

NOTE: There could be differences between this document and the official printed *Hansard*, Vol. 316

WEDNESDAY, 21 NOVEMBER 1990

Mr SPEAKER (Hon. J. Fouras, Ashgrove) read prayers and took the chair at 2.30 p.m.

AUDITOR-GENERAL'S REPORT

Brisbane City Council and Associated Bodies Accounts

Mr SPEAKER: I have to report that I have received from the Auditor-General his report on the books and accounts of the Brisbane City Council and associated bodies for 1990-91.

Ordered to be printed.

PETITIONS

The Clerk announced the receipt of the following petitions—

Fencing of Swimming Pools

From **Mr Borbidge** (31 signatories) praying that the Parliament will not legislate to force owners of existing swimming pools to separately fence their pool when it is within a residential block with perimeter fencing.

Milk-vendors

From **Mr Briskey** (284 signatories) praying that milk-vendors be allowed to continue to operate and that price widening be not increased.

Decriminalisation of Homosexuality

From **Mr De Lacy** (147 signatories) praying for the decriminalisation of homosexuality.

A similar petition was received from **Mr Foley** (440 signatories).

Travel Concessions for Tertiary Students

From **Mr Foley** (1 651 signatories) praying for the introduction of half-fare travel tickets for tertiary students.

Petitions received.

PAPERS

The following papers were laid on the table—

Orders in Council under—

Stamp Act 1894-1990

Statutory Bodies Financial Arrangements Act 1982-1989

Superannuation (State Public Sector) Act 1990

Coal Mining Act 1925-1990

Mineral Resources Act 1989-1990

Mining Act 1968-1986

Mining (Fossicking) Act 1985-1990

Petroleum Act 1923-1988
Education (General Provisions) Act 1989
Regulations under the Pay-roll Tax Act 1971-1990
Rules under the Lotto Act 1981-1984
Report of the Mortgage Secondary Market Board for the year ended 30 June 1989
Reports for the year ended 31 December 1989—
 Gold Coast College of Advanced Education
 Board of Trustees of the Ipswich Grammar School
Reports for the year ended 30 June 1990—
 Treasury Department
 Stamp Duties Office
 Mortgage Secondary Market Board
By-laws under—
 Harbours Act 1955-1989 and the Cairns Airport Act 1981-1987
 Harbours Act 1955-1989
 Harbours Act 1955-1989 and the Port of Brisbane Authority Act 1976-1989
 Railways Act 1914-1989
Proclamation under the Queensland University of Technology Act 1988-1990.

BUDGET DOCUMENT

Amendment to *Estimates of Receipts and Expenditure*

Hon. K. E. De LACY (Cairns—Treasurer) (2.34 p.m.): I lay upon the table of the House an amendment to the *Estimates of Receipts and Expenditure*, Budget Paper No. 2. The amendment relates to the transfer of the Bureau of Regional Development from the Treasury Department to the Department of Business, Industry and Regional Development.

Whereupon the document was laid on the table, and referred to Committee of Supply.

MINISTERIAL STATEMENT

Gold Coast Indy Car Grand Prix

Hon. K. E. De LACY (Cairns—Treasurer) (2.36 p.m.), by leave: I wish to inform the House of the status of preparations for the 1991 Gold Coast Indy Car Grand Prix. Honourable members will be aware that last month the Paris-based motor sports controlling body FISA refused to sanction the race. However, as I have repeatedly said, the race was going to go ahead next March, with or without FISA sanction. That situation has not changed. Nevertheless, it was considered desirable that we do everything in our power to secure a sanction. We have a genuine desire to avoid an unnecessary and unproductive controversy in Australian motor sport. Our desire at all times was to enhance motor sport in Australia, not to cause problems. Further, the Gold Coast race promises to be one of the great motor sport events in the world. It was considered important that all of those people who have a genuine love for motor sport be allowed to participate in the race. I was determined to leave no stone unturned to give them this opportunity. We entered into a range of negotiations, primarily with the Confederation of Australian Motor Sport—CAMS—and also with the highest level representatives from both FISA and CART.

I would like to acknowledge the untiring and genuine efforts of a number of people closely associated with CAMS and motor sport in Australia in assisting us to reach a compromise. Unfortunately, international forces beyond our control means that we have been unable to reach a reconciliation within the time-frame available. Everything has its price, and the price for a FISA sanction was too high.

The major sticking point was the issue of whether the race would be a fully fledged round of the Indy World Series or a non-points race. At the end of the day, both the Indy car controlling group, CART, and the partners in the Gold Coast Indy Car Grand Prix Company, considered this too high a price to pay. I have decided that enough is enough. It is important that all systems be put on go for our race, which is only four months away. My decision has the full support of the members of CART.

I pay tribute to the goodwill of those people who genuinely tried to get a resolution of this impasse. I am sorry that we were not successful, because it means that CAMS will not be able to participate in our event. However, although we have not been successful in effecting a full resolution, the time and energy spent in seeking this has not been wasted because both parties now have a much greater understanding of each other's positions. This augurs well for the future.

It is now time to get on with the job. We have the world's fastest cars; we have support races; we have the organisational structure; we have the backing of the people of the Gold Coast; and we have the most spectacular motor racing venue in the world. They are all the ingredients for a successful race. The President of CART, Mr Bill Stokkan, has told me that the Indy race teams have all pledged to come to the Gold Coast for the race. The team sponsors are also eager to use the race as a showcase for their products through the television coverage that will reach more than 40 countries.

Preparations for the race are well advanced. Road improvements, which will benefit citizens of the Gold Coast in the long term, and track preparations are progressing on schedule, but already the CART specialists—who inspected the circuit two weeks ago—have given the Gold Coast track an A++ rating.

Mr Elliott: That's a bit like your credit-rating, is it?

Mr De LACY: Yes, similar to our credit-rating. That is the top international rating—in other words, the best track in the world.

As to the support events—there has been good news this week. I am pleased to inform the House that Australian motor racing identity Bob Jane yesterday signed contracts to provide the Gold Coast Indy Car Grand Prix crowd with a taste of speed with two teams of superpowered sports sedans—Nascar and Ausrac. Other events on the program include races by members of the Porsche Club and the Super Karts event. Last week, Bob Minnikin was appointed as general manager to the event. Mr Minnikin's outstanding contribution to the success of both the Brisbane Commonwealth Games and World Expo 88 make him uniquely qualified to ensure the success of this event. A large number of experienced marshals and officials have already volunteered to assist. The critical officials will come from CART.

The Gold Coast Indy Car Grand Prix has received unprecedented international media coverage because of the dispute between CART and FISA.

Mr Cooper: That is one way to get media coverage.

Mr De LACY: Exactly—more publicity than money could buy. It is now our intention to convert that exposure into ticket sales. As I said earlier this year, the State Government decided to back this event because of its potential to—

1. attract millions of dollars into the economy of the Gold Coast; and
2. promote the Gold Coast to a worldwide audience.

That still remains our primary motivation.

I would like to appeal to all Queenslanders, and to all lovers of motor sports, to get behind the event. Over recent months, a number of individuals, and a number of media outlets, have been unnecessarily negative about the race. It is time now to close ranks. We owe that to the Gold Coast, and to Queensland.

MINISTERIAL STATEMENT

Land Rental Increases

Hon. A. G. EATON (Mourilyan—Minister for Land Management) (2.42 p.m.), by leave: Today, I am proud to publicly release the review into land policy and administration in Queensland. It is the first major review of land policy in this State for 30 years and will provide the Government with the basis for a modern land policy to take Queensland into the next decade. There is no doubt that this review is long overdue. It is an indictment on previous Governments that land policy has not moved in line with this State's changing economic and social base. Instead of a clear and comprehensive Land Act, Queensland currently has a complicated and confused administration system of our greatest asset—Crown land—which is simply not acceptable. As custodians of the land, Governments owe it to all Queenslanders to ensure that its management is not open to abuse and manipulation.

Despite premature criticisms by members of the Opposition, the review committee has shown great dedication in producing a comprehensive document. I want to publicly congratulate Ms Patsy Wolfe, Mr Doug Murphy and Mr Ron Wright once again for their efforts in compiling the material. I also thank the rural communities, organisations and individuals for their input. No doubt many will have further to say about many of the recommendations, and, as the Government has already made clear, it is willing to listen.

Cabinet has already dealt with several key recommendations at its meeting in Toowoomba on Monday. As many honourable members are no doubt aware, the early scaremongering by the Opposition—claiming that this Government would use the review to stop freeholding—has proven to be false. This Government endorses the freeholding of land for residential purposes, as well as grazing homestead perpetual leases, provided that land protection criteria are met. Over the past three decades, rents for pastoral and grazing homestead perpetual leases have not kept pace with inflation and have now reached a stage where they are one-fifth of the value paid in 1970. This nominal level of rents cannot be justified or allowed to continue indefinitely. As members are aware, there is currently legislation before the House to introduce a common rental date for all lease payments. This will apply from 1 January next year. This legislation will introduce rental increases in line with those recommended by Mr H. Carter of the Land Court. The Carter inquiry was established by the previous Government and recommended that these rent increases be brought in on 1 January this year. This Government has already delayed these recommendations for a year.

It is never a good time to increase rents, but several points should be understood. The amount of rent the Government receives from pastoral and grazing homestead perpetual leases is approximately \$2.6m. Although this barely covers the administration costs, the Government recognised the importance of well-managed land and in its first Budget has allocated \$3.5m. for land care. However, the Government also acknowledges the concern in the rural community of the current economic climate. Cabinet has decided to impose a two-year moratorium on further rent increases recommended by the Wolfe report. The report has argued that all rents should be based on unimproved capital value and suggests increases for rural properties to between 2 and 3 per cent of unimproved capital value, depending on the number of living areas. Any increases after the moratorium will be phased in over three years.

This Government also accepts the need to rationalise and restructure the number of existing lease types. There are currently 22 types of leases, three licences and several permits. We intend to reduce the number of lease types to five main categories, which

will streamline their application and administration. The report has recommended a more thorough supervision compliance with lease conditions and, in certain declared areas, it has recommended that excessive aggregation be discouraged. Copies of this report will be available to the public from the Sunmap Centre at Woollongabba and all district lands offices at a cost of \$20, which will cover printing and binding costs.

The review of land policy and administration in Queensland addresses many inequities that have been allowed to develop through years of neglect and mismanagement. No longer will Queensland be subject to policy decisions based on political favours; no longer will the development at any cost attitude prevail for coastal development or any other land use.

I now lay upon the table of the House the report on land policy and administration in Queensland, and I move that the report be printed.

Whereupon the document was laid on the table, and ordered to be printed.

REVISED CRIMINAL JUSTICE COMMISSION TIMETABLE FOR RESEARCH PROJECTS

Mr BEATTIE (Brisbane Central) (2.47 p.m.): The Parliamentary Committee for Criminal Justice has received advice from Sir Max Bingham on behalf of the Criminal Justice Commission on the updated timetable for research projects. It varies slightly from the timetable of which I previously advised the House. The report on SP book-making will be available in February 1991, the report on crime and justice in Queensland will be available in January 1991 and the report on prostitution will be available in June 1991. In relation to police education and training, Sir Max advised that the new recruit training course for the Queensland Police Service is expected to begin in February 1991, and the CJC will prepare a report as soon as plans are finalised. On the issue of community policing and crime prevention, he advised that the implementation of community policing should begin soon. In the area of the construction of a criminal justice database, plans are expected to be developed by June 1991.

In general, the Research and Co-ordination Division of the Criminal Justice Commission has also begun work in the following areas—

- (1) police powers;
- (2) crime victims survey;
- (3) survey of police views; and
- (4) monitoring implementation of recommendations.

As soon as those reports are available, they will be tabled in this House.

QUESTIONS UPON NOTICE

1. Visit to Beenleigh by Minister for Family Services and Aboriginal and Islander Affairs

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

"With reference to her recent visit to departmental offices within my electorate at Beenleigh—

What did she find on her visit and what action is she taking to remedy any problems encountered?"

Ms WARNER: The honourable member has made a number of representations to me on behalf of departmental staff working in the Beenleigh office and, therefore, of course, on behalf of the people of that region who have contact with the department. At Beenleigh, I found 10 staff crammed into a space barely large enough to accommodate

half that number of people. Members of the public were waiting in the hall for their appointments. Two staff members were working on the other side of the building. In fact, their conditions are similar to those faced by too many officers in my department, whose premises have not been upgraded for many years. Far too many departmental facilities are inadequate to face the demands made on them by our increasingly busy staff. It will take a long time to remedy that very poor situation; however, we have a long time in Government to be able to do the job.

The Beenleigh office has been listed on my department's office accommodation program as a high priority for relocation. Suitable alternative premises have been identified, negotiations have commenced and that option is being pursued by my officers with all speed. I look forward to announcing the relocation of the Beenleigh office at the earliest possible date.

2. Milk-vendors

Mr BOOTH asked the Minister for Primary Industries—

"With reference to the recently announced rationalisation of milk-vendors' runs—

(1) Will he inform the House of his final decision on the matter and, if not, when can we expect the decision?

(2) Is the levy of .25 of a cent a litre on producers and processors a permanent levy and, if not, for how long will it apply?"

Mr CASEY: (1) This question is based on the incorrect assumption that the Government is controlling the rationalisation of milk-vendors. That is not the case. A rationalisation plan is being developed by the Queensland Dairy Industry Authority with the support of the entire industry. It is no secret that some vendors are in financial difficulties. The Government and the industry believe that those people should have the opportunity to leave the industry, if they so desire, with some money in their pockets. The QDIA has been requested to submit a rationalisation program to me for consideration by 31 December this year.

(2) The question of levies and their time-frame will also be addressed in the QDIA report.

3. Water Storage Sites, South-east Queensland

Mr BOOTH asked the Minister for Primary Industries—

"With reference to the decision to abandon the construction of the Wolffdene Dam and to build a number of small dams in south-east Queensland and in view of the concern expressed by a large number of land holders who believe their land will be flooded—

Will he inform the House, as soon as possible, the sites expected to be submerged so as to alleviate unnecessary concern to those who will not be affected?"

Mr CASEY: An exhaustive study of south-east Queensland water requirements for the next 100 years has been completed by the Water Resources Commission. The study has examined a range of options including water storages, enhanced distribution systems, improved water management, desalination and the reuse of waste water—all options that have to be considered in meeting demand from a predicted population of up to five million people. I will be taking the recommendations of that report to Cabinet next Monday and anticipate the public release of the Government's proposed strategy that day.

QUESTIONS WITHOUT NOTICE**Appointment of Mr M. Kinnane to Queensland Public Service**

Mr COOPER: In the absence of the Premier, I direct a question to the Deputy Premier. I refer to the Premier's comment yesterday—the Deputy Premier was here and would have heard it—that "proper recruitment and selection processes are observed when appointing staff to the public service", and I ask: is the Deputy Premier aware that the acting director of the Government's Chemical Hazards Emergency Management Unit, Mr Michael Kinnane, was the former campaign director for the Minister for Police and Emergency Services?

Mr Mackenroth: You should have asked me the question.

Mr COOPER: No. The Premier sets the standards. I am asking the question. The Leader of the House has been tearing his hair out for the past week.

Mr SPEAKER: Order! Would the Leader of the Opposition ask his question?

Mr COOPER: I will. As the Premier's selection standards for the public service have obviously been flouted by the provision of yet another job for a Labor Party hack, will he act immediately to have Mr Kinnane's appointment rescinded?

Mr BURNS: I thank the honourable member for the question. First of all, his information is wrong. Mr Kinnane has not been appointed. I am a member of the Machinery of Government committee of the Queensland Government. That committee spends a considerable amount of time considering and testing on a merit basis candidates for permanent positions in the public service. The arrangements for selection of a permanent person to take that job in the department will be handled in this way: a committee will be formed, comprising a member of the Public Sector Management Commission, the Minister or one of his nominees and a person who has expertise in that area. A number of the applicants will then be short-listed. The short list will be given to the MOG committee by the Public Sector Management Commission. That committee will make a recommendation, and that recommendation will then go to the Government. That is the way it will be handled. That has been the procedure that has been followed—

Mr Mackenroth interjected.

Mr BURNS: The Honourable Minister assures me that Mr Kinnane was never his campaign director.

Green Paper on Racing Industry

Mr COOPER: I draw the attention of the acting Premier to the widespread condemnation of the Government's Green Paper on the future of the Queensland racing industry, including attacks from prominent national trainer Tommy Smith, who called the plan "the worst thing I have ever seen during my association with the sport here", and attacks from all five principal racing clubs, which include descriptions of the plan as "horrendous", "a heap of rubbish", a "witch-hunt" and "totally impractical", as well as condemnation from the Australian Jockey Club and the Victorian Turf Club, and I ask: does he support the clearly unpopular plan proposed by the Minister for Tourism, Sport and Racing to take racing away from the people and give it back to the bureaucrats? Does the Minister for Tourism, Sport and Racing have the full confidence of the acting Premier?

Mr BURNS: Yes, the Minister for Tourism, Sport and Racing has my full confidence. I think the biggest problem with members of the National Party in this place is that they do not understand what Green Papers are about.

Mr Cooper: Oh, yes, we do.

Mr BURNS: The Leader of the Opposition has never consulted anyone in his life. In the days of the Nationals, old Joh jackbooted into the Chamber late at night, whipped a piece of legislation through the Parliament, and told people what to do. Green Papers are about consultation. A proposal is put forward and people are asked to examine it.

Mr Cooper interjected.

Mr SPEAKER: Order!

Mr BURNS: The Minister for Tourism, Sport and Racing is a very responsible and senior Minister, who has the courage of his convictions and is prepared to put a proposal to the test and let people have a say. Members of this Government do not scurry around like rats in a hole the way that members of the previous Government did for years. The Green Paper process is about consultation, and that is the way to do it. The Goss Government will continue with that consultation process. Every member of the racing industry who wants to have a say is entitled to have a say, and all views will be considered.

Mr Cooper interjected.

Mr SPEAKER: Order! I warn the Leader of the Opposition under Standing Order 123A.

Brisbane City Council Political Advertisement in *Courier-Mail*

Mr PREST: I ask the acting Premier: did he see a political advertisement in this morning's *Courier-Mail*, paid for by Brisbane ratepayers, which states that the State Government is preparing to increase rates for the residents of Brisbane? Can he inform the House of the true position?

Mr BURNS: I thank the honourable member for Port Curtis for the question. The advertisement in question states—

"To stop the State Government increasing your rates take 5 minutes and a pen."

Sallyanne Atkinson should be forced to pay for that advertisement. It is a political advertisement, run by her at a time when her popularity is starting to decline, when she has started to realise that she is in trouble. She is trying to blame the State Government.

I want to make the position clear. The current legislation in relation to valuation and rating was introduced by the Liberal and National Parties in this place. It is not the Labor Party's legislation. This morning, in her stupidity and her hurry to try to scurry away from her problems, Sallyanne forgot her own report from Gordon Chalk, a Liberal Leader in this place and a Treasurer of this State for a long time in a National/Liberal Party Government, who was appointed by her to report on the rating system in this city. It was the unanimous view of that committee, in regard to its first term of reference, that a rate levied on the value of unimproved land is an appropriate means of local government revenue-raising. The report went on to say that revenue-raising and rate-raising is the responsibility of local government, not the Queensland Government. It made the point that under the annual valuation system, coupled with increasingly comprehensive town-planning controls, there is no reason why the Valuer-General's valuations should not accurately reflect the value of all land in the city. Honourable members will recall that Sallyanne Atkinson requested that legislation be introduced in this Parliament regarding differential rating and minimum rating. The report contains the following comment—

"The Committee is very firmly of the opinion that recourse to differential rating would undermine the credibility of the valuation and rating system."

That is the recommendation of Sir Gordon Chalk, a prominent Liberal and, up until Keith De Lacy came along, the best Treasurer this State has seen. Gordon Chalk's recommendation was completely and utterly ignored by Sallyanne Atkinson.

This advertisement is a raid on the public purse. Leisha Harvey is in gaol for less than what this woman has done. Sallyanne Atkinson has her hand in the public till. That advertisement contains scandalous lies in the name of Sallyanne Atkinson. I repeat that it is a raid on the public purse.

Lodging of Application with Industrial Commission by Queensland Police Union

Mr PREST: I direct a question to the Minister for Employment, Training and Industrial Relations. In answer to a question asked yesterday in this House, the Minister indicated that he had written to the Queensland Police Union seeking urgent advice as to whether the union intended to proceed with the filing of an application to the State Industrial Commission on behalf of its members. I ask: can he advise if a response from the Police Union is at hand and, if so, has the union advised him of its intentions?

Mr WARBURTON: As the honourable member has said, it is correct that yesterday I wrote to the secretary of the Police Union—I believe I so informed the House—seeking his urgent response, on the basis that it was my clear understanding that the union was going to file an application with the Industrial Commission. The secretary of the union, Mr Mahon, was good enough to respond quickly to me yesterday afternoon, and he said—

"Every endeavour is being made to file an application before the commission at the earliest possible date, and it is expected that such application will be filed in the latter part of this week or early next week."

I would like to say that, having worked on this matter, in cooperation with the Minister for Police, for some time, the union's response to my letter is very, very welcome indeed. Honourable members are well aware that the Minister for Police has been saying for some period that that was his understanding. He has been for some period also calling upon the Police Union to make the application so that the Industrial Commission could get on with the job of hearing the claim on behalf of its members, and I am pleased to say that, as a result of what has occurred, the Police Minister's position has been completely vindicated.

HOME Shared Scheme

Mr PALASZCZUK: Will the Deputy Premier advise the House of the progress of the HOME scheme? In particular, what is being done to encourage Housing Commission tenants, especially Housing Commission tenants in my area, to purchase their own homes?

Mr BURNS: As far as Housing Commission tenants are concerned, HOME Shared is probably the most exciting part of the HOME scheme. Since the Government started the HOME Shared scheme, 1 000 people have purchased private housing through it. In fact, we have handed out about \$70m. However, last year, under the previous Government, 36 people out of the 35 000 Housing Commission tenants were allowed or able to buy their homes, and the year before it was about the same number, 34 or 35. The Goss Government intends that at least 1 000 of those tenants should be encouraged to buy the homes in which they have been living. Some of those people have lived in their houses for 20 or 25 years. They want to purchase them. Complaints are made to us about large areas containing only Housing Commission houses. The HOME Shared scheme gives us an opportunity to break those areas up into private enterprise areas by giving those people an opportunity to buy their houses. Many tenants are keen to do that and we are keen to provide assistance to them under the HOME Shared scheme.

I can advise honourable members that I have some concerns about those areas where the land is suitable for higher-density housing, such as cluster housing or flats, but in that case I am prepared to offer a tenant another Housing Commission property in the HOME Shared scheme. There will not be many properties that will not be allowed to be sold, and I think that a large number of our tenants will take the opportunity to

buy their houses and have a start in a home of their own, thus escaping from the rental trap.

The second point I make is that all of the money that will come from the selling of the shares in those rental houses to tenants will go back into building more rental accommodation. It is all earmarked to go straight back into the system. I thank the honourable member for the question. I know that he is concerned that large numbers of people in Inala, Archerfield and other areas are keen to be involved in purchasing their own home. Under the previous Government, they never had that opportunity, and the Goss Labor Government will give them that opportunity.

Rural Producers Assistance Package

Mr PALASZCZUK: I ask the Minister for Primary Industries: has he seen reported comments by the Leader of the Opposition claiming that the Government's nine-point rural assistance package is nothing but window-dressing? As Mr Cooper's statements directly contradict those of rural industry leaders, does the Minister consider that the Leader of the Opposition is engaged in a deliberate exercise of talking down the rural economy?

Mr CASEY: I am aware of comments that have been published as coming from the Leader of the Opposition in relation to the rural package announced by Premier Goss following our Cabinet meeting in Toowoomba.

Mr Cooper: It's a waste of time.

Mr CASEY: The Leader of the Opposition thinks it is a waste of time. There he goes again, just talking down rural industry. He thinks it is a waste of time this State Government making a major nine-point plan to try and put some impetus back into the rural industries of this State. The plan was not necessarily worked out by each and every one of us as individuals, but has been worked out, since we came into Government, from the constant discourse that has gone on between the rural sector of this State and ourselves as a Government. That is what is wrong with the Leader of the Opposition and the members opposite. They cannot accept the fact that rural industry is prepared to talk to a Labor Government.

We have had the situation in which, quite recently, Mr Hall, the chairman of the Queensland Farmers Federation, the nominated leader of the peak rural industry organisation in this State, was described by Mr Cooper as being a wimp because he would not come out and criticise a Labor Government. He did so because Mr Hall turned around and said, "We do not want a talk down of the industry. We want to work with whatever Government is in power for the good of our industry."

In a newspaper article, the same Mr Hall is reported as saying, following the Cabinet meeting in Toowoomba recently, that he was surprised that the Cabinet was so conversant with the rural industries' problems. Cabinet was conversant with them because of that constant discourse, which is something that the previous Government of this State did not undertake.

Mr Cooper: We didn't have to consult.

Mr CASEY: That Government took people in the rural industries for granted. It said, "They are National Party people. They should be supporting us in Government. They should continue to support us in Government, no matter what we do."

Mr Hamill: The Leader of the Opposition said that they didn't have to consult.

Mr CASEY: Yes, Mr Cooper said that he did not have to consult. He is so far out of touch that he does not realise how close the knives of the man sitting on his immediate left, the honourable member for Surfers Paradise, are getting to him. Instead, since last Monday, members of the National Party have set out on a deliberate plan to try to denigrate and pull the rug from underneath the rural leaders who were prepared to

attend the meeting and, in a history-making event, put their own case before State Cabinet. They did that so successfully and so well that the Government was immediately able to put together a nine-point package, which was compiled as a result of Cabinet's discussions with them. This Government is proud of the fact that it is a consultative Government. It is proud of the fact that it has been able to turn around and show rural Queensland that it is interested in its industries—and it is, not just because it is trying to secure votes. No-one on this side of the House said to the rural leaders, "We are only going to do this if you are going to vote Labor; if you are going to support Labor." The Government said to them, "We will support your industries because you are prepared to have this constant discourse with us." This Government is prepared to support rural industries because it recognises that rural industries do not comprise just primary producers. Rural industries also comprise packers, storemen, transport-operators, train-drivers, the people who work in the shops and the towns in rural Queensland, the teachers, the public servants and everybody else who is prepared to go out into rural Queensland and give support to this State's rural industries. That is why the Cabinet put that package in place. That is why it listened to rural leaders. That is why it acts on the advice of rural leaders. Despite the way in which the member for Roma tries to talk down the whole deal, that consultative process will be continued with the rural industries of this State. The Leader of the Opposition will not be there long.

Gladstone Special Steel-mill Project

Mr BORBIDGE: In directing a question to the Treasurer, I refer to the future of the Gladstone special steel-mill project, and I ask: is it correct that the Government has not honoured certain financial undertakings made by the Premier to the Gladstone special steel-mill consortium? Will the Treasurer ensure that all public commitments announced by the Premier are honoured by the agencies concerned, including agencies under his ministerial control? Or does he reserve the right to renege on publicly announced support for major economic development projects?

Mr De LACY: I do not know to what the honourable member is referring. I am not aware of the fact that any agencies that are responsible either to me or to anybody else have reneged on any commitments they have given. As far as I know, arrangements are proceeding—and proceeding satisfactorily—with the Gladstone special steel-mill. We will continue to do everything possible that we can to ensure that it does proceed.

Gold Coast Indy Car Grand Prix

Mr BORBIDGE: I refer the Treasurer to his ministerial statement made this afternoon relating to the Gold Coast Indy Car Grand Prix and the break-down in negotiations with FISA. I ask simply: what is the extent of the Government's financial involvement in the race? And what will be the exposure to the taxpayers of Queensland if a major race sponsor is not found?

Mr De LACY: The exposure of the State Government in this event has not changed. It has been spelled out on a number of occasions. The State Government has committed \$1m in cash and a guarantee of \$6.5m. That has not changed.

Mr Borbidge: What about Maybury's share?

Mr De LACY: I am saying that it has not changed. The honourable member has asked a question and I am answering it. I cannot see any reason why it ought to change, because the race is proceeding on the basis on which the partners signed a contract.

The second part of the honourable member's question was: how will the finances be affected if a major sponsor is not found? The finances will obviously be affected, but this race will be financially successful or otherwise on the basis of ticket sales. It is ticket sales which count first and foremost. Now that the wrangle—if that is the right way to

put it—over FISA's sanction or otherwise has been put to rest, we are still confident that we can get—

Mr Borbidge: Will you sell 120 000 tickets at \$285 a pop?

Mr De LACY: I will come to that. We are still hopeful that a major sponsor can be secured. However, whether or not a major sponsor is secured, the race is going ahead and I am still confident that it will be successful.

In relation to the honourable member's comment about how many tickets will be sold, I inform him that I do not know. However, I said in my ministerial statement that the race has in fact achieved unprecedented international publicity. I did not say that as a throw-away line. Bill Stokkan told me that no other race in history has received more pre-race publicity in the United States than this particular race. It is only a matter of turning that around and making it positive. That is what we intend to do from this week on.

Mr Cooper: How much a ticket?

Mr De LACY: I cannot remember the price of tickets. A range of tickets is available.

Mr Borbidge: Two hundred and eighty-five.

Mr De LACY: The honourable member probably would not know what a ticket costs, because he has never paid for a ticket in his life. In this case, if he wants to attend, he will have to pay. My advice to the honourable member is that he should buy a ticket, because it will be a great event.

I want to make one other point: this race will be one of the biggest things that have ever happened in Queensland, and the biggest thing that has ever happened for the Gold Coast. I fail to understand why the honourable member for Surfers Paradise, who lives on the Gold Coast, stands on the sideline, sniping, carping and criticising all the time. The way in which he is looking over his shoulder at the Liberal Party all the time to see what position it is taking in respect of his electorate is really quite pathetic.

Mr Borbidge: Answer the question.

Mr De LACY: I am answering the question. I guess that the honourable member has got the message that he has two chances of winning the next election as a National Party member on the Gold Coast.

Mr Cooper: What's that go to do with the Indy car race?

Mr De LACY: It has a lot to do with it. I presume that it explains why the honourable member will not support the race and is standing on the sidelines constantly sniping, criticising and carping.

Mr Cooper: Answer the question.

Mr De LACY: I will give the honourable member a little more advice. The people of the Gold Coast want and support the race. Whether or not the honourable member supports the race, it will be great. He can adopt two positions. Either he can get on board or swim in the wake. I do not care which position he adopts. The race will be successful without him and, for that matter, without the *Sun*.

Mr Borbidge interjected.

Mr SPEAKER: Order! I am on my feet! I warn the honourable member for Surfers Paradise under Standing Order 123A. That is enough from honourable members.

Comments by Mr T. J. Smith about Racing Reform

Mr HAYWARD: I ask the Minister for Tourism, Sport and Racing: is he aware of comments attributed to racehorse-trainer T. J. Smith and alluded to today by the Opposition Leader concerning racing reform in Queensland?

Mr GIBBS: Mr Speaker—

Mr Cooper: You look good in drag.

Mr GIBBS: The honourable member would know all about drag. His reputation is well known. How ironic it is that the Leader of the Opposition mentioned T. J. Smith! This could be truly classified as a situation of "Come in sucker!"

No-one denies T. J. Smith's excellent credentials as a very successful horse-trainer. He is recognised as a world expert. However, when debate within the racing industry rightfully centres around astute financial management, fancy somebody such as T. J. Smith wanting to come to the rescue of the racing industry in Queensland! His track record as an employer within the racing industry is highly questionable. He has extremely close connections with the Waterhouse family, which is banned from courses Australiawide for its nefarious activities at racetrack level. More recently, T. J. Smith had connections with the absolutely failed business enterprise of Tulloch Lodge in which he not only burnt his own fingers but cost investors in that company thousands of dollars that had been accrued by them personally.

In contrast to the knocking attitude of T. J. Smith, one of Australia's most prominent young trainers, namely, Paul Sutherland, wants to move his stable to Queensland because of the excellent promise that racehorse-owners and the industry have been given in this State. The honourable member cannot have it both ways. If people are looking for any credibility in statements by T. J. Smith, they have severely burnt their fingers.

Membership of Federated Miscellaneous Workers Union by Members of Parliament

Mr HAYWARD: In directing a second question to the Minister for Tourism, Sport and Racing, I refer to the attack by the member for Merthyr yesterday in this House, and subsequently in the media, on the Minister and some of his parliamentary colleagues for being members of the Federated Miscellaneous Workers Union, and I ask: will the Minister inform the House of the facts about their union membership?

Mr GIBBS: Yesterday, I was in my office when the member for Merthyr, Mr Santo "Santamaria" made those statements. Immediately, I could not help thinking that he is a random bullet aimed at himself and the Liberal Party. I am told that because he is bringing such discredit upon his colleagues and they are so concerned about his performance in this Parliament that, each morning before he comes into the House, the Leader of the Liberal Party actually grills him about what he is going to ask in the House on that day,

As to me and other members of the Government who are members of the Miscellaneous Workers Union—in 1977, I was an organiser and member of the union. When I was endorsed and elected to this Parliament, I chose to retain my membership of the Miscellaneous Workers Union. I am proud to have done that. In terms of the work descriptions covered by that union—the simple fact that I became a member of Parliament no longer allowed me to retain my membership of the union. However, the rules of the Federated Miscellaneous Workers Union contain provision for public relations officers to be members of that union. I listed myself as a public relations officer for no reason other than to retain my membership of that trade union. To suggest that there has been any illegal activity, inducements or payments is a fallacy, to say the least. For example, one could say that any chartered accountant who belongs to the relevant organisation to which chartered accountants belong acts as an agent for that organisation here in this Parliament. I make it very clear that I hold nothing against the honourable member for Merthyr because he belongs to a subversive, Right Wing, sectarian organisation such as the National Civic Council and obviously represents that organisation in this Parliament.

Mr SANTORO: I rise to a point of order. I find offensive the comments of the Honourable the Minister. I do not belong to any such organisation. I ask him to withdraw those comments.

Mr SPEAKER: Order! The Minister will withdraw the comments.

Mr GIBBS: Is the honourable member denying that he is a member of the NCC?

Mr Santoro: Yes.

Mr SPEAKER: Order! The honourable member has asked for a withdrawal.

Mr GIBBS: I am sure that organisation will be pleased to know that he has denied it. I withdraw the accusation.

Magistrates Courts in Ingham and Tully

Mr ROWELL: In directing a question to the Minister for Justice and Corrective Services, I refer to the closure of many courthouses throughout the State, and I ask: can he give an indication as to the future of the magistrates courts in Ingham and Tully and the situation in respect of the courthouses and staff in both of those centres?

Mr MILLINER: The magistrates courts have been overhauled. If the honourable member had been around in 1988, he would be aware that the previous Government engaged a consultant, Price Waterhouse, to undertake a feasibility study of courthouses. Price Waterhouse came up with a recommendation that a number of country courthouses be closed because of the lack of work that was being done in them. I refer to the work relating to the Justice Department. Less than 2 per cent of the population use our courthouses for the purpose for which they were intended, that is, court work. An announcement has been made about all of the courthouses that will be closed. Did the honourable member mention Ingham?

Mr Rowell: Ingham and Tully.

Mr MILLINER: The courthouses at Ingham and Tully are not on the list for closure, so they will remain open. In addition to the rationalisation of courthouses, the Government has undertaken a study of the services provided by magistrates. Magistrates' services have now been regionalised and magistrates will go on circuit. In addition, the Government has undertaken a review of the services provided by magistrates and is putting in place in those regions court managers to better manage the time of magistrates. Recently, for example, a magistrate told me that he had driven three hours to attend a court in a small town. When he arrived at the courthouse, pleas of guilty were entered in each case. He was there for 20 minutes. Then he drove for three hours back to the town from which he had come. Obviously, that is not a good use of a magistrate's time. The Government is putting in place procedures that will give the people of Queensland better court services.

Freight Centres

Mr ROWELL: In directing a question to the Minister for Transport, I refer to the fact that he has announced that Townsville, Ingham and Cairns will become major freight centres on the northern section of the railway system. The announcement of the closure of the freight depots at many of the centres between Ingham and Cairns is unacceptable. I ask: will the Minister give consideration to and put forward proposals for allowing centres such as Tully not only to retain staff but also to increase the service that the railway could provide, enabling the centres to compete on an equal footing? How do those freight centres fit into the aim of the National Rail Freight Corporation, which is to commence operations on 1 July 1991?

Mr HAMILL: I welcome the question from the honourable member for Hinchinbrook. I will enlighten him, because he has obviously not listened very closely in this House when those matters were more than adequately canvassed over a number of weeks. The honourable member referred to major freight centres in Townsville, Ingham and Cairns. That is no revelation. That feature of the small freight distribution network was well and truly announced in September at the Local Government Association

conference in Rockhampton. The honourable member failed to comprehend at that time—it was stated quite clearly—that the 23 centres would be major freight centres. That was a list to which other centres would be added. It is wrong and scurrilous of the honourable member to assert that freight services in other centres will not continue as a result of the very good work that has been done in analysing the small freight distribution network for Queensland Railways.

The honourable member also fails to recognise that a number of statements have been made to the effect that the small freight distribution project has no bearing on the wagon-load operations of bulk produce, grain, sugar, and so on. That project is directed towards better and more cost-effective management and the better servicing of centres, particularly in country areas, with LCL—less-than-car-load freight. If the honourable member had taken a leaf out of the books of some of his colleagues, made some reasonable representations and sought some further discussion on those matters, he would have been in a better position to ask the question that he did today. He would have known that the basis upon which he asked the question was quite wrong.

The source of the honourable member's information must be the same source as that which was the basis of the second part of his question about the National Rail Freight Corporation. Recently, during the Estimates debate, the honourable member for Flinders was looking for reds under the bed or money or fairies at the bottom of the garden when he raised the spectre of the National Rail Freight Corporation being an insidious new private-enterprise consortium that would take a hold of Queensland Railways and throttle it. If the honourable member had listened in this House yesterday when I answered a question that was placed on notice by his colleague the misguided member for Flinders, he would have realised that the basis of the second part of his question was as equally erroneous as the first. The operations of the National Rail Freight Corporation will apply to the capital city corridor. Approximately 3 per cent of Queensland's rail freight is on the interstate corridor, and Queensland will participate as an equity partner with other State rail systems and Australian National Railways in upgrading the transnational rail freight operations in Australia. No thanks to the National Party for that.

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

At 3.30 p.m.,

In accordance with the Sessional Order, the House went into Committee of Supply.

SUPPLY

Estimates—Fifteenth Allotted Day

Estimates-in-Chief, 1990-91

Treasury

Hon. K. E. De LACY (Cairns—Treasurer) (3.31 p.m.): I move—

"That there be granted to Her Majesty for the service of the year 1990-90, a sum not exceeding \$483,521,000 for General Public Services, Treasury Department (Consolidated Revenue)."

The year 1990 has been one of firsts for Queensland. It has seen the first Labor Government in 32 years and the first Labor Budget in a similar period.

The CHAIRMAN: Order! Will honourable members either leave the Chamber or resume their seats?

An honourable member interjected.

The CHAIRMAN: I warn the honourable member for Burdekin under Standing Order 123A.

Mr Stoneman interjected.

The CHAIRMAN: Order! I have warned the honourable member under Standing Order 123A.

Mr Stephan interjected.

The CHAIRMAN: I warn the honourable member for Gympie under Standing Order 123A. I shall be looking after the Committee.

An Opposition member interjected.

The CHAIRMAN: Order! Who made that statement?

Opposition members interjected.

The CHAIRMAN: Order! I ask the honourable member for Burdekin to leave the Chamber under Standing Order 123A.

Mr Stoneman: I did not say a word.

The CHAIRMAN: Order! I ask the honourable member for Burdekin to leave the Chamber under Standing Order 123A.

Mr LINGARD: I rise to a point of order. Mr Chairman, I ask you to reconsider because, obviously, the honourable member for Burdekin did not say a word.

The CHAIRMAN: Order! Who made that statement?

Mr LINGARD: We are just saying that the honourable member for Burdekin did not say a word, Mr Chairman, and I ask you to reconsider.

Mr BORBIDGE: I rise to a point of order. Are you reconsidering, Mr Chairman?

The CHAIRMAN: Order! No, I will not reconsider unless some other member is prepared to say that he made that statement.

Honourable members interjected.

The CHAIRMAN: Order! The statement made was highly disorderly, reflected grossly on the Chair and I found it offensive. I have said that, if the honourable member for Burdekin did not make that statement and if another honourable member admits to making it, I will warn that member because I have not warned him before; otherwise I will have to enforce my ruling that the honourable member for Burdekin leave the Chamber.

Mr BORBIDGE: I rise to a point of order. With respect, Mr Chairman, for no good reason—I understand that the honourable member for Burdekin did not make that comment—you would be creating a precedent today of the Opposition spokesman being effectively denied the opportunity of making a contribution to the Estimates debate because of an alleged interjection that he clearly did not make.

The CHAIRMAN: Order! I heard the interjection. As no other member is prepared to say he made it, I believe that it came from the honourable member for Burdekin.

Mr NEAL: I rise to a point of order. I did make a comment. I do not know which comment you are referring to, Mr Chairman, but if you want to reprimand me, you are quite at liberty to do so. As I say, I do not know which comment you are referring to.

The CHAIRMAN: Order! I accept that the honourable member for Balonne made that comment.

Mr Hobbs interjected.

The CHAIRMAN: Order! I warn the honourable member for Warrego under Standing Order 123A. I am making a statement and I ask that there be no more

interjections. I heard a very grossly disorderly statement made. Several were made one after the other. The honourable member for Balonne has said that he admits to making that statement. I accept that. I warn him under Standing Order 123A. The honourable member for Burdekin may remain in the Chamber.

Mr De LACY: That was a very enlightening interlude.

It is also the first time in many years that the Estimates of the Treasury Department have been debated and, incredibly, the first time ever that the Treasury has prepared a comprehensive annual report. These changes are consistent with the reforms put in place by the Goss Government to make the public sector and the Government more accountable to the Parliament and, through it, the people of Queensland.

I welcome the opportunity that this debate affords me to outline the major achievements within the Treasury portfolio in the last financial year and to foreshadow some important developments for 1990-91. The year 1989-90 was one of great change and reform. There have been some key achievements in my portfolio. Given the challenges facing the portfolio and the plans already in place to meet them, I have every expectation that continuing high levels of achievement will be sustained during 1990-91. I will outline some of these key achievements shortly. For more detail I commend to honourable members the annual reports of various offices within my portfolio.

The Treasury Department has an enviable record for serving Government and providing a high level of financial and economic analysis and advice to Government. The department has always been responsible for maintaining a sound system of fiscal management that assists Government in meeting its goals. It has justifiably been commended by the PSMC for the calibre of its staff and the advice provided by that staff. That commitment to fiscal responsibility and the high standard of advice provided will be maintained in the future.

Achievements 1989-90

Over the course of the last few years, the Treasury has moved away from a detailed prescriptive role to a more consultative, advisory and standard-setting approach—devolving more responsibility and autonomy to departments. This follows the evolving practice in the public sector across the Western World and has been reflected in a very concrete fashion in a number of areas, including budgeting and financial administration. It has also been reflected in a more subtle way—in the overall relationship between the Treasury and departments. Consultation with departments is becoming the norm rather than the exception.

Public Finance Standards

During 1989-90, these changes in emphasis culminated in the promulgation of the Public Finance Standards. These Standards came into effect from 1 July 1990 and represent a movement away from a prescriptive role for Treasury to a one of standard setting. In line with this consultative approach, these standards were adopted only after the release of an exposure draft in January 1990, which ensured the widest possible consultation with departments, statutory bodies, relevant professional and academic bodies and other interested groups. The standards set forth policies and principles to encourage and ensure that good management and accountability practices are developed and applied in departments and statutory bodies. The standards are based on a number of fundamental features: a system of program management; strategic planning; user-charging; and annual reporting. These standards are an Australian first. In keeping with its more open focus, the Treasury has also developed a stronger external focus. There are several critical examples of this. I have mentioned briefly the annual report.

Annual report

While the Treasury has always produced a range of documents dealing fairly specifically with the Budget and financial administration, it has never produced an annual report detailing its own achievements and objectives. This is a quality document and I urge members to read it.

Queensland Economic Review

In addition, in May 1990 the Treasury produced for the first time the *Queensland Economic Review*. The review provides data and analysis on the Queensland economy and finances. It also provides articles on areas of special interest. It is widely circulated and provides an informed, objective analysis of the economy—an area totally lacking under the previous Government. The September quarter edition will be available later this week.

Communication with the business community

There has also been substantially improved communication and interaction between business leaders and senior Treasury staff. Business is no longer conducted on the basis of who you know. Communication is now an ongoing process and broadly based.

Program management

During 1989-90, the Treasury has also maintained a lead role in the implementation of program management across the public sector. Program management was formally introduced into the State Budget process last financial year. During that time program structures have been further refined and clarified. Some performance evaluation has also commenced. This is the vital next step and I shall talk in more detail later about the direction for program management in 1990-91. Without the link to performance measurement, program management is simply another method for recording information. In keeping with Treasury's consultative focus, there will be emphasis on encouraging departments to develop their evaluative skills in-house.

Major projects

Activity in this area over the 12 months has been particularly high with the confirmation of a number of significant projects that will add substantially to the State's economic well-being.

In particular, an authority to prospect has been issued for the Ensham coal project. Several other new mineral projects were confirmed including Gordonstone, Jellinbah East, central Queensland magnesite projects, the Queensland magnesia project and MIM's Hilton mine development. In association with its involvement with these projects, the Government's mineral rail freight policy is under review.

The department has also been responsible for two new areas of activity during the year that are specific initiatives of this Government.

Foreign Investment Secretariat

The Foreign Investment Secretariat was established to assist with the development and implementation of Government policy in relation to foreign investment. The secretariat has already published a booklet outlining the Government's guidelines for foreign investment in Queensland. Overall the approach of this Government is to achieve an appropriate balance in investment by encouraging value-added foreign investment and opposing speculation in land and land banking. Over 2 000 copies of the booklet have been distributed in Australia and overseas. The secretariat has already dealt with about 100 individual investment proposals. In only a very small number of cases has a proposal been opposed, and in only one case has our view been at odds with the decision of the Commonwealth. Expenditure on the economic development program, which includes both the major projects area and the Foreign Investment Secretariat was \$3.674m in 1989-90, and is expected to rise to \$5.141m in 1990-91. Staffing numbers are expected to increase from 42 to 53.

Ministerial Expenditure Unit

The Ministerial Expenditure Unit was established in February 1990 to overcome the recognised excesses and abuse of ministerial expenditure under the previous Government. The unit is charged with the administration of Cabinet approved guidelines

for the financial management of Ministers' offices. It has run training programs for ministerial staff and spent time in developing a positive working relationship with these offices. Total expenditure managed through the unit is expected to be \$11.994m in 1990-91.

Outlook 1990-91

I will now turn to the future of the department. Again, I will mention some of the department's specific objectives for the year. In addition, I also propose to make particular mention of the recent report of the Public Sector Management Commission into the department.

Budget process

This Government has already made substantial changes to the Budget process in order to make that process more meaningful to both the Cabinet and departments. These changes were made to enable the Government to more clearly examine current policies and programs and the options that existed to improve service delivery. Having been elected with a mandate for widespread reform, it was imperative that we started work immediately to implement such reforms. Of course, overlaid with this has always been this Government's strong commitment to responsible fiscal management. The 1990-91 Budget could not simply represent an explosion in spending to initiate the reforms that the people of Queensland wanted. Changes to expenditure had to be accommodated within available resources, which meant major review of all programs at all levels. The existing Budget process might have been adequate for the National Party's hit-and-miss methods, but it was clearly inadequate for our purposes.

During this financial year the process will be further refined to make it more effective in preparing the 1991-92 Budget. Revised processes will generate better information to enable optimum allocation of resources at all levels, but particularly at the macro level. There will also be improved consultation between departments, which will include the development of guidelines and encouragement of practices such as user-pays and revenue-sharing. Forward estimates of expenditure will also be available for the first time to enable better planning of Budget strategy. I anticipate taking a major submission to Cabinet soon on the future course of Budget preparations.

Clearly, in the light of these changes there will need to be significantly expanded use of technology. For these and other reasons, the department's information technology strategy will be substantially updated during the year. To complement the new Budget process, the emphasis within program management during the year will be on developing program evaluation and performance indicators. Program management will also be more closely integrated within the Budget process. Expenditure on the fiscal management program, within which the Budget is prepared, is estimated at \$6.466m in 1990-91, an increase of 16 per cent on the 1989-90 Budget estimate, but only 2 per cent on the 1989-90 outcome of \$6.398m. Staffing numbers are expected to grow from 71 to 82 in this area.

Government-owned enterprises

During the year, Treasury will work with the Premier's Department and PSMC, as well as affected departments, in developing and implementing the Government's policy on Government-owned enterprises. A Green Paper was released in September. I take this opportunity to remind those interested that the closing date for public submissions is 30 November. After that date, Cabinet will assess the proposals again in the light of those public submissions. Any necessary legislation can then be prepared, and potential candidates for GOE status will be identified. Ultimately, the policy will encourage and generate more effective operation for these enterprises with an improved return on assets to the benefit of all Queenslanders. For too long, these enterprises have been allowed to drift. They have had to tolerate political interference in their operations at all levels. They could not be expected to maintain a commercial focus or profitable operations under these slapdash rules. Political interference in the day-to-day operation of such

enterprises—which has been seen all too often in the past from members of the Opposition—will not be condoned. Under Labor, GOEs will be commercially focused and will have autonomy in their day-to-day operations. In return, they will be strictly accountable for meeting their performance targets.

Non-bank financial institutions

Treasury officers played an important part in supporting the Brady inquiry into non-bank financial institutions. The report of the committee will require careful consideration and evaluation before the Government decides on a course of action. This Government also took the lead on this issue at the recent Special Premiers' Conference in Brisbane. As a result, Queensland will chair a working group of Commonwealth and State officials to develop specific proposals based on—

- a system of State-based prudential supervision;
- national coordination of high uniform standards; and
- industry-funded liquidity support mechanisms.

While the activities of the national working group are important, these will not delay the reform of the Queensland non-bank sector.

Special Premiers' Conference

The Special Premiers' Conference provided an important first step in much-needed reform of Commonwealth/State relations. All States and the Commonwealth are committed to significant changes in our financial relations and to a process of micro-economic reform.

In addition to the lead role taken in relation to reform of NBFIs, the Queensland Treasury will also be closely associated with working parties formed to consider issues such as—

- the review of tax powers, with a view to reducing vertical fiscal imbalance;
- the review of tied grants; and
- the reform of Government trading enterprises.

There will be a number of other working parties formed to deal with a variety of other issues, such as regulatory reform and functional overlap. While the Treasury will not necessarily have a direct input to these working parties, it will maintain a watching brief.

New Government superannuation scheme

The Government Superannuation Office will continue its moves to extend the new public sector superannuation scheme to all employees on an optional basis from 1 July 1991. This new scheme is considered more appropriate for the demands of a modern work force. The scheme was designed in consultation with public sector unions and has the full support of those unions. There is equal employer and union representation on the board of trustees. These are just a few of the specific activities that will be undertaken in 1990-91. I will now turn to the PSMC review.

PSMC review

A major focus for the department will also be the implementation of the PSMC review into its activities, which was finalised in October 1990. The Premier has already indicated to the Committee the Government's acceptance of the major thrusts of this report. As I have outlined, major change was already under way within Treasury. The PSMC review has provided a catalyst to accelerate and focus this change process, and to extend it across other areas of the department. I am pleased to report that the PSMC found that generally staff were highly motivated and professional. The commission found that the department had a consistent record for providing high quality financial and economic advice. In particular, the Queensland Treasury Corporation was well regarded as a highly professional organisation, whose operation provided significant

benefits to the State Government. There are, however, some specific areas in need of attention.

Budget

Firstly, I turn to the Budget area. I have already mentioned the reform of the Budget processes that was occurring independently of the PSMC review. These moves were endorsed by the commission, who recommended significantly enhanced resources for this area. A new Budget Division has been formed. As well as existing activities, the division will be responsible for implementing major changes that I have already outlined.

Financial management

A new Financial Management and Systems Division is also being formed. The division will incorporate and provide a much-needed expansion and higher profile to the role of developing the modern systems of financial management that are so essential if real accountability is to be further enhanced.

Office of State Revenue

As announced in the Budget Speech, a new Office of State Revenue is also to be formed by amalgamation of the existing Land Tax and Stamp Duties Offices. This action was endorsed by the commission during the course of its review, and moves are well under way to amalgamate the offices. I expect an appointment to the position of executive director will be made in the near future. The office will incorporate some taxation functions previously undertaken by Treasury and will become a division of Treasury. It will be a more efficient and professional organisation—closely linked to the Treasury, and with an expanded client focus.

Queensland Treasury Corporation

The PSMC commended the Treasury also on the establishment and operations of the Queensland Treasury Corporation. It has been a leader in its approaches to the capital markets and in the far-sighted approach it has taken to both debt management and investment strategies. However, both Treasury and the PSMC agreed that the current organisation structure and certain management practices of the QTC were in need of substantial improvement. In general, their concerns related to the dual responsibilities of senior officers—that is, both Treasury and QTC responsibilities—the management structure of the organisation, and the fact that the corporation is not clearly perceived to be operating at arm's length from Treasury.

Comments by credit-rating agencies have highlighted the fact that the QTC in its current form, with a multiplicity of functions, is not well understood by the markets or the public at large. The need to distance the operation from Treasury is particularly important for the Investment Division, which manages and invests superannuation funds. This operation must be—and be seen to be—clearly independent of any Government influence and primarily concerned with the return on investment provided to investors. Similarly, the debt management function must be clearly separated from the investment function, and its decision-making will be premised on what is best for the State's financial position.

Two distinct entities will emerge from this restructure. The first is the existing QTC, which will deal with liability management and capital market responsibilities. It will continue to operate as a central borrowing authority with the Under Treasurer as corporate sole but with greater operational independence from Treasury, including staffing practices more appropriate to a commercial operation. A capital markets board will be retained and an independent officer appointed to head the operation. A new organisation, separate from QTC, is being established to undertake the investments function. It will be based on the current QTC investments board, which will become the corporate sole for the investments function. A full-time chief executive officer will be appointed to manage the day-to-day operations and be responsible to the investments board. Each body will operate at arm's length and be seen to be independent in its operations. The

separation will allow for objectives of each organisation to be clearly identified and for appropriate targets to be set. Each organisation will have its performance monitored by Treasury and by external experts as appropriate.

The restructure of the QTC is another important element of the Government's continuing reforms of the operations of Queensland's public sector, particularly improvements in the financial management of this sector. It will clearly improve the accountability, public understanding and, ultimately, the performance of these important organisations.

Economics and commercial policy

The remaining commercially oriented activities of the department, including the major projects and capital markets branches, will be amalgamated into a new economics and commercial policy division. This will provide a tighter focus for these activities in the future. Again there will be increasing consultation with both departments and outside bodies in the activities of the division.

Office of the Under Treasurer

An office of the Under Treasurer will be formed to provide a formal conduit for all subdepartments as well as incorporating departments' legal services, internal audit and Cabinet legislation and parliamentary liaison functions. Subdepartments will continue to operate autonomously. However, this arrangement will provide these subdepartments with a single point of contact with the department, which should streamline this contact and overcome problems in the past with communication. Delegations to these offices will also be provided to enable them to act autonomously.

Corporate services

The Corporate Services Division will lose activities peripheral to its core activities. This will enable its energies to be concentrated on implementing the new performance management program, the information technology strategy and a number of other key support functions. The division will have a particularly significant role to play in enhancing and implementing the total department's information technology strategic plan with major expansion of this activity within the office of State revenue and Budget Division particularly.

Golden Casket Art Union Office and Casino Control Division

The PSMC also commended the Golden Casket Art Union Office and Casino Control Division for its achievements. Those offices will continue to operate autonomously in the future.

Implementation

A task force has already been set up to implement these recommendations and is working well. Its first target will be to prepare a work plan by the end of December. All areas of Treasury are looking forward to the future embodied in the report in a positive way.

Regional development

One outcome of the PSMC reviews into both my portfolio and that of the Department of Manufacturing and Commerce has been the transfer of responsibility for the Bureau of Regional Development from Treasury to the new portfolio of Business, Industry and Regional Development. The bureau is in its infancy and, while it has been within my portfolio, it has achieved a significant amount. The initial phase in the development of a regional network has been completed, with offices in Cairns, Mackay, Townsville and Brisbane officially opened. A policy and research unit and an administrative support section have also been established in Brisbane. Work has been initiated on a number of projects including the Wide Bay/Burnett region, and lower Burdekin and the State Government's regional economic development programs. I would have to admit to

mixed feelings about the transfer of the regional development function. Naturally, there is a certain sadness about the end of my formal involvement with regional development policy, which dates back many years. However, it makes good sense to locate all regional economic development activities together within the one department. I wish staff of the bureau every success in their endeavours as part of their new department.

Conclusion

In conclusion—1990-91 will be an exciting year for the Treasury. I have no doubt that the staff of the department will rise to the challenge in their accepted way. By the end of the financial year, I look to having a more modern, focused organisation which will continue to provide the high standards of advice and service for which it has been recognised throughout Queensland and justifiably commended by the PSMC. This blend of strong, independent advice and modern management techniques will help develop a Treasury which will continue to provide the underpinnings for this Government's program for reform, financial responsibility and economic development.

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

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

Mr STONEMAN (Burdekin) (4 p.m.): In rising to speak in this Estimates debate, I pay tribute to the officers of the Treasury Department, the Queensland Treasury Corporation and the various instrumentalities incorporated within the Treasury Department. One of the greatest tributes that one can be paid—and I say this proudly as a member of the former Government—is the copying by this Government of so many of the initiatives of the previous Government and its continuance of them. This Government has finally understood the wisdom of those initiatives that were put in place in partnership over the years and particularly with the assistance and the advice of the Treasury officers. It is with a great deal of pride that I note that the Treasurer endorses those initiatives, even though he does not do it as fully as I might do. I join the Treasurer in acknowledging the work, the professionalism and the dedication not only of all those people who make up the Queensland Treasury Corporation and the Treasury offices but also of those people who from time to time assist in various ways in maintaining the good economic structure of this State.

Today, I want to focus on the economy and the signalling processes being adopted by the Government, which, to date, have been generally foiled by the professional operations of the Treasury officers. Quite frankly, the signals are there, loud and clear, that this Government needs to be kept under control, that it needs to be minded to the nth degree. Unfortunately, as has been seen in Victoria and other States, regardless of the professionalism of the Treasury and those people who guide Treasury generally, Governments that seem to have social justice pre-eminent in their deliberations and focus on that inevitably cause the economy of the State to crumble. It is sad that honourable members have to ponder that attitude this afternoon.

I want to make a couple of general comments. I do not propose to go through each specific point made by the Treasurer, as I think that he gave enough detail. As I have said, I believe that there is a need to focus on some of the management processes. Prior to the State election, the Queensland Labor Party was distributing widely a document called *A State of Siege*. That document was a detailed economic report on all States prepared by the Evatt Research Centre for the Australian Public Service Federation. It found that by almost every economic indicator, Queensland was performing below the national average. This is the document that the Labor Party used to expose the so-called mismanagement of this State over the years. I think it is very important that honourable members focus on that document in this debate. For example, it criticised the lack of economic direction by the conservative Queensland Government when compared with

the economic direction of other States. It can only be said that that was claptrap that the Labor Party of the day was promoting, and unfortunately it was believed by a number of people in this State.

I congratulate the Treasurer not only on the annual report of his department, which I have not yet had time to study fully but which I am sure is a commendable document, but also on the quarterly economic reviews that are published by his department. They are excellent publications and are certainly of great use to the people of this State, particularly members of this Parliament. In the quarterly economic review for the March quarter, the Treasurer said—

"The Queensland economy generally was faring better than Australia as a whole in several areas."

I must say that the Government Statistician's Office deserves congratulations for the excellent work that it does. As I said at the outset, in spite of the attitude adopted by the ALP Government in this State, so far the professionalism of those Treasury officers has been able to foil what might otherwise be a very damaging situation. Honourable members are aware that that damaging situation is in train now.

Prior to the election, the Treasurer said that all the economic indicators were that Queensland was performing below the national average, then when Labor really got into the nuts and bolts of government, it discovered that this State was performing above the national average, and the Treasurer continues to promote that. Unfortunately, his attack, which was designed to sever the link between the past operations of the Treasury Department, the Queensland Treasury Corporation and all of those entities that were set up by the National Party and conservative Governments over the years, was foiled. In fact, he has had to acknowledge around the countryside that over the years the Queensland economy has been very well managed—outstandingly managed. Prior to the last election, following the Treasurer's quite outlandish statements, the National Party said that the Evatt document was a political document and, quite frankly, that was true. The Evatt research is thoroughly discredited. It was nothing but political connivery and chicanery to cover up the foul state of the Victorian and Western Australian economies and to stop the ugly truth about debt and financial mismanagement coming under scrutiny before a Federal election. That is the long and the short of it.

Over the years, the Labor Party has had a coterie of academics coming out of the QUT and Griffith University who could be relied upon to come up with interesting statistics to prove its case. In saying that, I remind the Committee and the Treasurer that there are lies, damned lies and statistics. The Treasurer of this State still believed this fairy stuff when he got his maths and theory wrong about the State debt. It is important to remember that position, because during today's debate honourable members should remember that it is not very many months ago that the Treasurer was standing up in this place and damning the structures that had been put in place, with the assistance of the Treasury Department, the corporation and the other bodies within the Treasury Department whose praises he is now singing. The public need to understand that there is a professional group of people in the department who should not be damned by the insertion from time to time of cronies from the QUT and Griffith University and who should not be damned by association with this socialist Government. In fact, the Treasurer "exposed" Queensland's debt six months too late. It was printed in the Budget papers of 1989, as all honourable members found out. During the last election, the figure used was \$15 billion, but then the State's public sector debt was identified as \$12.06 billion.

Who can ever forget that marvellous front-page headline of Wednesday, 7 March 1990, stating that Queensland was going broke—" \$13.5 billion State debt uncovered". I think that honourable members, particularly those on the Government side, would have to agree that that was a deceitful effort that will hang around the head of the Treasurer and the Government for many months to come. I was going to say "for years" but, fortunately, it is only two years until an election when that position will be corrected.

The Treasurer stated that the previous National Party Government perpetrated three great myths—the balanced Budget, the low debt and the strong investment. Those three myths have all been discovered to be three undisputed facts. They are undisputed because they have been praised by all economic commentators throughout the nation. The Treasurer's statement has gone down in the history of this Parliament as the great myth.

I turn to the Address in Reply debate of 7 March, when the Treasurer, in his opening remarks, stated—

"Today I have to tell the Parliament and the people of Queensland that we have been the victims of three great myths. We have been misled.

For many years successive National Party Governments have misrepresented the truth and perpetrated the following three great myths—

- the balanced Budget myth;
- the low debt myth; and
- the strong investment myth."

He then went on to say that he had no hidden agenda. Further on, after an interjection when he said that he would not debate the former Premier, Mr Ahern, on TV, he stated—

"Queenslanders now need from their Government some straight answers to some very basic questions. These are the questions I am going to answer today."

These are the questions that brought forth that headline and the famous "Donald Duck" editorials—

- "
- How good is Queensland's economy?
 - How much has the State Government borrowed?
 - Is our Budget really balanced? and
 - What does this mean for Queenslanders?

The Government needs to set the record straight. Queenslanders need to know where they stand."

The fact of the matter is that Queenslanders have known for years where they stand in economic management terms. They have known without any shadow of a doubt that this State's economy has not only been well managed, but it in fact has been going upwards all the time. The problem is that the Treasurer has been trying to create the illusion that the previous National Party Government was a bunch of mismanagers and that suddenly, in the space of a couple of months, the economy had been turned around by the Labor Party in this State into a well-managed economy and one that was going to go forward.

Quite frankly, the Treasurer was an embarrassment to his office and to his department, and I cannot bear to think about those poor people out in the lobby who had worked so hard for so long on behalf of the people of this State and who had to sit back, not saying a word, and cop this. He was an embarrassment to this State and, sadly, made a laughing stock of all Queenslanders. I believe that that was a sad situation. Such was the Treasurer's embarrassment that he got rid of the personal staff who had helped him to concoct the myth. Honourable members should remember those sackings. If he had taken Treasury advice, he would not have ended up with the nickname "Daffy Donald Duck" De Lacy. They are not my words, but the words of the editorial writers and the pundits around this nation.

Government members will not like this, but it is a fact. A further embarrassment for the Treasurer was the great media lock-up, Canberra style. Honourable members will never forget that. The businesspeople and the investors in this State remember it, and they are watching, wondering and waiting to see when this man is going to be moved from his portfolio. What was secret about a public debt of \$12 billion which the Federal

Treasurer, Paul Keating, six months earlier, had praised as being economically responsible? It is clear that the Labor Party suffers from selective and endemic amnesia.

The Budget surplus myth was blown away by the Treasurer having to face reality when attending the Premiers Conference as the State with a Budget surplus. A few months earlier, the Queensland Premier and the Treasurer had gone to Canberra and said that the State was broke, that it had no money because it had been mismanaged, and then they returned with a Budget surplus that was recognised around the nation. Revised figures by the Australian Bureau of Statistics showed that Queensland had a \$4m surplus.

This Government had another shock-horror announcement for the people of Queensland--the State had an underlying Budget deficit of \$180m. Honourable members will remember those headlines. There were more headlines to come. The truth of the matter is that this Labor Government's own Budget papers showed that there was actually an excess of receipts over expenditure of \$11m. The Treasurer's credibility has suffered greatly in his bid to discredit the previous Government's fiscal responsibility. I acknowledge that he is starting to discover the terminology. He is starting to discover that the programs carried out in the days of the National/Liberal coalition Governments, and then when the National Party governed alone, were done correctly and on the sound advice of officers well versed in the economic and financial sphere.

In an article headed "Postscript" in the *Business Review Weekly* of 5 October 1990—

Mr Hayward: When are you going to talk about the Estimates?

Mr STONEMAN: I am talking about the economic management of this State. Because the Treasurer took exception to a previous edition's lead story on Mr Nick Greiner, the Premier of New South Wales, he wrote a letter, which was given the heading "Pacy De Lacy keeps in step with Slick Nick". Part of the Treasurer's letter stated—

"In a comparison of the financial performance of the states, the Commonwealth budget papers note that Queensland has the lowest net debt as a share of gross state product, the lowest proportion of the total debt held by the general government sector and the lowest net in interest payments as a proportion of gross state product."

It is now less than a year since the Labor Party assumed power on 2 December last year, and eight or nine months after the Treasurer has taken over the real reins. The letter continues—

"The Queensland Government is the only government in Australia (including the Commonwealth) to have fully implemented a financial strategy based on . . . three key elements . . ."

One element was full actuarial funding of long-term liabilities such as superannuation, workers' compensation and motor vehicle third-party insurance. That has been one of the foundation stones of the management of this State by National Party and conservative Governments for more than three decades. That was the basis of all the things that those Governments did. Yet Mr De Lacy, the Treasurer, claims that he has discovered and implemented a new-found fiscal responsibility which, all of a sudden, has brought this State great wealth.

The second element was funding of social capital assets, such as schools and hospitals, from recurrent revenue. What is new? That is the second great basic foundation stone. The third element was raising of debt only for assets that can effectively generate the income for servicing the debt. Discovery, discovery! Isn't it marvellous? In his same letter, the Treasurer upbraids Moody's for making a comment that is the basis of my comments this afternoon. In the *Business Review Weekly* of 17 August 1990, an article headed "Slick Nick shows the way" raised some doubts that Moody's had about the Queensland economy. The article stated—

"But Moody's was more cautious in its assessment of the outlook for Queensland. The report says: 'The Goss Government intends to raise the level of state

spending on such public services as education and health that do lag seriously behind other states. Premier Goss has promised not to raise total taxes and charges as a share of GSP. Other states have made that pledge, but they now face declining revenues because of the current economic slowdown and cutbacks in Commonwealth financial assistance. It remains to be seen how Queensland will adapt to this more stringent fiscal environment.' "

I endorse those comments. They are correct. They are the basis of the comments I am making today.

Despite Labor's past claims, Queensland is the low-tax State. Using the Commonwealth Grants Commission definition of State taxes, Victoria, as a result of Labor's policy, will continue to be the highest-taxed State in Australia in 1990-91. Residents in Victoria will pay more than \$1,200 each, which is \$80 more than the amount paid by New South Wales residents, who have had only two years of the Greiner/Murray Government to try to turn around the horrific state of affairs that was left by the debacles of the Wran/Unsworth Governments. Victorians had the second-highest increase in taxes of any State in 1990-91—a 16.3 per cent increase. This was exceeded by South Australia—where another Labor Government rules—which had a massive 18.2 per cent increase. The people of this State must be wondering when similar occurrences will start to occur in Queensland. They know that, with a Labor Government, the script in Queensland is the same as it has been elsewhere. They can see the signs. In Queensland, the per capita State debt is \$727. I am pleased to say that the percentage increase of 7.5 per cent was the lowest of that of any State. Queensland has consistently had the lowest debt-servicing ratio—that is, net interest as a percentage of total revenue. That ratio has been 4 per cent, compared to Victoria's 19.3 per cent. A major reason for Victoria's high debt-servicing ratio is the large amount of net interest paid by public trading enterprises. The people of this State should remember that John Cain was the stated hero of Wayne Goss. Victoria had Cain, we have got Wayne. I do not believe we should be very pleased about that.

Mr FitzGerald: He will do for Queensland what Cain did for Victoria.

Mr STONEMAN: Exactly. John Cain has gone. If the people of this State wait the eight years that it took the people of Victoria and John Cain's own party to discover what needed to be done, this State will be in the same parlous situation.

All the praise heaped on the former Government's head for being a sound economic manager may have been a bit hard to handle, but I am told that, when the Treasurer went to Canberra, he swaggered around his indebted mates as if the Budget surplus was his own. Remember the messages coming out of Canberra? The Treasurer said to them, "You guys should understand how to manage. Come up to Queensland and we will show you how it is done." He was swaggering on the record of conservative Governments over the previous 30-odd years. This Treasurer has increased 572 charges by more than the inflation rate and has thus broken Labor's election promise not to do so with any fees or charges. It is all very well to talk about averages. Some of the increased charges included increased ambulance registration fees of up to 250 per cent.

Recently, a prominent farmer in my electorate rang my office—I was not in attendance to take the call personally—and spoke to my secretary, who reported to me that he had just received his registration renewal notice for his 24-tonne truck, which he rarely drives off his farm. Previously, the registration fee was \$122 a year. Only once in a blue moon would he drive that truck off the farm and onto the road, and then only for about six or eight kilometres. His registration has now increased by more than \$600. As a result, he is now paying about \$780 or \$790. If that is not an increase above the rate of inflation, I am not here. These are the sorts of things that will come back and bite the Treasurer. This is the reason why he and the Premier are going through the charade of trying to con people in primary industry in this State into believing that the Government is doing something for them. When they read the small print, they will discover what is really happening.

Although the Treasurer strongly criticised foreign investors, he could not get on the aircraft fast enough to borrow money from Japanese credit institutions to be used for infrastructure works and to refinance existing loans. This Labor Government has done precisely nothing to earn Queensland's AAA rating. In fact, as I said earlier, it has raised a question mark with Moody's, which will continue to focus on this Government's performance.

For many years, the Labor Party ridiculed and belittled every endeavour of the previous National Party Government. Everything that Government did was seen to be for cronies and for propping up big business. Yet when the truth comes out, the fact of the matter is that the management institutions, management processes and management practices adopted by the previous Government have been proved to be the soundest basis that any State Government in this nation has ever had.

Labor's move to lower land tax is a myth. That issue will be debated in more detail at a later stage. Some businesses in the Treasurer's electorate have suffered land tax increases of more than 110 per cent. Representatives from those businesses have told me that they do not like that. Labor's many foreign investment policy stances have done much damage to Queensland and the nation. I remind honourable members that, for the benefit of the international market, the Prime Minister and the Treasurer had to take foreign investment policy out of the hands of this State Government. I ask the Treasurer: what will be the State Government's advice to the Foreign Investment Review Board's memorandum about the proposed sale of two leading Brisbane landmarks? I refer to two hotels, namely, the Parkroyal Hotel opposite the Botanic Gardens near Parliament House and the Mayfair Crest International Hotel, which are the subject of sale to foreign investors. Because those hotels are not within the Treasurer's electorate, not one word has been said about that sale. The Federal Treasurer and the Prime Minister rapped this Treasurer's knuckles and said, "If you do that again, you will bring the whole place crashing down around our ears." There is no way in the world that members of the Labor Party are not hypocrites.

I remind honourable members that the Treasurer fell out of favour with his fellow traveller the Federal member for Leichhardt, Mr Gayler. On television and in newspapers across the nation Mr Gayler said, "These guys have gone bonkers." That is the investment climate within which the Treasury Corporation, Treasury offices and other institutions must try to maintain stability while wearing the rhetoric and knowing the damage that that is doing to Queensland's reputation around the nation and the world.

The Treasurer bungled the Greenvale project investment. We do not know whether there is an investment there. We do not know whether the ore will come in or how it will come in. Queensland Nickel does not know. One of the ways in which this Government is trying to increase its revenue is by applying pressure to Queensland Nickel through the Railways to close down the Greenvale project ahead of time so that the Government can tear up the railway track and sell it for scrap. That track cost the people of this State not one dollar, and I understand that \$12m could be gained from that sale. That railway line, which could be a major part of the development of north Queensland, is under threat. I challenge the Treasurer to deny that and to give an assurance that the railway line will be left in place and utilised for other services, otherwise another line will never be built there.

As I said, the Treasurer bungled the Greenvale project investment against the advice of the joint venture partner. I remind honourable members of the Auditor-General's report, which states that taxpayers could lose most of the \$176.6m invested in the Greenvale nickel project. On this issue, the Treasurer had selective amnesia. He tried to blame the former National Party Government for the Auditor-General's comments. When in doubt, what will this Government do next year? I suppose that the National Party will still get the blame. If the Treasurer cannot blame the National Party for a bungle, I do not know what he will do.

The fact is that, in the Parliament, the Labor Party supported the debt-for-equity swap and then blamed the Auditor-General. The only problem with the Greenvale

project is the Labor Government's dithering over port development to bring in overseas ore for processing. Although that project could be one of the great, value-added structures that this nation could ever see—and a first for Queensland—the Treasurer and this Government are dithering. Queensland cannot afford that. Those wonderful Treasury officers who have been so supportive of this State over the years must be wringing their hands and wondering how they can work their way through this.

Mr Borbidge: The apparatchiks are in charge.

Mr STONEMAN: Exactly. The QUT and Griffith University academics are in control. The Government's paralysis on the issue has put the \$176m investment in Queensland Nickel in jeopardy simply because it cannot make up its mind. Will the Treasurer advise the House of the economic status of the project and what this Government is doing about a facility to import iron ore? The Treasurer should stop dithering and being Sir Humphrey and get on with doing what the National Party has been advocating for the past 12 months and certainly for the 30-odd years before that.

I note that the Treasurer was sorry to lose the Regional Development portfolio. Perhaps that department will go somewhere, but I fear that it is going right down the gurgler and that the Treasurer is jumping off before it does that. That portfolio has been given to the hapless former Minister for Manufacturing, Commerce and Small Business, Geoff Smith, who got rolled in Cabinet over the North Queensland Enterprise Zone. How can that Minister support projects that come within the Regional Development portfolio? During such difficult times, he will get rolled again.

While I am speaking about the Labor Party's disease of selective amnesia, I remind the Treasurer that he said that the cost escalation factor could delay reforms of the EARC, the CJC, the Public Sector Management Commission and the Cooke inquiry. In July 1989, former Premier Mike Ahern said that the cost could be between \$85m and \$100m. It was built in. The cost of the Fitzgerald and Cooke reforms was public knowledge. However, it seems that the Treasurer remembers the vow of forgetfulness in order to help his political nous or his lack of it. I note this Government's failure to privatise Comalco. For many years, the Comalco project will be like an albatross around the Treasurer's neck and, sadly, around the neck of this State.

The Government lost the multifunction polis. The policy of the Labor Party was to move Queensland towards technological excellence. In its first year in office, the Labor Party did not achieve one gold star—not a star of any type. Although the spaceport was to be the vehicle for the Labor Party to blast Queensland into the twenty-first century, it has not left the launching pad. When the Government continually takes a soft approach, investment and job opportunities dwindle and the economy of the State begins to decline. The agenda for social justice before anything else will overcome Queensland. As I said, Victoria had Cain; we have Wayne—God help us!

Mr DAVIES (Townsville) (4.31 p.m.): It is my pleasure to support the Honourable Keith De Lacy, Treasurer and member for Cairns, in the debate on the Treasury Estimates as part of the overall parliamentary appropriation process. It is a pleasure to participate, because the underlying four broad principles of the Budget underpin these Estimates. Those principles are: no new taxes; a zero net financing requirement in the general Government sector, which is effectively a balanced Budget with a surplus predicted of \$30m; full funding of the State's superannuation liabilities and full actuarial funding of workers' compensation and motor vehicle third-party insurance liabilities; all spending on social assets such as schools and hospitals to be funded from recurrent reserves, not by borrowing; and borrowing to be undertaken only for assets that can generate effectively an income stream to meet debt-servicing requirements.

The honourable member for Burdekin, the shadow Treasurer, must be looking at the wrong Budget. In an article in the *Australian*, Matt Robbins stated—

"The Budget handed down by the Treasurer, Mr De Lacy, was prominent for its restraint, delivering a net operating surplus of \$30 million despite holding average

increases in spending across all departments at about the inflation rate of seven per cent."

Also in the *Australian*, Alan Wood said—

"Yesterday in its first Budget we saw the face of the new federalism, fiscally responsible and aggressively competitive.

The harsh realities that have made the Hawke Government a radically different model for Labor economic management at the federal level have been recognised and acted on by Australia's newest State Labor administration.

. . .

The Budget also introduced the 'user pays' principle to major statutory authorities with a 0.5 per cent borrowing charge imposed on the Queensland Electricity Commission.

. . .

Reaction to the Budget was generally positive from business, teachers and Sir Leo Hielscher, the former under-treasurer during most of the Sir Joh Bjelke-Petersen reign.

Sir Leo, now chairman of the Queensland Treasury Corporation Capital Markets Advisory board, described the Budget as a 'responsible effort'."

Alan Wood stated further that Queensland is the best-managed State and that the new Labor Premier seems determined to keep it that way.

Mr Stoneman: Who started it, then? That's an indication of what I am saying. You are endorsing my speech.

Mr DAVIES: But the honourable member says how bad the Budget is. I have a further article in the *Australian* of 13 September 1990 that is headlined "Goss manages to out-Greiner Greiner" and which states—

"The NSW Premier, Mr Greiner, argues that his State leads the nation as a model of good government but an examination of his Budget and that of his northern neighbour, Mr Goss, shows the Queensland Premier has moved ahead of him.

Out-Greiner Mr Greiner is an achievement in itself. But Mr Goss' Budget shows a degree of responsibility that seems alien to many State Labor figures elsewhere.

Mr Goss' Budget was the first brought down by a Labor Government in Queensland for 34 years. The Premier was under strong pressure from colleagues, particularly those of the Left, to implement the kind of free-spending social reforms that have first boosted, but later dogged, ALP administrations for so long. To his credit, Mr Goss—with Victoria providing such a sorry recent example—held firm and produced a Budget which was fiscally responsible and aggressively competitive."

For Mr Stoneman's further benefit, in an article in the *Courier-Mail* that is headlined "Gains without obvious pain", Peter Morley stated that the De Lacy document was generous, which was a fact that was conceded by Mr Mike Ahern, the National Party's ex-Premier and Treasurer who drew up the last Budget. Other headlines of articles in the *Courier-Mail* of 6 September 1990 reflect support from the former Treasurer and from industry. Another article in the *Courier-Mail* stated—

"Sitting in the front row of the gallery was a former Liberal Treasurer, Sir Gordon Chalk, who was almost certainly the only person present yesterday who had also been at the last Labor Budget, brought down by Ted Walsh in 1956.

The last time Sir Gordon said anything complimentary about the Labor Party, he was descended upon by his former political colleagues. This time, he was content to sit quietly, just another face in a crowded gallery of interested onlookers, Treasury officials--easily distinguished by their dark suits and broad smiles . . . "

The following section is particularly interesting—

"The Opposition managed to stir itself from the information-overloaded torpor.

'What about the extra \$17 million from the QEC?' interjected Mr Katter.

Then, as if he was warming to the task, Mr Katter upped the ante in a sentence. 'A mere \$20 million,' he said, rounding the figure up by a 'mere \$3 million' in so many seconds."

The refusal by the Treasurer to join other States in lifting charges uniformly and the Government's resistance to pressure from New South Wales to introduce fuel and financial institutions taxes has helped to get the monkey off the back of business in this State. As the Treasurer said, the single most important thing that the Government can do for business is to keep taxes down. By doing that while other States raise taxes and charges, the comparative advantage of doing business in Queensland is enhanced. Queensland's status as the low-tax State is enhanced by the strategy of the Treasurer. Because of that strategy, Queensland will be the first State to benefit from the mild recovery that is expected for the Australian economy in the first half of 1991. Indications are that probably the softest recovery in Australia's history—approximately a 2 per cent growth rate—can be expected in the first half of next year.

A noted economist, Dr Don Stammer, believes that 1991 will see the emergence of the regionalised economy in Australia. He suggests that Queensland and New South Wales will reap the rewards of low public debt, strong growth in world demands for mineral and energy requirements and increased housing construction induced by strong population growth. In contrast, he says Victoria and Western Australia need to gear up for another disastrous year. Dr Stammer recently said—

"Overseas investors are tending to take a regional focus when contemplating investment in Australia. For example, investment in Queensland Treasury Corporation Bonds are viewed in high esteem in the international market-place and this can only benefit overall investment in Queensland industry."

The philosophy which pervades the Treasury Estimates and, indeed, the entire Budget is financial responsibility and accountability, reform of the public sector and, as mentioned before, the enhancement of Queensland's status as not just a low-tax State, but as the low-tax State. On the issue of taxation, I seek leave to incorporate in *Hansard* a summary of State and Territory budget charges.

The TEMPORARY CHAIRMAN (Dr Clark): Order! I will have to look at it before it is printed in *Hansard*. The honourable member may table it.

Mr DAVIES: That summary clearly shows that we have the lowest payroll tax; that we have no financial institutions duty; that we have no fuel tax; that we have the best workers' compensation on average; and that our land tax compares favourably, despite what is said by the honourable member for Burdekin, with the joint highest exemption level.

As a Townsvillian, I am extremely proud to talk about the input into the Budget by the James Cook University of North Queensland. The Townsville campus of that university is playing an important part in the computerised techniques used in the preparation of the Treasurer's revenue Estimates. I would like to acknowledge its significant contribution in the preparation of these Estimates through the development of the computerised forward estimates model, or FEM. FEM has been utilised to prepare the Treasurer's Estimates and all the other Estimates contained in this Budget. The forward estimates model used in the estimation of revenue consists of a series of single equations linked together by a common set of exogenous variables. The forecasts of the economic variables are provided by the Queensland State model. QSM is a quarterly macro-economic model of the Queensland economy developed by Treasury and James Cook University. The project is headed up at James Cook by Dr Peter Crossman.

QSM is enabling improved methodology within FEM, thereby enabling Treasury to estimate and forecast all State revenues. Those estimates are determined by various

techniques, depending on the nature of the receipt item and the availability of empirical data in respect of each item. The three estimation techniques used in the forward estimates and model are: econometrics forecasting, deterministic estimates and known items. QSM utilises econometric techniques. These techniques have been applied to major taxation items, such as payroll tax and various components of stamp duty. These items, because of their close interrelationship with general economic conditions, are most suited to econometric estimation.

QSM is based on quarterly observations of each revenue item and related key economic and demographic values over a 20-year period. This data is examined, using econometric techniques, to establish mathematical relationships between collections and key variables. The resulting equations are used in conjunction with forecasts of key variables to produce estimates for the 1990-91 Budget year. The major economic variables used in this analysis include: gross State product, population, employment, inflation (CPI), average weekly earnings, residential business activity and home prices.

Our first Budget in 34 years was acknowledged by the *Townsville Bulletin* as having changed priorities in education, the environment, welfare and police. It also acknowledged that it honoured election promises not to increase taxes. The front page headline read, "Labor's Fix-it Budget!" That headline implied that the previous Government had its priorities wrong. The editorial in the *Townsville Bulletin* was headed, "So far, so good, for Goss Budget" and read—

" . . . the Budget will help restore many people's faith in the Government's election promises with its attention to education, the environment, welfare and police, while still honouring election promises not to increase taxes."

The coverage of the Budget by the *Townsville Bulletin* was excellent— a fact attributed, no doubt, to the excellent information provided by the Treasurer, Keith De Lacy. The Budget is the most significant economic statement any Government makes each year. It is its plan of action for the ensuing year. The *Townsville Bulletin* acknowledged that there is not much fine print in Labor's first State Budget for 34 years. "A slickly presented document", it said. As part of our commitment to open, honest, accountable government, the media—particularly the provincial media—received the best information they have ever had from a Government in Queensland. And why should they not be entitled to well-presented Budget documents and Budget-related papers?

The ten 1990 Budget Related Papers titled *Business and the Budget, Education, Environment, Police and Justice, Seniors, Queensland Women, Housing, Rural Queensland, Social Justice and Northern Queensland* dealt with major concerns of Queenslanders, which we campaigned on last year. They were the areas with which people were concerned and they were major planks in our policy platform. We have shown as a Government that we are serious about tackling the concerns of the people who elected us. The Treasurer, Keith De Lacy, has to be commended for such a fine Budget, as do the Premier, the entire Cabinet and the Budget Review Committee for the many months of hard work put in since our election last December.

While the National Party Opposition continues its derisive tactics, so ably displayed today by the Opposition Treasury spokesman and so evident in last year's Budget and Estimates reply speech by the then Opposition Leader, now Premier Wayne Goss, the Opposition is going nowhere. During that speech, a number of members from the other side interjected. Some notable names appear in *Hansard*—those of Mrs Chapman, Mr Innes, Mr Beard, Mrs Nelson, Mr Gately and Mr Burreket. Where are they now? They have gone. Such tactics have been employed all year against the Treasurer, but now the media are tired of them. The continuance of the tactic of derision will see more interjectors from the other side ejected from the Parliament by their electorates.

It seems that the old adages that a leopard cannot change his spots overnight and you cannot teach an old dog new tricks are just as applicable as they ever were to those on the other side of the Chamber, particularly the National Party. By contrast, it seems that Treasurer Keith De Lacy's personal adage is: "I've been lucky in my life—the harder

I work, the luckier I get." The Treasurer is certainly a hard and conscientious worker—everyone in Government circles knows that, as do his departmental staff. When is the Opposition ever going to realise it? I pay tribute to this, his first Labor Budget, and predict that there will be many more in the future.

The State Budget is a material expression of the Government's priorities for the coming year, and, as such—while its development is assisted by the use of a variety of systematic analytical review techniques—it must inevitably involve judgments by Government on the relative merits of competing proposals. It is a dynamic process, with its preparation influenced by the goals, expectations and demands of the public, other levels of Government and departments themselves.

As one author put it—

"Governments must balance rival priorities, respond to external demands, and choose between butter and guns."

In conclusion, these are fine Treasury Estimates.

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

Time expired.

Dr WATSON (Moggill—Deputy Leader of the Liberal Party) (4.46 p.m.): It was interesting to listen to the honourable member for Townsville and I am pleased to follow him in this debate. I am not sure whether he has changed his occupation from accountant to news-reader, but he has certainly forgotten about in-depth analysis. I begin by congratulating the Treasurer on his Estimates speech. I found it informative and I agree wholeheartedly with a number of the comments he made.

Mr Hayward: Are you going to talk about the Estimates?

Dr WATSON: I intend to speak about two particular issues contained in the Estimates. One is taxation and the other is economic development. This will not be an exhaustive—although it may well be exhausting—attempt to cover the Budget, because I made several comments during my speech in the Budget debate. Like the member for Burdekin, I will leave some of my comments to a later time when members debate the land tax legislation.

I wish to raise two matters concerning taxation and rail freights. During my speech in the Budget debate, I said that I thought that the Treasurer had missed an opportunity to separate the supertax on coal from rail freights. There was a change in the Budget papers in reporting requirements for railways and the tax was put into a particular trust account. At that time, it would have been appropriate for the Treasurer to have moved the cost section and put the supertax component into consolidated revenue as an explicit tax.

Mr De Lacy: You know that we can't levy taxes, don't you?

Dr WATSON: I understand the technical implications, but everyone knows it is there. Whatever it is called, it should have been described in a particular way to make it identifiable. I am not worrying about the legal technicalities; I am more worried about the public accountability issue and will talk about that.

It may be difficult to estimate the tax, and various figures have been given. One figure is of the order of \$450m. It may be higher or lower, but it is of that magnitude. Identifying the cost component versus the tax component is critically important for the issue of public accountability. If a tax is to be levied and a Government is to be accountable, it would be preferable if the tax was transparent, in the sense that it can be scrutinised so that, firstly, the public knows how much tax is being collected, and secondly—

Mr Smyth: The coal freight tax was introduced by Sir Llew Edwards, your one-time leader.

Dr WATSON: Today, I am talking about public accountability and how to identify taxes. Firstly, taxes ought to be transparent because people should understand how much tax is being collected and where it is being allocated. Secondly, there should be a general

understanding of the amount that is spent on the carting of freight so that people have some idea—particularly because of the capital costs involved—of whether or not the rail freight service is efficient. I will return to that point in a moment. The tax cannot be evaluated in any objective sense—for example, payroll tax and land tax—unless it is specified. I think the Treasurer understands that point and will do something about it in the future. However, I bring the matter to his attention again.

Another issue is the cost of rail freight, and it involves efficiency within the Government sector. I know that the Treasurer is interested in the efficient use of resources. One problem with rail freights is the Government monopoly on the railways and the lack of competition. Leaving that matter to one side for the moment, it is also important to understand that, if the cost components are not identified explicitly, it is hard to judge changes that occur within the operating sphere of the railways, and whether or not that section is efficient and the best use is being made of the resources available to the Government. For example, if one looks at the escalation formula for rail freights, one finds that the new rail freight is based on the old base rate at the contract date, which is altered by a linear combination based on the change in the average wage rates of railway employees engaged in coal operations, the change in the base price per tonne of steel rail and the change in the base price per litre of diesel fuel.

The interesting thing is that, when one considers award restructuring and other matters that are of importance to the Federal Government and this Government—and which are critical to Australian industry in general—one finds some perverse effects in the application of that formula in the award restructuring area. For example, award restructuring involves a reduction over a period in the number of people employed, which is a gain in efficiency and in productivity. However, increases in the rate of pay for those who remain in employment—because of increased specialisation and increases in the skills that have to be acquired—produce a very perverse effect in terms of this formula. No change is made to the rail freight rate because of the gain from the reduction in the number of employees, but—at least as I read it—an increase occurs in the rail freight rate because of the change in the wage rates. This seems to me to be a perverse incentive that reflects, ultimately, on the coal companies which are, of course, engaged in international competition. Overseas, other firms obtain the advantage of increases in productivity in all types of areas, including the rail freight area; but in the Queensland context, the increases in efficiency of the railways almost works against the coal companies. I am not saying that this happens all the time; I am merely illustrating that this is the type of perverse effect that can be obtained from that particular formula. These factors need to be evaluated, but their impact cannot be evaluated unless an explicit idea of the relative proportion of tax versus cost is included in the rail freight formula to begin with. The scenario I have outlined is familiar to those involved in the accounting and business worlds in circumstances in which a costs plus formula for setting prices is applied. The example I have given illustrates the type of perverse effects that can result from a costs plus-based formula.

The current controversy of which the Treasurer is well aware centres on the price of diesel fuel following the Gulf oil crisis. The cost of fuel is one of the important components in the rail freight formula. I have said publicly, and to the Treasurer previously, that it is unfortunate that, in the present fairly tough economic climate, the Government seems to be taking advantage of what everyone hopes is a relatively short term fluctuation in fuel prices. Admittedly, the value of the dollar having fallen in recent times may have helped the companies; but the diesel fuel price escalation is having its effect, in spite of the fact that I and other people have told the Treasurer that the cost of fuel is not relevant to coal companies whose freight is transported by electric locomotives. The other point I wish to mention is that the formula is volume-based, which means that it varies as the volume varies and can sometimes give the wrong signals. For example, it does not take into account changes in international prices. It takes into account differences in demands, but not necessarily in prices. When fluctuations in price occur, the formula does not take that factor into account, which creates a perverse effect that is felt by the companies.

The second aspect of the Estimates to which I wish to refer is the economic development area. The member for Burdekin correctly pointed out that this Government has missed some major opportunities in Queensland, particularly the opportunity that was missed when the attempt was made to privatise the Gladstone Power Station. That project is specifically mentioned on page 42 of Budget Paper No. 2 as a possible privatisation project. Earlier, the Treasurer put forward four estimates, and I wish to mention two matters in relation to that. Firstly, I think it is impossible, without a statement of the underlying assumptions being made, for anyone to evaluate the monetary values that have been put forward. It is one thing to come up with a Treasury estimate of \$994m, but it is quite another thing to be able to judge whether or not the estimate is reasonable without understanding the assumptions that are part of the model. In any kind of estimation, because of future values being discounted to bring them back to present values, a statement has to be made about the whole series of assumptions that underlie the valuation. I do not think that these matters are particularly secretive because the Treasurer has already put forward the figures. From the parliamentary viewpoint, it would be helpful if some of those assumptions underlying the figures could be made known. Secondly, I know that the company has put forward an estimate of approximately \$557m as the sale price of the power station. Perhaps that figure is too low and a higher figure would be more appropriate.

Mr Stoneman: It is what the market will pay.

Dr WATSON: Yes, and one cannot judge how realistic the figure is. It may be nice to perhaps approach the companies, but one cannot judge how realistic that figure is without knowing the assumptions that underlie the Treasury's estimates, the estimates given by QEC, and others. From the point of view of public accountability, this is an important issue because the privatisation of the power station was a critical part of the expansion of the Boyne Island smelter. The bauxite and aluminium industries are very competitive internationally. Presently, expansion is taking place in Bahrain, Venezuela, Canada and Brazil. Those opportunities were made available to Queensland, but that window of opportunity has now disappeared. If a company is to compete internationally on this type of market, two factors are absolutely critical: one is that it has to be prepared to move quickly when the opportunity arises. This Government has failed to do that. By procrastinating about the privatisation of the power station—for whatever reason—the Government has forced the company to miss an opportunity.

The second aspect of this is that, in international competition, cost-competitiveness is also critical. On a number of occasions, Comalco has indicated that unless it can get competitive electricity prices—one way of getting that is through privatisation of the power station—it cannot compete on the international market. Those two points are critical. In both those situations the privatisation of the power station has been absolutely critical and the Government has been found wanting.

Mr Prest: Will you take an interjection?

Dr WATSON: The member for Port Curtis is attempting to interject. It is in his electorate. He ought to be making sure that the Government looks after his electorate. He ought to support the expansion of companies and ensure an additional 1 200 to 1 500 jobs are created in his electorate. He is not doing his job. He is a member of the Government and is allowing that deal to break down.

Mr BARBER (Cooroora) (5.01 p.m.): We live in momentous times. Yesterday, the post-war European power structure—the NATO/Warsaw Pact stand-off—ended with the signing of treaties in Paris. It ended for economic reasons. The restructuring of the polities in eastern Europe has also occurred for economic reasons. German unification happened in the space of 12 months and took the west by surprise. Again, economic reasons are the explanation for that. The European economic union, despite Margaret Thatcher's recalcitrance, is proceeding at a rate of knots. Again, polities change because of economics.

The Treasurer's department is given the task of placing Queensland's economy in an Australian and world context. The program goal of the economic development program under Treasury in the Budget papers is to improve the financial, economic and social welfare of the State. It seeks to do that by the provision of economic and financial advice on State, national and international economic conditions, on requests for Government involvement in or assistance to major development projects and commercial ventures and on foreign investment issues. I want to talk about the economic development program of the Treasurer contained in the Budget papers and the fiscal management program of the Treasurer's department.

I turn first of all to the Treasury in general and an overview of that department. The Treasury is described as the financial policy centre of the Queensland Government. Its aims are to promote the financial, economic and social well-being of Queensland by providing advice to the Government on a broad range of financial and economic issues. It is also responsible for ensuring that the State's resources are raised, allocated and managed in the most efficient and effective way possible. The Treasurer is responsible and accountable to Parliament for administering all matters relating to the finance of the State. Broadly, the Treasurer has three main responsibilities—

- (1) Central responsibility for advising the Government on economic and financial policy.
- (2) The role of custodian of all funds held in the public accounts.
- (3) The general oversight of departmental accounts, including the issuing of broad directives in relation to departmental expenditures.

Let me outline the economics branch of the Treasury. It is to provide advice and undertake research and analysis on the relative performance of the Queensland economy and on economic matters in general. Queensland's economy, to a significant extent, is dependent upon the vagaries of the Australian economy, which, in turn, is dependent upon world economic trends. However, Queensland's economy has advantages over other State economies to weather downturns due to some peculiar characteristics of our economy. The first one of those is that our economy is very healthy. The National Party left our democracy in a shambles, but it left us a very healthy economy. The economy was well managed, and continues to be so under Labor Treasurer, Keith De Lacy. The calibre of the top-level advisers in Treasury is inspiring to the lay observer and second to none. The State debt is under control and the Goss Government has not borrowed in order to finance Labor's substantial priorities in its most recent Budget.

The other effect that our economy feels is substantial migration of people from other parts of Australia every year. That migration creates trade and industry. For example, it creates buoyancy in house-building industries. I will refer to the Rider Hunt *Queensland Development Report* of July 1990 where it refers to migration and its effect on the Queensland economy. It states that the healthy state of the Queensland economy is only one reason for the strong flow of migrants over the border. So, in turn, the economy's health fuels migration, which, in turn, fuels the economy's health. The report goes on to state that in 1989 Queensland accounted for 33 per cent of Australia's total population growth. The reason for that high growth rate was the high level of migration from interstate. The natural increase in Queensland is approximately 22 000 people every year, but that rate is not constant. The majority of our immigrants come from New South Wales. In the early eighties, New South Wales provided 60 per cent of the migrants and Victoria 30 per cent. Most recent figures indicate reduced interest from Victorians, who now make up only 20 per cent of our migrants, whilst New South Wales produces 70 per cent. Migration to Queensland was also treated this year by Coopers and Lybrand in an Australiawide population study. The result of that study was that Coopers and Lybrand said that Brisbane, the Gold Coast and the Sunshine Coast should now be viewed as a single market.

Coopers and Lybrand went on to say that, because of these trends, the Sunshine Coast should overtake Townsville as Australia's twelfth largest city within three years. It notes that Hervey Bay is one of the municipalities that is rapidly moving up the

population ladder, as is Noosa. It also notes that in absolute growth terms, 6 of the top 10 municipalities in Australia are in south-east Queensland, headed by the Albert Shire, and that, in percentage growth terms, six Queensland municipalities are in the Australian top 10, again headed by the Albert Shire and followed by the cities of Hervey Bay and Caloundra and the Noosa, Douglas and Caboolture Shires. Coopers and Lybrand noted that it was significant that in the top 10, in percentage growth terms, three municipalities in the Sunshine Coast corridor, plus Hervey Bay, were emerging as coastal resort areas worth watching. The Queensland economy is ticking over very nicely, thanks to the migration that Queensland enjoys that the other States do not enjoy to such an extent.

A vast sprawl of new housing development is taking place in the new towns on the Sunshine Coast and in Hervey Bay, which I visited last week as a guest of the local member, Bill Nunn. One has to ask oneself what all these people are doing for employment, because the growth in that area has been phenomenal. There are square miles of houses. One wonders what on earth all these people do for a living. Fortunately, or unfortunately, many of them are retired and call upon the Federal welfare system for their daily bread. Many others are employed in, or own, small service businesses. I do not think that in these sorts of areas a significant number of people are employed in the Government service. A significant number is on social welfare. The tourism and building industries are other significant employers in areas such as the Sunshine Coast and Hervey Bay. So migration fuels the fire and creates economic growth but it also creates huge problems—service problems, growth-related problems and environmental problems—for the municipalities and the State Government, which are trying to service these areas.

I believe that the third reason for the health of the Queensland economy is Premier Wayne Goss and his Treasurer, Keith De Lacy. Despite what the member for Burdekin said, they have been energetic in seeking business opportunities and investment in Queensland. The Premier's recent visit to the United States and Europe resulted in good signs for future projects on the Gold Coast involving the film industry. He spoke to the German steel consortium. Earlier in the year, Mr De Lacy visited and spoke to all significant Japanese financial institutions. Korea has also been targeted by this Government for future opportunities.

Mr Stoneman: What new projects have taken place?

Mr BARBER: I cannot defer to the honourable member's cargo cult economic mentality.

Mr Stoneman: That's how you create jobs—investment and wealth in the State.

Mr BARBER: I reject the contention of the honourable member. He believes in whiz-bangs, circuses and all the sorts of gimmicks that the National Party indulged in. The Treasurer and the Premier have made significant overseas trips this year and have spoken worldwide to businesspeople who are very interested in the healthy economy of Queensland.

Mr Stoneman interjected.

Mr BARBER: The honourable member should be fair. This Government inherited a healthy economy, and I have said so, and it has been active in promoting it worldwide.

Mr Prest: He was that good, he rorted \$100,000 out of the Housing Commission.

Mr BARBER: Is that so?

Mr Prest: Claude Wharton had to spend thousands of dollars to improve it.

Mr BARBER: That may have been a one-off project. The Nationals were always interested in one-off projects and gimmicks. The message that the world markets have been interested and pleased to hear from the Premier and the Treasurer this year is that, in economic terms, a level playing field has been restored to Queensland. The Nationals

promoted well, but the football field was sloped. One had to be a favoured person to win a contract in Queensland. Overseas industry is pleased to hear that, under the Goss Government, the football field is level, promotion is taking place and the rules are fair.

Queensland has a place in the world economy and is subject to the vagaries of the world economy. The conservatives love to bash the Hawke/Keating Government. I remind them that successive Liberal Prime Ministers with hard-nosed rural National Party deputies created the long-term economic problems that Australia has had to face. If ever the Liberals had any intention of creating a healthy Australian economy, the "Black Jack" McEwans made sure that any rationalism was watered down in favour of the farmers, and our economy has suffered. They made sure that protection stayed; they made sure that the rural rump was looked after.

Whatever the conservatives say about the Australian economy, other world economies have got problems. Only this week Sweden, with its terrific export industries, has given notice that it may attack the decades old wages spiral. Yesterday, Keating acted to fight inflation being built into wages. I was pleased to see that. Japan's lack of primary resources puts the Australian economy in the box seat to prosper this decade. The oil crisis created by the problems in Kuwait shows up clearly Japan's economic vulnerability, yet time and time again people love to paint it as a model. The United States is telling Australia and its other trading partners to drop protectionism, yet at the same time it is busily protecting its own economy, particularly its farmers. In 1989-90, the United States suffered a growth downturn when compared to its OECD partners. So these models—Japan, the United States and Sweden—that the conservatives love to use are not without their own problems. German union and European economic union, combined with increased Canadian/US economic union, are big developments for Australia's economy. Australia now has to decide where its place is in the world. In my view, in the coming decades, Australia will be the world's supplier of mineral resources and will prosper more so than it has in the past for that role.

Mr BORBIDGE: I rise to a point of order. In the absence of a Minister—I withdraw that, seeing that the Treasurer has decided to return to the front bench.

Mr BARBER: In my view, to a much lesser extent, if properly marketed, Australia will be an attractive tourism destination. It has to be realised that Asia and the Pacific is Australia's trade venue and that, in the future, Europe and America will need to be very cleverly handled, because those markets appear to be closing up.

Tourism will have to be properly marketed. Development of the Queensland coast should not destroy or dilute the tourism product that Australia has to sell to the world. Successive tourism studies on the Sunshine Coast have identified its naturalness as a tourism product, and Labor's coastal management plan looks set to protect that product. I have treated the role of Treasury in fostering economic—

Time expired.

Mr BORBIDGE (Surfers Paradise—Deputy Leader of the Opposition) (5.18 p.m.): In speaking to the Treasurer's Estimates, I wish to raise questions of accountability and competence in respect of the Minister's handling of the Gold Coast Indy Grand Prix, questions that directly affect the Estimates that the Treasurer has presented today to the Committee.

I also want to take this opportunity to clarify the commitment given by the previous National Party Government in Cabinet Decision No. 57062 of 10 July 1989. The relevant Cabinet minute reads as follows—

"That approval be given for—

- A) A loan of \$1,000,000 from the Consolidated Revenue Fund to Queensland Events Corporation Pty. Ltd., through the Queensland Treasury Corporation to enable Queensland Events to fund its capital contribution towards the staging of the proposed Gold Coast Grand Prix, subject to the contract

with CART enabling Queensland Events to withdraw from its involvement with the event in subsequent years if the event is not successful.

- B) A deposit of US\$150,000 for the 1990 event be forwarded to Championship Auto Racing Teams, Inc., Michigan USA from the funds made available in (A).
- C) The preparation of the necessary legislation to enable the unencumbered staging of the proposed Gold Coast Grand Prix at Surfers Paradise in March 1990 and that CART be advised of this undertaking."

I also take this opportunity to reiterate my support for the race and for the efforts of the Queensland Events Corporation and its new general manager, Bob Minnikin, whom I know and regard as a capable administrator. I wish them well, but they carry an albatross around their neck, namely, the Treasurer of Queensland.

In the past 12 months, Queenslanders have witnessed the total bungling of negotiations to clarify the status of the race. The Government has allowed a situation to develop in which it is trying to sell race tickets and promote the race and, at the same time, it is busily trying to assure the public that the race will go ahead. In the interests of accountability, the Treasurer needs to explain to the Committee a number of matters of growing community concern. He should immediately indicate the extent to which he, acting alone or with Cabinet approval, has committed taxpayers' funds to this event over and above what has previously been announced. For example: will the Queensland Events Corporation be picking up further equity in the Indy Car Company?

The Treasurer also owes this Chamber an explanation as to the extent of the Government's liability if a major sponsor is not found. In the absence of a major sponsor, the general manager of the Indy Car Company has stated that revenue will depend largely on ticket sales. The Treasurer, as the Minister accountable for taxpayers' investment in this project, should immediately explain to the Chamber how ticket sales are going and regularly release those figures, in line with the precedents established by the previous Government in respect of the Commonwealth Games and World Expo 88. The Government that was elected on the platform of accountability and openness has a responsibility to assure the public of this State that their investment is secure.

Mr Hayward: It was 50 per cent participation from private people.

Mr BORBIDGE: For the benefit of the honourable member, if the previous Government's Cabinet decision is read, it was always intended that the race be private sector driven, not Government driven. The present row with FISA and with CAMS, which threatens the success of the event, should never have occurred. It is indicative of this Government's failure to successfully negotiate major projects for Queensland. It was the height of both arrogance and negligence for the Premier to be lounging in London while, less than 30 minutes flying time away across the Channel in Paris, FISA was determining its attitude to the Indy race. It is extraordinary that, in the negotiations for an event that is of such prime economic importance to the Gold Coast and pivotal to Queensland's international reputation, there has been no direct ministerial negotiation with FISA in Paris to secure its approval. I point out to honourable members that between 30 April and 12 May this year, the Treasurer was in the United States and Europe, but he did not even raise the subject of the Indy race. Did he seek out FISA? Did he bother to introduce himself? Did he point out his Government's commitment to the race? Did he move to establish any goodwill whatsoever? He did not! Contrary to his ministerial statement today, he has had no time for negotiation or consultation.

The Opposition agrees with the Government that outside bodies should not determine decisions of the duly elected Government of this State. However, unlike this Government, it is strongly of the view that every effort should have been made to secure agreement with FISA and with CAMS. Instead, honourable members witnessed the spectacle of this abysmal Minister giving his kiss of death to yet another major project. They witnessed the Treasurer making threats against the international motor racing authority by remote control from the luxury and comfort of his ninth floor Executive

Building suite. Problems cannot simply be removed by remote control. This Minister has treated with contempt the efforts of the Opposition to regard the Indy race as a non-political matter.

The position of the previous Government has been deliberately misrepresented. As the local member of Parliament, I have even been excluded from attending the official opening of race headquarters, which are within my electorate. If a senior Government Minister had been prepared to sit down with FISA in Paris, it is highly likely that a satisfactory arrangement could have been secured. Instead, from the comfort of 12 000 kilometres away, the only rhetoric that has been directed towards FISA has been in the proud traditions of this Government—verbal abuse.

Mr Littleproud: The Mackenroth charm school.

Mr BORBIDGE: As the member for Condamine says, "The Mackenroth charm school." It is only a week since the Treasurer promised some good news in respect of the Gold Coast Indy Grand Prix. In the *Sunday Mail* of 11 November, an article with the subheadline "Coast grand prix gets approval as manager resigns" stated—

"The Treasurer, Mr de Lacy, last night said there would be 'good news' for the race this weekend."

On 11 November, a *Sunday Sun* article, with the subheadline "Green light near" stated—

"Mr De Lacy said a formal decision on the race would be made today."

Mr Littleproud: What date is that?

Mr BORBIDGE: It is 11 November. Let me refer now to what the Treasurer told the *Gold Coast Bulletin*. According to an article in that paper, Mr De Lacy said he was confident that the long-running dispute between FISA and CART "over official recognition of the Surfers race would be resolved this week". The article continued—

" 'We are in the throes of reaching agreement on the staging of the race, which is satisfactory to all parties and this will be a good news week for the race,' said Mr De Lacy.

'The agreement that we reach will satisfy us. In fact, it will more than satisfy us.'

...

'I am more happy now because I know a lot of problems are being resolved.'

...

Asked yesterday if the Queensland Government had been fully briefed by the promoters of the ferocity with which FISA would oppose the Indy event, Mr De Lacy said, 'No. We were aware about a month ago that it was getting out of hand and that is why I became involved.' "

On 5 September last year, the present Minister for Tourism said in this place—

"The Federation for International Sport of Automobile, which is the world body, has never approved an Indianapolis-style race outside continental North America."

They are the words of the Treasurer's Cabinet colleague the Minister for Tourism on 5 September last year yet, on 11 November this year, the Treasurer said that it was all a surprise. It is clear that the Treasurer could not run a night cart in a dysentery outbreak. As is his norm, he has failed to deliver. This Government needs to provide some answers. We want to know the extent of the financial commitments entered into by this Treasurer. I am prepared to table Cabinet documents relating to the period when the National Party was in Government. I challenge the Treasurer to do likewise. We need an assurance that, in light of this incompetent Minister's bungling of the Indy negotiations, the taxpayers of Queensland are not being propelled into a financial disaster. We need to know whether Queensland is about to be confronted with an "Indy Inc". The Indy Grand Prix was an initiative of the previous Government. But like so many other

opportunities, it has been bungled in the Cabinet room by a Government that does not know and simply cannot understand reality.

Earlier this year when the Treasurer revamped the Queensland Events Corporation, he referred to it as a sheltered workshop. The only sheltered workshop sits opposite, and the Treasurer is the chief prefect. By his incompetence, his indifference and his arrogance, he has placed the Queensland Events Corporation in an impossible position—a position in which it will cop the crow for his own failings. I submit to the Committee that, if a financial disaster does occur, it will be Bob Minnikin who goes and it will be the Queensland Events Corporation that is purged. The Treasurer will cling to power despite his bungling, his personal intervention and his lack of ability in this particular matter.

Mr Littleproud: The way of the Cairns Workers Club.

Mr BORBIDGE: As the member for Condamine said, "The way of the Cairns Workers Club."

The Opposition serves notice that, unless the Premier is prepared to assert some leadership in respect of the Indy race, the Opposition may have to review its bipartisan support for the event which, to date, despite the Opposition's best efforts, has been treated with nothing but contempt. Quite clearly, the time has come for the Premier to step in to try to sort out this mess. I know that he has no great affinity for the race but that he is only concerned if it starts to look bad for his Government. Yet four months before the event, no sponsor has been engaged. According to the Cabinet documents provided to the previous Government, a sponsor is one of the major sources of revenue. It is estimated that revenue from spectators will be \$35m, which equates to the sale of 120 689 tickets at \$290 each. I would suggest that the Government needs to seize control of the Indy event before this Treasurer does incredible damage to this State's hard-won reputation for staging major international events. The Premier should take charge. A senior Minister should have been sent to Paris to negotiate with FISA. When he was in Europe, the Premier was negligent in not seeking out discussions with FISA, in not going to Paris when he was as close as London and a number of other countries in Europe. What is happening? We are seeing once again that, despite being handed a project that should have been able to have worked very well indeed, this Government has again demonstrated that it is incapable of dealing with major projects for the benefit of the people of Queensland.

Mr HAYWARD (Caboolture) (5.30 p.m.): After listening to the two Opposition spokesmen who took part in this debate, honourable members could be excused for believing that this is not a debate on the Treasurer's Estimates, which involve the sum of approximately \$5 billion. For the past 15 minutes, the member for Surfers Paradise described what he believes is going wrong with the Indy Grand Prix on the Gold Coast and what he thinks should or should not happen with that project. The member should understand that, in the context of these Estimates, the State's involvement in that project amounts to \$1m.

Mr De Lacy: It is spent in his electorate, I might add.

Mr HAYWARD: Exactly. It is spent in the honourable member's electorate, but he is complaining. That is unbelievable. The honourable member is knocking the project because he has no grasp of the issue.

I thought that the shadow Treasurer might have put forward an alternative economic strategy. However, he admitted that the National Party does not have one. I thought

also that the tired old Opposition might have offered a new deal for economics and ways of addressing some of the real issues affecting Queensland.

Mr McGrady: Yesterday's men.

Mr HAYWARD: As the honourable member says—yesterday's men. The shadow Treasurer said that the National Party has no alternative strategy or new deal. I thought that the National Party might have put forward some kind of National Party/Thatcherite economic plan or something like that to show that it is at least thinking about the issues and understands what economics in this State are about. However, honourable members witnessed unenthusiastic, reactionary, scaremongering drivel from the shadow Treasurer. The only issue on which he concentrated was social justice.

Mr Littleproud: It is pretty important.

Mr HAYWARD: Exactly. It is important. The shadow Treasurer asked, "How can a Government have an economic strategy and be concerned about social justice?" He said, "I can provide many examples of the failure of social justice when it is intertwined with an economic strategy." When asked to give an example, he cited the Victorian example.

Mr Stoneman: What happened about it?

Mr HAYWARD: I ask the honourable member to listen. Is the honourable member trying to argue that the Tricontinental merchant bank had some sort of strategy for social justice? The courts will reveal that that bank looked after the honourable member's mates in this State. None of them were concerned about social justice. Is the honourable member trying to tell me that the VEDC was concerned with economics and social justice? That is ridiculous! The honourable member has no grip on the issues. The confusion was compounded further by his statement supporting the giving away of the Gladstone Power House to Comalco. If the honourable member is fair dinkum, why would he support that? I cannot understand that. It is unbelievable. It represents complete, economic irrationality. He said also that he has seen no new projects. I know of one that he has seen, namely, the Gordonstone coal project. That happened this year, despite the efforts of the National Party.

Mr Stoneman: It started way back.

Mr HAYWARD: It did not. It was mentioned in the Parliament. Do members of the National Party remember the document titled *Committed Projects*? I remember talking about that a couple of years ago during a Budget debate. When the National Party Government declared the Gordonstone scheme to be a committed project, I rang the miners' union and was told, "We do not know that it is a committed project. If we knew that, we would have signed up the members." The management said that it was not a committed project. That National Party cannot have it both ways. That is an example of the pathetic drivel that the National Party continues to bring into this Chamber. Surely this Estimates debate involves more than the \$1m from the State Government for a race which, as the Treasurer said, will be held in the electorate of the member for Surfers Paradise. Why would he want to knock the proposal? He fought for and got it. It is as simple as that.

Mr Stoneman does not understand that this Government is concerned to ensure that all Queenslanders obtain value for money for their tax dollars paid. That was detailed clearly by the Treasurer. This Government is interested in results. The shadow Treasurer proposed an awful situation. I do not believe that Mr Stoneman has read Budget Paper No. 3. He did not mention it. That document details a significant amount of what honourable members are discussing. It is unbelievable that he did not say one word about it.

It is important to note that the Treasury has been given the responsibility of implementing a strategy for the development of effective program management. The Treasury provides standards, guidelines and support to departments. To be fair, I point out that that process was started by the previous Government. The shadow Treasurer would not be aware of that. The initial process of developing those standards and guidelines and requiring each department to develop a strategic plan was put into vogue by the previous Government. However, the major challenges are still to come. To date, most of the program management work has focused on establishing indicators of efficiency. That is what this Government has done so far.

Mr Harper: I didn't think it had done anything.

Mr HAYWARD: That goes to show how completely out of touch the honourable member is. It is unbelievable. Work must be done on other very clear aspects of performance. They are clear to everyone on the Government side of the Chamber; they are clear to the Treasury. Those aspects are appropriateness, effectiveness, quality and social justice, which are spelt out on page 3 of Budget Paper No. 3. If the shadow Treasurer had bothered to read that Budget paper, he would have understood the points that must be made about some of those issues. Very early in the life of this Government when the initial bids were made for the Budget process, the importance and the difficulties of that process were spelt out publicly by both the Premier and the Treasurer. They explained that, without evaluating those aspects of appropriateness, effectiveness, quality and commitment to social justice with regard to changing or dropping programs, it is difficult for a new Government to implement the policies on which it was elected. That is one of the difficulties with which the Government has had to grapple. As all honourable members know, funds are finite; there is no bottomless pit. No honourable member would think anything different.

Mr Stoneman interjected.

Mr HAYWARD: Mr Littleproud at least understood what I was talking about. The Government is dealing with choices and the allocation of scarce resources. That is the problem that this Government and any other Government of this State will face. The development of appropriate performance measures will take political will not only by the Government but by the Parliament. Otherwise, when the Government decides how to implement its policies, it will be faced with a continuing disaster. Proper program management will require the support of all members of Parliament. Agreement on performance indicators must be reached, and performance indicators must be fair to all. It is important to understand that, and it will require much debate over a long period. One problem is that of dealing with departmental bureaucracy when it comes to changing or varying programs.

Mr Stoneman interjected.

Mr HAYWARD: It is because of the reluctance to change. Surely, the honourable member has some desire for change. Surely he wants to look forward to a future with some sort of positive economic response. Surely, he is interested in that. Unfortunately, one of the problems associated with the changing of programs is that some people will not accept transfers to other departments. We have all been through it. People often moan and groan about why they should not be transferred. Within departments, people obviously have a desire to protect the empire to which they are attached and which they have built. In some ways, the Government is disturbing bureaucrats' career paths, and it must review procedures as to how it deals with program management. My observation—and I believe it is important—is that, because of the entrenched state of the staff, program management review procedure should be independent of those departments. That has been clearly understood by the Government.

If the shadow Treasurer had bothered to read Budget Paper No. 3, he would have noticed that it states that hands-on evaluation of programs by Treasury-led evaluation teams will be undertaken. No doubt, some departments will resent that process and, consequentially—as Mr Stoneman knows and loves because that is all he understands—opportunities will arise for political point-scoring. I know, as do members of the Opposition, that it is very tempting to do that in Opposition. It is easy to do. One does not have to think about anything. One merely needs to hear some leaked information. I hear it every day. One honourable member expressed a crazy notion about Griffith University. There is no logic, no thinking; just unbelievable stupidity.

For the benefit of the member for Burdekin, I acknowledge that, if one has not had much experience in this field, it may be difficult to work out the cross-reference coding system in the Budget Papers. However, any honourable member who has read Budget Paper No. 3 *Program Statements* would be pleased with the information that it provides.

Page 39 sets out a good example of the way in which the Budget effects the Treasury programs, and it details the Treasury Department program area "Financial and Fiscal Services", which is contained in the policy area of "General Public Services". The Budget document details clearly the total for that program area.

For the benefit of members other than the member for Burdekin, I point out that a more complicated example can be found on page 397.

Mr Stoneman: I will keep right out of that.

Mr HAYWARD: The honourable member has no chance. He would have great difficulty understanding that two separate departments are engaged in the programs within the area of "Other Economic Services". The total for that program area combines the Department of Tourism, Sport and Racing and the Treasury Department. Since the Government was elected, it has made a number of changes in policy. The number of departments has been reduced to 18. The Public Sector Management Commission that the member for Burdekin so despises is reviewing all departments. That review will be completed within two years and will lead to a more efficient public service. When the commission is about to review a department, some people will ring up a member of parliament with some gossip. I was going to give the former Government some credit for introducing the program evaluation system that is undertaken by the departments themselves and which concentrates on efficiency aspects. It was developed by this Government with Treasury assistance. Although not all honourable members agree with Government policy—and I am not saying that we all should—we must all agree on performance evaluation methods for programs, which will enable the Parliament to concentrate on policy issues in debate rather than bloody-minded leaks and whingeing from disgruntled people.

Time expired.

Hon. N. J. HARPER (Auburn) (5.45 p.m.): The sixth annual report of the Mortgage Secondary Market Board was tabled this afternoon. It provides a short history of that board, its functions and its progress. I commend that report to the Committee. In debating the Estimates of the Treasury Department, I take the opportunity to place on record both my personal appreciation and that of National Party Governments for the dedication and untiring efforts of the inaugural Chairman of the Queensland Mortgage Secondary Market Board, Mr Ian William Donaldson, FCA, AAUQ, who retired from the position on 30 June this year.

It was indeed unfortunate that, early in his euphoria, the present Treasurer made a cheap and unwarranted political comment in regard to Mr Donaldson, obviously in ignorance of the man and unwilling to acknowledge that Ian Donaldson was very much an apolitical, professional appointee to a position which well may have been filled by a politically linked person. The cost of Mr Donaldson's services to the Government in establishing this board was considerably less than may have been expected had it not been for the conservative estimates of the time that he devoted to the project and the discounted scale of fees that he applied to that time.

The Mortgage Secondary Market Board was constituted by the Act which came into operation just six years ago on 3 September 1984.

Mr Stoneman: Another National Party initiative.

Mr HARPER: Another National Party initiative, as the honourable member for Burdekin said. It was within the responsibilities which I then held as Minister for Justice and Attorney-General. The Queensland Mortgages (Secondary Market) Act heralded the first official secondary mortgage market in Australia. Although the then Premier and Treasurer, Sir Joh Bjelke-Petersen, must be given credit for introducing the legislative concept of the mortgage secondary market to Queensland, it fell very largely to Ian Donaldson to nurture, to develop and to streamline the raw material that he and his board members had been given by that innovative initial legislation.

I must say that, before the board was even established, there were those in Treasury who appeared to frustrate its development, and that antagonism continued unabated certainly during the period of my association with the administration of the Act. Whether or not it was simply jealousy between two departments of the Government, I am not too sure. I rather think that it was, and now that it has gone to the responsibilities of the Treasurer, I hope that, if that were the case, the difficulty has been overcome.

Indeed, had it not been for the dedication and faith of the chairman, I would have found it difficult to persevere in overcoming that antagonism, to even the extent achieved. That our Queensland board has not reached the levels that it was capable of achieving in those formative years was in no way due to a lack of effort on the part of Ian Donaldson in particular and other board members in general. Perhaps the decision taken in March this year to transfer, to the Treasurer, responsibility for the Act may, as I have said, overcome the antagonism, the inertia and the indifference which frustrated the board in its efforts to gain legislative amendments so necessary to achieve its rightful place as the pre-eminent market in Australia. I quote from the board's report for the financial year 1987-88—

" . . . we emphasise our belief that the secondary mortgage market represents Queensland's best (and probably last) opportunity to have a significant financial market centred in this State."

Exhibiting the dual advantages of corporate freedom and defined credential standards, our Queensland board surely does have a significant role to play and, in the interests of the State's continuing economic development, I respectfully suggest to the Treasurer that he take a personal interest in further building on the sound foundation developed by Ian Donaldson and the Mortgage Secondary Market Board. That can only be in the best interests of our Queensland economy and of all Queenslanders.

In its report to 30 June this year, the board has thanked "the Treasurer and his department for their encouragement and assistance since they took over responsibility for the Board and administration of the Act". I do hope that encouragement and assistance has been and will continue to be genuine for Treasury attitudes are vital to good government. By and large, we have every right to be appreciative of the role of our under treasurers and Treasury officers who have played a part in the development of Queensland over 30-odd years of conservative government. In that regard, I congratulate them.

I give credit to a large degree to not only the Treasurers but also the under treasurers and the senior officers within the Treasury Department for the fact that Queensland has avoided the mistakes made in other States. I suppose the glaring example is Victoria, but it is not only Victoria that is envious of the financial position of Queensland, the Queensland economy and the coffers of the Queensland Government. It is fitting at this time to acknowledge the role that those officers within the Treasury Department have played. I do so, whilst again asking and suggesting to the Treasurer that he now make the running with what could be the pre-eminent secondary mortgage market in Australia. The climate has not been all that conducive to its development but that will change, surely, and we still have the opportunity to run with the ball and bring Queensland to the forefront in the economic activity which can be so fruitful to the State's economy and to the population generally.

Mr CAMPBELL (Bundaberg) (5.52 p.m.): I have pleasure in joining in the debate on the Treasury Estimates. This year, highlights in these Estimates are truly worth noting. The first matter that should be mentioned is that the Treasury Department has printed an annual report, which has been tabled and circulated in this Parliament. That is a great initiative and clearly identifies the role of the Treasury Department. One major aspect covered in the report of the Treasury Department this year concerns the Public Sector Management Commission review. The Treasury Department received a good report from the PSMC on the role it has played. This is a great acknowledgment of the work done by the officers of the Treasury Department and by those undertaking the board activities and accepting the responsibilities of the QTC.

One of the major aspects covered by this department involves the operation of the Queensland Treasury Corporation. This body has now gained international respect within financial industries so that now it is regarded as one of the major players or organisations and its stock is regarded as a benchmark. The QTC inscribed stock has a better rating than the inscribed stock that was previously regarded as the benchmark for inscribed stock throughout Australia—that of T Corp in New South Wales. It is a great step forward for the QTC to be acknowledged as one of the major players. It has gained the most respect of any similar organisation in Australia. This in turn reflects on the market rates that are gained for the borrowers and the different pools in which the Queensland Treasury Corporation operates.

The PSMC recommended that the Queensland Treasury Corporation be split into two separate entities. One entity will comprise the existing QTC, with liability management and capital market responsibilities. In other words, it is taking over the total responsibility for what was the Capital Markets Advisory Board and its operations. This means that the separate organisation that will operate in the future will be involved in the investments function of the old Investments Board under the chairmanship of Mr Jim Kennedy. It is important that the Investments Board be given a new name and kept separate from the Queensland Treasury Corporation. It is important that the Queensland Treasury Corporation's name is identified with the Capital Markets Advisory Board, because it has taken years for it to gain its reputation. This is a corporate identity which must be kept within the operations of capital markets. This is a major highlight of the Treasury Department's operations this year. Many honourable members in this Parliament have always had difficulty in separating Investments Board operations from the Capital Markets Advisory Board operations of the Queensland Treasury Corporation. Now that these two boards have been separated, their operations can be more closely followed.

Another highlight in the Treasury Department's report concerns the economic development program, and the Estimates show that the budget has been increased from \$3.674m to \$5.141m. Some comment should be made about where these extra funds are going and what extra services will be provided through the department's economic development program. One major program involves the QSM, the model of the Queensland economy. In its current form the model has four modules: firstly, an Australian submodel, which deals with national economic activity and the financial sector; secondly, a State submodel, which models economic and demographic activity in Queensland; thirdly, a tourism submodel, which models tourism activity in Queensland; and, fourthly, a State Budget forward Estimates submodel, which provides revenue projections for forward budgeting purposes. Although this computer model is being developed, it must be ensured that it is being used by and is available to many different organisations involved in the proper planning of the Queensland economy. I ask the Treasurer: can this model be used for other purposes by other organisations, and is it freely available for use by other learning and economic institutions in Queensland?

One aspect of the department that has undergone change concerns the Office of State Revenue. The Office of State Revenue is to amalgamate the Stamp Duties Office and the Land Tax Office and will incorporate most of the taxation functions previously undertaken by the Taxation and Financial Services Division. I ask the Treasurer: can he give some indication of what savings, extra economies and better coordination we can expect from the Office of State Revenue as a result of this amalgamation? I return now to consider the Queensland Treasury Corporation, because this is what the Treasury Department is all about.

Sitting suspended from 6 to 7.30 p.m.

Mr CAMPBELL: I wish to conclude the comments I was making before the dinner recess on QTC's investment operations and, at the outset, I make the point that the corporation has operated very well under the chairmanship of James Kennedy. The philosophy of the organisation has enabled the corporation to invest in different equities and obtain a good return. Last year, the investment trust returned a profit of 10.8 per

cent, which was slightly below the previous return of 11.2 per cent. Overall, for the first two years of operation, the average was 11 per cent. When the manner in which the share market operated is taken into account, the corporation's return can be seen to be a very good one.

I believe that the basket containing 29 per cent of domestic equities, 2 per cent offshore equities, 14 per cent property, and fixed interest cash, comprising domestic of 42 per cent and offshore at 13 per cent shows that the corporation has been able to operate very efficiently and effectively in current circumstances. Although the corporation's overall investment strategy is not set in concrete, its aims must be taken into consideration. The corporation's strategy is to obtain a good mix of investments to provide a good return. Consideration has been given to investing in domestic equities at a rate of between 30 per cent and 35 per cent, international equities of between 10 per cent and 15 per cent, property of between 25 per cent and 30 per cent and fixed interest and short-term money market of between 25 per cent and 35 per cent. If that strategy is maintained, it will ensure that funds are being invested for the benefit of the community and people of Queensland in a very capable manner. The capital markets operations of QTC shows that the corporation is able to invest and borrow in an equitable fashion. Last year, a return on the cash fund of 18.62 per cent was obtained and a return of 16.82 per cent was obtained on the term fund. The borrowings of the advisory board show that the floating rate debt pool attracted a rate of 18.34 per cent; that the long-term debt pool was at the rate of 17.19 per cent; and that the overseas debt pool was at the rate of 18.25 per cent, which also indicate a very efficient and effective borrowing strategy on behalf of the community.

It is important to bear in mind that the corporation has earned the respect of Government organisations and financial institutions, not only in this State but also in other parts of Australia and throughout the world. The report shows that the pools of different borrowings are increasing at a great rate, which augurs well for the future. In conclusion, I point out that the credit-ratings for the QTC and for the Queensland State Government, based on Australian ratings, are AAA for domestic debt, A1+ for short-term debt, and for foreign currency debt, AAA. They are probably the best ratings that Queensland has ever obtained. I know that a Labor Government will ensure that those ratings will continue.

Mr SANTORO (Merthyr) (7.34 p.m.): I do not intend to speak for very long this evening.

Mr Smyth: Good.

Mr SANTORO: Later on this evening, I will have a few words to say about the honourable member, and I hope he turns up to hear them. Obviously, the honourable member is still feeling the effects of what I have had to say. The Minister did not do a very good job today, either.

Mr Schwarten interjected.

Mr SANTORO: The honourable member for Rockhampton should stick around. I will give him an answer later.

Mr Schwarten: Rockhampton North.

Mr SANTORO: The honourable member for Rockhampton North should hang around, and he will get his answer. Every time I rise to speak, members of the Labor Party get stirred up and the vitriolic, personal abuse and personal attacks begin. I can cop it, because I am going to be around for a long time. I intend to take care of Labor members in a manner similar to the way I took care of them yesterday. I will keep exposing the soft underbelly of members of the Labor Party.

Every time the Cooke inquiry delves into union groups, it finds corrupt person after corrupt person. Mr Cooke keeps finding malpractice. Members of the Labor Party are squirming and are very worried for the simple reason that they know that unions

are where they get their affiliation fees and campaign funds from. The people being exposed by the Cooke inquiry are as crooked as any crooked person whose activities have been unveiled by any other official investigation. Members of the Labor Party will continue to squirm.

Mr Schwarten: Are all unions corrupt?

Mr SANTORO: I will take the interjection from the honourable member for Rockhampton North. Members of the Labor Party are provoking me. Pretty soon, I will get back to what I really want to say. I place on record that the Liberal Party and I are not anti-union and are not accusing every unionist and every union of being corrupt. I hope that the member for Rockhampton North understands that and never again wastes the time of this Parliament by asking that question.

Mr Schwarten interjected.

The TEMPORARY CHAIRMAN (Mr Johnson): Order! There is too much audible conversation. I ask the honourable member for Merthyr to continue his speech.

Mr SANTORO: Thank you, Mr Temporary Chairman. As the end of the first year of Queensland's Goss Labor Government approaches, it is appropriate to measure performance against the promises made by this Government. The past year has been marked by Labor's continued inconsistency in policy, which has become the source of simmering confusion in many areas of Government. In no better way can Labor's style of mismanagement be as succinctly illustrated as in the sensitive and controversial area of foreign investment. I wish to concentrate my remarks specifically on that topic this evening.

Foreign investment is essential for the ongoing prosperity of the Queensland economy. The Treasurer, Mr De Lacy, has admitted that "Queensland faces no alternative but declining living standards without continued foreign investment". The Liberal Party certainly agrees with those sentiments. If the Labor Party both acknowledges and understands the contribution of foreign investment to this State, why does not its own policy in government reflect such an appreciation of its importance? This Government's foreign investment policy is a sham and holds in contempt the value of investment in the continued development of this great State of ours. In the past year, we have all experienced the frustrating mechanics of the new Labor Government's policy-making process, where exciting election rhetoric has not survived the real world through impracticalities—they should have been foreseen—simple Labor mismanagement or blatantly broken election promises. At this early stage of the Labor Party's term, many members of this Chamber are regarded already as oncers.

Mr Hollis: What about yourself?

Mr SANTORO: I am still here, which is more than most Labor members will be able to say—

Mr SCHWARTEN: I rise to a point of order. I believe that the honourable member is misleading the Committee with his indulgence about "oncers" in this Chamber. He should be referring to himself.

The TEMPORARY CHAIRMAN (Mr Johnson): Order! There is no point of order. I ask the honourable member for Merthyr to refer to the Treasurer's Estimates.

Mr SANTORO: I did not believe that the honourable member for Rockhampton North could be so sensitive. I suggest that one of the major reasons why Government members will be facing difficulties at the next election is that the Government has broken so many election promises, including the ones that I will be talking about tonight and many others for which the Treasurer is responsible. However, I suggest to Government members that it is an appropriate time to look at the past year. This time last year, the Labor election campaign was in full swing. One of the flagships of its election platform was the issue of foreign investment. Mr Goss went to great lengths to explain that

Queensland needed a clear and precise foreign investment policy and that the creation of such definite guidelines would no longer make foreign investment such an uncertain and concerning issue to investors and Queenslanders alike. During that election campaign, foreign investment became one of the major concerns for Queenslanders. Encouraged by Labor Party hysteria, Queenslanders began to question whether their State was becoming the favoured destination for foreign investors with good intentions. From all the statements made by the Labor Party, it seemed that Queensland was selling off the farm to the highest bidder. Japanese developments, together with facilities which were often designed for the Japanese market, reinforced the popular but false notion that Japan was taking over the State, which led to unfounded and irresponsible accusations being directed towards the Japanese business community, as well as the tourist in the street. The consequences were disastrous. Foreign investors began to question the viability of continuing to invest in such an unreceptive and hostile environment, while tourists were opting not to subject themselves to unprovoked criticism.

I dispute the claim made by the previous speaker that Queensland will continue to enjoy the very high credit rating that it presently does. I suggest that, if the matters about which I am speaking are not clarified, that rating will slip quickly, as it has already begun to do. If the feeling towards foreign investors continues, Queensland and Queenslanders will be the losers in the high stakes game of international diplomacy. We agree that, when Mr Goss and Mr De Lacy went to the people last year, they were correct in their assertions that Queensland needed foreign investment guidelines which would transform any grey areas into indisputable black and white certainty. Being informed would, hopefully, replace the fear of the unknown. Both the buyer and the seller would know what their position was. Goss and De Lacy promised to bring that about. However, in Government, all that resulted from those beat-up Labor election promises was a flimsy 10-page booklet which the Treasurer produced after many questions were asked of him and the Premier by the Opposition as to where the foreign investment guidelines, which were to bring certainty into the investment climate of Queensland, were. They kept saying, "They are coming. They will be good when they come out. We are in the process of formulating them. Public servants, bureaucrats and committees of the Parliament"—Labor Party committees—"are working on it." All we got was a flimsy 10-page booklet—a pathetic excuse for a foreign investment policy which still does not alleviate the confusion but, rather, has accentuated the existing problems. Seemingly, despite continued Labor promises, nothing has changed.

The rocky and uncertain road for foreign investment continued until the inadequacy of Labor policy was highlighted, for example, by the purchase of the Four Seasons Hotel in Cairns by Daikyo, one of Queensland's largest and most respected companies and foreign investors. There is no need to go over all the details of that sorry saga. It has been documented in this place by other speakers, including the honourable member for Moggill, the Leader of the Liberal Party and other members of the official Opposition. Suffice to say that, due to Labor's failure to produce effective guidelines, Queensland nearly lost a \$400m venture which undoubtedly will go on to make an enormous contribution to the Queensland economy. Unfortunately, Queenslanders nearly paid a far bigger price for Labor's mismanagement of that policy. Such consequences should not and cannot be ignored. Due to the uncertainty and downright insulting foreign investment policy of the Labor Government, Daikyo seriously contemplated not only pulling out of future investment plans but also unceremoniously pulling out its entire Queensland operations. Such a move would have meant economic disaster for Queensland, for the Daikyo proposal would have surely been only the tip of the iceberg; other investors would also have followed suit.

However, I come to the really alarming and worrying part. When Goss was given the opportunity to explain his Government's foreign investment policy—bearing in mind that by then the little 10-page document had been published and questions had been asked by the people who were being invited by certain sections of the Queensland business community to make the investment, to take the risk and to ensure the continued

growth that Queensland has enjoyed under a variety of sources of foreign investment—all that the Premier of this State managed to do was insult the Japanese consul and the Japanese business community. All of a sudden Daikyo, a company which Mr Goss described earlier in the year as good corporate citizens, were now good corporate citizens who could not read. I suggest to the Treasurer, who I commend for not indulging in such inflammatory language, that all that those comments did was bring about an atmosphere of unproductiveness and irresponsibility in regard to foreign investment which this State does not need. That type of reaction from the Premier of this State is unacceptable.

If the Labor Government truly appreciates the importance of foreign investment to the development of this State, it should act accordingly, and it should not seek to put on ideological blinkers when considering this issue. Investor needs cannot afford to be disregarded or treated with contempt. It is blatantly obvious that what potential and present foreign investors want are clear, comprehensive and definite guidelines. That is not too much to ask. To continue investing in Queensland, investors must know where they stand in relation to Government policy. Never has such a requirement been more necessary than at present. As Prime Minister Hawke finally, but begrudgingly, faces up to the state of the Australian economy and admits the bleak future of recession, Australia and Queensland will rely more and more on foreign contributions to provide the necessary cash flow that domestic investors presently lack. It is a fact that we all have to face and, I suggest, accept with the economic and social responsibility that our foreign investors expect of us.

Presently, circumstances are definitely in Queensland's favour to procure foreign investment. Eight months ago, owing to unfavourable exchange rates, it was noted that investment from overseas was declining. However, with the Australian dollar now being devalued against all major currencies, Queensland will once again have the chance to win back some of those lost customers. The question, however, must be asked: is the Goss Government ready to meet this challenge? I suggest that it clearly is not, as the continuing lack of a coherent foreign investment policy indicates. To ensure the continued procurement of essential foreign investment, Queensland needs to be respected as a bastion of responsible, strong and predictable economic management. To date, the Queensland Labor Party has failed to produce any long-term international respect in relation to this vital area of economic management, and I suggest that it must get on with doing so at its most urgent convenience.

Mr FENLON (Greenslopes) (7.48 p.m.): I compliment the Treasurer for his very successful Budget, which has obviously been very well received throughout the financial community and certainly by the public at large because people now realise the fiscal responsibility that it embodies.

The honourable member for Cooroora made some interesting points when he referred to the health of the economy that this Government inherited. Indeed, no-one can really dispute that it is generally a buoyant economy and that the State's books give cause for optimism. I am reminded of the following quotation from the *Merchant of Venice*—

"All that glisters is not gold.

...

Gilded tombs do worms infold."

One really has to look below the surface of the financial position of this State to see what is really going on.

Mr FitzGerald: The Treasurer is after his pound of flesh, and there will have to be blood flowing, too, if you are going to quote the *Merchant of Venice*.

Mr FENLON: In future, many a pound of flesh may be taken from near the heart on the Opposition side.

The real financial position of the State, the real level of economic performance of the Government and the real basis for judging the administrative competence of the previous Government has been obfuscated by two factors. The first factor is that, in past years, Queensland saw the result of a very substantial resource boom, which really carried this State along and enabled previous administrators to not necessarily place a great emphasis upon sound administration and sound economic performance. The instance of the railways is a typical example which illustrates that point. That was mentioned during the debate on the Transport Department Estimates. The whole system of freight charges and general level of performance within the railway sector has been carried along by what is essentially an export tariff that is cloaked as a freight charge. That is typical of the entire Queensland economy in the sense that the economy of this State has been carried along by that resource boom.

The second factor is that, in the past, Queensland had a record of poor and archaic modes of financial reporting and the production of financial accounts. That goes right through the entire system. It goes right through from the general financial statements of the State, produced at the Treasury level, down to the level of Government enterprises and Government operations themselves. A process has now been set in train by this Government to bring about reform in that area, right from the top to the bottom, from the level of accounting for the State's aggregate figures to the nuts and bolts at the workplace in terms of the Railways Department and other areas of Government endeavour.

One of the great ironies of history is that the parties that are now in Opposition, and which over the years professed incessantly to be the parties of business and the parties most capable of managing the economy, have failed to deliver on the most fundamental aspects of financial and economic management. Honourable members should refer back to the first principles of management that today are taught at any of Queensland's fine institutions, even at the debit level. I can assure members opposite that they would benefit a lot from those courses. It is ironic, however, that history will record that it was the members of the Labor Party, with their traditional commitment to the working people, who, in the nineties, sat on the Treasury benches and brought about those economic reforms. Indeed, the working people will benefit a great deal from the reforms contained in this Budget, because they will impact upon the levels of employment and economic activity generally.

It is also fortunate for the people of Queensland that the Labor Party has come into office at this point in history. Not only will it restore the principles of democracy to this State but it will also deal with the general economic downturn being encountered by all the economies of the world, including Australia's. I would very strongly argue that, at this point in Queensland's history, the Labor Party is the only party that is capable of dealing with this economic downturn. It is essential at this juncture in history that the Government confronts the fundamental economic problems that have led to the current position affecting world economies.

Mr Schwarten: And confront it we will.

Mr FENLON: The member for Rockhampton North is correct. The Labor Party has a sound understanding of the economic process that is unfolding at present all over the world, with countries now acknowledging that they must change their modes of producing goods and that they must develop a whole new way of thinking. These reforms are taking place throughout the west and the east. Many countries on both sides are experiencing similar problems, the solution to which requires an intelligent approach. In one of the great ironies of history, it will be very clearly shown that this Labor Government does have that very necessary sound body of competence to provide a solution. I am very proud to be part of this Government, which possesses people with economic and accounting type qualifications. Over the many years that this Government will be in office, those valuable people will support a fine Treasurer in the Honourable Keith De Lacy. This Government's election is a very great step forward and will make a very great change for the future of Queensland.

It is the dynamic in history that has to be now confronted, and that is where the previous Government failed. It is very clear that this Government and, in particular, its Treasurer will be able to confront what is the great sweep of history, the dynamic of history that Queensland is now locked into. At this point in the downturn in world economies, specific measures have to be taken to ensure that the domestic economy is restructured and that very specific financial stringencies are put into place. I am very grateful that the Treasurer has set out for honourable members the rationale that surrounds Queensland's approach in the nineties. There are three main areas. They relate, firstly, to continuing and reinforcing Queensland's status as a low-tax State; secondly, to enhance the issue of financial responsibility; and, thirdly, to continue on the track of micro-economic reform. In relation to financial responsibility, it is very clear that Queensland will achieve the necessary constraints by matching those future liabilities that the Government will encounter in terms of superannuation, insurance claims, etc., with projected incomes, the funding of social infrastructure out of the current Budget, and the concept of borrowing only where there will be a sufficient and matching income stream to deal with that debt.

In terms of micro-economic reform, by this Budget the Government is clearly giving great prominence to the importance of micro-economic reform. This can be seen right from the outset, because since it came into office it has rationalised the departments from 27 down to 18, established the Public Sector Management Commission and tackled the issue of corporatisation of Government enterprises. It has embarked on a very clear road of reform. As I have mentioned in previous speeches in this place, I believe that this will prove to be one of the greatest boons to the future economic growth of this State.

Within this area of micro-economic reform, after many of these building blocks are put into place, it will be seen that the Government itself must set the standard and the pace for this reform. This must occur not only in terms of setting overall economic goals but also in relation to issues such as industrial reform and award-restructuring. The Government is a very dominant part of the employment sector, and the private sector will certainly follow that trend. It is clear that the Opposition is still very much locked into the atrophy of agrarian socialism that has been seen for the last 32 years. We still see an absolute and appalling lack of depth in the Opposition's debate on and understanding of the dynamics of the economic circumstances that I have outlined. The Opposition still has the mentality of chasing rainbows, of chasing—

Mr Barber: Chasing subsidies.

Mr FENLON: Chasing subsidies—phosphate subsidies, of course. This State will continue to attract the very worthwhile investments that are needed. But honourable members opposite will have to learn—and they may have to learn the hard way by sitting on the Opposition benches and seeing the Government set the pace for this reform and create the environment. Unless the reforms that I have outlined tonight are put into place, overseas investment will not be attracted to this State. The Government will create the general environment and the rainbows will come to this State in a far more enthusiastic way. With a sound, restructured environment and an efficient Government, overseas investment will come to Queensland. This State will be giving the lead in business management and in the administration of the economy.

Mr Katter: Give us an example.

Mr FENLON: I have been outlining this all night. The honourable member for Flinders should realise that I have been giving a very clear outline of where this State is going.

Time expired.

Mr SLACK (Burnett) (8.03 p.m.): I would hope that members opposite do not get carried away with their rhetoric and start to believe what they are saying in this place about the good job they are doing in controlling the Treasury benches. Let us be realistic

about it. The Government has been in office for a little less than 12 months. As far as the Treasury portfolio is concerned, the Government is enjoying the benefits of the previous Government's management. Let there be no doubt about that. One has only to look at what is happening in the other Labor States to see what a mess their economy is in. One has only to look at the problems facing the Commonwealth Government to see what Labor is doing—and doing in general.

In taking over from the National Party Government, the Labor Government in this State has taken control of an economy which has stood head and shoulders above that of every other State. I pay tribute to the officers of the Treasury Department, some of whom are in the lobby at present. There is no doubt that they play a significant role, and have done so for as long as I can remember, in advising the Treasurer of the day and ensuring that the economy of the State is balanced. There has been a dual approach by former Treasurers as well as by the present Treasurer. Labor has yet to prove itself as a capable manager of this State's economy. It has been able to bring down a Budget within an economy that has previously been given a AAA rating. This Government has brought down a Budget in an environment different from that existing in other States. It has not had to face the pressures resulting from the mistakes made by previous Governments in bringing down their Budgets. Because the other States now have to pay a penalty for their financial mismanagement, a contraction in Government services has occurred. This Government is receiving the benefit of the previous Government's effective financial management of this State. That can be proved. Proof appears in the Treasurer's own little booklet. When the Treasurer tried in this place to denigrate the National Party, he only showed his ignorance and his lack of understanding of the management of this State's financial matters. The booklet to which I referred actually pointed to the previous Government's achievements and documented the good management of this State.

Mr De Lacy: Can't you talk about the Estimates?

Mr SLACK: Further down the track when the Treasurer has proven himself as a manager of the financial affairs of this State, he can interject. However, he cannot claim one iota any credit for the way in which this State has been managed to date. The benefits of the previous Government's good management of this State have flowed on and he has been able to benefit from them. It remains to be seen whether the Treasurer will be able to continue to manage the State in such a manner. Everyone speaks about the Budget being a good Budget and how well accepted it was by the business community and by the wider community. Why was it basically accepted?

Mr De Lacy: Why was it?

Mr SLACK: Because there was a sigh of relief that, for argument's sake, a petrol tax was not imposed and that there was no increase in taxes. It is true that, before the last election, the Labor Party gave a commitment not to increase taxes. But what has it done? It has introduced a user-pays system which, when it is applied to a number of services, must act as a tax system within the community. That is what the Treasurer has done to balance the books. He made reference to interdepartmental relations, coordination between departments and the use of the user-pays principle. That is how the Government has balanced the Budget. The general community has not really felt the effects of the Budget. The Treasurer said—with relief—that this Government was not introducing a petrol tax or some of the other nasties that exist in other States. I am a little cynical about petrol tax. The report on roads that was commissioned by the Commonwealth proposes the take-over of petrol tax and vehicle registration fees. Because of the way that this Government is embracing the proposals put forward by the Commonwealth and the other States, it could well be that, in the not-too-distant future, a petrol tax will be introduced in this State. Does the Treasurer deny that that is a possibility? Is he prepared to deny that?

Mr De Lacy: I am denying it.

Mr SLACK: The Treasurer denies that this State will introduce a petrol tax. That is good. Will he also give an assurance that, when negotiation occurs with the Commonwealth and other States and the Commonwealth takes over and unifies many systems within this and other States, Queensland will retain the benefits that it has achieved and that they will not flow into other States to prop up and assist some of their deficits?

Mr De Lacy: Okay. I give that guarantee, too.

Mr SLACK: I hope that the Treasurer is able to live up to that assurance. That is one of my major concerns, which I am sure I share with the general public.

Mr De Lacy: I don't know why you don't read my speeches.

Mr SLACK: I ask the Treasurer to listen to what I am saying. Queensland has embraced the user-pays principle which, to some extent, can be justified in that a person who uses a service should pay for it. However, if that principle is to be justified it must be applied equally, and if it is applied equally it must apply equally throughout country and metropolitan areas.

I turn to the rationalisation and reorganisation of the rail-freight system and services in areas that are serviced by rail. Recently, I was told that the average cost of providing a rail service to the metropolitan rail-user is approximately \$13 per head. Will the user-pays principle be extended to apply equally across the board to people who use the rail system in Brisbane and in country areas?

Mr De Lacy: There won't be any discrimination.

Mr SLACK: Is the Treasurer saying that the cost of providing a rail service to persons in the city will be approximately \$13 per head on suburban rail lines?

Mr De Lacy: What I am saying is that gradually the Railways will operate on a commercial basis and that will be right across the board.

Mr SLACK: That information was given to me by members of the Railways who claim that they know their figures. That is the way that it will work. If the user-pays principle is applied equally across the board, this Government will have on its hands one hell of an outcry from its constituents within the metropolitan area.

The Treasurer referred to the interrelationship between departments. I am sure that the Treasury has considered this issue of vital concern. When a department makes a decision about what can be done to make that department more cost effective, that decision can impact upon the cost structure of other departments. For example, I cite the closure of courthouses in country areas. I refer to the courthouse in Monto, which is not in my electorate. The closest town to Monto with a courthouse is Biloela, which is 68 miles away. I do not know how far that is in kilometres.

An honourable member: 115.

Mr SLACK: I understand that it is 115 kilometres. If the Monto Court House were to close, the policemen who usually escort people to court for perhaps 15-minute hearings would have to attend at the courthouse in Biloela. As a result, Monto would be without policemen during that period. Therefore, additional police would have to be transferred to Monto. In realistic terms, that would be ridiculous. Although the Government might make a decision based on workload to close a courthouse, that does not take into account the impact of that decision on other sectors.

An ambulance service operates in my home town. There is nothing wrong with that service. Its members work hard, provide a service and conduct chook raffles to raise money. Recently, I inspected the books of the ambulance centre. It is apparent that it is losing approximately \$30,000 per annum. The Treasury will have to consider that. I am aware that a parliamentary committee is conducting inspections of ambulance services in country areas. Because of the calibre of the members of that committee, no doubt it will make balanced, worthwhile recommendations. However, the Treasury must

address the problems that are compounded throughout the ambulance system. The Treasury realises that, because the economy is experiencing a general downturn, ambulance services are less able to address their economic problems. I hope that the Treasurer is aware that general downturns in the economy will over the next 12 months have a greatly increased impact on the resources of the Treasury. I hope that provision will be made for that.

The Treasurer and other Government members make pious claims that they are just introducing charges where charges should be introduced. Recently, the member for Moggill referred to rail freight charges in the coal industry. In the past decade, that industry was one of the major contributing factors to the growth of the Queensland economy. I will compare the Queensland coal industry with that of New South Wales when the Labor Party was in Government in that State. Although New South Wales has ample reserves of coal, its coal industry did not develop in the same way as the Queensland coal industry did under the conservative National Party Government. That is a comparison between a Labor Government and a National Party Government.

Be that as it may, although rail freights are being reviewed, from places such as the Bowen Basin, the coal industry has been saddled with an extra \$5m cost in rail freight. The rail freight system receives an average return of \$12 a tonne of coal. That increase in rail freight was introduced supposedly to reflect the increase in oil prices because of the crisis in the Middle East but has been calculated on the whole of that \$12. All honourable members must know that approximately \$8 of that \$12 is a tax on the freight component of coal. People in the coal industry have told me that in their estimation—and it has not been denied—the actual cost of freight, even allowing for depreciation on capital investment, is \$4 a tonne. The Government has imposed a direct tax on an existing tax—the \$8 component—and has tried to justify it as a charge. Because contracts are on a 12-month basis, the coal industry has not made any windfall profits whatsoever from the crisis in the Middle East.

Mr De Lacy: Can I interject?

Mr SLACK: I have one minute left. I say to the Treasurer that the Government must continue the climate in Queensland that the former Government was able to promote successfully, that is, reinvestment in industry. If the Government treats the coal industry or any other industry in this State as a milking cow, that reinvestment will not occur. As a result, there will be a run-down in services. In two years' time, when the people of Queensland will make a judgment, I will see whether the Treasurer has been able to support the claims that he made tonight.

Time expired.

Mr DOLLIN (Maryborough) (8.18 p.m.): It gives me pleasure to speak to the Estimates for the Treasury. I congratulate the Treasurer on what is probably one of the most responsible Budgets in Queensland in the past three decades. It is the first Budget brought down by a Labor Treasurer in over 30 years, and it has been accepted extremely well by the great majority of Queensland citizens. It would be fair to say that the Budget has met with universal approval. By their annoyance when the Budget Speech was made, even members of the Opposition have shown their approval. At times, the Opposition wants to claim that the Budget is virtually its own, yet at other times the Opposition claims that the Budget is not worth the paper on which it is written. Then, the Opposition claims that the Budget is the National Party's blueprint. No matter what the Government does, it is difficult to keep the Opposition happy. However, I am sure that the Treasurer is not concerned whether they are happy.

The Australian community is changing its attitude towards the performance of Government. People are considering the underlying fundamentals on which the Budget should be based. That is a healthy trend. It is obvious that the Government must live within its means and be disciplined and responsible in its financial management strategy. Budgets do not concern only capital works allocations, and that message is getting across to the people. That is good news. The Budget is one of reform, responsibility and

economic development. Those are not throw-away lines. The essence of the Budget is financial responsibility and fiscal discipline. The main reforms relate to education, environment, police, social welfare, housing and many other areas. Those reforms are the type of reforms that make one proud to be a member of this Labor Government. Those policies have a heart and address the needs of the people in a fair and reasonable way. We all saw what happened to housing in Queensland under the former Government. People were living in tents and motor vehicles. They were told that they had to stay there for a month before they could be placed on the Housing Commission waiting list.

The Government must be careful that its policies are durable and will go from strength to strength. Honourable members should take heed of the problems faced by John Cain in Victoria. He made great achievements in terms of education, social justice, the environment, the status of women, freedom of information and a whole range of issues that are dear to the hearts of most people, and he deserves great credit for that. He was concerned about his fellow man and was intent on doing all he could for the average John Citizen. He was a man of compassion. His one and probably only fault was that he lost control of the economy and, of course, that was fatal. In spite of all the humane and decent things he may have achieved, when he was unable to balance the budget, it was all for nought.

The Queensland Premier and Treasurer are keeping control of this State's economy. This can only be done in these tough economic times by practising firm financial disciplines. This Government is well and truly aware that it must create the right environment for business to develop and prosper. Queensland has great economic potential; more than any other State in Australia. This is a great advantage and we must make the most of it. As we are one of the growth States of the future, our aim should be to establish Queensland as the low-tax State of Australia, as a financially responsible State and as a State that is developing an efficient public sector. Members of the Opposition will be aware that the State's financial assistance by way of Commonwealth grants was cut by \$400m this year. This was the result of the Federal Government's call for cuts in Government spending, and State Governments are expected to do their bit to achieve that aim. In spite of this cut, the Queensland Government has not increased taxes. The Premier has honoured his commitment to the people of Queensland of no new taxes and no increase in taxes or charges greater than the rate of inflation. This has been a very difficult year in which to keep that promise because of the strife in the Persian Gulf, resulting in extra costs, the downturn in the wheat and wool industries, the flood in Charleville, which cost many millions of dollars which was not allowed for, and the increased cost of fuel, which places an added burden on the Government and everybody else. In spite of all of those things, the Government has stuck to its commitment.

Let me outline how the Premier and the Treasurer have reined in State taxes. Payroll tax in New South Wales and other States is 7 per cent; in Queensland, it is 5 per cent. In other States, financial institutions duty was 0.3 per cent and has risen to 0.6 per cent whereas it is nil in Queensland. In New South Wales, petrol tax has increased to 11 per cent whereas there is no petrol tax in Queensland. Tobacco tax is 50 per cent in all States except New South Wales and Queensland, where it is 30 per cent. Members of the Opposition are very disappointed to hear these things. Quite honestly, I think they would like this Government to increase taxes and charges so they would have something to throw at us. They are getting short of ammunition. They do not have many bricks to throw. The Treasurer is doing too good a job. The Government has stuck to its promise. There have been no new taxes and no increases in taxes greater than the inflation rate. This has allowed us to maintain our position as a low-tax State. Of course, this will attract business to Queensland and will supply the growth needed to accommodate our population increase, which is due largely to immigration from other States. People have been flooding over the border into Queensland, especially since the Labor Party was elected. Queensland has the economic climate that is needed to generate the confidence that business needs so that it will invest and expand in our great State.

The public sector will become cost effective. The Government has commenced this process by reducing the number of departments from 27 to 18 and by establishing the Public Sector Management Commission. In addition, it is reviewing the structures and functions of all departments. The Treasury has a unit that is reviewing the efficiency of departments and making sure that they are achieving their objectives. An efficient public sector is essential if we are to keep taxes down and reach our goals in social reform, such as education, police services, housing and hospitals, to name just a few that were allowed to run down under the previous National and National/Liberal Governments. It will take an enormous amount of money to get those services back to a reasonable standard and up to the expectations of the community. I am sure that the public sector will perform more economically under a corporate plan and the management and staff have the challenge of competing with other State-owned enterprises. I feel sure that, once it gets over the growing pains, the public service will be happier and more productive, resulting in greater prosperity for all Queenslanders.

I congratulate the Treasurer on the fine job that he is doing in keeping Queensland's economy on the straight and narrow road to prosperity.

Hon. R. C. KATTER (Flinders) (8.27 p.m.): Mr Temporary Chairman——
Government members interjected.

Mr KATTER: Mr Temporary Chairman, we have just heard some interesting interjections. All I can say is that the people who are being paid to write the speeches for Government members lack intellectual capacity. They should do as I have done throughout this debate. I have been making notes on the speeches of Government members. Usually something provokes me but, tonight, I am in a very calm mood because nothing they have said was interesting or substantial enough to require my answering them. Let me make one small comment about the honourable member for Maryborough.

Mr SCHWARTEN: I rise to a point of order. The honourable member for Flinders has insinuated that people write our speeches. It is obvious that that is not the case. The honourable member for Flinders writes his own speeches and that is why they do not make any sense.

The TEMPORARY CHAIRMAN (Mr Johnson): Order! There is no point of order.

Mr KATTER: The other day I said that somebody had written a speech. Then I apologised and said that the honourable member had written the speech himself, and everyone roared laughing. I will not call that same opprobrium upon the honourable member for Rockhampton.

Mr Schwarten: North.

Mr KATTER: Rockhampton North. "North" is a very valuable word and I agree I should not have omitted it.

The prevailing economic situation in Australia is very relevant to the Estimates of the Treasury Department. The situation is that, for every month that goes by, \$1.5 billion more goes out of the country than comes into it. As Queensland is probably the largest exporting State, we should be most vitally concerned about attacking this problem.

Traditionally throughout most of this century, Queensland has carried the burden of Australia on its back. The nine export-earning commodities for the State are wool, gold, coal, aluminium, wheat, beef, iron, sugar and, of course, tourism. I have left out oil and included alumina with aluminium. The present situation in the wool industry is identical in every way to the situation that confronted Doug Anthony, who was at that time the person responsible for the wool industry in this nation. The wool industry is the largest industry in Queensland and the one upon which the State depends very much for its income in one way or another. Doug Anthony had the unbelievable intestinal fortitude to borrow and spend what in today's terms amounts to \$6.5 billion on the

purchase of wool. He told the Japanese that as long as they wanted to sit on the sidelines, Australia would keep buying wool, even though he was confronted with an oversupply problem that is similar to the underpurchasing problem that has been created today by Mr Kerin. Mr Kerin has been much lauded by many people involved in rural industries in Australia, but he has presided over the greatest debacle and collapse of rural industry in Australia's history. Many members in this Chamber who were Ministers in the previous Government had to confront the problem that their Government was not doing the right thing by the people whom they were paid to look after. When that problem arises, Ministers should simply turn in their badges. Mr Kerin should have turned his badge in on 100 occasions.

The CHAIRMAN: Order! I have allowed the member to speak about the wool industry for quite some time, but I ask him to return to debating the Estimates.

Mr KATTER: The relevance of the matters that I am discussing will become apparent to you, Mr Chairman.

Government members interjected.

The CHAIRMAN: Order! Government members will stop interjecting.

Mr KATTER: I will not dwell upon this subject, but at that time, \$6.5 billion-worth of wool was purchased. Today, we lost our nerve when the figure reached \$1.5 billion, and the price has collapsed.

I turn now to the gold industry. This State produces roughly one-third or possibly 40 per cent of Australia's total gold production. This industry is a very big revenue-earner for the State Treasury in terms of royalties and other revenue, such as payroll tax, that accrues to the State. However, the collective wisdom of every single Government in Australian history was that gold should not be taxed, and a large number of other nations throughout the world do not tax gold, either. I will not dwell upon the counter-cyclical economic effect of gold and how damned stupid it is to tax gold. I will forget about that for the time being. A total of eight major and significant gold mines in Queensland have closed since the introduction of a gold tax. The revenue that should have been going into the Treasury has been lost.

The removal of each of the protective mechanisms that existed in both the sugar and wheat industries has caused those industries to collapse. I turn now to the beef industry. This matter is most relevant to the debate, because if the ISC recommendations on road transport are agreed to by this Government, the financial implications for this State are very serious. The cost of carting cattle will rise to such a level that approximately 6 per cent or 7 per cent of the industry that is not presently viable will simply cease to exist. The line that can be drawn across the State where there is no cattle is presently at Kowanyama, but it will shift south to approximately Normanton and we can kiss goodbye to another 6 per cent or 7 per cent of the industry. A loss of payroll tax has resulted from the closure of five major meatworks in north Queensland where some 2 000 or 2 500 men have lost their jobs. Another two meatworks in Queensland will be closed and another 1 000 men will lose their jobs if this Government keeps putting cost impositions upon this industry and removing the protective mechanisms that were established over hundreds of years of government. I might say that the bulk of those protective mechanisms were put in place by Labor Governments. The Labor Government in Queensland—the Government of which members on the other side of the Chamber are a part—is removing these protective mechanisms in the sugar industry.

Mr Sullivan: You're jealous.

Mr KATTER: I tell the honourable member that when the sugar industry collapses and thousands of workers are thrown out of work, it will be upon his head and not mine. Out of the nine industries I mentioned, six of them have been destroyed as a result of a conscious decision made by the Federal or State Governments. There have been no international problems in the gold, wheat, beef, sugar or tourism industries.

The only problems have been artificially created by the people in Canberra. I regret to say that, in the case of the sugar and beef industries, the problems have been caused by this Government in Brisbane.

Mr Bredhauer: What about the Estimates?

Mr KATTER: If the honourable member cannot see the relevance——

Mr De Lacy: I can't.

Mr KATTER: Unfortunately, that is probably the reason why Australia has these problems today. The Treasurer says that he cannot see the implications on Treasury as a result of 2 000 men being out of work. I point out to him that he receives payroll tax for each of those people. If they do not have a job, the Treasurer has no income from the payroll tax.

In this Budget, and as a result of the follow-up decisions made by the Railway Department, an increase in rail freight charges of between 100 and 200 per cent will be imposed upon the producers of the wealth and the export incomes of this State. This Government has agreed publicly to the ISC recommendations. At no stage have the Minister for Transport, the Premier or the Treasurer issued a denial. Most of the railways employees voted for the ALP in the last election, and I am pleased to say that they will not be voting for the ALP at the next election.

Mr Beattie: They won't be voting for you.

Mr KATTER: I will make available to the honourable member the correspondence I have received from railwaymen that will show which party is in front and which party is behind. The ISC recommendations mean that the increase in the cost of carrying most articles by road in Queensland will be in the order of 1 000 per cent. Rail freight increases of 100 per cent and 200 per cent have already been imposed. I am informed that the Government is going along with the ISC recommendations, which will result in increases of 1 000 per cent, but let me be fair and say that in relation to road transportation some increases are as low as 300 per cent. I notice that the honourable member for Mount Isa is present in the Chamber. He lives at the end of the railway line, and the people of his electorate will be the ones who are paying these increases. Members of the National Party wonder where the task force he refers to has been while these increases are being imposed. We wait with bated breath to see what the ALP will do about the increases that are to be imposed.

Land rental rates have increased by between 100 per cent and 200 per cent, which is another cost burden being imposed on the productive sector. These increases will make primary producers non-competitive and will cause industries to collapse. Another two meatworks in this State are to close. It is deeply disappointing to note this Government's policy in relation to electricity. For a very brief period, I was the Minister responsible for electricity. It was with some considerable pride that I examined the figures and found out that Queensland's electricity charges were approximately 25 per cent cheaper than those of any other State in Australia. What happened when the present Government came to power? In the very first Budget brought down by the Labor Party, electricity supply has been taxed for the very first time. For the first time ever in this State, people on fixed incomes—the old people and the poor people—will have to bear a tax on electricity costs, which is a matter that should cause deep shame to be felt by members of the Labor Government.

When I and other members of the National Party formed the Government of this State, we had many arguments about the free hospitals system, which was a sacred cow that the former Government was not game to touch. Irrespective of whether that may be considered to be a good or bad decision, that is the decision that we made because we did not want to be recorded in history as the Government that removed free hospitals. However, members of the Labor Party belong to a Government that has started to dismantle Queensland's free hospitals system. When people who have private medical insurance attend a public hospital, they will be told, "We prefer you to have your own

private doctor." Every honourable member would know what "prefer you to have your own private doctor" means and the implications of that statement. Members of the Labor Party will be remembered as comprising the Government that introduced a tax on electricity, and they will be remembered as the first Government to break away from the free hospitals system. They will also be remembered as the Government that imposed enormous increases of 100 per cent, 200 per cent and 1 000 per cent on the costs of transportation in this State.

It is really interesting to hear members of the ALP talk about micro-economic reform because it is the ultimate exercise in arch hypocrisy in a public place. Every article that I have ever read about micro-economic reform states at the outset that transportation costs should be reduced. This new Queensland Government proposes a new national monopoly on transport that will be owned by the Federal Government. If members of this Labor Government think that that is a successful way in which an economy should be managed, I suggest they take a quick look at Russia to see how successful that particular form of economic administration has been.

Government members interjected.

Mr KATTER: For the benefit of those members of the Labor Government who do not understand what is happening in Australia's railways system, let me point out that this country now has a National Rail Freight Corporation. Initially, it will take over all the interstate rail freight. It will also be allowed to take over all the intrastate transportation. Those honourable members who know how the railways work will have no doubt in their minds about the outcome. There is no doubt in the mind of Pat Dunne, because he has told all his railway union members in this State what is happening.

Mr Elder: Wrong.

Mr KATTER: I have the quotations in my possession, and I will not waste the time of this Committee by dealing with them in detail. The point I make is that this Labor Government has taken all the extra revenue that will be obtained from increases imposed in relation to freight and has spent it on increases such as \$10m extra for child-care centres in this State; \$1m on a new women's section of the Premier's Department—perhaps the Premier needs \$1m a year to be told about women; and \$32m for Environment and Heritage. The end result will be that there will be fewer stations producing wool and beef. More stations will be turned into national parks that will have to be paid for out of the public purse.

Time expired.

Mr BREDHAUER (Cook) (8.43 p.m.): I have been listening to the debate since half past 3 this afternoon, and I can say that most of it has not been relevant to the Treasury's Estimates. The member for Flinders has just given the Committee an example of a debate that is not even relevant to this Parliament. The honourable member discussed the Australian Wool Corporation, the gold tax, the Inter-State Commission's recommendations on road transport, and industry protection, which are all issues that are related to the Federal domain and which have nothing to do with Treasury Estimates. I can only assume that some time ago, in the hope of being elected to the Federal Parliament, the member must have written a maiden speech. Perhaps his speech tonight was the maiden speech he would have delivered if he had been successful. I might remind "Rip Van" Katter—in case he has been asleep for the past six months—that not only did he not get the endorsement for the electorate of Kennedy, but also it is well represented by a Labor member, Mr Rob Hulls.

I turn now to the Treasury Estimates, which is actually what the debate should have centred on. Unfortunately, it has not been referred to very much by members on the Opposition side of the Chamber today. Only a few minutes remain for me to discuss a couple of issues, so I will refer to the PIPE scheme and QIDC because they provide important industry assistance for constituents in my electorate through the provision of interest subsidies on rural loans, etc. I also wish to discuss briefly foreign investment.

The Liberal member for Merthyr, Mr Santoro, referred to foreign investment policy. Basically, the Liberal Party's policy on foreign investment is open slather. It does not provide any controls. This Government has tried to recognise that foreign investment is important to the Queensland economy, but that it must be carried out for the benefit of all Queenslanders. I congratulate the Treasurer on the efforts his department has made which will ensure that, in the next 12 months, its foreign investment section will examine the impact of foreign investment on the mining industry, the tourism industry, and the beef-processing industry.

Time expired.

Hon. K. E. De LACY (Cairns—Treasurer) (8.45 p.m.), in reply: I thank all honourable members for their contributions. I must say that I was bitterly disappointed with the standard of debate from the Opposition. The Estimates debates represent the principal opportunity for members of this Chamber to debate the Estimates of each department. This year, for the first time in history, members have had the opportunity to debate the Estimates of all departments. This is the first time for many years, if not the first time ever, that the Treasury Estimates have been put forward for debate. For that reason, I found it very disappointing that the Opposition spokesman, the member for Burdekin, was unable to address the issue of the Treasury Estimates. In fact, it was pathetic. It is an indictment of him and all other Opposition members that they cannot make a contribution of any substance on a financial or economic matter. That is why they will never return to Government.

This year, there will be four debates on the economy that reflect on Treasury. We have already debated Appropriation Bill (No. 1) and the Budget, and we now have the Treasury Estimates. The Opposition spokesman has made the same speech on three occasions. On none of those occasions was his speech relevant to the debate or anything to do with the economy or the financial management of the State. His speeches have been an exercise in personal abuse, vituperation and irrelevant comment. I have been the Opposition spokesman on finance. At least I used that opportunity to learn something about the running of the State. Today, I made a speech about the way in which Treasury operates. It was a comprehensive speech and gave Opposition members an opportunity to address Treasury matters. They did not address a single issue. It is a disgrace. It reflects on the Opposition spokesman and on all other Opposition members. I suppose that it makes us feel comfortable. However, as I said once before, it is not good for government when the standard of Opposition is so poor.

I would be prepared to respond to reasonable issues that were raised. However, Opposition members did not raise a single issue that is worth responding to. The member for Surfers Paradise used his time to talk about the Indy car race. I have noted his comments and what I interpreted to be his opposition. I noted also that he is predicting a catastrophe. After 17 March next year, I will talk to the honourable member about that event. As I said earlier, there are only two positions on this matter: he is either on board or he is swimming in the wake. If the honourable member wants to swim in the wake, he can do so. His threats about withdrawing the support of the National Party are laughable. If he wants to withdraw the support of the National Party, I invite him to do so, because at present it is irrelevant in this State.

At least the member for Moggill made an effort to address some relevant issues. In the short time that I have available, I will address those points. The points that he made about rail freight rates are well made. I agree that there is a need to separate what he called the tax component of rail freight rates from the operating costs. This year, we have made the first move in that respect by separating the accounts from consolidated revenue and putting them into a trust account. We need to improve the accounting regime of Railways, and the first step is to move it on to an accountable and commercial basis. That is the direction in which we are moving.

An Opposition member raised the issue of the escalation formula for the export coal rail freight policy. The member for Burnett also raised the matter. I point out that the formula was negotiated by the National Party Government and has not been changed

by our Government. How the member for Burnett can criticise us for that formula, I do not know.

Mr Slack: I did not say the formula.

Mr De LACY: I do not have time to accept interjections. However, in respect of diesoline, I have made an offer to the rail freight companies to renegotiate the escalation formula. For many years, the price of diesoline has increased at about half the rate of inflation. The coal companies were not knocking on our door then and claiming that the formula was no good. As soon as it does not work in their favour, they are knocking on our door and saying that it is no good. They agreed to the formula and they must stick with it. If they want to renegotiate it, we are prepared to do so. In fact, we are examining the matter now. I point out that a concession has been given to those companies—the honourable member ought to know that—in that the price is increasing at only half the rate of the formula, not the full rate. They are not doing too badly. For the honourable member to suggest that the formula is causing coal mines to close down, that coal mines cannot open or that somehow coal mines in Queensland are in the same position as those in New South Wales demonstrates that he does not know what he is talking about.

The member for Moggill also mentioned the Gladstone Power Station. The reason why we have not made public the details of the evaluation of the costings is simply that commercial information is contained in those costings. However, I must say that we have had three different independent costings and they have all come out at about the same rate—about \$1 billion. We are not going to give Comalco all our assumptions and methodology unless it is prepared to give us the assumptions on which it has arrived at its figures. This Government is not going to sell the Gladstone Power House at a price substantially below what it is worth. The Opposition is talking about the Victorian system—getting into bed with business, flogging something off to one's mates and not worrying about the taxpayers. If Comalco wants to pay what it is worth, the Government will sell the Gladstone Power House to it. However, the power station is not going to be given away. That is not what this Government is on about. If Queensland is going to have business, it must be able to stand on its own two feet. It is not going to be subsidised ad infinitum. That might be the National Party system; it is not the way in which this Government operates.

The member for Bundaberg wanted to know what benefits would flow from the Office of State Revenue. Those benefits will include improved quality of service; reduced duplication of resources; increased revenue through more effective compliance activity; and more consistent and focused taxation advice.

Mr Stoneman: The Parkroyal.

Mr De LACY: I have not yet seen an application for foreign investment approval for the Parkroyal. Once that application comes before me, the Government will apply its foreign investment guidelines to it and make recommendations on that basis. This Government does have a foreign investment policy. It is spelt out in that booklet. It is applied consistently, across the board, for the benefit of the people of Queensland.

I thank those members of the Government who contributed to this debate. They showed up the abysmal performance by the Opposition, which was concluded by the honourable member for Flinders, who seemed to think that the wool industry was relevant to the debate on the Treasury Estimates. In conclusion, I thank all honourable members for their contributions to the debate, particularly members of the Government for their thoughtful contributions, and also those members of the Opposition who took the debate seriously.

At 8.55 p.m.,

The CHAIRMAN: Order! Under the provisions of the Sessional Order agreed to by the House on 3 October, I shall now put the questions for the Vote under consideration and the balance remaining unvoted for Treasury.

The questions for the following Votes were put, and agreed to—

\$483,521,000—General Public Services, Treasury Department (Consolidated Revenue).

\$3,684,970,000—General Public Services, Treasury Department (Trust and Special Funds).

\$103,265,000—General Public Services, Treasury Department (Loan Fund).

\$342,890,000—Economic Services, Treasury Department (Consolidated Revenue).

Progress reported.

The CHAIRMAN: Order! I remind honourable members that while the occupant of the chair is on his or her feet, members should not be moving around the Chamber.

REDLAND SHIRE COUNCIL (CLARIFICATION OF BOUNDARIES) BILL

Hon. T. J. BURNS (Lytton—Deputy Premier, Minister for Housing and Local Government) (8.58 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to clarify the incorporation of certain areas of land within the Area of the Shire of Redland."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr Burns, read a first time.

Second Reading

Hon. T. J. BURNS (Lytton—Deputy Premier, Minister for Housing and Local Government) (8.59 p.m.): I move—

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

When I became Minister for Housing and Local Government, I was advised of a problem that had emerged following an examination by the former Government of proposals for the replanning and redevelopment of Russell Island and other islands in Redland Shire. It should be recalled that prior to 1973, a number of islands in Moreton Bay were not included in the area of any local authority. As a result, there were no council controls over the subdivision and development of these lands and land with drainage problems and other lands below high-water mark was subdivided.

After a considerable amount of adverse publicity, the Government of the day acted. An Order in Council, made under the Local Government Act, was published in the *Government Gazette* of 12 May 1973 and incorporated Russell Island, Macleay Island, Karragarra Island, Perulpa Island and Lamb Island into the area of Redland Shire. Unfortunately, that Order in Council inadvertently limited the lands to be included in the shire to those which are located above high-water mark. The problem was further aggravated since survey maps were drawn and presented as if all the subdivided lands were above high-water mark. The situation is that there are many allotments below high-water mark which are not included in the area of the Redland Shire. However, since 1973, the Redland Shire Council, the owners of the land and all other persons have acted as if those lands were included in the shire. Clearly, legislation should have been enacted by the former Government to overcome difficulties created by the Order in Council. In the circumstances, this Government has no alternative but to legislate. The Bill now before the House declares that all subdivided lands on Russell Island, Karragarra Island, Perulpa Island, Macleay Island and Lamb Island, whether above or below high-water mark, are included in the area of the Shire of Redland.

Furthermore, the Bill provides that all such lands are taken to have been included in the shire as from 12 May 1973. In addition, the Bill deems that anything done or omitted to be done before the commencement of this legislation is not invalid and cannot be called into question on the ground that the lands involved were not included in Redland Shire at any time on or after 12 May 1973. In effect, the Bill provides that what everyone always believed to be the case since the Order in Council was made in 1973 is the case and has been the case since the issue of that Order in Council.

While I derive no satisfaction in presenting legislation of this nature to the House, all members will agree that such legislation is required to overcome the administrative and legal problems that are associated with this oversight. I commend the Bill to the House.

Debate, on motion of Mr Borbidge, adjourned.

City of Gold Coast (Harbour Town Zoning) Bill

Hon. T. J. BURNS (Lytton—Deputy Premier, Minister for Housing and Local Government) (9.02 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to make certain provision in relation to the Town Planning Scheme for the City of Gold Coast, and for related matters."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr Burns, read a first time.

Second Reading

Hon. T. J. BURNS (Lytton—Deputy Premier, Minister for Housing and Local Government) (9.03 p.m.): I move—

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

In Opposition, the Government's spokesperson opposed the use of the ministerial rezoning powers in the Local Government Act to rezone the Harbour Town site at Labrador as a regional town centre for basically private commercial purposes. The Gold Coast City Council also opposed the rezoning, and an undertaking was given by the Opposition spokesman on local government to reverse that ministerial rezoning and return the matter to the council. This undertaking is now being honoured.

The Bill declares that the Order in Council of 13 July 1989, which provided for this ministerial rezoning, never took place. The Government believes that the Gold Coast City Council is the proper planning authority for the area and that its rights should be restored to deal with land use matters on the site. The Bill, therefore, deems that the site is included in the special facilities zone under the town-planning scheme in force in the area and administered by the Gold Coast City Council. As a result, all but one of the current as-of-right uses of land become consent uses. In other words, before any of those uses can be lawfully established, the town-planning approval of the Gold Coast City Council must be obtained and the public will have all of the objection and appeal rights provided by the Local Government Act with respect to any application made to it for those use rights. The Bill also provides that the site may be used as a regional shopping centre if certain conditions are met. The Gold Coast City Council has indicated its desire to see a regional shopping centre established on the site, subject to certain criteria being satisfied. Those criteria are incorporated in the Bill, which provides that, if the land is to be used for the purposes of a regional shopping centre, the centre must have no more than 50 000 square metres of retail floor space; it must contain at least one major department store having a minimum floor area of 10 000 square metres, and

which is not of a type known as a discount department store, at least one supermarket and 60 specialty shops.

In line with the commitment of the Government, the responsibility for any development should rest with the Gold Coast City Council. The Bill further provides that a regional shopping centre cannot proceed until the council notifies the Minister that it has received an economic impact assessment supporting the development, that it has approved of the nature and type of development and has imposed reasonable and relevant conditions to which the owner of the land has agreed. The Bill provides for the conditions of approval which have been agreed upon between the company and the Gold Coast City Council to attach to the land and to be binding on successors in title.

There has been a deal of agitation from certain competing commercial interests in this area of the Gold Coast to the proposal for a regional shopping centre to proceed. However, as I have already stated, the Gold Coast City Council is the town-planning authority for the area and it has publicly supported the establishment of a true regional shopping centre on the Harbour Town site and, indeed, the ongoing development of the lands so that the collective uses finally established will be a true town centre to service this general locality.

This Government recognises that the Gold Coast City Council should be the authority which makes the final decision in respect of the development of the Harbour Town lands. Quite simply, this Bill will so provide. I commend the Bill to the House.

Debate, on motion of Mr Borbidge, adjourned.

DEBITS TAX BILL

Hon. K. E. De LACY (Cairns—Treasurer) (9.05 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to provide for the imposition and collection of a tax in respect of certain debits made to accounts kept with financial institutions and for related purposes."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr De Lacy, read a first time.

Second Reading

Hon. K. E. De LACY (Cairns—Treasurer) (9.06 p.m.): I move—

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

The purpose of this Bill is to facilitate the handing over of the collection of debits tax from the Commonwealth to the State. The proposal to hand over this tax to the States was announced by the Prime Minister in July. It was included as part of the Commonwealth's 1990-91 Budget strategy and was confirmed at the Special Premiers' Conference in October.

The move is designed to broaden the States' taxing powers. To facilitate the quick take-over of this tax and to avoid any initial difficulties with nationally based financial institutions having to comply with a number of separate State and Territory Acts, the States' Acts will be uniform and consistent with the existing legislation and the tax will continue to be collected by the Commonwealth under an agency arrangement until 31 December 1992. Under the current Commonwealth legislative scheme—

the Debits Tax Act imposes the tax and specifies the amount of the tax;

the Debits Tax Administration Act covers liability to the tax, returns and assessments, administration, objections and appeals and recovery of tax; and

certain general offences are provided for under the Commonwealth Taxation Administration Act.

It is proposed that—

the taxing provision of the Commonwealth Debts Tax Act be made inoperative from the change-over date; and that

the Commonwealth Debts Tax Administration Act be left on foot.

The general form of this Bill for the Queensland debits tax then is: the tax is imposed and the amounts of tax for debits of varying amounts are specified in a separate Schedule in the Bill. These parallel the provisions in the Commonwealth Debts Tax Act. The provisions of the Commonwealth Debts Tax Administration Act, with necessary modifications, are made to apply as if they were in the Queensland Debts Tax Act. The modifications generally cover the amendments necessary to convert the Commonwealth provisions to apply in the Queensland context. For example, they encompass such matters as substituting "State" for "Commonwealth", and "Supreme Court" for "tribunal". Power is granted for arrangements to be entered into between the Commonwealth Commissioner of Taxation and the Commissioner of Stamp Duties for the collection and remission of the tax by the Commonwealth to the State. There is a continuation of the current certificates of exemption in force under section 11 of the Commonwealth Act. General penal provisions, similar to those found in other State Tax Acts, are provided for.

The Bill will come into effect on the day the Commonwealth Act making the necessary amendments to the Debts Tax Act and the Taxation Administration Act comes into effect. This date will depend on when all participating States and the Commonwealth have the necessary legislation in place. At this time, the most likely date is 1 January 1991. For revenue purposes, the effect of this Bill is revenue neutral, as the amount collected by the State in debits tax each year is to be deducted from the State's financial assistance grant for that year. Should a State choose not to collect this tax, its financial assistance grant will be reduced by the amount that it would have collected had it imposed the tax. For Queensland, this amounts to between \$65m and \$68m per annum.

I must stress that the Bill does not impose any new obligation on the people of Queensland. The liability to tax parallels that under the existing Commonwealth Act. Many of the administrative provisions which will apply are not set out in the Bill, as they are included in the existing Commonwealth Act. To assist honourable members, I have circulated a summary of the major provisions of the tax including the existing administrative provisions as modified by this Bill.

I commend the Bill to the House.

Debate, on motion of Mr Stoneman, adjourned.

TOBACCO PRODUCTS (LICENSING) ACT AMENDMENT BILL

Hon. K. E. De LACY (Cairns—Treasurer) (9.10 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to amend the Tobacco Products (Licensing) Act 1988 in certain particulars."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr De Lacy, read a first time.

Second Reading

Hon. K. E. De LACY (Cairns—Treasurer) (9.11 p.m.): I move—

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

The purpose of this Bill is to put in place specific criteria which the Commissioner of Tobacco Products Licensing must have regard to when determining whether or not to issue or renew a licence under the Tobacco Products (Licensing) Act. The Bill provides specifically that the commissioner may issue or refuse to issue a licence and specifies that he is to issue a licence where he is satisfied that a natural person who applies is a fit and proper person to hold a licence; will conduct the business of selling tobacco on his own behalf or for another licensed person; and has adequate knowledge and experience to undertake the business of selling tobacco. In any other case he is to refuse to issue a licence.

Similar criteria are proposed to apply to those concerned with the management of a company which applies for the issue of a licence. A number of matters which the commissioner must, amongst other things, take into account when determining whether an applicant is a fit and proper person are to be specified, namely, whether the applicant or, in the case of a company, each of the persons concerned in its management is an undischarged bankrupt or is taking advantage of the laws of bankruptcy; has knowingly made false or misleading statements in the application; has been convicted of an indictable offence; has been convicted under the Act or a similar Act in another State or Territory. This list is not exhaustive of the matters which the commissioner can take into account. He may take into account any other matters he considers appropriate. Applications for the renewal of a licence are to be considered on a similar basis.

The Bill provides for the repeal of the provisions of the Act which provide for the transfer of a licence. These are not necessary to the scheme of the Act and have not been used to date. In any event, a transferee of a business which currently holds a licence can apply for a licence in his or her own name.

I commend the Bill to the House.

Debate, on motion of Mr Stoneman, adjourned.

PETROLEUM ACT AMENDMENT BILL

Hon. K. H. VAUGHAN (Nudgee—Minister for Resource Industries) (9.13 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to amend the Petroleum Act 1923-1988 in certain particulars and for another purpose."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr Vaughan, read a first time.

Second Reading

Hon. K. H. VAUGHAN (Nudgee—Minister for Resource Industries) (9.14 p.m.): I move—

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

The Bill to amend the Petroleum Act 1923-1988 in certain particulars is essential to correct an administrative anomaly affecting authorities to prospect for petroleum in onshore Queensland. This anomaly has arisen because the Mining Act 1968-1986, which was previously read as one with the Petroleum Act, has been repealed and replaced by the Mineral Resources Act 1989-90. Queensland's onshore petroleum industry is administered and regulated by the Petroleum Act and all exploration is carried out under

authorities to prospect. Section 9A of the Petroleum Act provides for the granting of ATPs but makes no specific reference to their renewal, variation, cancellation or surrender. Up until 1 September this year, these issues were covered by reference to the Mining Act. However, on 1 September, the Mineral Resources Act replaced the Mining Act and this new legislation makes no reference to ATPs. This is because the major exploration tenure under the new Mineral Resources Act is now the exploration permit, not the authority to prospect.

The Crown Solicitor initially advised that the powers and stipulations of the Mineral Resources Act relating to exploration permits would apply to petroleum ATPs. However, the Crown Solicitor has since altered that opinion and confirmed in October that the Petroleum Act would need to be amended. The advice was that the Act needs to incorporate provisions similar to those contained in the former Mining Act covering renewal, variation, cancellation and surrender of all petroleum ATPs after 1 September.

This Bill before the House does just that by incorporating the relevant provisions of sections 17, 19 and 19A of the repealed Mining Act, which relate to renewal, variation, cancellation and surrender of ATPs. Until the Petroleum Act is appropriately amended, all actions relating to ATPs for petroleum, other than grant of new titles or transfers, must be held in abeyance. This Bill validates all actions taken since 1 September on the basis of the Crown Solicitor's initial verbal advice.

I would like to make it clear that the Bill does not represent a change of policy in relation to petroleum exploration. It is purely a consolidation of previous legislation and procedures. I must stress that this Bill is a temporary measure pending a full review of the Petroleum Act which is scheduled to take place after 1 September next year. That review was proposed in June 1988 and a draft Green Paper was prepared, but it did not proceed because the Mining Act was already under review. Because some of the principles being developed during the review of the Mining Act could have had direct implications on the Petroleum Act, it was decided to defer any examination of the Petroleum Act until the outcomes of the new mining legislation, namely, the Mineral Resources Act, were fully known. As the Mineral Resources Act will not be amended during its first year of operation, a full review of the Petroleum Act cannot take place until after September 1991.

I commend the Bill to the House.

Debate, on motion of Mr Borbidge, adjourned.

COAL MINING INDUSTRY LONG SERVICE LEAVE ACT AMENDMENT BILL

Hon. K. H. VAUGHAN (Nudgee—Minister for Resource Industries) (9.18 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to amend The Coal Mining Industry Long Service Leave Act of 1951 in certain particulars and for another purpose."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr Vaughan, read a first time.

Second Reading

Hon. K. H. VAUGHAN (Nudgee—Minister for Resource Industries) (9.19 p.m.): I move—

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

Amendments to the Coal Mining Industry Long Service Leave Act are necessary for two reasons. Firstly, they will allow the appointment of the administrator of the

Coal and Oil Shale Mining Industry Superannuation Fund as the administrator of the long service leave fund. Secondly, they will introduce into the Act a new definition of "award" so that relevant awards and amendments to awards may automatically apply to long service leave payments without the need for those changes to be declared and proclaimed.

Queensland's Coal Mining Industry Long Service Leave Fund receives funds from the Commonwealth under the State's Grants (Coal Mining Industry Long Service Leave) Act of 1956. An officer of the Department of Resource Industries currently administers the fund because the Act requires the administrator to be a public servant. Until recently, the administrator was also the registrar of the Miners Pensions Tribunal. Because of changes to national superannuation legislation, the pensions fund was transferred into an industry superannuation fund in December 1989 and is now administered outside the public sector.

The trustees of the superannuation fund have set up a management company, namely, Queensland Coal and Oil Shale Mining Industry (Services) Pty Ltd, and have approached the Government about administering the long service leave fund on a fee-for-service basis. Both funds apply to the same industry group, namely, the Queensland coalmine workers, and use the same files and computer system. The Government strongly supports initiatives such as that not only because of improved efficiency but also because it is committed to divesting itself of functions that could be run more appropriately by industry.

Under the terms of the Commonwealth/State agreement establishing the fund, the Commonwealth Industrial Relations Minister is required to approve the appointment of the Queensland Coal and Oil Shale Mining Industry (Services) Pty Ltd to administer the long service leave fund. However, the State legislation needs to be amended before approval can be given. Both the coal industry unions, which represent the work force, and the Queensland Coal Association, which represents mine-owners, fully support the proposed appointment. As well as addressing these issues, the amendments seek to close a loophole that could have put Queensland coal companies technically in breach of company law. Under the terms of the Coal Industry Tribunal long service leave awards, companies make payments to employees taking long service leave. The employer is then able to be reimbursed from the Coal Mining Industry Long Service Leave Trust Fund. Under the principal Act, any awards, award variations, orders and interpretations made by the Coal Industry Tribunal must be proclaimed in retrospect by the Governor in Council and published in the *Queensland Government Gazette*. That took place to 21 September 1973, but from then on that practice was discontinued without reason. The legal interpretation then is that payments made by companies since that date are improper. What follows is that the companies were not entitled to reimbursement for those technically improper payments, so the liability lay with them as the employer. The Companies Code requires that those liabilities be disclosed in company accounts. Therefore, by not doing so the companies technically were breaching the Companies Code. It has been necessary, therefore, to ratify the award variations since 1973 and to provide for the automatic application of those variations to future long service leave payments. The amendments will cut duplication in the administration of funds and repair the legal gaps in the Act. That will remove any unfortunate doubt surrounding the liabilities of Queensland's coal mining companies, which make a huge contribution to the economic and social well-being of this State.

I commend the Bill to the House.

Debate, on motion of Mr FitzGerald, adjourned.

THE CRIMINAL CODE AND ANOTHER ACT AMENDMENT BILL

Hon. D. M. WELLS (Murrumba—Attorney-General) (9.22 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to amend The Criminal Code and the Criminal Law (Sexual Offences) Act 1978-1989 in certain respects and for related matters."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mr Wells, read a first time.

Second Reading

Hon. D. M. WELLS (Murrumba—Attorney-General) (9.23 p.m.): I move—

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

We have before us a Bill of immense importance to Queensland. The legislation that I lay upon the table of the House represents, in respect of this issue, the final stage in the Fitzgerald process of reform, which was begun more than 16 months ago when Tony Fitzgerald presented his report to the then Premier. Since that day, much has changed in Queensland. We have a Government that is truly committed to the open process of reform advocated in that report. My task tonight is proof of that. The introduction of the Bill is important not only for the specific changes to the Criminal Code that it will effect but also for its illustration of the Government's commitment to the Fitzgerald reform process. Due to that process, the Bill is most satisfactory in every respect. The Bill will right a wrong that has been perpetrated for many years in this State by successive Governments that were too cowardly to do anything about it. They refused to consider repealing the legislation, yet the members themselves acknowledge that it was unworkable and unenforceable.

Every member of the Parliamentary Committee for Criminal Justice—National, Liberal and Labor—acknowledge that the law as it stands is unsatisfactory. What an indictment on those members who sit opposite. They are responsible for not only incarcerating many ordinary, otherwise law-abiding members of the community but also encouraging many ordinary members of the Police Service to contravene another section of the Criminal Code. In the past, even the most dedicated of our police officers have shrunk from the odious responsibility of policing the law to the fullest extent. In doing so, police officers arguably are themselves in breach of the criminal law. Section 200 of the Criminal Code makes it an offence for public officials to fail to do their duty as required by law. Retaining the law as it stands makes criminals not only of many responsible adults but also of the police officers who enforce that law selectively. The Parliament cannot stand idly by while such a situation continues.

The present policy of selective enforcement not only flouts the law established by the Parliament but also involves grave social dangers. To establish that, I do not need to refer to the thought of any radical thinker. I quote former Liberal Prime Minister John Gorton. In 1973, when moving a resolution on homosexual law reform in the House of Representatives, John Gorton said—

"A law which is sometimes applied and sometimes not, and which gives opportunity for blackmail, is the worst law of the lot. Yet this is precisely the law as it stands."

Shortly, this Parliament will have the opportunity to decide what to do with the sections of the Criminal Code that relate to that kind of sexual behaviour. To keep the law on the statute book would be hypocritical and amount to an abdication of the responsibility of this Parliament. To enforce effectively the law as it stands would involve enormous invasions of privacy and, as Commissioner Fitzgerald suggested, would waste valuable law-enforcement resources. The proposition that I put to this House is that those laws should be repealed. The amending legislation refers only to certain adult sexual behaviour; it does not alter the existing heavy penalties that apply in relation to the sexual exploitation of children or intellectually impaired people. On that point, the Government is immovable. The Government is maintaining the same offences and penalties for sexually explicit behaviour in public places. Every other State on the mainland has already reformed its

laws relating to homosexual behaviour. The Law Reform Commission in Tasmania has recommended such a course and that Parliament has yet to debate the issue.

In introducing the reforms, the Government is enshrining in legislation fundamental freedoms that have been enjoyed for many years in other parts of the world. The amending legislation will contain a preamble, which states that the Parliament neither condones nor condemns the behaviour that is the subject of this legislation. That is the appropriate course. The preamble notes also that there are limits to the power of the State to intervene in the private lives of its citizens. Those limits are not written in constitutions; they are written on the hearts of democrats. Deliberately overstep those limits, and the Government undermines democracy itself. No-one has ever put the point better than John Stuart Mill in his essay *On Liberty*. Mill wrote—

"But there is a sphere of action in which society, as distinguished from the individual, has, if any, only an indirect interest; comprehending all that portion of a person's life and conduct which affects only himself, or if it also affects others, only with their free, voluntary, and undeceived consent and participation.

. . .

No society in which these liberties are not, on the whole, respected, is free, whatever may be its form of government; and none is completely free in which they do not exist absolute and unqualified. The only freedom which deserves the name, is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it. Each is the proper guardian of his own health, whether bodily, or mental and spiritual. Mankind are greater gainers by suffering each other to live as seems good to themselves, than by compelling each to live as seems good to the rest."

No honourable member who acknowledges the truth of what Mill wrote can vote for a law that purports to govern the private consensual sexual activity that is the subject of the Bill. But if any members do not acknowledge the truth of what Mill wrote, I ask: where then do they draw the line? Is there in their principles no limit to the power of the State to intervene in the private lives of its citizens? No democrat could accept that there is no limit to that most intrusive of powers.

In passing the Bill, this House will contribute significantly to the effort that is being made worldwide to prevent the further spread of AIDS. The reform of the law will encourage those in a significant high-risk group to become educated and informed and to be aware of the need for regular health checks and safe sex practices without the threat of criminal sanctions hanging over their heads. The present criminal penalties represent a massive disincentive to such people to come forward and be tested or, indeed, educated. Those who oppose this legislative change say such changes pose a threat to public decency and endanger our children. These are nothing more than bare-faced lies put forward because their arguments are so obviously lacking in logic.

As honourable members will see from the accompanying explanatory notes, the penalties for committing indecent acts in public places remain unchanged and the very stringent penalties which apply to the sexual interference of children also remain unchanged. The arguments of the other side therefore can be taken no further in the face of the undisputable facts.

I do not want my children to grow up in an environment in which an AIDS epidemic is running riot through the whole population. I do not want them to grow up in an environment in which the police are required by law to creep round people's homes at night, peer through their windows and listen at their keyholes. I do not want my children to grow up in an environment in which States can interfere to whatever extent they like in the private lives of their citizens, in which intolerance and bigotry make miserable the lives of a significant minority of the citizenry, and in which smear and innuendo, whether founded in fact or not, can blight the happiness and destroy the career of someone with much to contribute to society. Instead, I want my children to inherit a world in which a rational public health policy is not impeded by criminal sanctions, in which citizens' homes are their castles and in which Governments know

that they must respect the privacy of citizens and serve them with tolerance and compassion.

This Bill will go some way towards achieving that objective. Honourable members can find details of the machinery provisions of this Bill in the explanatory notes. The fundamental principles of the Bill can be found in the hearts and minds of democrats. I commend the Bill to the House.

Debate, on motion of Mr Borbidge, adjourned.

COMMUNITY SERVICES (ABORIGINES) ACT AMENDMENT BILL

Hon. A. M. WARNER (South Brisbane—Minister for Family Services and Aboriginal and Islander Affairs) (9.33 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to amend the Community Services (Aborigines) Act 1984-1986 in certain particulars and for related purposes."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Ms Warner, read a first time.

Second Reading

Hon. A. M. WARNER (South Brisbane—Minister for Family Services and Aboriginal and Islander Affairs) (9.34 p.m.): I move—

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

It gives me great pleasure to introduce this Amendment Bill to the House. These amendments to the Community Services (Aborigines) Act represent the early results of the first real consultation held between Aboriginal and Islander people and the Queensland Government. This Bill has three main objectives: firstly, to promote the capacity of Aboriginal councils to manage local affairs and to govern their communities more effectively; secondly, to enhance the capacity of councils to maintain law and order in their communities and, thirdly, to adopt the recommendations of the Parliamentary Committee of Public Accounts in relation to financial administration.

These objectives are based on the report of a committee established by Cabinet on 13 August this year to review the Community Services (Aborigines) Act, the Community Services (Torres Strait) Act and the Local Government (Aboriginal Lands) Act. That committee, which is made up of five Aboriginal and Islander people, has presented its initial report, on which these amendments are based. It will continue to work on a major overhaul of the legislation under which Aboriginal and Islander communities operate.

The committee members are: Chairman, Eric Deeral, from Hopevale; Joseph Elu, from Seisia; Michael Connelly, from Yarrabah; Gladys Tybingoompa, from Aurukun, and Hope Neill, from Brisbane.

They and their secretariat, headed by Shane Hoffman, have worked very hard and competently on this project, and I would like to record my thanks to them.

These initial amendments will enable the councils to go to election on 23 March next year with the benefit of legislation which will enhance their powers over local affairs and improve financial and administrative procedures. This process marks a further stage in this Government's commitment to reform the laws relating to Aboriginal and Islander people in Queensland in a consultative process with those people. At the outset, the committee was required to develop an initial report which was to recommend immediate amendments to the Community Services Acts. The redefinition of "Aborigine" and "Islander" makes this Act consistent with the definition which is found in Commonwealth legislation and will avoid a situation where a person is defined as an Aborigine or and Islander under Commonwealth legislation and not under State legislation.

Section 14 (2) of the Act, which provides for the separate government of a community of Torres Strait Islander people resident in an Aboriginal trust area is to be repealed as it is not relevant in the current circumstances.

Section 23 of the 1984 Act allowed for the appointment of an executive officer from my department for a three-year period. It also enabled councils to request such an appointment to be further extended. That provision is now irrelevant, as no council has requested the appointment of an executive officer, and councils are unlikely to do so in the future. It is to be repealed.

The amendments will provide Aboriginal councils with the power to make by-laws to control the possession and consumption of alcohol in the trust areas. They will also be given the power to run commercial enterprises, such as shops and bank, postal and other agencies, on funds granted by the Aboriginal and Torres Strait Islander Commission. The Bill establishes the system by which a magistrate or clerk of the court is required to visit a trust area once every three months, and to examine the records of the Aboriginal Court. The magistrate or clerk of the court may provide any comments on sentencing or other matters to the members of the Aboriginal Court as he or she sees appropriate. This may assist the Aboriginal Court to sentence in a more consistent fashion, and will provide valuable feedback to people fulfilling this responsible and difficult position. However, this makes explicit that members of the Aboriginal Court are not bound to follow any advice or opinion offered by the magistrate or clerk of the court. As well, Aboriginal councillors will be made subject to the now customary requirement that their pecuniary interests be disclosed to the council, and that they leave any meeting where any issue is discussed which may lead to a conflict of interest.

The Bill will establish a mechanism for the formulation of budgets and a reformed system of audits.

An important amendment will enable an Aboriginal Court to deal with any person, including a visitor to the community, who breaches any by-laws. The present system represents a most unfair discrimination between Aboriginal and non-Aboriginal people, because non-Aboriginal people have to be dealt with in a Magistrates Court, not an Aboriginal Court in the trust area.

Aboriginal councils will be given the power to appoint authorised officers to protect the natural and cultural resources of their land. This will give councils and communities control of their own heritage and their own cultural sites. At the request of Aboriginal and Islander people all over Queensland, this amendment Bill will replace the inappropriate references to assimilation and integration which have blighted Aborigines' and Islanders' experience of Queensland government for too long. In line with Aboriginal and Islander aspirations to self-determination, this amendment Bill refers to self-management and good government.

I commend the Bill to the House.

Debate, on motion of Mr Slack, adjourned.

COMMUNITY SERVICES (TORRES STRAIT) ACT AMENDMENT BILL

Hon. A. M. WARNER (South Brisbane—Minister for Family Services and Aboriginal and Islander Affairs) (9.39 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill to amend the Community Services (Torres Strait) Act 1984-1986 in certain particulars and for related purposes."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Ms Warner, read a first time.

Second Reading

Hon. A. M. WARNER (South Brisbane—Minister for Family Services and Aboriginal and Islander Affairs) (9.40 p.m.): I move—

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

It gives me great pleasure to introduce this amendment Bill to the House. It is substantially the same as the previous Bill in intent and content. I therefore do not intend to repeat the comments made in respect of the previous Bill, except to point out where differences lie.

Of course, the Community Services (Torres Strait) Act does not contain references to government of Torres Strait communities resident in Aboriginal trust areas, so this provision is not included. As well, no changes have been made to the visiting justice system, as any changes would be administratively impossible, given the geographic isolation of many island communities.

I commend the Bill to the House.

Debate, on motion of Mr Slack, adjourned.

LAND ACT AND ANOTHER ACT AMENDMENT BILL**Second Reading**

Debate resumed from 24 October (see p. 4223).

Mr HOBBS (Warrego) (9.41 p.m.): I have pleasure in speaking to the Land Act and Another Act Amendment Bill this evening. It is disappointing that members are debating this Bill, because we should not be doing so. The Premier made a statement to the effect that—

Mr Elliott: He's broken his promise.

Mr HOBBS: That is correct; the Premier has broken his promise.

Recently at Toowoomba, he made it quite clear that a moratorium would be imposed on land rentals and there would be a phasing-in period as to when the rentals fell due. The leaders of industry, the media and all those present at that time were under the impression that the rentals, which had been discussed widely in the community over a long period of time, would not come into effect.

Mr Eaton: Get a tape of the interview.

Mr HOBBS: I do have the interview and I will read it soon. The position is clear; the Premier has pulled the wool over the eyes of industry-leaders and the media. That is deplorable conduct for a man in his position. Even if it was the case that he was unaware that the media was not picking up the correct position, he should have made it clear. He is the man who has the responsibility for running this State.

Mr Elliott: If you can't trust the Premier, who can you trust?

Mr HOBBS: That is correct. Who can one trust in this State if one cannot trust the Premier?

Mr Nunn: He speaks English.

Mr HOBBS: Yes, he speaks English, but I understand from listening to the tape that he said that the Government did not believe that these charges or increases would be brought in at that time or immediately during the rural downturn. He said that he thought it would be unfair and a substantial blow to the rural industry. He made it quite clear. He went on to say that there would be a complete moratorium on any increases, or a deferral for two years, and after that a further period of phasing in. That is clear in anyone's language. Today, reporters and people who live in the Toowoomba

area have rung me and are most concerned. They asked what was happening because they could not understand what was going on. They wonder whether the Premier is confused or telling lies and what the position is exactly. I have told them that the Bill now before the House will increase rentals, but they said that the Premier told them that would not happen. Rentals certainly will be increased under this legislation.

The Bill should not be before the House. Honourable members would be aware that I have given notice of motion that I would like to move in this House tomorrow, but the Bill will have passed through the House by that time. That should not occur. It is deplorable that this Government cannot be trusted at all.

Mr Schwarten: You are talking about your own lot.

Mr HOBBS: No, I am not talking about my own lot; I am talking about the Premier of this State who made it quite clear to rural producers. The rural producers left the meeting and thought there would be a moratorium on rentals, which had been an issue for several weeks beforehand. The issue was that there was to be a 100 per cent increase in rentals on sheep land and a 200 per cent increase in rentals on cattle land. The rural producers went away believing that there was to be a moratorium, and they have been conned.

Mr Schwarten: You are yet to prove it.

Mr HOBBS: I do not have to prove it. All I have to do is ask the people who were present. The media present could be asked as well.

Mr Schwarten: It is your responsibility to prove it before this House.

Mr HOBBS: I just have. I read what the Premier said. He made his position quite clear. A great deal of information is contained in the legislation to which I wish to refer. The Opposition will certainly oppose the legislation because the Government is imposing upon all leasehold properties unnecessary hardship.

Mr Nunn interjected.

Mr HOBBS: As a matter of fact, I am just warming up. There are many issues to discuss. The honourable member mentions "honesty". I will talk about the issues that are important to me, and at least I will be more honest about them than the Premier has been. An important factor in this debate is the present economic climate and the ability of lease-holders to pay. Land degradation is also a very important factor. The Carter report was brought forward in 1988 and is of no relevance in current circumstances. The Wolfe report was tabled only today, and I will begin my discussion by referring to it. That a Government would bring in a Bill that refers to a report that had not been published at the time the legislation was introduced is an absolutely deplorable state of affairs .

Mr Elliott: No-one has had a chance to have a look at it.

Mr HOBBS: That is quite correct. No-one had a chance to have a look at it at the time the legislation was introduced. The only reason that the Government is giving members of the Opposition a look at the report now is because the Bill dropped to a lower position on the business paper; otherwise the legislation could have been dealt with prior to today. The situation reeks of absolute deceit on the part of the Premier and this Government with regard to legislation that is not open to the public. It is absolutely deplorable that this Government would go to such lengths to try to ram through legislation to suit its own ends. The Wolfe report has been held tightly under the Minister's arm for 80 days and 80 nights. I ask: what is this Government really frightened of?

Mr Elliott: It was like the day he went to Mount Sinai.

Mr HOBBS: It was. I would say that he went there twice. If I have the right numbers, he must have gone there and come back. I fail to appreciate what the

Government has been so frightened of in relation to this matter. The Government has asked for responses and submissions within 14 days and 28 days, and local authorities have been asked to respond to proposed changes to internal boundaries within 14 days and 28 days, yet the Government has had 80 days to consider this report. I really wonder how fair dinkum this Government is. Surely what is good for one group should be good for the other. The report should have been published well before this time. Although I am pleased that it has finally been published, it is too damned late.

Land rental increases are only one aspect of this legislation. The Wolfe report deals with many issues related to the whole policy of the administration of Land Management. It is deplorable that legislation affecting a specific rural sector can be brought before the House without publication of a report that will provide insight into the aspects involved in Land Management relating to freeholding, various tenures and costs, and the prospect of future rental increases. Those issues are very important.

Mr Eaton: Your Government accused us of introducing an independent report just to stop freeholding.

Mr HOBBS: The Honourable Minister says that, but I do not think that members of the National Party accused him of that. I think that it was certainly an aspect, and I am very pleased that the Government has accepted freeholding. However, I must say that if it had not been for the fact that the Opposition fought the Government over this issue, it would have stopped freeholding. I think that the National Party can probably claim a win on that issue because if the Government had been allowed to go ahead, it would have stopped freeholding. There can be no doubt about that. The pressure applied to the Government probably helped it to see common sense, which is good. It occurred because debate had continued back and forth across the Chamber. The Opposition was able to exercise its rights and the Government was able to read the report, which stated that freeholding was quite okay. The Government found itself in a bit of a bind. Perhaps that is one of the reasons why the Minister withheld the report for so long. He was probably wondering what he was going to do. If he had spoken to his backbenchers, he would have discovered that they do not like freeholding. The member for Isis, Mr Nunn, said that land can be compared to the air we breathe—it should not be taxed. I think he even said that freeholding was immoral.

Mr Nunn: What I did was call you a freeloader.

Mr HOBBS: No, the honourable member did not say that. His remarks have been recorded in *Hansard*. Quite a few other members of the Labor Party are also opposed to freeholding. I congratulate the Minister on getting freeholding through, because that is great. It should be done. The people of Queensland have spoken, and the Minister has recognised their wishes.

The Opposition should have had a copy of the report that has been tabled today at a much earlier stage. The Minister suggested that that could have been done; but at the end of the day, things did not work out well. The Wolfe report should have been provided to the Opposition much sooner than it was so that informed and proper debate could have taken place in relation to these matters. The Carter report, which was published in 1988, is the whole basis of this legislation. The report recommends increases in leasehold charges and rates applying to pastoral land in Queensland. It is very interesting that Mr Carter examined farming land in Queensland and that he made comments that are pertinent in today's circumstances. He stated—

"It is my recommendation that the Land Act . . . be amended accordingly, as I believe there should be machinery giving the Minister to reduce the rent of Grazing Homestead Perpetual Leases and Pastoral Leases in the case of hardship as and when necessary.

In view of the economic difficulties within the grain industry over the past few years, and the possibility that the situation will not have substantially improved by 1st January, 1990, I feel that then may be a time when Crown Lessees, through Industry, might approach the Minister to ask him to make the necessary enquiries

to ascertain if the rent of arable land should be reduced due to hardship caused by economic recession."

That is what Mr Carter said when he investigated the arable land of Queensland—the land capable of being farmed. He said that at a time when the wheat industry was going through a bad time. In 1988, he examined the sheep and cattle areas of Queensland and made recommendations for an increase in stock numbers. At that time, the value of the Australian dollar was quite high; in fact, it was floating. Mr Carter stated—

"It is to be noted that the present value of the Australian dollar is about US82c . . . "

That position has since changed. However, only a few months ago, the Australian dollar was up to US82c. I accept that its value has dropped, but when the legislation was being drafted, the dollar was at a rate similar to that which applied when Carter carried out his investigation.

Mr Carter's report stated that one of the industry leaders—

". . . set out in a statement tendered to the Inquiry a history of the sheep industry over time. He sees it now as being buoyant and the outlook optimistic, and says that there has been a fourfold increase in the value of wool production in the period from 1980 to 1988."

We accept that the wool industry was on the move and going quite well. It had been through the bad times of the 1965 drought and the crashes of the 1970s and was slowly improving. It was reasonable for Mr Carter to assume that the prospects for wool were not too bad. His report continued—

". . . the outlook for the wool industry is one of greatly improved prospects and for the cattle industry the future also looks optimistic."

There is no doubt that at that time the prospects for the cattle industry were optimistic. Although nobody knew what the future held, the fact that prices had not decreased provided some indication of the state of the industry. Overseas markets were available and the industry was progressing reasonably well. I have press reports of statements of well-known people in the cattle industry who have recently travelled overseas gauging prospects for the beef industry. Mr Allan Teys, the managing director of Teys Brothers abattoirs at Beenleigh and Biloela, said—

"The Australian cattle market will hit a 'brick wall' "——

Mr Schwarten: You are not going 75 more minutes with that nonsense, are you?

Mr HOBBS: As I said earlier, Opposition members have many matters to raise in this debate. The producers of Queensland have had the wool pulled over their eyes by the Premier. Government members will have to sit there and take this criticism. Mr Teys stated—

"The Australian cattle market will hit a 'brick wall' in March next year because Japanese importers have been forced by Government direction to stockpile frozen beef in preparation for market liberalisation."

That is what is occurring in Japan, which is one of Australia's major markets for beef. Mr Teys continued—

". . . once the current 394,000 tonne tender was filled, Australian beef—and particularly frozen product—would be difficult to sell. Next year, Japan will only take 300,000 t—about 100,000 t less than in 1990 . . ."

The Carter report was basing its figures on 1988 and stating that the market was optimistic, yet we now see that the scenario upon which Mr Carter based his conclusions has not eventuated. The beef and wool industries are no longer economic. In Queensland, 54 000 head of cattle are killed each week. Mr Teys mentioned also that beef-producers had been warned that the EC intends to seek a share of the expanding north Asian market. As all honourable members know, that is a serious situation. The EC is dumping cheap subsidised foodstuff on to the world market and is making it difficult for producers

who do not receive subsidies to compete. Queensland and Australian producers are certainly the most efficient in the world.

Many people would not realise that, although the numbers of cattle in Australia are increasing only slowly, production is improving because of the number of feedlots. We are actually producing more tonnes of beef for every beast that is produced. That is adding to the problem. During the 1970-74 slump, Queensland had 11 million cattle. At that time, we reached a peak and had too many cattle and an oversupply of beef. At present, the cattle herd has increased from 9 million to approximately 9.8 million and is still heading towards that magic number of 11 million cattle that we hope we never reach. By the same token, we are producing more beef. The danger signals that we saw in the wool industry are there, and the danger signals that we saw in the cattle industry in 1974 are also there.

Mr Teys was not the only one who sounded a warning about the Japanese market. The president of the Cattle Council of Australia, Mr Ed Wright, said—

"The steep rise in Australian beef exports to Japan will plateau and could even decline next year."

Mr Wright led a council delegation to Japan to look at how Australian beef was going to be received, distributed and promoted in that country. Mr Wright went on to say—

"Producers cannot expect the Japanese market to keep growing in the way it has for the past few years.

If we can get the same amount of beef into there next year as this it will be a good result.

But, really, because of the stockpile, we must expect the market to slow for a year.

Japanese traders say it is a whole new ballgame.

No-one knows how it is going to work out. We must expect a little bit of a falter while it settles down."

Those two gentlemen are involved in the industry and they know what they are doing, and they say that things do not look very bright for the future. Obviously, they hope to hell that things do not get worse, but they are telling people to beware because one never knows what is around the corner. I have said that it is to be hoped that the Japanese will take a bigger market share. They probably will.

I turn now to the cost of production and the returns to producers, which Carter used as well. Obviously, when he did his figures, he had to work out the viability of the industry at the time. I have a report on what is called the heavy steer index price. In 1988, when Mr Carter prepared his report, the return to growers was \$2.40. In 1990, two years later, that return is \$2.26. So it is going down; we are going backwards. The returns are going backwards and the cattle numbers are going up. The number of beef cattle in Queensland has risen from 9.4 million to about 9.82 million, and it is heading towards the magic figure of 11 million although, hopefully, it will never be reached.

Another important matter is land degradation. This morning the Minister spoke about land care. He said that the Lands Department is putting money into land care, as is the Primary Industries Department. In regard to land care, Mr Carter said—

"Industry also referred the Inquiry to the issue of land degradation in south-west Queensland. The matter is not within the scope of the Inquiry's Terms of Reference."

Mr Carter did not make any reference to land care in his report. I know that "land care" is the buzz phrase of the 1990s, but it is very important.

Mr Smyth: It has got nothing to do with the Bill.

Mr HOBBS: The honourable member says that land care has got nothing to do with the Bill. I thought he was on the Premier's task force.

Mr Smyth: Yes.

Mr HOBBS: And the honourable member is saying that land care has got nothing to do with primary production, the returns to primary industry and the Carter report? He has a lot to learn about land care and the industry. It would be a lot easier if members of the Government asked the Opposition to explain it to them. It would save a lot of time.

Mr Hayward: You did not read the Bill, did you?

Mr HOBBS: Of course I read the Bill. As a matter of fact, I have examined it very carefully.

I point out to the honourable gentlemen on the Government back bench, who do not know anything about land care and its association with primary production, that the tighter things get, the harder one pushes one's land. It is a survival instinct, like breathing. When things get bad and the bank manager is knocking on the door, one has to do something. One has to work harder, run more stock or push the land harder. At the end of the day, the land is degraded.

In the past, land degradation has occurred because properties have been far too small. That has caused a great deal of concern not only to rural producers but also to the armchair experts in the urban areas. Their help in regard to land care is appreciated. I am sure that they would not like to hear that the Premier's task force thinks that land care is not important. Feral animals also cause land degradation. I cite the example of a block of land in my electorate that is run by the Department of Primary Industries in conjunction with the National Parks and Wildlife Service which has a fence around the outside and a completely vermin-proof fence on the inside. The neighbouring properties are stocked in the normal fashion. Although there have been no domestic livestock on that block for 10 years, the grass on the outer circle of that block is exactly the same as it is on the neighbouring properties that run domestic livestock all the time. That indicates that feral animals are a cause of land degradation. The kangaroos keep the grass down. Only the birds can fly inside that vermin-proof fence, and it is well grassed. The land is certainly much better than it is in the outlying areas. The message for honourable members is that feral animals also have an important effect on land degradation.

At the moment, probably the most important issue to discuss in this place is the ability of the wool industry and the sheep and cattle industry to pay those costs. I have here an article citing a survey by the National Australia Bank that confirms that wheat and sheep farmers are likely to suffer the most in the current economic downturn. The rural advisory services manager states—

". . . excessive debt continues to be the major problem confronting farm borrowers but poor commodity prices began to impact in the past 12 months."

Those factors impacted well before this Government decided to increase these land rentals. He further states—

"For specialist woolgrowers, operating surpluses were forecast to fall about 60 pc in the current year, extending to

80 pc after living expenses and other costs such as interest charges were deducted."

At the present moment, there are certainly huge pressures on the wool industry. From this National Bank article, it is apparent that huge difficulties are being experienced because of the wool stockpile. At present, approximately 5 million bales of wool are held in stock, and Australia's annual sale of wool is about only 4 million bales. I have no personal problems with having a huge stockpile of wool, because it is needed during the boom times, but the problem associated with that is how to pay for it in the first place.

Presently, producers must pay a 25 per cent tax, and a levy may apply over and above that tax. I believe that the idea is that that levy may be returnable to growers, and the wool industry hopes that it will not apply. However, on the worst scenario, it is possible that a levy of 25 per cent and a tax of 20 per cent will apply, making a total

levy of 45 per cent of growers' gross funds. In addition, a decision may be made to sell only 75 per cent of the clip. Growers are facing the prospect of receiving only 40 per cent of their income. How many backbenchers in this House would like to lose 60 per cent of their income? How would they cope? I believe that it would be very difficult for them indeed.

Mr Prest: Rebates.

Mr HOBBS: What rebates? The wool industry stands on its own two feet.

Australia's farmers and graziers are the most efficient in the world. The costs in the wool industry are rising all the time. While sheep numbers have risen, they have not increased dramatically, yet wool production has increased. The wool industry is becoming more efficient all the time. Queensland has the best VEAs in the country. Wool growers are becoming better producers at a lower cost. Unfortunately, the world market and other factors, which I will refer to shortly, have reduced the world price of wool.

A quota system may be introduced. At present, it is a very real option, but producers just cannot afford to pay their costs. At the present time, they are putting men off. All producers have completely tightened up. Even though land degradation is occurring, funds are not available for any land-care programs. It is all right for the member for Port Curtis to wipe his eyes and cry. No doubt he will be doing that at the next election.

Mr Prest: My heart bleeds.

Mr HOBBS: The Whip says that his heart bleeds. My heart does bleed for the people in the rural industry at the present moment under the hands of a Government such as this.

Mr Palaszczuk: That is totally unfair.

Mr HOBBS: I thought that was not a bad statement.

Mr Hayward: Is this the speech you are going to use to knock off the bloke in the adjoining seat, is it?

Mr HOBBS: The honourable member is trying to talk about electoral boundaries. He should be listening to what is going on in the rural industry. If he does, he might then learn something about the problems in Queensland in that industry. Unfortunately, Queensland is governed by the Labor Party and its members do have a lot to learn. If Government members listen to the Opposition's distinguished speakers tonight, they will be enlightened about the problems in the rural industry.

Several issues have caused the decline in the wool industry. Members can chew the bone and ponder why the wool industry is in dire straits at present. First and foremost, the wool industry is where it is now because of a lack of confidence which has resulted wholly and solely from the interference of Government in lowering the floor price of wool.

Government members interjected.

Mr HOBBS: That is quite true. On the orders of the Federal Treasurer, the Federal Minister for Primary Industries took it into his own hands and lowered the floor price of wool. The Federal Treasurer said that, if the floor price of wool was lowered, the wool price would move. He lowered the floor price and the wool price did not move at all. In fact, less wool was sold. The confidence of the buyers had disappeared.

Mr SPEAKER: Order! I understand that degradation and other factors do affect land rents, but the member for Warrego is making the point that the wool price is dropping. This is not a debate on the wool industry and I suggest that he return to the Bill.

Mr Prest: Tell us what Hanrahan says?

Mr HOBBS: I will return to the debate on this Bill. I appreciate what Mr Speaker says. The price of wool is very important. I turn now to an article relating to people.

Mr Lingard: You have beaten the member for Port Curtis. He is leaving the Chamber.

Mr HOBBS: No, he has returned. I am pleased that he has.

Mr Prest: Tell us about daylight-saving. How do you get on with that?

Mr HOBBS: Daylight-saving can probably be brought in after a while.

Mr SPEAKER: Order! The honourable member certainly will not speak about daylight-saving.

Mr HOBBS: Mr Speaker will not let me continue on that subject.

I want to talk about people. Governing is about people and the reactions of people. I have here an article about a young couple with three young children. That family says that they are just making ends meet. This Government is about increasing land rentals for producers, yet that family is making it quite clear that it is just making ends meet. The article states—

"The Curtis family from Bellevue, Millmerran, brought along part of their declining income in the form of Merino wethers to the Pittsworth Crisis Rally last Saturday."

The article contains a photograph of some sheep on the back of a truck and a sign. It is a shame that that sign was written, but it reflects the opinion and the desperation of people in the rural industry at present. The sign states—

"These sheep have produced \$210 per head of export income during their productive life for this country—Hawke and Keating have ruined Australia in seven years--Who do you think should be shot?"

Unfortunately, that reflects the very serious state of the industry. Yet this Government intends to increase land rentals by 100 per cent and 200 per cent. That is beyond me. A Minister, too, has been quoted as saying that primary producers have never had it so good for so long. That statement reflects the Labor Party's lack of understanding of the problems facing its rural constituents and cousins.

I turn now to the sheep-slaughter scheme, which is also a reflection on the way in which the industry is now heading. At present, there are some 190 million sheep in Queensland. When Mr Carter produced his report, Queensland did not have that number of sheep. Queensland needs about 170 million sheep. Because of good seasons during the last couple of years, and because the quality of sheep has improved, wool production is up. At present, more mutton and lamb is being consumed domestically than for some time. Usually, something like 30 million sheep a year are slaughtered in Queensland. That number comprises some 17 million lambs and 13 million mutton sheep. That proportion has increased recently by 60 per cent, so that number is up by approximately 20 million. As a result, the killing capacity is at about 70 per cent. That will not really be able to be increased.

Mr SPEAKER: Order! Is the honourable member able to relate the slaughtering of sheep to the Land Act?

Mr HOBBS: Yes, I am.

Mr SPEAKER: I would like to hear it.

Mr HOBBS: It is related; Mr Carter talks about sheep.

Mr SPEAKER: I appreciate that, but this debate is about the Land Act.

Mr HOBBS: The Bill and the Minister's second-reading speech refer to Mr Carter, so the slaughtering of sheep is a relevant part of the debate. It is an important aspect.

I turn now to the cost to rural industry, which is what this legislation is all about. Mr Carter's report, which is referred to in the Bill and in the Minister's second-reading speech, talks about the cost to rural industry. Mr Payne has also carried out valuations and has referred to the cost to rural industry. I want to inform the House of some information that has come forward at a number of gatherings throughout Queensland recently. At one gathering that I attended, quite a lot was said about fuel prices. Everyone knows that huge increases have occurred in the prices of fuel. In fact, the people at the gathering were so concerned that they passed a motion that all trucks should carry a message referring to the fuel tax rip-off that is being thrust on the rural community at present. This issue relates to this legislation because it deals with the amount of money that people have available to pay their rentals. People in the western areas of Queensland pay a fuel excise which is 4.7 times more than that paid by people in the more populated areas of the State. Although I will not refer to it in detail, the result of a survey carried out showed that in the Shire of Blackall the sum of \$1,300 per head is paid in fuel excise to the Federal Government, whereas the Australian average is \$276 per head. So people in that area have to carry a burden over and above what most people would consider reasonable.

At present, high interest rates are also affecting country people. Although it is appreciated that interest rates are falling, they have a long way to go yet. People in rural areas have to pay very high amounts to have telephones connected. If they had a choice of paying their land rentals or having a phone connected, what would they do? They would probably have the phone connected and hope to hell that they would get away with not paying their rental for a bit longer. Do honourable members realise that it costs \$1,400 to connect a telephone service in rural areas? I am not sure what it costs in the Brisbane area, but it is probably about \$60 or \$70.

Mr Palaszczuk: It is over \$200.

Mr HOBBS: That is still a considerable amount. However, it is certainly a damned sight cheaper than it is out west. In addition, in the western areas of Queensland such as Charleville it is common to have timed local calls. All honourable members have heard the Prime Minister say that there will be no timed local calls, but there are already timed local calls in country areas. That adds to the burden of country people. The increased costs of telephone installations are over and above the figures given by Mr Carter when he handed down his report.

Electricity is a facility that most people take for granted. It costs between \$50,000 and \$60,000 to connect electricity to homes in country areas. It certainly costs much less in Brisbane. That cost is constantly increasing.

As to vehicles used in primary production—during the mid-eighties, \$14,000 bought a four-wheel-drive vehicle. Such vehicles now cost approximately \$30,000. The Government can do much to assist the rural industry, including reduce its charges on the industry. The Department of Primary Industries is considering a user-pays system. The industry does not need additional costs or burdens.

Mr Palaszczuk: This is all coming out of the Warrego Graziers Association.

Mr HOBBS: No, it has not come from the Warrego Graziers Association. It has not approached me at all. I have made my own inquiries. In many parts of Queensland the sections of the Department of Primary Industries that deal with the sheep and wool industry will be almost broke. By Christmas or perhaps January, quite a few will have insufficient funds to continue operating. People in the rural industry are really pushed. Wool and beef must be produced by the cheapest methods possible. The industry needs assistance from the Department of Primary Industries, but producers cannot afford to pay for that assistance. What is the sense in people undertaking research and gathering information within the DPI if that information is not passed on to the producers? Honourable members should mark my words: in the near future, the DPI will be the subject of media reports because it will be unable to raise sufficient funds to provide that service.

I turn now to the cost of compliance in other sectors within the rural industry, particularly with regard to meat inspection, which adds to production costs. Many issues certainly must be discussed.

Mr Elder: Talk to the Bill.

Mr HOBBS: I am talking to the Bill, the provisions of which are not appropriate for this State. They are unreasonable.

I turn now to other assistance that will be needed if the Government increases land rents. It will have to provide more support. I acknowledge that, recently, the Government made an announcement about the QIDC. However, it is simply replacing what has been taken away. The industry must know where it is heading. Additional burdens have been placed on the industry, including farm vehicle registrations, which have increased by a total of \$15m. I am not aware of how much money was taken from the QIDC. Certainly it would have involved millions of dollars.

As to drought relief—what will happen if there is a drought? The present situation is bad, but it could be worse. Earlier in this debate, the member for Port Curtis mentioned Hanrahan. I believe that Hanrahan might soon get a run on that issue. There is no doubt that the prospects are gloomy. Producers are fortunate that this season has been favourable to them, although the Burnett and other areas have suffered. It is important that droughts be considered.

Mr SPEAKER: Order! The honourable member will not talk about floods.

Mr HOBBS: My electorate experienced some devastating floods, too. Some producers believed that they had sufficient sheep numbers for shearing. However, they lost them during the last floods. Those producers will be in trouble. They can easily rebuild their stocks, because sheep are being given away at the moment. However, they have lost half a wool clip. They will also experience difficulties with meeting quotas. I accept that the wool commission has stated that it will reconsider quotas during times of drought, floods and fire on the basis that producers are not trying to rip it off. The commission will consider genuine disasters. The procedures involved with that certainly take time. I thank you, Mr Speaker, for drawing my attention to the floods. This is a very serious matter.

There must be an immediate freeze on State Government charges relating to primary industries, particularly road charges.

Mr Schwarten: The Halloween pumpkin is waving behind you.

Mr HOBBS: He is helping me. This Government must listen to the problems of the industry. It is my duty to pass on the message from the producers, who are finding it tough. They are at the coalface. Their bank managers will soon be telling them how tough things are.

Mr Schwarten: It is not the coal-producers, it is the sheep-farmers.

Mr HOBBS: Yes, I accept that. I am a miner from way back.

If the Government is going to increase those rentals—which it is, although the Premier has made it clear to industry leaders that it is not—the Minister for Transport may be able to assist. He could tell the Federal Government that he is not interested in the findings of the Inter-State Commission and that Queensland does not want further burdens placed on rural producers. What effect will an increase in registration fees have on the costs that are associated with the transport of stock such as sheep and cattle, as was mentioned in the Carter report? Registration fees on road trains will increase from \$5,000 to \$57,000. That is a huge increase in anybody's language. Who will pay for it? Young wethers are worth approximately 50c. Last year, when I sold them, I received \$16 for them, and the year before, I received \$36. This year they are worth 50c.

Mr Johnson: They are burying them in pits in the ground.

Mr HOBBS: They are. Unfortunately, Queensland's heritage and a lot of its export income are being buried in the ground.

Mr Schwarten: Too many sheep.

Mr HOBBS: Queensland does have too many sheep, and there are two reasons for that. A lack of confidence in the industry is the most important reason. Some people could also say that the various industry organisations should have advised people that more research should have been carried out so that we could have been better informed. Maybe that is right. It is good to blame somebody; it is good to find a scapegoat.

Mr Foley: Lack of organisation.

Mr HOBBS: Maybe it was. As I said, the organisations can share the blame. We can all share the blame, but that will not fix the problem. When the Labor Party was in Opposition, it did not say that the former Government should cut back the numbers of sheep. Everyone was merrily taking the money. Mr Keating was happy to accept the taxation that was being paid by producers. The Labor Party in Queensland was happy to accept the land tax that was being paid by producers. Now, the Government must help the people through this difficult period. The rural industry can and will come through it, but it must have help.

The Federal Government can assist Queensland in many ways. It is important that the Queensland Government make representations to the Federal Government on a number of aspects, one of which is the decrease in the value of the Australian dollar. A decrease of 5c in the Australian dollar would inject approximately \$200m into the beef industry, \$150m into the wheat industry and \$140m into sugar in Queensland.

Mr SPEAKER: Order! I am starting to get a bit fazed. How does that relate to the rents that are paid? I can understand that things that make conditions better for the man on the land make it easier for him to pay his rents; things that make it worse make it more difficult for him to pay his rents. Is the honourable member going to continue like that?

Mr HOBBS: The position is getting worse by the day, Mr Speaker. The people keep telling me that it is getting worse. I made those two small references to sugar and wheat, but I will refer to Queensland beef. I am not sure how or when the beef industry will improve, but the Government should consider carefully the charges that it imposes. I have a statement that was taken from a radio interview to the effect that the Minister for Land Management said that primary producers in Queensland have had it too good for too long.

Mr Eaton: I never said that.

Mr HOBBS: I accept that, if the Minister did not say it.

Mr Eaton: The other media reports said, "It is alleged." None of them are game to say I said it. I never said it.

Mr HOBBS: I accept that. That is why I left that reference until last. The statement continues—

"They pay the lowest rentals in the country, their payments aren't indexed to the CPI and the cost of holding the lease is only reviewed every 10 years and the Minister's office says Queensland cattlemen who produce more export beef than any other Australian State will still be better off than their interstate counterparts."

That is the report to which I referred.

Mr Eaton: I would like to see it.

Mr HOBBS: I am happy to show it to the Minister.

Mr Harper: That is the minders who would have been saying that.

Mr HOBBS: It may have been his minders. People in the industry are concerned when they hear those things. The Minister may not have said anything. However, if people get the vibes that the department may hold a certain view, it does not help when conditions are bad.

Mr Palaszczuk: Is it sourced? Which radio station?

Mr HOBBS: It is taken from World News. It is dated 16 October 1990. I would be happy to show it to the honourable member.

Mr Palaszczuk: Could you table it?

Mr HOBBS: Mr Speaker, I seek leave to table the document.

Leave granted.

Whereupon the honourable member laid the document on the table.

Mr HOBBS: The most important part of the Bill is that the Government will pick up millions of dollars extra. By bringing forward the commencement to a common date of 1 January 1991, the Government will pick up all the money that would not have been paid until further down the track. Under the present system, producers would not have had to pay as their leases fell due, but under this Government's proposal the lease-holders will be paying the 200 per cent increase and the 100 per cent increase from 1 January next year. The Government is putting into its coffers the hard-earned money of our producers, and they cannot afford it.

Mr Eaton: You forget one thing—the 12 months' grace we are giving them. Your Government was going to implement it last January.

Mr HOBBS: I will come to that. I was working it wide. We accept that the Government is returning the lease money that the producers paid last year. But there are only a few of them involved. What about the leases that will fall due over the next nine years? The Minister is talking about leases that fell due in the first 12 months, but leases will be falling due for the next nine years. The Government really does not need to be taking this money from producers when things are so bad.

Mr Palaszczuk: There are problems out there with straying stock.

Mr HOBBS: In his release about the nine-point plan, the Premier referred to the recommendations from the Department of Justice with regard to straying stock.

Mr SPEAKER: Order! I would take a lot of convincing that that is covered by the Bill.

Mr HOBBS: I can try, Mr Speaker.

Mr SPEAKER: Order! The honourable member can try for one minute.

Mr HOBBS: Very well. We want assistance from the Government, and the Premier and his Cabinet have decided to put out a package to assist. The honourable member for Archerfield drew my attention to stock routes and straying stock. Huge costs will be involved in fencing. In fact, millions of dollars will be involved in fencing stock routes throughout Queensland to keep in the livestock covered by the provisions in both of these Bills. They must be kept in. That will involve further costs. As I said earlier, we do not need further costs put onto our industry.

Mr Harper: That is another Government imposition on the landholder.

Mr HOBBS: It is.

Mr Palaszczuk interjected.

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

Mr Eaton: Who sat on Mr Glasson's committee when they set up the Carter committee?

Mr HOBBS: I sat on Mr Carter's committee and I opposed the increase. Quite a few others did, too. The industry opposed the increase and said it wanted only a minor increase, but the Government wanted more. We accept that the matter went to an independent arbiter, that Mr Carter made his decision and that that is what the Bill is based on. I did not like it, but we accepted it.

Mr Eaton: It was to be 12 months from January.

Mr HOBBS: No. But what is the Government doing?

Mr Elliott: Carter had flexibility. He said that the industry had ups and downs and it could be varied accordingly.

Mr HOBBS: One of Carter's recommendations was that the Minister should have discretion to be able to reduce those rents. The Minister is putting them up. What can we do? Are we going to have bleed to death before the Government realises that things are bad?

Mr Eaton: It was a recommendation of the previous Government.

Mr HOBBS: But we recommended that it come in over a 10-year period. I did not like it, but the independent report said it should be done, so it was done.

Mr Harper: Mr Carter also said that you had to have regard to economic circumstances. We would have been sympathetic in the present economic climate.

Mr HOBBS: That is quite true, and we have proved that. For over 30 years in Government we were able to assist people, and not by subsidies and hand-outs. They were efficient producers.

Mr Veivers: That is the trouble. The Minister does not know. He said that farmers have never had it so good.

Mr HOBBS: That is quite true. Another important aspect is the Land Court appeal. This matter has been raised by the Cattlemen's Union as an important issue. Perhaps the Minister will refer to this matter when he is summing up. How will the Government handle the rental increases when they fall due if there is to be a common date of 1 January 1991? How will the Government handle the hundreds and thousands of applications? Obviously there will be a phasing-in period and maybe the Government will get through it, but it will be fairly untidy. As rentals fall due, people will have the right to complain. How will the Government handle it? Will it handle them in bulk?

Mr Eaton: The fees paid to the Mines Department have to be in by 31 December and it has no trouble.

Mr HOBBS: It has a good staff, and I accept that.

Mr Harper: You have to have a spread of work in any business, and this is only a business.

Mr HOBBS: Yes, there are certainly many other issues. I want to move on to one matter that is very relevant to this debate tonight and that concerns the increase in the number of livestock, that is, sheep and cattle. Rural producers must have the ability to pay increased land rentals. Australia has approximately 180 million sheep. Queensland does not contribute substantially to the overproduction of wool in Australia. The number of sheep in Queensland has increased from approximately 14.9 million to 16.6 million in three years. The number in New South Wales has increased from 46 million to 60 million in the same period and the number of sheep in Victoria has increased considerably from approximately 26 million to 29 million. Most of the increase has occurred in other States. The producers should not have to pay these huge rents whilst there is a crisis in

the industry. The circumstances in which the industry finds itself today are not due to Queensland's primary producers.

Mr Palaszczuk: You haven't got to the lice-busters yet.

Mr HOBBS: The lice-busters?

Mr SPEAKER: Order! I warn the honourable member for Archerfield under Standing Order 123A to cease interjecting.

Mr HOBBS: Thank you for your protection, Mr Speaker. As the honourable member for Archerfield mentioned, there are other costs to the industry that are not wanted, but nevertheless exist. He mentioned lice.

I wish to return to the commitment made by this Government to Queensland's rural producers. The Queensland Government said that it would not increase rentals, that it would have a two-year moratorium and that the rentals would be phased-in over three years. That is as clear as can be. The producers who were there at the time the statement was made went on radio and stated that they thought they would get a reduction on the original increases that were discussed by the Labor Government, the previous National Party Government and rural producers. If the Government now says, "We weren't talking about that one", it has not been listening, because rural people have been very vocal about this issue of increased rentals. Every man, woman and child has heard about them.

Mr Eaton: The Premier referred to the Carter report first. Then he went on to the Wolfe report and they got it mixed up.

Mr HOBBS: He got it mixed up, all right, and I agree entirely with the Minister. However, now he must fix it.

Mr Eaton: It was the media that got it mixed up.

Mr HOBBS: I am pleased that the Minister says there was a mix-up because at least now we have an admission by the Minister that there was a problem.

Mr Elder: Will this affect lizard racing?

Mr HOBBS: Yes, it will and if the honourable member wishes, I will tell him about that. I lost at the races last time.

Mr SPEAKER: Order! The honourable member for Manly may interject only from his correct seat.

Mr Eaton: I said the media have got it wrong.

Mr HOBBS: The Minister said that the media got it wrong. He should talk to the Premier about that.

Mr Eaton: I was there. I heard it all and I am challenging you to get a copy of the videotape from the film company and we will have it replayed and you will find out what he said.

Honourable members interjected.

Mr SPEAKER: Order! I suggest that if honourable members want to have a discussion they should go outside the Chamber to do so. The member for Warrego will conclude his speech shortly.

Mr HOBBS: Thank you, Mr Speaker. I do have a transcript of what the Premier said and of other bits and pieces. I want to make it quite clear that if the Premier thought for one minute that the press did not have it right, he should have told them. One can appreciate that because the press is probably urban based, it may not have known about all the ins and outs of the rural industry, . However, the Premier should

have told them because his Minister had a Bill before this House that would increase rents.

Mr Eaton interjected.

Mr HOBBS: It came out in the media, all right. In fact, I will read a media release titled "Statement by Mr Wayne Goss, MLA, Premier of Queensland".

An honourable member interjected.

Mr HOBBS: No, this is a different one. This is the one I was waiting for. The media release states—

"State Cabinet today approved a nine-point assistance package in response to price downturns being experienced in some rural industries.

The Premier, Mr Goss, said the package represented a positive and tangible effort by the Queensland Government to assist rural producers.

The package includes:

- expanded and better targeted financial assistance;
- a two-year moratorium on increases in rents on pastoral and grazing leases, with increases then to be phased in over three years"——

Mr Harper: Where's the mix-up there?

Mr HOBBS: There is nothing here. There is no reference to the Wolfe report. The media release refers to—

"- Government support for landholders' continued right to freehold grazing leases. . ."

That is okay, but the way things are going, land-holders will not have any money to freehold. The press release continues—

"- submissions to the Federal Government for more Rural Adjustment Scheme funds for Queensland and outlining in detail the nature and extent of the rural downturn in Queensland."

These statements are made on the Premier's letterhead and there is not one mention of the Wolfe report on the front page, although it may be referred to somewhere at the end. There are certainly many issues that need attention. Earlier, the Minister said that the media might have got it wrong. That may be the case; I do not know. Somebody got it wrong.

Mr Harper: But the Premier's press secretary put that out.

Mr HOBBS: It is all rather confusing. It appears to me that the Premier got it wrong. Someone has got it wrong. Who runs this State?

Mr SPEAKER: Order! I have taken the honourable member's point; I am sure that *Hansard* has, and that the rest of the House has, also. I ask the honourable member to move on to another topic.

Mr HOBBS: Thank you, Mr Speaker. It is particularly important in relation to this Bill to recognise not just that 30 January 1991 is the cut-off date, but also that people will not be able to pay such a large amount of money. At present, primary producers have their backs to the wall. I ask the Minister: has the Government made any allocation in the Budget for the non-payment of these rental increases? I cannot see how these people will be able to afford them. The Carter report recognised that increases in costs, ranging from \$800 to \$2000, had been imposed on the cattle industry.

Mr De Lacy: We have not made any provision for the collection of it.

Mr HOBBS: That is good, because the Government probably will not get it. The point I wish to make is that the figures mentioned in the Carter report represent only an across-the-board average. The farther westward one travels, the bigger are the properties

and the greater is the length of fencing that has to be erected. The rents paid by sheep station owners are higher in Queensland than in other States. The average woolclip obtained by Australian producers is about 10 or 12 bales. I accept that that average applies in the main to producers in southern States, whereas the position in Queensland, with its vast distances, is different. The legislation presently before the House will adversely affect these property-owners. Who will go out to these districts and tell those property-owners that they will have to pay these increases?

Mr De Lacy: Have to pay what? 1 per cent on the unimproved value?

Mr HOBBS: Is the Minister saying that what is being paid by primary producers now is not enough?

Mr De Lacy: Yes, of course I am. They are paying only a quarter of 1 per cent. Of course I am. Are you saying that that is enough?

Mr HOBBS: I am arguing that that is enough—my word!

Mr De Lacy: You have taken 80 minutes to make that point.

Mr HOBBS: I am saying that rural producers do not need any further increases and that is what this Government does not understand.

Mr Elliott: He is saying that it is irrelevant whether or not they are making money. What he wants is a percentage return.

Mr HOBBS: But there are no subsidies involved. It should not be forgotten that Australia is the driest continent on earth. Australian producers are the most efficient on earth, but they really do not need a Government that makes conditions harder for them. It is tough enough as it is without having to go through all the rigmarole of fighting the Government day in, day out.

Mr De Lacy: If they have got to be subsidised, say that they have got to be subsidised.

Mr HOBBS: They do not have to be subsidised. All that has to happen is that costs borne by the primary producer have to be reduced.

Mr De Lacy: You are suggesting that they should be subsidised. Will you admit that they should be subsidised—a quarter of 1 per cent?

Mr HOBBS: No, I will not admit that they are subsidised. I do not believe that they are subsidised at all. The producers of this nation built this country. This State was probably built up by producers way back in the bad old days, anyway.

Mr De Lacy: Therefore, they should be subsidised. Well, say that.

Mr HOBBS: I do not believe that they are being subsidised. The rural industry and primary producers are the ones who will have to pay by virtue of this legislation, and they are the ones who are subsidising other industries in Australia. The motor-vehicle industry is one that comes to mind. Moreover, the ship-building industry—which has been slowly going down—has been subsidised for years, and so has the clothing industry. However, I will not dwell on those matters, Mr Speaker.

Mr De Lacy: They should be subsidised and other industries should not be subsidised. Let us get a level playing field.

Mr HOBBS: We need a level playing field.

Honourable members interjected.

Mr SPEAKER: Order! I can listen to only one person at a time.

Mr HOBBS: The producers who will have to foot the Bill as a result of this legislation also have to bear huge costs in relation to motor vehicles. Primary producers

subsidise four-wheel-drive vehicles to a large extent. I see that the Minister is leaving the Chamber.

Mr SPEAKER: Order! I ask the honourable member to get back to the Bill.

Mr HOBBS: Mr Speaker, I appreciate the tolerance shown by the House. I believe that there are many other issues that have to be covered.

Mr Palaszczuk: Would you like some more issues?

Mr HOBBS: Perhaps the honourable member can suggest one that I have forgotten.

Mr Hayward: You just won the imbecile title.

Mr HOBBS: That comment shows how much concern members of the Labor Party have about these issues. It would not surprise me if the member for Caboolture was associated with the rural task force. He talks about it quite a lot. I see that seated beside him is Mr McGrady, who should take up these issues. The members of the Premier's task force should take up this issue and go out into these areas to compile a report. If they did, they would discover that what we are saying is totally correct. The actions of this Government amount to a total window-dressing. The Premier is stalling for time while this legislation goes through. I have no doubt that other increases will follow. I am asking this Government to recognise—sooner, rather than later—that it is imposing huge costs on primary industry.

In conclusion, I reiterate the total opposition of the National Party to this legislation. We will fight it all the way. This Government is condemned.

Mr Elliott: They will be condemned in the bush forever.

Mr Hobbs: It will be condemned in the bush forever. The Government cannot continue belting the people from the bush, because they will bite back, and it will not be long before they do.

Mr SMYTH (Bowen) (11 p.m.): I am pleased to support the Bill. It would be remiss of me if I did not comment on the address by the member for Warrego, who missed the whole concept of the Bill. He spoke about grain, beef and sheep, about rain, hail and shine, about dingo fences and he even slipped in a bit about daylight-saving. He wasted the time of this House. He was repetitious and did not come to the point. In this debate, we must establish what we are talking about, which Mr Hobbs failed to do. He touched on the subject at one point. We are not talking about the Wolfe report; we are talking about the Carter report. We are simply bringing in legislation to have all rental of grazing homestead perpetual leases and pastoral leases fixed to commence at a certain date as recommended in the Carter report.

The Bill is the product of an inquiry commissioned by the previous National Party Government. That inquiry was the Carter inquiry, and the Carter report was presented in March 1989. It recommended increases in rent for leases for the rental period commencing 1 January 1990. This Bill deals with pastoral leases and grazing homestead perpetual leases. In 1988, the previous National Party Government Minister, Mr Glasson, and his committee recommended that that inquiry be carried out. At the time, the Minister's press release of 17 June 1988 stated that he was establishing a Land Court inquiry into Crown land rents. It continued—

"Land Management Minister Bill Glasson today announced an inquiry by the Land Court, into the assessment of Crown rents to be charged on all Grazing Homestead Perpetual Leases and Pastoral Leases throughout Queensland.

'New rents based on the Court's recommendations, will come into effect for the next 10 year rental period, commencing from January 1, 1990, as required under The Land Act 1962-88'.

Mr Glasson said he believed the Land Court, as it has proven in the past, is the most appropriate independent body to accurately analyse and assess all relevant information.

'To my mind, it puts beyond political or grazing industry question, the establishment of the fairest and most appropriate way to assess and set rents for our huge Crown pastoral estate.'

'The inquiry's outcome will affect some 5000 leases, which cover a land area equal to about 66 percent of the State.'

Mr Glasson said the President of the Land Court, Mr W. F. G. Smith had advised that court Member Mr C. H. Carter, F.A.I.V. would head the inquiry.

Preliminary arrangements for the inquiry were expected to start within a fortnight.

The inquiry's references cover:-

- Establishing the fairest and most appropriate method of assessment of rents on arable Crown lands;

- Establishing the most appropriate 'notional physical state and condition of the arable lands comprised in the types of holdings under reference', and the dates at which such state or condition is to be assumed for rental purposes"——

Mr FitzGerald: Why don't you table it and have it incorporated?

Mr SMYTH: I am reading it so that the honourable member knows what a former National Party Minister said. The inquiry's references also covered——

- Advice as to any legislative amendments which the court may consider appropriate to allow implementation of its recommendations; and

- Establish the maximum nett rate per beast or per sheep in each Land Agents District of the State (having regard to the present state of the grazing industries)"——

he was talking about the viability of each industry——

"which should reasonably be charged by way of rent for the best quality Crown lands.

Mr Glasson said the Land Administration Commission would provide much of the relevant information which the court considered necessary for its deliberations, including present rental and usage of leasehold lands, agronomic, economic and valuation details as well as economic productivity and current market values of the leases within the terms of reference.

'At the appropriate time the court will invite representatives of industry bodies and others who believe they have information relevant to the hearing, to present evidence to it', he said."

As Mr Hobbs indicated earlier, he was a member of that committee. He said that he supported the proposition and that his Government would implement it. Now that the Labor Government intends to implement those recommendations that the National Party introduced, it seems funny that the honourable member is not supporting the Government.

The Carter report recommended that a rental levy be set. At this time, a wide range of charges applies to those leases. As well, the present Act does not define and express in a formal way the method by which the Government can rightfully receive rent from land-occupiers who gain profit from land which belongs to all Queenslanders. At present, pastoral leases and grazing homestead perpetual leases cover two-thirds of the land area of Queensland. There are 5 000 leases which return a rent of about \$2.4m a year to the Government. The average rent on those leases is about \$480 per year. That represents a cost per lease to the grazier of less than \$10 per week. The top 1 500 leases—30 per cent—return about \$1.6m, while the bottom 3 500 leases—70 per cent—return only \$800,000 a year. The majority of the leases—70 per cent—return a rent of less than \$500 a year. Only a small number of those leases—around 20 to 30—attract a rent of more than \$5,000. About 400 leases—8 per cent—are in the \$1,000 to \$5,000 range, while another 1 100—22 per cent—are in the \$500 to \$1,000 range. Half of all pastoral and homestead perpetual leases—2 500—are in the \$100 to \$500 rent range. One-third

of these 800 leases, or 16 per cent of the total, are in the \$100 to \$200 rent range. According to this submission, 1 000 leases attracted rent of \$30 to \$100 before Orders in Council set a minimum rent payment of \$100 a year. That is fairly cheap rent compared with what Mr Hobbs was referring to.

In 1987-88, 1 644 pastoral leases returned \$1,206,371 in rent. The average rent is \$734 per year, or \$14 per week, or \$2 a day. In 1987-88, 3 333 grazing homestead perpetual leases returned \$1,216,368 in rent. The average rent is \$365 a year, or \$7 a week, or \$1 a day. At present, the rent received under the current Act is a half a per cent on the improved value of the land. This Bill will increase that percentage to only 1 per cent on the improved value of the land. Figures show that from 1945 to 1966, in real money terms, leases rose to \$3,000. There was a levelling off for a short period. From that time until 1985, the gain was only \$600. During the 1970s, because of the downturn in the wool industry, sheep property owners received a concession. In addition, in 1975, because of the downturn in the cattle industry, a concession was given to beef-producers. This Bill will lift the value of grazing homestead perpetual leases and pastoral leases to a realistic level. The recommendation of the previous National Party Government was to increase rents as from 1 January 1990. That was not done by this Government. This legislation will not be effective until 1 January 1991—12 months later.

The Opposition continually says that this Labor Government does not think about country people. The Government realises that the grazing, sheep and wheat industries in this State and this nation have a very big impact on the economy. It is aware that it needs to look after those people. The Opposition is trying to stir up a debate about this Bill because it does not understand what it is all about. Members of the Opposition need to realise that this Government will look after people in the western areas. If sheep property owners need a rental concession, I am sure that the Government will take that into consideration. Earlier tonight, while Mr Hobbs was speaking, I interjected and said that, because of poor planning, many sheep have had to be killed in Queensland.

Mr FitzGerald interjected.

Mr SMYTH: The honourable member should engage in sensible debate.

Poor planning is the fault not only of the grazier, the sheep-producer and the wheat-grower but also of Governments. Previous Governments in this State have not assisted growers to the extent that they should have. I support the Bill.

Debate, on motion of Mr Braddy, adjourned.

ADJOURNMENT

Hon. P. J. BRADDY (Rockhampton—Minister for Education) (11.12 p.m.): I move—
"That the House do now adjourn."

Water Licences Nos. 41373 and 41374

Mrs McCAULEY (Callide) (11.12 p.m.): I bring to the attention of honourable members an issue concerning an injustice to two of my constituents, Eric and Judith Timm. On 5 April 1984, Mr and Mrs Timm first objected against the granting of water licences Nos. 41374 and 41373 to G. A. Buchholz and N. F. and E. A. Manwaring of Biloela. Mr Buchholz's licence enabled him to irrigate 16 hectares and the proposed licence would have increased the area to 120 hectares. The Manwarings' proposed new licence would enable them to increase the area irrigated from eight hectares to 120 hectares. Both objections to the proposed new licences were refused. On 10 April 1985, the Timms lodged an appeal against the decision of the commission. An experienced engineer from Gutteridge, Haskins and Davey was engaged. After an intensive investigation, he reported that, if the Buchholz and Manwaring licences were granted, the Timms could expect to suffer from a shortage of water for at least two years out of every three.

The two cases were begun jointly at Rockhampton on 19 August 1985. After some discussion, it was agreed that a conference should be held. By agreement, the case was adjourned, subject to its being brought on again by the commission or by the Timms after 12 months from the date of installation of water-meters, or such longer period as the parties might agree upon, on the giving of three weeks' notice to the other side by application to the Land Court. Mr and Mrs Timm considered that it was desirable that some time should elapse so that the effect of water use under the new licences could be observed, especially as periods of dry weather could be involved. The cases finally came before the Land Court at Rockhampton on 17 May 1989. The day before the hearing, solicitors for the Timm family were informed by the Deputy Registrar that the commission would take the legal viewpoint that the court had no jurisdiction because the licences Nos. 41374 and 41373 had expired. Applications for renewal of the licences had been applied for by the licensees before the respective dates of expiry, and renewal of each licence had been granted by the commission. It was decided to ask for an adjournment of the case to Brisbane so that the question of validity of the appeals could first be determined, and the court agreed. The case for argument regarding validity was set down for hearing in Brisbane on 27 July.

Counsel for the commission argued that, as the licences appealed against had expired—the Buchholz licence on 28 February 1988 and the Manwaring licence on 31 July 1987—the Timms had no standing. It was argued that the Land Act gave the Land Court the power to decide any case without regard to strict requirements of the Act but, as a matter of natural justice, that the appeals had been adjourned by consent and were still operative, especially as the renewal by the commission of the licences did not create fresh licences but merely continued the licences with the same respective numbers.

The Land Court member, Mr White, gave his reserved decision on 11 August striking out the appeals. The position now, as a result of the court's decision, is that Buchholz and the Manwarings have licences which may be renewed from time to time by their application pursuant to the Water Act before the date of expiry on each occasion, and that Eric and Judith Timm will not have power at any time to object to the renewal of such licences. The following point needs to be made: both Buchholz and the Manwarings were already well supplied with water, chiefly from bores, when the Timms, with the approval of the Queensland Water Resources Commission, had a big elevated dam and other relevant items constructed in 1980 for water-harvesting at a cost of over \$100,000, plus Mr Timm's own skilled labour. The granting of these licences is estimated to have cost the Timms between \$80,000 and \$160,000 per year on average values of cotton, because of the water that they have not received and hence the crops that they have not been able to grow.

As the Act does not allow an appeal against the Land Court's decision, I urge that action should be taken to enable the Timms to receive justice. It cannot be expected that the water resources engineer will do other than renew the Buchholz and the Manwarings' applications from time to time, and therefore I urge that the Water Act be amended to provide that any land-holder may object to the renewal of any licence and appeal against the granting of renewal if the objection is not sustained. Such an amendment would enable any land-holder, once he discovered that the licence had been renewed—even, for example, if he bought the property bearing the licence after the licence was renewed—to obtain justice. The Act could also be amended to provide that in the future notice of all applications for renewal of licences should be advertised so that land-holders could lodge an objection and then, if the objection was refused, lodge an appeal.

The officers of the Water Resources Commission to whom I have spoken about this case have told me that it is unique and, as such, deserves the Minister's urgent attention to see that justice is done. I do not seek to make a judgment in this matter, as I know all the parties involved and hold them all in high esteem. However, an injustice has been done and the situation needs to be redressed. For this reason, I have brought this matter to the attention of the House.

Time expired.

Queen Alexandra Home

Mr FENLON (Greenslopes) (11.17 p.m.): I rise to inform the House of a further, even more intriguing development at the Queen Alexandra Home Community Centre. I hope that the members of the National Party are getting sick of this subject, because I certainly am. It has been necessary for me to be very restrained about this matter to date for fear of prejudicing very significant court cases of late, but I no longer feel as constrained, and certainly I can talk more clearly about the role of the National Party in this process—

Liberal Party members interjected.

Mr FENLON: —and the support of members of the Liberal Party, if they want to interject, because their local colleagues are still supporting the National Party in its disgusting control of this building. I can now give the House the benefit of the background to two new pieces of information that cap this appalling saga, marked by the political use of Government resources and an appalling disregard for elderly people in the community.

My speech tonight marks another step in a very long and difficult process that I have embarked upon this year to turn Queen Alexandra Home into a proper community centre, of which the local community can be fully proud; a centre that can be fully utilised, not a place for an elite group, but a centre for community development and learning. I hope that honourable members opposite will sit up and pay attention to this first new piece of information.

Dr Flynn: Eyes up!

Mr FENLON: Eyes up. Tonight, at a meeting at Coorparoo, it was revealed that \$20,000 had been spent on a political campaign by Queen Alexandra Home Inc., which was established by the Harvey family. It is now clear that that \$20,000 was spent on newspaper advertising and on legal fees, etc., and it is abundantly clear that the political heritage of this organisation is still alive and well. \$20,000 has been spent on a political campaign to obstruct this very essential process to give Coorparoo a community centre of which it can be proud. This is an essential reform to bring accountability back into this State. That organisation has been spending this money. One might as well have stood on Old Cleveland Road outside the building and set fire to it. The money would have been better spent. I certainly hope that that money did not come from funds raised by the community or from funds raised by renting out this Government-owned building. If that occurred, it would be an appalling situation.

At recent meetings, I have heard it announced that the National Party organisation, the party to which members opposite belong, has written to Queen Alexandra Home Inc., firstly, claiming that it owns the furniture within the building and, secondly, claiming that it wishes to remove the furniture because it does not like the new management arrangements that will bring community accountability. That organisation wants to take the furniture away, and the delivery truck is coming this weekend. I certainly hope that they have receipts for that furniture. Perhaps Mr Sparkes or some other past members, who are no longer in this place, have those receipts.

Mr Hayward: Bjelke-Petersen!

Mr FENLON: Bjelke-Petersen may indeed have it.

A Government member: It may have been in the filing cabinet.

Mr FENLON: It may indeed be in the filing cabinet that disappeared. The position has now been revealed clearly and I hope that the members of the National Party have the courage to go and tell the people in Coorparoo that they do not like the new arrangements and that they are taking the furniture away, because this story has to be told. That is why I am standing here telling the story.

Opposition members interjected.

Mr FENLON: They do not like accountability, so they are taking their cricket bat and ball and going home. It is clear that the building has been used as an organising base for the National Party itself.
Time expired.

Public Relations Officers of Miscellaneous Workers Union

Mr SANTORO (Merthyr) (11.23 p.m.): During question-time today, we waited with bated breath for the bucket job that Minister Gibbs was going to perform on the member for Merthyr. The back bench looked excited and restless with expectation. The peacock from Archerfield raised his head and, pregnant with self-assurance, which he often feigns, settled down for the kill. One of the PR officers of the Miscellaneous Workers Union——

Mr PALASZCZUK: I rise to a point of order.

Mr SANTORO: — the member for Caboolture, gladly and gratefully accepted the brief from master Bob.

Mr PALASZCZUK: I rise to a point of order.

Mr SPEAKER: Order! What is the honourable member's point of order?

Mr PALASZCZUK: The member for Merthyr is referring to me as the peacock from Archerfield and as asking the question of the member for Wolston. I did not ask the question at all.

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

Mr SANTORO: I simply referred to the member for Archerfield as preening himself.

Mr ARDILL: I rise to a point of order.

Mr SPEAKER: Order! What is the honourable member's point of order?

Mr ARDILL: The honourable member for Merthyr continues to tell the lie that members on this side of the House——

Mr SANTORO: I rise to a point of order.

Mr ARDILL: He continues to tell the lie that members on this side of the House are——

Mr SANTORO: I rise to a point of order.

Mr SPEAKER: Order!

Mr ARDILL: He continues to tell the lie that members on this side of the House are PROs for the Miscellaneous Workers Union. I take personal offence at that. I seek a retraction of it. I seek a withdrawal of it. It is not true. The honourable member knows it. No-one in this House is a PRO for the Miscellaneous Workers Union.

Mr SPEAKER: Order! The member for Merthyr is obliged under Standing Order 119 to withdraw that statement.

Mr SANTORO: Mr Speaker, I have not mentioned the Miscellaneous Workers Union in this speech.

Mr ARDILL: Mr Speaker, I seek a withdrawal of the honourable member's statement that members on this side of the House——

Mr SANTORO: I rise to a point of order.

Mr ARDILL: Mr Speaker, I think the record will show that, a few moments ago, the member for Merthyr said that members on this side of the House are PROs for the Miscellaneous Workers Union. I seek a retraction.

Mr SPEAKER: Order! I did hear that statement. I ask the member for Merthyr to withdraw it.

Mr SANTORO: Mr Speaker, I know that this is eating into my time, but, with respect, there is nothing for me to withdraw because I have not made the references that the honourable member has claimed.

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

Mr SANTORO: For the sake of it, I will withdraw.

The Minister made several references to the National Civic Council, an organisation which has done more than any other—with the possible exception of the Cooke inquiry—to bring about the destruction of corrupt and sinister influences within the LTU which, for many years, has been the power base of the Honourable the Minister. I am not a member of the National Civic Council, and the Minister convinces no-one when he repeatedly and stupidly mouths off to that effect.

Mr PREST: I rise to a point of order.

Mr SANTORO: However, make no mistake that for as long as the NCC—

Mr SPEAKER: Order! What is the honourable member's point of order.

Mr PREST: My point of order is that the member is misleading the House. He said he is not a member of the Civic Right, but he is.

Mr SPEAKER: Order! There is no point of order. I will not accept frivolous points of order.

Mr SANTORO: However, make no mistake that, for as long as the NCC fights the likes of the Minister's mates within the LTU, they will always enjoy my support within and outside this place.

So let me get back to the Miscellaneous Workers Union. The Minister was totally unconvincing in his denial that a conflict of interest exists between his responsibilities as a Labor Minister in the Government of Queensland and his responsibilities to the union movement, and to the Miscellaneous Workers Union in particular. His denials and personal abuse, both within and outside the Parliament, do not convince anyone that he does not have a case to answer. The expectations of the union for which he and his Cabinet Ministers are listed as public relations officers are quite clear and contained in the annual report of the union to its 1990 Federal conference.

Mr ARDILL: I rise to a point of order.

Mr SANTORO: In the union's report, the union secretary states—

"The branch continues to experience a decline in membership in the traditional"—

Mr SPEAKER: Order!

Mr ARDILL: I rise to a point of order. The member is again telling lies. I seek a retraction of the statement that members on this side of the House are PROs for the Miscellaneous Workers Union. He accused me of being one. He is telling lies. No member is a PRO for the Miscellaneous Workers Union.

Mr SPEAKER: Order! There is no point of order. The honourable member for Salisbury was not mentioned.

Mr SANTORO: In the union's report the union secretary states—

"The branch continues to experience a decline in membership in the traditional areas of State Government cleaning. However we are looking for improvements in this area now that the State has returned a Labor Government for the first time in 32 years."

This particular report also makes major reference to the financial gain that will be made by the unions because of the ALP gaining Government, and it clearly demonstrates that those members opposite, including those who sit in Cabinet, have a gross conflict of interest. That concern is reflected in guidelines that will soon be produced within legislation that will require members to register their pecuniary interests. This issue, which was mentioned in today's *Courier-Mail*, clearly expresses the concern.

Time expired.

Sea Turtles on Bucasia Beach

Mrs BIRD (Whitsunday) (11.28 p.m.): I rise quietly to bring to the attention of the House yet one more incident of environmental vandalism that was reported to me this week. On this occasion, it was a case of vandalism against the ancient marine reptile, the sea turtle. Each year at this time, female turtles leave the safety of the ocean to come ashore and nest on Bucasia Beach. Under the cover of darkness a female turtle laboriously drags herself by her flippers a few inches at a time to an area above the high-water mark and deposits 60 to 150 eggs. She then covers them with sand before returning hours later to the ocean. As honourable members would realise, nesting and hatching for that old lady is not an easy feat. After an incubation period of eight weeks, hatchlings break out of their shells and scramble instinctively towards the ocean, guided by the light of the moon and stars on the water. Once in the water, the hatchlings have to contend with larger fish and other marine-life predators.

Modern activities in my local island and reef area, together with the high rate of turtle egg infertility and loss to domestic and ocean predators, ensure that all remaining species of sea turtles are in imminent danger of extinction. I am ashamed to say that turtles on Bucasia Beach are subjected to yet another dangerous predator. Their eggs are being harvested by local people. Last week, after turtle tracks were found on the beach, people were seen prodding the sand with iron bars trying to remove the eggs. The nests subsequently have been destroyed and robbed. To make matters worse, last Sunday morning a set of turtle tracks was found coming from the ocean, but there were no tracks leading back to the ocean. A search of the area failed to find the reptile. The number plate of a vehicle involved in those incidents has been forwarded to the relevant authorities. I am watching and waiting for action from those departments.

Turtle flesh and eggs are considered a delicacy by some cultural and ethnic groups in my electorate. There is always a ready market for all parts of the turtle, including its shell. However, the people of Bucasia Beach are very protective of their turtles and are well aware of the egg-laying ritual. They are aware also that artificial light from beachside homes and roadways can draw turtles away from the ocean. Bucasia-ites exert every effort to keep bright lights away from the area at that time. Pioneer Shire Councillor Marie Murray and her small band of turtle-watchers are vigilant to remove all litter from the beach, especially plastic bags, for fear that the reptiles will mistake them for jelly fish in the water. Over the years, many children have been delighted and overawed by the spectacle of annual nesting turtles. All my constituents are clearly distraught by the tragedy that has occurred.

The emphasis on coastal development and the infringement on shores and the ocean by reclamation for tourism and marina developments are shrinking suitable available refuges, habitats and nesting locations for fauna. The added problem of the presence of people and disturbance threatens the very survival of the turtle species. Areas such as Bucasia Beach are a valuable part of the natural breeding chain cycle of our protected sea creatures. As a matter of urgency, we must start policing our environmental protection legislation with a new strength. I ask the Ministers for the Environment, Primary Industries and Aboriginal and Islander Affairs to ensure that people who are involved in that destruction are stopped for the future sake of those placid, innocent reptiles.

Russian Knapweed

Mr ELLIOTT (Cunningham) (11.32 p.m.): Tonight, I raise an issue which, from an agricultural point of view, has the potential to be an absolutely mammoth problem not only to the Darling Downs but also to all river systems in the Murray/Darling system. I refer to the spread of the Russian knapweed. Its botanical name is *centurea repens*. That particular weed is spreading across one particular farm and through fences. For a long time, the previous Government expended a great deal of money and effort trying to eradicate and eliminate that weed, but with very little success.

The weed has its origins in the southern/central part of Asia, hence the Russian name. The weed is not simply a problem, such as parthenium, that could have been eliminated early had people done something about it. Having recognised the work and effort that was put in without success to try to eradicate the weed, it is urgent that the Government take some action. The weed is not only an agricultural problem but also a personal tragedy for the people who own the property. They bought it under false pretences from a person who has since returned to Canada. Approximately 12 years ago, that vendor farmed the property for a considerable period to ensure that none of the weed was visible when the buyer inspected the property. Since then, the owners of the property have realised that 300 of the 400 acres are totally infested with the Russian knapweed. The weed not only takes over the ground like any other weed but also exudes toxins into the ground. Therefore, nothing else will grow where the weed grows. The potential agricultural problem that the weed raises—

Dr Flynn: Pesticides do kill it, though, don't they?

Mr ELLIOTT: There is a break-through on the horizon—a pesticide called Lonthril-L—that may eradicate the weed. Scientists are working on that now. The problem is that those people are about to be tipped off the property by the bank. They will be forced to sell the property for \$120,000. Under normal circumstances, the property would be worth in the vicinity of half a million dollars. It has a very good house and shed on it. It is worth more as rural land than residential land. I have recommended to the Minister for Land Management, who has responsibility for the destruction of pests and so on, that the Government should buy the property for that paltry sum. The weed could then be eradicated. To begin with, the perimeter of the farm should be sterilised so that the weed cannot spread into adjoining properties. The weed is interconnected underneath the ground, and when the land is ploughed, the tynes catch the weed, which gets transplanted and grows again. Where one stalk is cut and transplanted, another three come up. The weed presents a tremendously serious problem, and people do not understand it.

To the credit of the person who owns the property, he has not tried to onsell it to an unsuspecting buyer without telling that person about the weed. He is too honest for his own good, I guess. It is a personal tragedy for the whole family. Recognition should be given to what he has tried to do. He would be prepared to run another business from the property and try to eradicate the weed. He does not want to see someone else be caught as he was.

Mr Elder: How much would it cost?

Mr ELLIOTT: The property can be bought from the bank for \$120,000.

Mr Elder: No, to eradicate the weed.

Mr ELLIOTT: To begin with, it would not cost much to put a perimeter around the property. I could not say exactly what it would cost to use a soil steriliser. However, to sterilise the whole area at once could cause soil erosion.

Time expired.

Bauple State School

Mr DOLLIN (Maryborough) (11.37 p.m.): I rise to inform honourable members of some of the true facts surrounding the Bauple State School, which is in my electorate of Maryborough. It amazes me that the honourable member for Mirani has the gall to make statements in this House that he well knows are not truthful. In 1983, 1987 and 1989, the National Party led the citizens of Bauple to believe that they would receive their much-needed class rooms. As could be imagined, these empty promises were made on the eve of State elections and were nothing more than cruel hoaxes. If these promises had been kept, they would have been pork-barrelling at its worst. The honourable member for Mirani was one of the Ministers who kidded the citizens of Bauple by making these hollow promises. He well knew that Bauple had no hope of getting these class rooms because no finance was allocated for the project, as the draft capital works program for 1989-90 clearly shows. The forward planning for 1992-93 shows not a thing for Bauple and the forward planning for Bauple for 1990-94 was a clean sheet. As I said before, if these promises had been kept, it would have been pork-barrelling at its worst.

Over the last couple of years I have observed National Party members and I have worked them out as follows: those who would go to gaol, those who would just miss out on going to gaol and those who were honest. I included the honourable member for Mirani among the last. Perhaps I was too generous in my estimation.

The Maryborough people are used to phoney promises from the Nationals. In the lead-up to two elections the former member, Mr Alison, promised the Maryborough people a pulp mill, which would employ about 350 people, a casino and a State prison. None of them came to fruition. I must say I am pleased that we missed out on the prison because, at the rate Nationals are being gaoled, this could well have put my seat in jeopardy.

I promise the Bauple citizens that I will achieve more for them in three years than the Nationals and Liberals did in 30 years. All that Bauple people received in that period was a tin shed called a class room. It was cheap and nasty. The great mistake made by Bauple people was to give the Nationals too big a majority at the polls. The Nationals preferred to spend their money in the more marginal areas in Maryborough.

Motion agreed to.

The House adjourned at 11.40 p.m.

