—

(1) voluntary unionism which will respect the God-given right to individuals to regulate their own lives and affairs rather than be coerced into situations that they find repulsive;

(2) secret union ballots which will enable individuals to participate in democratic industrial processes without the fear of personal and corporate retribution from union extremists; and

(3) voluntary employment agreements which enable employees and employers to reach agreements which are protected by law; guarantee the minimum work conditions and remunerations which society demands and are currently in force; and benefit all those who are involved above and beyond what occurs under union-negotiated agreements.

The employees of Power Brewing, Metway and Mini Movers will vouch that, through their now-banned voluntary employment agreements, they and their enterprises in the State of Queensland were all the big winners. That fact, which is undeniable, is supported by the well-documented comparison of benefits that are enjoyed by those workers compared with those that are enjoyed by employees in enterprises that are governed by union-negotiated awards. I incorporated this comparison in a speech that I made recently in this House. If honourable members seek further clarification of this issue, I refer them to that speech.

I could continue to list and elaborate on the other very important aspects of the Liberal Party's industrial relations policy, including its support for essential services legislation which helps to guarantee the supply of essential services to individuals and productive enterprises.

The Liberal Party supported the recently abolished Commercial Practices Act, which enabled individuals in productive enterprises to seek economic redress in the courts for damages inflicted upon them by irresponsible union action.

The Liberal Party supports the effective role of individuals and small unions of employees and employers in the industrial relations system and courts, which is unfettered by union stand-over tactics.

The Liberal Party objects to the ALP's policy that ensures that part of the union fees of many individuals is directed to the ALP, against the wishes of those individuals.

As well, the Liberal Party opposes the requirement, which is contained in many of this State's industrial awards, that forces the funds of employer-sponsored employee superannuation to be invested in union-controlled schemes.

The industrial relations system, which was forced on Queensland several weeks ago by the ALP, destroys some of the most essential components of a productive enterprise, including responsible freedom, incentive and the ability of individuals to determine their own destiny. More than any other of Labor's policies and actions, that move will cripple the State's economy, as has been the case in those other Australian States that have experienced Queensland's brand of Labor's prehistoric industrial relations vendetta.

Members opposite have seized the opportunity that this debate has presented to talk about the need for the implementation of the ALP's pre-election promises. Mr Hayward, the honourable member for Caboolture, stated that he believed that this was what the Appropriation Bill was all about, namely, the implementation of ALP promises.

Dr Flynn, the honourable member for Toowoomba North, was surprisingly frank about his experiences and those of his medical partner in their Toowoomba surgery. Dr Flynn spoke of a problem that is endemic throughout Queensland, namely, break and enters and robberies. I am sure that all honourable members would agree with Dr Flynn that adequate funding of the Queensland Police Service must be provided in the forthcoming State Budget. Sufficient money should be provided to enable—

the recruitment and training of the necessary additional police to once again make our neighbourhoods safe for Queensland families and businesses;

provision of the equipment and facilities that are desperately needed by the service;

the building of more suburban police stations particularly in the newer suburbs and the fast-growing residential areas of the Gold Coast, the north coast, Brisbane's western and southern suburbs and those long-established areas in which for so many years the police presence has been low;

the 24-hour opening of suburban police stations would mean that the response time by police to urgent and often life-saving requests for assistance would be reduced to a bare minimum; and

the provision of funds to help pay for overtime for police officers and to boost their salary rates to a level that is at least comparable with that of their interstate counterparts.

Those actions alone would go a long way towards achieving four very desirable objectives, including—

(1) The boosting of a greater police presence in the suburbs and potential crime locations. That would be the greatest possible deterrent to the crooks in our community because at long last it would re-introduce into our neighbourhoods the concept of community-based policing, which would involve police officers in walking the beat and protecting citizens;

(2) The lifting of morale within the Police Service which, during the past few years, has been ravaged by the scrutiny of the Fitzgerald inquiry and its consequences;

(3) The consequent drop in resignation rates, which is rapidly depriving the service of some of its most experienced and valuable officers; and

(4) The clear and tangible demonstration of this Government's commitment to the Fitzgerald reform process.

I believe Mr Mackenroth when he says that he is genuinely doing his best to obtain the necessary funding for the Queensland Police Service. However, he needs to be backed up by his colleagues, including Dr Flynn, so that their combined clout forces the State Treasurer to adopt enlightened economic policies that will ensure the running of a Government and an administration that is efficient, lean and able to generate the necessary revenue and cost savings to deliver essential services such as law and order. By that I do not mean that the Government should head down the path which it seems to be going by levying additional taxes and charges.

Recently, the Police Minister floated the idea of a levy of $25 on motorists in order to help pay for the State's emergency services. That idea was floated despite the Labor Party's pre-election assurance that the Treasurer and the shadow Minister had done their sums and would be able to fund their promises. It is ludicrous to suggest that the $25 levy would not in turn be a new tax or charge. Queenslanders certainly will not be fooled, nor will they forgive the Government if it proceeds to levy such charges.

For example, I have been asked by many subscribers to the ambulance service, "What happens to our subscription?" The Minister has suggested that the $25 levy is meant to cover the provision of ambulance services. Many of my constituents have asked, "What happens to the subscriptions that we pay to the ambulance service so that we can avail ourselves of that service when we are in need? Are we going to be double taxed? Will that be a double whammy on us?" They clearly do not like the idea and, as I said, will not be fooled by it.

It is no use saying that the necessity to levy new taxes and charges is the result of the recent Premiers Conference. Prior to the election, Queenslanders were told that the Goss Labor Government would be able to deal with the Federal Labor Government and its colleagues in Canberra better than anyone else.

Mr Coomber: It was a furphy.

Mr SANTORO: As the honourable member for Currumbin suggests, it certainly was a furphy. No other Queensland Premier has returned from a Premiers Conference with as little as Mr Goss did a few weeks ago. That subservience by Mr Goss and the Treasurer demonstrates that they are succumbing to the wishes of their Federal Labor counterparts.

It is important that I divert for a moment and speak about how Mr Goss assumed the leadership of the Labor Party. Honourable members opposite will recall that when Mr Goss was ordained by his Federal masters down south, he was overseas. In fact, if

my memory serves me correctly, he was in the United States. When Mr Goss returned to Australia, rather than coming back to the State caucus here in Queensland to see whether he had the necessary support and whether he had a solid guarantee on the numbers, he stopped in Canberra and talked to Richardson, Hawke and Keating. He arranged for them to organise the numbers. When the numbers were organised, he returned to Queensland.

Mr Prest interjected.

Mr SANTORO: I point out to the Government Whip that honourable members are debating his party's style of government and its sense of economic irresponsibility. If the Government wants to debate a matter with the Liberal Party, it has only to place it on the agenda and we in the Liberal Party will debate it. But tonight we are debating what is on the agenda.

As I was saying, the Premier stopped in Canberra to see his Labor masters. When he had ascertained that he had the numbers, he returned to Queensland and took over. It is no wonder that, despite all his rhetoric about how he would fight for Queensland and how he would not return to Queensland empty-handed, when he went to Canberra Mr Goss was told, "Gossy, remember who put you there. Remember who got the numbers for you. Remember who got you where you are and shut up." That is basically what he was told. As a result, we have seen the spectacle of a Premier who was cowered and silenced into submission. The public of Queensland will be the long-term sufferer of that cave-in.

In fact, what will happen is that new State taxes will be levied. I am prepared to go on record as saying that, in the forthcoming State Budget, the Treasurer will not increase many taxes and charges. But people should wait until the following year and the year after that. As pressure really builds up in the community for the Government to deliver the policies that are contained in the documents that the library seems to be able to conveniently provide to members of the public and members of this party, an increase in taxes will be forthcoming. The record of the other Labor States will in fact be repeated in Queensland. The short-term and long-term losers will be members opposite.

The solution to the Labor Government's dilemma is obvious. It must display fiscal and economic responsibility, otherwise it will have to either break its promises or raise taxes and charges. Either way, Queenslanders will not forgive the Government.

Yesterday, the Labor Party celebrated its 100th birthday. At a Labor Party function last night, Gough Whitlam delivered another frank and perceptive speech. In that speech, Mr Whitlam forecast a gloomy decade for the ALP. He criticised heavily the Federal and State Labor Governments. Excluding the Queensland ALP from his prediction, he went on to say that in the next few years all Labor Governments in Australia would be swept out of office. I point out to members opposite that that is what their guru and one of their mentors said.

It is my genuine belief that if the Labor Government continues to go down the track mentioned during the contributions of other members on this side of the House, it will be very quick to join the vanquished, who were so perceptively identified yesterday by Mr Whitlam.

Mr HOBBS (Warrego) (8.27 p.m.): It is my pleasure to join in this debate. I want to talk about something a little bit different. I will not be speaking about foreign investment—a matter on which Mr Deputy Speaker has made a ruling. However, what I have to say will be very enlightening to all honourable members.

I want to talk about backflips. Not so long ago, courtesy of the then Opposition, that term was very overworked in Queensland politics. However, it now looks set to gain a whole new meaning under this Government. The backflip with which I want to deal today involves the Minister for Land Management. It was very interesting that, in answer to my question this morning, the Minister sought to blame the previous Government for his very own backflip.

The web is a bit tangled. Some honourable members on the Government side—in particular the Treasurer—will no doubt recall how they sought to protect the rights of the people of Brisbane against what they obviously saw as a land grab to facilitate a development at the Peters Slip area of Kangaroo Point. The application on behalf of the developer of riverfront land at Peters Slip was for the closure of roads to enable him to have even greater private access to the riverfront. It should be borne in mind that very important financial arrangements were involved in this.

Understandably, the residents of Kangaroo Point objected to the road closure because, firstly, it would deny them access to the river and, secondly, it would reduce the views that they currently have of that attractive reach of the river. The Labor Party obviously expected the worst of the previous Government and came close to alleging that shenanigans were going on which could affect the outcome of the application for the closures of Wharf and Baildon Streets at Kangaroo Point to facilitate the Carringbush development.

On 8 June last year, in this House, Mr De Lacy addressed this issue, and he sought to make his statement as full of innuendo as he possibly could. He stated—

> "That is an area in which a lot of wheeling and dealing is occurring. It is very quickly becoming the focus of a great deal of community concern. A person by the name of Mr Booker made an application for a road closure so that it would redevelop that area, which comprises three streets. The department refused that application. Mr Booker appealed against the decision, and again the application was refused on the basis that the roads were required for present and future development."

Mr De Lacy went on to point out that since that time a number of applications had been made for those closures. He further stated—

> "The $2 shelf companies start coming out of the drawer. I refer to Conrose Pty Ltd, Norwood and Furzer Pty Ltd and, most recently, Carringbush, which it now seems will be the owner and the applicant for redevelopment. An application is being made under section 368 of the Land Act for a ministerial rezoning. My appeal to the Minister is: do not approve it."

Later in his speech, Mr De Lacy stated—

> "I understand that a great deal of pressure is being applied. I hope that the Minister can resist that pressure, because many people have their eyes on him."

Mr De Lacy further stated—

> "We in the Opposition will be looking at what the Minister does in relation to that matter and we hope that in this case he makes a decision in the interests of the people . . . "

Mr De Lacy did not expand on the nature of the "great deal of pressure" to which he referred.

Honourable members may hear more about that in another forum quite shortly, and it could make this current decision of the Department of Lands—this backflip—quite interesting. However, it is the current Minister's reaction to this issue in which the Opposition is currently interested.

History records that the decision of the previous Government was indeed in favour of the people of Kangaroo Point and others who were concerned about the maintenance of public access to the riverfront. Clearly, the pressures—whatever they were—that were imposed on Mr Glasson had no impact on him. The decision taken by Cabinet at the time clearly reflects that; it was in favour of the people of Kangaroo Point and it was against the closure of those roads.

The National Party protected public access to the riverfront, it protected the views of existing residents, and it further declared that the river promenade that was proposed as a part of the commercial development would be deemed a road so that the public would have access to the river in that regard as well.

Since that decision and since the election of the Labor Government, there has been a very interesting change of heart, a change of mind, a backflip.

On 16 February, in a letter to objectors, the Department of Lands stated—

> "As a result of extensive research and investigation of the application, this commission made an offer to the applicants dated 7 February 1990 for the opening as road and permanent closure of road of the areas shaded red and blue respectively on sketches A and B attached. A further requirement is for the dedication of pathways, 3.66 metres wide, as shown coloured yellow on sketch C attached.
>
> The offer is subject to certain conditions which must be complied with before executive authority for the road action is sought."

Mr Deputy Speaker, I seek leave to table copies of those sketches.

Leave granted.

Whereupon the honourable member laid the documents on the table.

Mr HOBBS: This decision provides the developer with what he wanted. It overturns the decision of the previous National Party Government, a decision that a National Party Cabinet was encouraged to take by the current Treasurer, who said that he would be watching the matter very closely. He had concerns about wheeling and dealing. Well, now the concern is being expressed by an honourable member on this side of the House. Many people are asking: why was that decision overturned?

Many reasons have been put to me, and one should always take into consideration that there is always a constant battle between developers and residents. Developers wish to build up and, I suppose, residents want to deter that development, and to a certain degree that is reasonably sensible. Developers want to make the best use that they can of expensive land and the residents want to keep the shadows and wind tunnels away and their views open.

The previous Government had refused the application for a road closure, taking into account the various matters that I have mentioned. However, it has been suggested to me that this action which allows the developer to build on to the roadway gives him apron values and comes within the legal requirement relating to open parkland or a lawn area. It enables him to build an additional three storeys on top of what has already been planned. Anyone who knows the area will appreciate that Yungaba is very close to that site. It is an historical area. Even the previous Government's proposal allowed for the full use of the road. However, the current proposal encroaches on the road itself and allows for an extra three storeys to be built. That will adversely affect the local area.

Other people have been totally opposed to this particular development. One of those people is the Minister for Administrative Services, Mr Ron McLean. In a letter he stated—

> "The Yungaba site is zoned as a Departmental and Official (Immigration) Purposes Reserve, under the control of the Minister for Family Services and Aboriginal and Islander Affairs, and provides hostel type accommodation for recently arrived immigrants, educational facilities for ethnic groups, plus administration offices for the Bureau of Ethnic Affairs.
>
> The Reserve is accessed from Main and Anderson Streets, and is separated from the river by crown lands accessed from Anderson and Wharf Streets. Both my Department and the Department of Family Services and Aboriginal and Islander Affairs, have made previous applications to the Land Administration Commission for inclusion of these lands in the Immigration Reserve.
>
> I am extremely concerned that closure of either or both of Anderson and Wharf Streets at this time may adversely impact upon Yungaba, and severely limit the options for its future development in whole, or in part, and may have need to lodge formal objections to the closures, accordingly."

Of course, he was not the only one who was objecting. There were many others. I will not read all of these letters, but there are quite a few from the residents of the area. I will quote part of one letter—

> ". . . that the decision before had been a reasonable decision of the previous Government and a fair solution to the intense public controversy that had developed."

There is also another person in the Labor Party Government who is also upset about this development. I refer to a letter from Mrs Wendy Edmonds, who is the Chairman of the Inner City Development Coordinating Committee.

Mr Beattie: It's a great letter.

Mr HOBBS: Indeed, it is a great letter. That is exactly why I brought it to the attention of honourable members.

Mr Beattie: Read it.

Mr HOBBS: I will read parts of it. It is extremely important. Mrs Edmond wrote to the Minister for Land Management, Mr Eaton, in the following terms—

> "I write to express concern raised at the Inner City Redevelopment Co-ordination Committee Meeting held to-day regarding developments planned at Kangaroo Point.
>
> The Inner City Redevelopment Co-ordination Committee is concerned that, in line with Labor Party philosophy, proposed development should be considered from the widest possible points of view and with especial regard to environmental, social and economic impact on a given area and with a regard to historical or heritage significance.
>
> This must be as true for the inner city area as for pristine rain forests and the same criteria should be applied.
>
> May I take this opportunity to assure you that the Inner City Redevelopment Co-ordination Committee is not anti-development-—-"

Mr Beattie: Hear, hear!

Mr HOBBS: That is good. The honourable member says, "Hear, hear!" The letter continues—

> ". . . in any sense, but believes that an environmentally and historically sensitive development, limited to the Old Naval Stores and allowing an extension up to but not including the Boat Pond area, could be a distinct improvement of the area."

I will not read the whole of the letter, however it continues—

> "Over many years, the Labor Party has been involved with, won the support of, and had excellent rapport with many urban community organisations because of our belief in meaningful community consultation and negotiation regarding development and examples of this can be seen in the Fraser Island Study presently being undertaken."

Quite obviously, that was done a fair while ago. The letter continues—

> "With regard to the proposed closure of Wharf Street and Baildon Street, Kangaroo Point, to comply with the FURZUR DEVELOPMENT, may I make the points that most concern the Inner City Redevelopment Co-ordination Committee, without repeating the detailed arguments already in your possession.
>
> 1. These road closures will cause a substantial loss of amenity to nearby Kangaroo Point residents in that it will obviously block river views and breezes.
>
> 2. It will block access to yet another part of the river with no road access to the water front from Holman Street to Rotherham Street. The continuing alienation of river-side space from the public is of great concern to all city

Members and has caused much of the concern over other developments and proposed developments throughout the city; eg the Expo Site.

3. The road closures completely contravene and compromise the Brisbane City Council's own proposed Development Plan for Kangaroo Point Peninsular which argues for the use of the junction of Baildon Street and Main Street as a central community focus."

She stated further—

"May I also point out that agreement to these above proposals, under the previous National Party Government was perceived as a significant 'win' by community groups throughout Brisbane and gave them the encouragement to fight other State Government and Brisbane City Council decisions; eg Route 20, Paddington Redevelopment Plan and the Brisbane Traffic Study recommendations.

The prospect, that the Goss Labor Government may now overturn these community victories, will, in our opinion, be a source of much discomfort in the coming Council elections and a continuing source of some angst in dealing with the many community groups that, so far, have supported us. This is not the change of direction they have anticipated for so long."

Many people in Queensland would not have anticipated the change of direction taken by the Government. Recently I read an editorial that referred to Wayne Goss having reached the end of his political honeymoon, not because of the State Opposition, but because of the discontent within his own party. There are splits from the top to the bottom in the ranks of the Labor Party. There are the ALP members on the council——

Mr Harper: They couldn't even vote "Yes" or "No" a little while ago.

Mr HOBBS: That is totally correct.

ALP members in the Brisbane City Council are totally at odds with the Premier over many issues, including that of redevelopment. Members of the Labor Party who hold urban seats are certainly at odds with the Government's decision.

The Opposition asks the Government to consider this issue very seriously. The Government should take careful note and remember that, this time, the Opposition is watching them.

Mr COOMBER (Currumbin) (8.43 p.m.): I want to raise matters that are peculiar to my electorate and that, over the coming 12 months, will need to be funded. I particularly refer to law and order and indications made by the Labor Party candidate in the electorate of Currumbin prior to 2 December. He indicated that a Goss Labor Government would improve by approximately 300 the police numbers on the Gold Coast. That certainly has not occurred and there is no sign of that occurring. Queensland has the highest ratio of population to police numbers in Australia.

Most honourable members would recall that about three months ago at Burleigh Heads, a gunman stood on the side of the road and took pot shots at passing cars. On that weekend, not one detective was on duty on the whole of the Gold Coast. That is quite disgraceful, particularly when one considers that the Gold Coast has a permanent population of approximately 150 000 which, if tourists are taken into account, increases to approximately 350 000, and at peak holiday times it increases to approximately one million. I am astounded that, on that weekend, not one detective was on duty. Even when sufficient numbers of detectives are on duty, insufficient vehicles are available for transport to enable them to do their job. Neither the Burleigh Heads Police Station nor the Coolangatta Police Station has a fax machine. Police officers have to go to Broadbeach to send or collect faxes. That is astounding.

To take the matter further, I refer to the drug scene on the Gold Coast. The position of the police force can be summarised by citing the contents of a memorandum circulated to police stations on the Gold Coast. It directed them not to undertake drug busts of a

morning. As most honourable members would know, the best way to catch drug addicts or drug-dealers is to raid their homes when they are asleep. The reason given for the restriction is overtime restraints and other budget restrictions because, if a drug bust is undertaken of a morning, court appearances follow later in the day, and that results in officers incurring overtime.

Sometimes police coming to the Gold Coast raid the wrong premises. About two weeks ago, members of the Licensing Squad came to the Gold Coast, broke into a unit at Currumbin and arrested two elderly people, supposedly for SP book-making. Those people are still waiting for an apology from the police for the inconvenience caused to them.

The Minister for Tourism, Sport and Racing has seen fit to review the Queensland Tourist and Travel Corporation. About two weeks ago, Mr Jim Kennedy and Mr Ken Mead attended a seminar at the Gold Coast to find out how the tourist operators feel the QTTC should be restructured.

Queensland has 17 tourist zones. The size of the reduction in the number of zones does not concern me. The current thinking is that the number could be reduced to five. However, I believe that the Gold Coast should stand alone as a tourist zone. It must not be lumped in with Brisbane. As honourable members will be aware, Brisbane will host the Lions convention in April next year. Most of the large number of people coming to that convention will be housed on the Gold Coast. The Gold Coast is regarded as the convention centre of Queensland because it has the hotels, the infrastructure, the beaches, the facilities and the attractions to host conventions of that size. So it can be seen that the Gold Coast must stand alone as a tourist zone and not be lumped in with Brisbane. It is just as quick to get from the international airport to the Gold Coast as it is to get from the airport to the centre of Brisbane.

The total budget for the QTTC is $1.7m. Each of the 17 zones receives $100,000. It is obvious that there is a gross inequity in funding when one compares the Gold Coast with, say, Toowoomba and the zones in north Queensland. By comparison, the Northern Territory spends three times that amount on advertising and tourist promotion. In Queensland, those things are funded by the corporate sector and local government.

A headline in yesterday's *Courier-Mail* stated that Premier Goss was to undertake a review of Queensland's overseas envoys. I spent some time in Japan a couple of weeks ago, and I consider that our envoy in Japan is doing a particularly good job.

A Government member: You still support the review?

Mr COOMBER: Yes, because I cannot see any sense in spending money unless it is cost effective. Our envoy in Japan, Mr John Kenny, is doing a very good job.

Some 150 000 Japanese tourists, or 37 per cent of Australia's overseas tourists, visit the Gold Coast each year. Every one of them spends an average of five days there, during which time he or she spends in excess of $7,000. That is a considerable sum of money. However, tourists are going home with money in their pockets because they did not have enough time to spend all that they brought with them. The 150 000 Japanese tourists represent only 4 per cent of the number of Japanese who holiday abroad, so the market that could be attracted to Queensland is quite immense.

As I said, two weeks ago I spent a week in Japan. Australia, let alone Queensland, has a lot of work to do to attract business to the Gold Coast. In Japan I was continually questioned by people involved in business and Government about Queensland's attitude to business, particularly business relocation to the Gold Coast. I was very interested to note that the Japanese are changing their attitude. This is coming about as a result of education at their universities and schools, where they are now being taught that the Japanese have a lot to answer for because of what they have done over the past hundreds of years. They are now trying to promote a feeling of peace, and I believe that that promotion is successful.

Investment in Japan is becoming more attractive, so more money will be staying in Japan to be used in developments there. We are worried about Daikyo freezing $700m-worth of projects on the Gold Coast. We should be more worried about the larger Japanese corporations and investment companies that have trillions of dollars to invest overseas and which, quite frankly, are looking away from Queensland and Australia.

I would now like to touch on a matter that is peculiar to tourism on the Gold Coast, that is, the state of our beaches. When the present Minister for Environment was a member of the Opposition, he visited the Gold Coast and stated that a Labor Government would provide a one-off $30m grant to mitigate erosion. I suggest that the token gesture made by the Minister for Environment and expressed to the people of the Gold Coast is now out of date because some works have already been carried out. They were authorised by the previous National Party Government and, to some extent, those works have been successful. However, Stage 3 of the restoration program for southern Gold Coast beaches must be undertaken, and funds must be provided. The works involve the placement of approximately 2 million cubic metres of sand offshore from Kirra which, at current rates, would cost approximately $5m. I hope that the Treasurer has taken note of that and realises that the commitment was made by the present Minister for Environment. I will be interested to see whether funds are forthcoming in the next Budget.

I also draw attention of the Government to the state of the Gold Coast's beaches, particularly in the southern border area. The Government should try to resolve the impasse that has developed between the New South Wales Government and the Queensland Government because this conflict has been ongoing since 1970. Despite the fact that reams and reams of correspondence have passed between local authorities, the New South Wales Government and the Queensland Government, the conflict has not been resolved. That is frustrating because the New South Wales Government is now in a position to negotiate. In the past, the New South Wales Government was not willing to negotiate, but the situation has changed.

The Tweed River is now not navigable. The fishing fleet is landlocked and will probably relocate to Southport. Owing to siltation that has occurred at the mouth of the Tweed River, during floods the township of Murwillumbah is inundated. Because of the efforts of the member for Murwillumbah, Mr Don Beck, the New South Wales Government saw fit to undertake a $1m study of the Tweed River, and that has now been completed. The primary recommendation is that a mechanical sand by-pass be installed at the mouth of the river. That recommendation is supported by the local authorities, particularly the Gold Coast City Council and the Tweed Shire Council. It is action that will ensure that the Gold Coast beaches that have been restored to their former glory retain their attractiveness for years to come.

I refer to a matter that probably will be mentioned in the Budget Papers in terms of funding allocated to the Gold Coast City Council to upgrade the Elanora treatment plant. I mention this matter because the local authority in the area is endeavouring to lead Australia in producing advanced tertiary treated effluent, but the present Queensland Labor Government has stymied that approach. The Government is forcing the local authority to construct a pipeline from the southern Gold Coast area to the southern training wall of the Nerang River, which will cost $23m. The project is designed to return into the estuary waste water that is basically potable water. In other words, the water will be treated to a standard that is not far removed from the standards applied to drinking water and would enable it to be recycled in the reticulated water supply system. The difference between the effluent quality currently being produced and the standard that is being proposed is basically a removal of nutrients, such as nitrogen and phosphorous. When exposed to the environment, those elements produce an algal bloom and this causes problems in canals and estuaries. In fact, this process has caused algal bloom to occur in the sea off Burleigh and Miami.

The Queensland Government has threatened that if the works do not proceed in the manner in which the Government specifies, the subsidy will not be forthcoming. If

that happens, the Gold Coast City Council will be inconvenienced by not receiving a 20 per cent subsidy on a pipeline that will cost $23m. That would be a shame, because the council is endeavouring to set a standard for all coastal cities in Queensland. The standard involves sewerage treatment that will not have any adverse effect on the environment; in other words, the improved works would be environmentally neutral.

Recently in the press, the Minister for Transport, Mr Hamill, is reported as having made a series of statements about the Gold Coast rail link being placed in jeopardy. It is regrettable that the project could be placed in jeopardy, because a rail link has been talked about for many years. It is certainly a service that the Gold Coast needs because the stage has been reached at which the highway to the Gold Coast needs to be upgraded and enlarged to provide three lanes each way. It seems to me that provision of a rail link would obviate the need for that upgrading and would provide a rapid system of transport from the Gold Coast to Brisbane. It would be a shame to place that project in jeopardy because land has been earmarked, the corridors have been planned, and the railway stations have been earmarked at Helensvale, Robina and all points north.

In conclusion, I reiterate that within the next month decisions on the matters I have mentioned will have to be made by the Treasurer and the Government. They are sensitive matters and they are very important to the people who live in the Currumbin electorate. The subsidence that has occurred at Palm Beach was a very important pre-election issue. Tomorrow, I hope to take the matter up with the Minister for Local Government, Mr Burns, when he visits the Gold Coast City Council. I hope that, with cooperation from all parties, the matter can be resolved.

Mr GILMORE (Tablelands) (8.59 p.m.): I join in the debate on the Appropriation Bill (No. 1) because it gives me an opportunity to do two things. First of all, I would like to spend a couple of minutes dealing with some of the areas of urgent need in my electorate which, as the matters I intend to address are to do with money, is an appropriate exercise when debating a money Bill.

In my electorate, an urgent need exists for the acquisition of land for the future expansion of schools. It is poor economics to wait until a school needs expansion to take the step of acquiring land. Two schools require extension in my electorate. The first is the small school at Julatten. It is a small school at present, but it is in one of the fast-growing rural residential areas in the north of my electorate, which services the northern beaches around Port Douglas and Mossman. It is rapidly becoming a dormitory area for the large developers of Port Douglas. It is important that the Government acquires grazing land, which is currently available, can be acquired fairly cheaply and put to very good use. I suggest it would be appropriate for the Government to acquire the land and then lease it back to the landholder for as many years as it is not required for the extension of the school. I have already approached the Minister on that matter and I trust that in this year's Budget there will be sufficient funds to make that small acquisition of land so that that school will be a viable entity in future.

The other school to which I wish to refer is the Tolga school, which is the fastest-growing school in the peninsula region. Tolga is only a small town, but there are a number of peculiar reasons for the fast expansion of the school population. Recently, I was pleased that the Minister visited my electorate to open a magnificent new building at the Tolga school. The new building has four class rooms and space underneath for a three-bay library. I requested that funds be made available for the completion of the three-bay library underneath the school. I trust that those funds will be forthcoming. At present, the school has more than 200 students and it is expanding more quickly than any other school in the peninsula region. It is for that reason that I have suggested to the Minister that he should soon undertake land acquisitions in the near vicinity so that that school can expand into the future not only as a primary school but also as a junior high school, in the immediate future, and a senior high school in the long term.

The Tolga region is set to grow, with large acquisitions of land being made for subdivision. One could say that it will be the fastest-growing residential area of the

Atherton Shire, which is already renowned for its quick growth. The expansion of those two schools must be addressed very quickly.

The major problem that I have with lack of school ground is in the Kuranda region. Last year, $1m was set aside in the Budget for the acquisition of a high school site for the Kuranda district. I believe that that was an inappropriate appropriation, because the best and most available land is already Crown land that is part of the forest reserve approximately 6 kilometres from the township of Kuranda. Its distance from Kuranda presents a difficulty, but it is on the main highway and central to the greater Kuranda district, which is the important matter that must be addressed. It is my view that within 10 years town water will be supplied to the site.

Having driven every road, measured every kilometre, checked out every bus run and spoken to the parents and the students, I have come to the view that it is a common belief that that is the appropriate site. The Minister's staff and the Department of Works believe that it is the appropriate site. The difficult appears to be with the Forest Service staff who do not want to give up 32 hectares of what is essentially a barren gravel ridge. I find that very difficult to accept. I suggest that in the short term the Minister for Education and his colleague who is responsible for school construction and works should get together with Mr Eaton and ensure that that land is set aside and gazetted as a future high school site for the people of Kuranda. It is most important, indeed.

Mr Hayward: It costs less, too.

Mr GILMORE: As I said, the $1m appropriation was totally inappropriate. Land was already there and owned by the Government. It should have been set aside as a school reserve long ago.

Mr Harper: It is a typical attitude of some forestry officers.

Mr GILMORE: Regrettably, they tend to be like mother hens with chickens and they do not want to lose their grasp over 32 hectares out of a 2 000 hectare forest reserve.

Mr Harper: But they are not chickens, they are people.

Mr GILMORE: Of course. The land must be put to the most appropriate use, that being a high school for that area.

Mr Beattie: What has happened to the old primary school site at Atherton? I went there.

Mr GILMORE: I am glad that the honourable member asked. Actually, because the honourable member went there, it has been designated as a national shrine.

Mr Prest: You are being facetious now.

Mr GILMORE: The honourable member is not capable of it, so somebody has to do it.

Mr Prest: How many jobs will this school 6 kilometres out create?

Mr GILMORE: One does not need to create jobs to create a school. To build a high school is an investment in the future of this nation.

Mr Prest: How many children are you going to have in the school?

Mr GILMORE: On current enrolments, 300 students.

We need an administration block for the high school in Atherton. That has been a problem for a number of years. There was a problem with space on the site and it appears that an existing block will be refurbished, which is regrettable. However, if it is the only way to achieve a reasonable status for the Atherton State High School in terms of administration, that is the way we must move. But we must move as quickly as possible to ensure that that school is brought up to the standard of other comparable

schools in the district. After all, it is a class 1 high school. The school at Atherton does not have carpets on the floor. That is a disgrace.

Mr Palaszczuk interjected.

Mr GILMORE: I agree with the honourable member. I have been trying to address this matter for three years. I now ask the Government to address it.

Mr Palaszczuk: You were in Government. You were a Minister also.

Mr GILMORE: I am entirely aware of that, but I ask honourable members not to hold that against me. I was there for only three minutes.

Mr Prest: What did you achieve in the time you were a Minister?

Mr GILMORE: I found my office. The honourable member will never find his.

Mr SPEAKER: Order! I ask honourable members to cease interjecting. I am interested in the honourable member's speech; I really am.

Mr GILMORE: I want to speak about a little entity in my electorate known as the Petford Training Farm. It is run by a gentleman named Geoff Guest. He is a man who grew up in difficult circumstances on an Aboriginal community. He is part-Aboriginal. He has done remarkable rehabilitative work with Aboriginal youth in this State—more than anyone else in the State—yet he remains unrecognised by the Government. He remains underfunded, although he is funded, to a degree, by a number of departments.

His is the most hungry organisation that I have ever seen. The people live there in difficult circumstances, isolated from the community; but the work being done with those young people is extraordinary. It is saving the Government a considerable amount of money in the areas of corrective services and children's services, especially for wayward children, both black and white.

The other day my secretary received a telephone call. The community is not on mains power. The generator, which is an 18 kva generator, has failed. It fails regularly. However, this time it appears that the failure is fairly comprehensive.

The department has been kind enough to hire a 12 kva generator for the community at a cost of over $100 a day. Today, that machine broke down as well. Tonight, the Petford Training Farm is in the dark. It has no generator.

I have contacted Ms Warner, and she has undertaken to do whatever she can to provide adequate generation capability into that community. The Petford Training Farm must continue, there is no question about that, and I will do whatever I can to ensure that it does.

Two other aspects I want to address are the regrettable and wholly appalling lack of a teacher at the Petford Training Farm and the need for extra capital works. I will address the lack of a teacher shortly.

I have been trying for some time to have the Petford Training Farm accepted and accredited by educational organisations. The Commonwealth Department of Employment and Education Training accepts it. However, the funding is inadequate. The State Department of Education provides some funding.

It is vital that a teacher be allocated to that site, because the vast majority of children who go through that place have totally inadequate literacy, numeracy and language skills. If they do not get a teacher there soon, the whole of this Petford Training Farm concept could fail because it will be unable to reach its potential. I believe that would be regrettable.

Mr Beattie: Whereabouts is the farm?

Mr GILMORE: It is on the Chillagoe road, 30 or 40 miles west of Mareeba.

I want to talk briefly about the Chillagoe road and then I must turn to my shadow portfolio responsibilities. In this place on number of occasions over the last three

years, I have referred to the Chillagoe road. I am proud to be able to stand here and say that there has been more developmental work done on the Chillagoe road in the last three years than there was for many years previously. I was partly responsible for that. I am pleased that this Government has recognised the problems faced by people who live in those isolated regions and that today work is continuing on that road. I thank the Treasurer for his continuing efforts in that regard. I would indeed be pleased if the Treasurer were to continue his commitment to that road, not because it is in my electorate, but because the people out there must have it. In 1990, they can no longer continue to live in isolation. It is unfair and un-Australian.

I refer to the Kuranda Range road, a narrow and torturous strip of bitumen, which has had some remarkable widening work done on it in a very quiet way by a very competent group of people. They work along the sides of the road. They do not disrupt traffic and they are managing to widen that road. The quality of the work they are doing and the cost-effectiveness of that work are to be commended.

However, major capital works required on that road are currently held up while the Department of Transport negotiates a deviation with local green movement. That is an unfortunate situation. I believe that the Government must learn to govern. It must make a decision on that deviation as soon as possible and spend the funds that are required for the works.

The Mareeba-Atherton road is narrow. The shoulders are bad. As the years go by, it carries more and more traffic. It is a shame the road has not been upgraded in the past. Some shoulder work has been done with bitumen widening. That is great. I am glad to see that work and I trust that it will continue.

That sentiment applies equally to the Herberton-Irvinebank road. Last evening, honourable members spoke at some length about Irvinebank and its historical significance for the Australian Labor Party. The Australian Workers Union was formed in that town. It is a small, poor town, but it needs a road. I ask the Government not to forget the people of Irvinebank when it sets out its priorities in terms of roadworks in far-north Queensland. It is an important road and we must continue to look after it.

Now, I turn to my shadow portfolio responsibility for Corrective Services. Since the Kennedy report was received in this place, there have been considerable improvements in corrective services in this State. Of course, there were considerable improvements prior to that in terms of construction of new prisons, etc. However, we have gone past the stage of providing improvements in accommodation; we are now improving the structure of our prisons, the corporate body of our prisons and what happens inside them.

However, several problems still exist in regard to prison accommodation. Stuart Prison is a disgrace. Some sections of it are 100 years old. It is cold, poorly lit, non-functional and difficult to manage. One section of the prison should never be torn down but should be turned into a museum so that, in the future, people can see how we accommodated people in our correctional institutions. Something must be done about improving conditions at the Stuart Prison.

The Moreton Correctional Institution must not be allowed to close because of Budget cuts. I am aware that the closure was discussed, but I believe that the Minister has discounted that possibility. That institution must continue to be used for the containment of intractable prisoners, AIDS-infected prisoners and protected prisoners.

I turn now to that wonderful gem in the crown of Queensland Corrective Services, namely, Boggo Road, which will always have problems. Last year, the outgoing National Party Government made a pre-emptive move to close Boggo Road. In hindsight, I regret that move. However, it is clearly now within the ambit of responsibility of the current Minister to ensure that Boggo Road is closed on time in 1991, as per the Kennedy report. Boggo Road is a horrifying institution. It is poorly placed and old. It needs to be razed to the ground and the ground ploughed very deeply. Brisbane does not need that blight on the community.

The forward Estimates for the Department of Corrective Services contain not one cent of Budget allocation for the operation of Boggo Road, which requires $12m a year.

Mr Beattie: We are going to close it.

Mr GILMORE: This Government will not close it.

Where will the money come from? It must come from somewhere within the funds that are provided for departmental Estimates, which were $25m short of what was already a heavily pared estimate. During the next year, great difficulties will be experienced in Queensland's correctional institutions.

I turn now to watchhouses. Corrective Services is supposed to take over the running of watchhouses in Queensland. Recently, I inspected the Cairns watchhouse. I agree wholeheartedly with the sentiments that have been expressed in this House by the Treasurer, Mr De Lacy, who, as all honourable members would be aware, is the member for Cairns. The Cairns watchhouse is one of the most dismal places that has ever been used for human habitation.

Mrs Edmond: Why didn't you do something about it?

Mr GILMORE: I was not the relevant Minister at that time, or I would have done something about it.

I assure honourable members that the Cairns watchhouse was designed and built by a lunatic who knew nothing about correctional institutions or prisons. If ever an atomic bomb is likely to be exploded, honourable members should go there because they will not get hurt. The walls are solid concrete that is one foot thick. The watchhouse is a dismal, poorly lit place. However, I could not recommend to this Parliament that Corrective Services should take it over in its current condition.

I am aware that a new courthouse complex is planned for Cairns at a cost of some $40m.

Mr Palaszczuk: $32m.

Mr GILMORE: Is it $32m?

Mr Beattie: $36m.

Mr GILMORE: Is there any advance on $36m?

Mr Beattie: No, it was $36m.

Mr GILMORE: Okay. In any case, I am led to believe that the watchhouse at Rockhampton is just as bad as, if not worse than, the one at Cairns. Sufficient funds should be provided for the construction of proper watchhouses in those two major cities and anywhere else that they are required.

A decision needs to be made in regard to the siting of a watchhouse in a major community of far-north Queensland, namely, Wujal Wujal. Apparently, nobody has made that decision. Surely somebody within the relevant department could do that.

I turn now to some of the better rehabilitation programs that are in place and the reason why this year's Budget allocation for correctional institutions should not be reduced.

Something must be done about prisoner rehabilitation and training so that when prisoners are released from correctional institutions, they are adequate and proper citizens. They must undertake formal training. Every correctional institution in this State of any note has a steam room. Those institutions operate laundries. Prisoners could be released from those institutions as first-class steam-ticketed operators. This State has an appalling lack of such operators. That situation must be addressed immediately.

Although correctional institutions in Queensland have bakeries, they are not turning out apprentice bakers or tradesmen bakers, even after the prisoners have spent four or

five years in those institutions. The adult literary courses that are offered in our correctional institutions are dismal, to say the least. Many of the people who are incarcerated in Queensland's correctional institutions are illiterate and undereducated. They come from poor socio-economic backgrounds. The only time when the Queensland society has any opportunity to assist those people is when they are in prison, but we are failing them. If funding cuts are made in the Budget, the efforts that are being made will be jeopardised and further improvements will not occur.

Work ethics must be instilled into prisoners while they are in our correctional institutions. There is no point in incarcerating people for many years and then releasing them without teaching them how to work. The hardest lesson that a man must ever learn in his life is how to work, and how to work alone, if necessary. Prisoners can be taught work ethics. Programs such as leave of absence, release to work and prisoner rehabilitation must also be addressed.

I make it very clear that something must be done very, very quickly. The commission must put in place, at the direction of the Minister, some proper protocols so that people who are put into prison understand that they may go through the process of rehabilitation after they have been through a process of punishment. It is absolutely imperative that the first thing persons who it is deemed must go to prison learn is that they are there for punishment and correction, then education and rehabilitation, and finally release.

My view is that it is no use gaoling a person for eight or nine years for a major crime such as rape, murder or other crime of violence and then within a couple of years allowing him out onto the streets on leave of absence. Not only in my view, but also in the view of people in the street whom we in this place seek to serve, in such cases an insufficient period of punishment has been meted out.

It is for that reason that I suggest that the Minister set in place a number of structured protocols so that it is not the responsibility of the manager of the local prison to determine who is given leave of absence; so every prisoner can understand that he can win these benefits by good behaviour; that he can proceed through the system; that he can undergo his punishment; that he can undertake his education programs; that he can be rehabilitated; and that somehow or other, by being a good prisoner and by doing the things that are required of him, he can earn privileges within the system. Those privileges can mean that he is not put in the pen down the back, that he is not placed in maximum security, but that he is allowed to work in the bakery or on the farm or, later on in his sentence, he is allowed to take leave of absence either with or without attention from a prison officer.

I raise that subject because of the recent spate of unfortunate experiences that have occurred in Queensland of prisoners wandering off while on leave of absence. However, I would not suggest in this place that the leave of absence program is wrong. It is an important part of the rehabilitative program and an important part of the program of getting people back into society. I raise that for a particular reason.

In this State there are some maximum security prisoners who, because of their classification, may never work on a prison farm, who may never be given leave of absence and yet who one day will walk out of the prison when the door is opened. They may spend five years or 10 years in maximum security and then they are free men. That is not only unfair on the community that we serve but it is also unfair on those people who have been through the system—a system that has failed them because there has been a lack of recognition of the need to assist them to become good citizens in our community. I ask the Minister to take cognisance of that and to address the matter tomorrow, if not tonight.

I would like to speak briefly about the prison officers in this State. They are in revolt. They are in revolt because they feel they have been let down very badly. Indeed, they have been lied to by the present Government.

Mr Beattie: That wouldn't be true, as you know.

Mr GILMORE: There are very few honourable men in this place, and the honourable member and I are two of them.

The prison officers have been lied to in that they were told that, under the present Government, prisons would not be privatised. They supported this Government because of that. There has never been any doubt about where I stand on privatisation. I have never lied to them. They know where I stand; they know where the Opposition stands. But they do not know where the Government stands. One day the Government tells them there will be no privatisation; the next day they are told there will be part privatisation. Then the Government does not know where it stands. The good Treasurer must be writing the script.

Mr Schwarten: I don't think you know where you're standing.

Mr GILMORE: I know exactly where I am standing.

I must once again bring to the attention of this House the fact that cuts in funding for the corrective institutions and corrective services in this State will jeopardise Kennedy's reforms, which are and have been accepted by the Government, by the Opposition and by the Liberal Party. Unequivocally, we have accepted them. But believe me, the Government has to stick to those reforms.

The Opposition will not sit back and allow the Kennedy reforms to be jeopardised because somebody in the Treasury decides there are no votes in prisons. We have passed that stage. We are now way down the track. Kennedy's reforms are being put in place and they must not at this time be jeopardised. I inform the Treasurer that there is a good business reason for that, namely, that dollars put into corrections today are an investment in the future of this State. I will tell him why. If we are able today to go on—I speak in the first person because I am passionately involved in this—and if we are able to continue with the infrastructure, the programs, the alternative sentencing options, the better training programs——

Mr De Lacy: Glen Milliner made this speech the other night to the Budget review.

Mr GILMORE: That is because he and I have the same opinion on it. I am just reinforcing that so that the Treasurer gets the message.

It is absolutely imperative that the programs I have mentioned be put in place so that in five years' time fewer people will be in Queensland's prisons, more people will be doing better things in the community, alternative sentencing options will be in place, and community correction centres will cost less to run. All of those things will happen provided the Government invests this year in community corrections.

We must not condemn this system to further years of deprivation, frustration and general inadequacy by a failure of the Treasurer, the Treasury and the Government to come up with adequate funds in the 1990 Budget.

Mr FITZGERALD (Lockyer) (9.29 p.m.): I join in the debate on the Appropriation Bill that is presently before the House. In doing so, I endorse some of the comments that were made by the previous speaker.

Mr Prest: Hands out of your pocket, come on!

Mr FITZGERALD: If the honourable member indulges in shenanigans such as that to upset me, I am afraid that I will become rather upset.

The previous speaker suggested that the Treasurer was on shifting ground and that he did not quite know where he stood on a number of issues. Last night, the members of this House debated a Bill about the Irvinebank tin mill at Herberton in north Queensland. The Treasurer is the member for Cairns. I would like to know whether he is always consistent in his thinking. Last night, he supported the Government in this House when it introduced legislation that formalised an agreement between the State Government and Frank Hilla, who occupied the mill under an agreement with the previous Government. The Minister in charge of that legislation spoke at length about

that deal. However, an article in a tableland paper dated 27 October 1987 under the headline "Tin miners back ore miller" states—

> "Tin miners who have had their ore crushed at Loudon Mill, Irvinebank, met on Sunday to discuss claims by the Member for Cairns, Keith De Lacy, concerning the sale of the mill to private enterprise.
>
> Mr De Lacy had claimed that the works had been virtually given away to private interests to the everlasting detriment of both the local ore producers and Queensland taxpayers.
>
> He said that although the works had been sold in 1983, the Minister for Mines and Energy, Mr Austin, had said only $12,000 of the $120,000 purchase price had been paid and the terms of sale, other than the price, were still under negotiation and subject to confirming legislation.
>
> . . .
>
> The ore producers at the meeting had nothing but praise for the way Frank Hilla was running the mill."

In other words, Mr De Lacy did not understand what the people in Cairns wanted. He was completely wrong.

It is rather interesting that another Minister in the present Government had a very similar view. On 1 July 1981, in an article in the *Tablelands Advertiser* headed "Move to sell angers Eaton" he was quoted as saying—

> "It is very hard to control your temper when you hear of decisions like this."

The article was quoting the member for Mourilyan, Bill Eaton, who had been told of the State Government's intention to sell the treatment works. The article further states—

> "This treatment plant has been all that has kept the town alive for years, and been the only chance for small miners to treat their ore.
>
> Now, when money needs to be spent on upgrading the plant and improving its efficiency, the Government says 'sell it'."

That is what the Honourable Bill Eaton said about it back in 1981. Sometimes it is rather unfortunate that some people go to print, because quite often their words can be quoted back at them.

Tonight, I wish to congratulate the entrepreneurs and the miners who have agreed to open up the Gordonstone mine in central Queensland on coming to an agreement. I wish them every success in their future venture. I welcome the expenditure of $500m on that project in central Queensland. It is great that at last this deal has been put together.

I would like to take a little bit of the shine off the Premier's announcement by saying that we all knew it was going to happen. It was just a matter of when. I knew for a long time that this mining project would commence long before the Ensham project, even though I will admit it is a different type of mine. The Gordonstone mine involves metallurgical coal and the Ensham mine contains steaming coal. I understand that both projects operate in different markets.

Mr Borbidge: The first project the Premier has been able to announce.

Mr FITZGERALD: As the Deputy Leader of the Opposition said, it is the first project that the Premier has been able to announce. However, the groundwork was all there; all he had to do was cap the deal off. Once again, the foreign investment policy had to be negotiated at the last minute. That seems to be the way that all foreign investment dealings will be handled by this Government. It says each matter will be assessed on merit, which means that the Government will negotiate at the time and do the best deal it can. There is no firm policy. I will not go through the whole saga again. Members have heard the story today. The Opposition wishes the venturers all the best in this venture.

Tonight's news report concerned the events in the Middle East where the Iraqi army moved in on the small oil-rich sheikhdom of Kuwait. This international event will have an impact on Australia and reinforces a view that I, along with others who are concerned about the future supply of oil into Australia, have had for some time. The Federal Government has shown no signs of being aware that in the coming years Australia could become very short of oil supplies. In fact, it would take only an increase in the oil price and a shortage of supply into Australia for this country to be very short of oil.

The figures show that at the present consumption levels Australia's available supply of oil will fall dramatically. Whether one likes to admit it or not, those consumption levels are still rising. Australia is very dependent on imported oil. The price of oil is shooting up because of the events that are occurring in the Middle East. Over a period of time, the oil price has fluctuated up and down. Because of the oversupply of oil on the market, the price tended to be low, and the Federal Government did not encourage Australian explorers to discover as much oil as possible in Australia.

I support a submission sent to the Federal Government from a group called the Australian Petroleum Exploration Association Limited. It is very concerned that, unless more people are encouraged to invest in ventures looking for oil, the Australian nation could suffer. I believe it is important that more taxation incentives should be given to those who wish to invest in oil exploration.

Mr Hayward: What sort of tax incentives?

Mr FITZGERALD: The member's question is a good one. I suggest that tax deductibility should be allowed to the individual investor in limited partnerships against income derived from sources other than oil. I say that because section 124 A (h) of the Income Tax Act allows deductibility of that income from any other source.

Mr Hayward interjected.

Mr FITZGERALD: The honourable member knows it well.

If small investors who wish to invest in a company cannot claim as a deduction the losses that will be incurred in exploration, Australia's ability to discover oil will be hampered. Small investors should be able to write off those losses against profits that they make from other enterprises. Australia should be able to discover as much of its available oil as it can. Large quantities of oil are not likely to be found on mainland Australia. However, oil exploration companies are convinced that many small pockets of oil can be found at little expense. Many different oil fields have been brought into operation in Queensland. They are not large fields, but they are quite profitable. Any small company could make a profit out of them.

No doubt, there is a cost involved in discovering oil. The large companies say that it costs about $8 per barrel to discover oil. However, they also say that their overheads amount to an extra $2 per barrel. If the company involved is Esso in Delhi, that extra $2 per barrel is absorbed by subsidiary companies located in Melbourne, Houston and New York. I have been advised that if small companies can become established, their costs of discovering oil are much cheaper.

If a small company does not find oil, unless it can raise more capital it goes out of business. If a small company does the hard work and strikes oil, companies such as Santos make it an offer that it cannot refuse. It then sells out, and the share-holders enjoy the profits. That is the name of the game. Over the past couple of years, Santos has taken over approximately 13 different companies. That is the history of oil exploration in Queensland. Unless the Federal Government reconsiders the question of tax deductibility, that is what will happen in the future.

I understand from a reliable source that the Federal Minister is in favour of the proposal, but the Federal Treasurer will not agree to it. In football terms, he does not see the whole season in front of him; he sees only one half of it at a time. To discover oil is a long-term project. The Federal Treasurer is very short-sighted when he says that

he cannot include in this year's Budget a provision relating to tax deductibility. However, when he accepts the proposal, it will have an effect in the long term.

The risks involved in oil exploration are high. I refer to a book published by the Australian Petroleum Exploration Association Limited, which contains figures released by the Bureau of Mineral Resources—a reputable organisation. The Bureau of Mineral Resources has estimated that, excluding the Gippsland Basin, the commercial success ratio for oil discoveries in Australia between 1960 and 1985 was 1 in 164. By contrast, because so many wells were drilled in the Gippsland Basin, the success ratio there was 1 in 7, which means that there is a good chance of discovering oil in the Gippsland Basin.

It behoves the Government to reconsider its policy, particularly with the current problems in the Middle East, otherwise Australia will become extremely short of oil. On the basis of the present domestic demand for petroleum products, which is projected to increase at an annual rate of 2.2 per cent, the Australian Bureau of Agricultural and Resource Economics has estimated that petroleum imports will escalate from 26 million barrels in 1988 to over 200 million barrels by the year 2 000. This is 1990. In the absence of major new discoveries, Australian self-sufficiency will plummet from 84 per cent in 1988 to approximately 28 per cent in the year 2 000. Under those circumstances, the oil industry and the Australian Bureau of Agricultural and Resource Economics expect crude oil imports to increase from approximately $1 billion in 1988 to more than $5 billion by the year 2 000. These projections are based on the assumption that the relatively low prices of US$18 to US$20 per barrel will continue.

If sufficient oil is not discovered to replenish the reserves that are being depleted by the demand being placed upon them, we will fail the future generations, who will experience many more economic problems.

I now refer to the State gas pipeline. The Minister for Resource Industries announced a $34m extension to the State gas pipeline that runs from Gladstone to Rockhampton. I point out to honourable members that the Minister, when he was in Opposition, was extremely critical of the previous Government for proceeding with that project. When the Labor Party came into office, he reviewed the deal and decided to go ahead with it.

On 25 July, in Gladstone, the Premier opened the Wallumbilla-Gladstone gas pipeline. It is ironic that the Leader of the Opposition was not invited to the opening. The gas pipeline started in his electorate, went through the electorate of the honourable member for Auburn—he was not invited—and then went through the electorate of my colleague Di McCauley, and she received an invitation. Although I am the Opposition spokesman on Resource Industries, I did not receive an invitation. The construction of the pipeline was a project initiated by the previous State Government. It was opened by the present Premier. He went there and had the hide to open it with all the pomp and ceremony he could muster, and it was an insult to this Parliament that the Leader of the Opposition was not invited.

Mr Borbidge: As a matter of protocol, he should have been invited.

Mr FITZGERALD: As a matter of protocol, the local member is always invited to such functions. That has always been the practice in the past.

I requested an invitation and eventually received one. It was faxed to me at 9 minutes past 4 on the afternoon of 24 July, and I was to be in Gladstone at 9.45 a.m. the next day! That is an insult. I have taken up the matter with the Minister for Resource Industries. I understand that he regrets what happened and that he will check the facts of the matter. If that is how the Government intends to treat members of the Opposition in these matters, it is a disgrace.

Today, the future of the billion-dollar, 750-job Yabulu nickel project in north Queensland is in very grave doubt. If we lose that project, we will be losing far more than a major Queensland industry. And this Government will be to blame for it. We

will be sending a message to business in this country and to business around the world that Australia is well on the way to being a Third World economy—a banana republic.

Make no mistake about what is at stake at Yabulu. The challenge of keeping that plant in operation is a litmus test of the challenges that confront the economy of this nation. If we fail at Yabulu, we fail a very critical test and, to date, I do not think that that realisation has even begun to dawn on the Government.

The Premier has been holding lunches with business-leaders and, at those lunches, he has been maintaining that he is another Joh Bjelke-Petersen—that he is pro-development, pro-jobs and pro-investment. The Premier tells businessmen at these lunches that he goes round to the branch meetings of the ALP telling the warm-inner-glow people in his party that they are going to have to hold their water because his big pre-occupation is with the economy. That is what he is going around telling branch members.

Given the rapidly growing list of projects that are not going to get off the ground in this State under this self-styled business leader, his credibility at these lunches is extremely low. It is clear that the Premier has not the slightest idea of what is actually at stake at Yabulu. What is at stake is whether this country can be something more than a hole in the ground or a quarry to the world. Yabulu offers Australia a very great challenge.

I read a book titled *The Global Challenge: Australian Manufacturing in the 1990s*. It states—

> "There is significant potential to increase exports from further processing of Australia's natural resources."

Mr Milliner: Come on! You don't know what you're talking about. Sit down!

Mr FITZGERALD: All right, I will not quote any more; but the Minister has the gist of it, I hope.

For the first time in the history of this nation, we have a private enterprise which is willing to have a go at adding some value to imported ore. Now, that is a massive, potential step forward. For the first time, the hole in the ground will belong to somebody else and the downstream work will be conducted here.

Anyone who has taken the trouble to read any of the recent surge of studies in this country on the urgency of the economic challenge—how necessary it is for us to at last pull up our socks—will understand me when I say that the future of Yabulu is an acid test for Australia. If we make it work, there is some hope that we can make it in this world. If we do not, we will have confirmed that our path towards Third World status is straight and clear.

Yabulu will grind to a halt early in 1993 because supplies of ore from Greenvale will run out at that time. The hope for a continuation of refining nickel at Yabulu therefore rests on achieving another source of ore. That is the easy part, because the equatorial regions are rich in nickel deposits, and New Caledonia alone has enough ore to supply the entire global industry for hundreds of years. So there is ore and it is quite accessible.

What we do not have is a means of getting it into this country. Bringing it in through Halifax Bay was one option, but the Great Barrier Reef Marine Park Authority has recently ruled against that on rather uncertain environmental grounds. The company will appeal, but the environmental arena is one of the major problem areas. It takes too long to get decisions in this country. It is ludicrous. Greenvale runs out in 1993. The appeals process could take another 12 months or more.

Mr Nunn: Dear oh dear!

Mr FITZGERALD: "Dear oh dear" he says. The future of Australia depends on our ability——

An Opposition member interjected.

Mr FITZGERALD: I know that it was the honourable member for Isis, and I am not surprised. However, I will not debate what he said.

If that fails, the port of Townsville comes into play as the second best option for the importation of ore. There are major questions relating to the development of infrastructure at the port of Townsville and to rail freight. Estimates vary from between $100m and $170m as the amount that would have to be spent at the port and on the associated rail link to Yabulu before it could become a viable alternative to Halifax Bay. Part of that infrastructure development in Townsville involves major dredging which itself would be subject to an environmental impact study, which would take 15 months to complete. Even if the decision was taken tomorrow to go ahead with the port of Townsville alternative, it would be November 1991 before that study was completed. Presuming that there was an immediate start on that study, presuming that the study was finished on time, presuming that there were appeals and presuming that there was an immediate start to the construction, it would be November 1993 before the works were finished. Greenvale deposits will be exhausted in early 1993 and there is absolutely no chance of a timetable--even one of the type I have outlined—being maintained. The future of Yabulu is right on the line. Government backbenchers just could not give a damn.

As if the environmental issues are not enough, there are other major stumbling blocks that must be overcome. Waterfront reform is necessary. Currently in Townsville it costs approximately $5 a tonne to unload a nickel ore ship because of the stranglehold that the Waterside Workers Federation has on the Australian waterfront, to which I have often referred in this Chamber. That has to be compared with the cost of unloading bauxite at Gladstone for the Comalco aluminium smelter—which is another endangered species—which costs less than $1 per tonne. As a result of the control by the WWF of the Australian waterfront, stevedoring is abysmal.

Mr Harper: Mr McLean won't let the Government do anything about it.

Mr FITZGERALD: Of course. He is a friend of the wharfies.

If Dallhold cannot strike a deal with the Government that recognises the extreme fluctuations in the value of nickel and cannot devise a formula that will give them a fair crack of the whip, that will constitute another major threat to the project. The tragedy is that, apart from Pat Comben pre-judging the report of the Great Barrier Reef Marine Park Authority, the project remains at officer level in the Premier's Department, which indicates that there is no sense of urgency. I call on the Premier to take on the proposal as a major project. The Opposition will wish him well if he can get the project off the ground.

The Government's figures on infrastructure are mere guesstimates. Its attitude towards environmental issues are unbelievable. In the meantime, the future of a massive project is simply put in limbo. Honourable members should make no mistake about it. If Queensland loses Yabulu, it will result in the loss of 750 jobs and a $25m injection of funds into the Townsville economy from the company's payroll. It would be a devastating blow to this State. It would not amount to the loss of a "phantom project", which is the Premier's description of projects that do not get off the ground in Queensland. This is a venture that is up and running, but it is facing a very uncertain future. A major factor in that uncertainty is the lack of interest on the part of this Government.

The community now needs leadership to be exercised by the Government in relation to this issue. This Government cannot keep doing only the things that are popular. If the ore is imported through Halifax Bay, the Great Barrier Marine Park Authority will be upset. If the ore is imported through Townsville, the people of the area will be upset. However, it must be borne in mind that the people of Townsville depend on the nickel ore that is processed at Yabulu.

Mr McGrady: What are you saying we should do? What should we do?

Mr FITZGERALD: I am saying that the Government should show some leadership and instruct its departmental officers to get the show on the road. Unless the Government makes a success of this project, the whole nation will suffer. If the project fails, it will show that this Labor Government will never be able to get any project at all off the ground.

I wish to mention also the collapse of building societies in Victoria and the threats that building societies and friendly societies are under as a result of the run that is being made on society funds. I make no apology for the fact that the previous National Party Government was very firm in its attitude to building societies and friendly societies in Queensland. The National Party Government had an obligation to protect the investments of people who deposited their funds in building societies.

On a number of occasions building societies approached the previous Government in a bid to have their areas of operation widened. The National Party Government widened the scope of their obligations and was considering other ways in which it could help those societies. However, the No. 1 priority of the National Party Government was to ensure that the funds invested in those societies were extremely secure. The societies always gave the National Party Government a rough time because they believed that they should be able to compete with the pyramidal corporate structures and building societies of the world. However, the National Party Government said, "No, we will look at this very carefully. We will go along carefully, with the security of the investors being the paramount consideration." I make no apologies for that; in fact, I am very proud of the record of the previous Government in that regard. If a Labor Government had been in power at the time, Lord knows what would have happened.

I point out that under the National Party Government, building societies did very well. Recently they all announced record profits and record growth, which indicates that they have not done too badly. The societies that have claimed that they were being disadvantaged in the financial world do not have a leg to stand on because their profits have increased time and again. The former National Party Government was willing to consider widening the scope of their lending activities but, as I have said, it acted very cautiously. I believe that members of the former National Party Government should be congratulated by all the investors concerned for taking action to protect their funds. In Victoria, of course, the societies were allowed to operate as commercial enterprises and were not regulated by the tight rein of Government control. Because of very poor investment policies, the OST Friendly Society is now in extremely dire financial straits. There has been a domino effect and all the societies are now running into trouble.

If the Treasurer is interested in learning from the experience of the previous Government, he will ensure that investors' funds are extremely secure. However, I would say that any fair-minded jury would decide beyond any reasonable doubt that the Treasurer's handling of the Queensland economy is a hopeless mess. In spite of the fact that the Opposition gave him time to get his feet under the table, he does not know where he is going. He is under a great deal of pressure while preparing the forthcoming Budget. Although he is saying that Government services in all sectors are run down, he cannot deny the fact that, compared with other States in Australia, Queensland has been in a very sound financial position. The financial management of this State has been excellent, and the Treasurer will not be able to blame the previous Government for the problems that he will face in the future.

I warn the Treasurer that when the Labor Government in Queensland is thrown out of office, it will be because of Labor's economic policies. If Mr De Lacy retains the position of Treasurer, he will have to wear the blame for economic mismanagement.

Hon. K. E. De LACY (Cairns—Treasurer and Minister for Regional Development) (9.59 p.m.), in reply: I thank honourable members for participating in a wide-ranging and generally constructive debate. I note that most speakers did not stick to the topic, which was the Appropriation Bill.

Because the hour is late, I will briefly make some general points. It has increasingly been the case that some members of the Opposition tend to resort to personal insults to get their point across. I have been in politics for a while and I understand what the game is all about. I do not mind personal insults because I have always said that they tell much more about the person who delivers the insult than about the person to whom they are directed.

I will confine my remarks to three Opposition members who have spoken in tonight's debate. The first speaker was the Opposition spokesman, Mr Stoneman. I was surprised to hear him sinking to the same level as his leader and his deputy leader. Regrettably, I thought that the Leader of the Liberal Party was sinking to the same level. When honourable members use name-calling and insults, it means that they do not have an argument. If they cannot win on the issue, they start calling people names. We all used to do that at school. Many of us grew up; some of us did not. Some people are still very juvenile and childish in the way they carry on.

The National Party has an approval rating of 10 or 12 per cent, and that figure is decreasing rapidly. The reason for that is that it has not understood what Opposition is all about. Opposition is about being constructive and providing an alternative to the Government. It is not about the kind of muck-raking and name-calling that Opposition members are involved in.

I can understand the stress and the pressure under which Opposition members find themselves. They are under stress because they are in trouble, there is no light at the end of the tunnel and they do not know where to go or how to go. So they have adopted the old tried and proven tactic of getting down into the gutter. They can please themselves and get down into the gutter. It does not worry me. It does them no credit, it does this House no credit and it does the institution of Parliament no credit, but it ensures that the Labor Party will remain in power.

I wish to address some comments specifically to the Opposition spokesman, Mr Stoneman, who is not in the Chamber at present. Although it took him 90 minutes to do it, at least he endeavoured to address the financial position of the State in the context of this debate on the Appropriation Bill. I offer another piece of advice to members of the Opposition, gratuitous though it might be. If they are hanging their political future on their promises that the Labor Party Government will increase taxes, I wish them luck. The Premier and I have made the statement that there will be no new taxes and there will be no increases in taxes and charges above the CPI level.

Mr FitzGerald: You've done that already.

Mr De LACY: That is a discipline that we have imposed on ourselves and it is a promise that we will keep.

The honourable member said that we have already done it. Yesterday, the National Party performed a big stunt. The Leader of the Opposition called a media conference and had a big list of so-called increases in taxes and charges greater than the CPI. The media asked him to demonstrate one, and he could not do it. After that big stunt yesterday, there was not one single column centimetre in the newspaper. Opposition members do not know what they are talking about. They are all a mob of mugs.

Mr FitzGerald: You don't call names? You are not a name-caller?

Mr De LACY: No, I just stick to the truth.

Opposition members are having a massive identity crisis. They do not know whether they are in Opposition or in Government. One moment they were saying how great things were and how Queensland's economy was good; then all of a sudden they realise that they are not in Government any more and that they are sitting on the other side of the House, so they start threatening the Government and creating self-fulfilling prophecies by saying that the economy is good now but it will be bad in the future. I feel sorry for them. They are in Opposition and have no control over the economy; we are in control and we are doing it right, and we will keep doing it right.

Foreign investment was not part of the debate, but every speaker mentioned that subject. I could not be more pleased with the way that the foreign investment debate is going. If the people of Queensland want an indication of who stands for what, they are getting it. The only authority to whom Mr "Flog It Off to the Foreigners" Borbidge and the "sell it off at any cost" National Party have to refer is Mr Gayler. On Monday morning when I woke up and found that I was being criticised not only by the National Party and its dwindling band of supporters, not only by the white-shoe brigade and the people who make a quid out of buying and selling to foreigners, but by John Gayler as well, I said, "De Lacy, you've finally got it right. You can't be wrong if that marvellous trio are opposing you." Opposition members can keep referring to John Gayler. If he is the only oracle to whom they can appeal, I wish them good luck.

Other comments that Opposition members are making—again trying to create these self-fulfilling prophecies—are that there is no foreign investment in Queensland, that it will die off, and that the Government has killed the economy. This week, incidentally, the Government announced the Gordonstone coal project, which is the first green coal project in Australia since approximately 1984 and the biggest underground coalmine in Australia.

In the same week that the Government announced that project, Opposition members have been saying that the way the Government is going this State will not have any foreign investment. Since I have been Treasurer, I have personally approved $3 billion or $4 billion worth of foreign investment. Projects are being dumped on my table by the hundredweight, yet Opposition members are saying that foreign investment is going to dry up and that nothing will happen in Queensland. I feel sorry for them. They really want us to fall in a heap, but we will not, because foreign investors want to invest in Queensland and they know that they are welcome to invest here. If anybody is confused, it is Opposition members. They are trying to create confusion, but all they are doing is enabling the people of Queensland to judge who is right and who is wrong. They are the flog-it-off people and we are the people who care about Queensland. I do not care how much Opposition members carry on about foreign investment.

Opposition members talked a lot of nonsense about what the businesspeople in Cairns will do to me. When I go to Cairns, I talk to the businesspeople. I have been invited to the meeting tomorrow in Cairns. I will be there and will talk to them. I have no problems in Cairns. When Opposition members come to Cairns and carry on like fools, they create problems for themselves.

Earlier, Opposition members mentioned that Moody's issued a report which was detrimental or negative to the present Queensland Government. Honourable members opposite should have read the report. It makes scathing references to the previous National Party Government.

The report said that times have changed in Queensland; that the new Government is putting behind it all of the unsavoury practices of the previous Government. Honourable members opposite should note the comments of the honourable member for Caboolture in that regard.

When I was in New York I met with representatives of Moody's. The Government had a copy of the draft report. I am a Queenslander and an Australian. The National Party does not mean much to me. However, the Moody's report contained scathing references to the previous National Party Government—references to cronyism, intervention and so forth. I said to them, "I can't see that that sort of historical information in this report serves any useful purpose and I would prefer that you left it out. International investors may not know that the Government has changed and that since 2 December we have had a good Government in Queensland. They may not know that. It doesn't serve us any purpose. We don't want it there." Unfortunately, those comments remain in the report.

I urge Mr Borbidge and any other honourable member who referred to the Moody's report to read it. It puts the performance of the previous Government to context.

The Leader of the Liberal Party, Mr Beanland, elaborated on his 10-point plan to save the Queensland economy. I thank him for that. I was amused by his criticism of me and of the Government for allowing the Queensland Treasury Corporation and Suncorp to invest out of Queensland.

A couple of weeks ago, Mr Beanland issued a press release. Like most of his press releases, it did not get him anywhere. However, somebody did read that one. That person telephoned me and said, "Mr Beanland has attacked you for allowing the Queensland Treasury Corporation to invest in other States. Do you have any comments?" I said, "Yes. I was looking over my right shoulder for Mr Beanland to come, but I didn't expect him to attack me from the left." That is what Mr Beanland is doing. He is suggesting that the Government should interfere with the investment strategy of the Queensland Treasury Corporation. He is suggesting that this Government do the kinds of things that Moody's warned against. This is the advice of the Opposition spokesman for the Right, the Far Right, the New Right, the Old Right or whatever Right it is. It seems to me that his advice is dead wrong.

The Leader of the Opposition used the debate to attack the report into the QIDC by Mr Polichronis. Again, he did what he always does. He has never put up a good argument, so he attacked Mr Polichronis, not his arguments. Mr Cooper's actions say more about him than they do about Mr Polichronis.

Things have changed in the QIDC. No more is it an institution for looking after one's mates. The QIDC will be administered in a proper and accountable fashion. Its function is to assist the rural sector, but it will be targeted assistance. Assistance will not just be given out across the board. It will be done the right way.

The recommendations of Mr Polichronis have been widely accepted. The only people who have not accepted his recommendations are those who have benefited unfairly in the past.

It is obvious that, in his remarks today, the Leader of the Opposition was referring to a brief prepared by Mr Jim Brennan.

I think I have said enough. Let me conclude by saying that the Budget Review Committee has almost completed its deliberations. It has been a long, hard process.

This year I will deliver the first Labor Government Budget for 32 years. It will be a good Budget. It has been created by a level of fiscal discipline never before exercised in this State. It will be the appropriate kind of Budget for these austere times and it will be widely accepted by the people of Queensland. It will put the Labor Government's mark on this State, and honourable members opposite who are making prognostications of doom will be left hanging. I thank honourable members.

Motion agreed to.

Committee

Clauses 1 and 2, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr De Lacy, read a third time.

SPECIAL ADJOURNMENT

Hon. T. M. MACKENROTH (Chatsworth—Leader of the House) (10.15 p.m.): I move—

"That the House, at its rising, do adjourn until Tuesday, 21 August 1990."

Motion agreed to.

The House adjourned at 10.15 p.m.