

TUESDAY, 6 SEPTEMBER 1994

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

STATUTORY INSTRUMENTS

In accordance with the schedule circulated by the Clerk to members in the Chamber, the following documents were tabled—

Health Act—

Health (Radioactive Substances) Regulation 1994, No. 325

Marine Safety Act—

Queensland Marine (Crewing) Amendment Regulation (No. 1) 1994, No. 317

Nature Conservation Act—

Nature Conservation (Wildlife) Regulation 1994, No. 327

Proclamation—Part 5, Division 2 of the Act commences 2 September 1994, No. 326

Queensland Law Society Act—

Queensland Law Society (Approval of Indemnity Amendment Rule (No. 1)) Regulation 1994, No. 324

Sawmills Licensing Act—

Sawmills Licensing Amendment Regulation (No. 1) 1994, No. 323.

PAPER

The following paper was laid on the table—

Minister for Primary Industries (Mr Casey)—

The Sustainable Use and Management of Queensland's Natural Resources—Policies and Strategies—Discussion Paper.

MINISTERIAL STATEMENT

Death of Mr J. Newman, NSW Member for Cabramatta

Hon. W. K. GOSS (Logan—Premier and Minister for Economic and Trade Development) (10.02 a.m.), by leave: This morning, I want to take just a minute of the time of the House to express the shock and outrage of the Queensland Government—and I am sure the Queensland community—in response to the tragic gunning down of Mr John Newman, the New South Wales parliamentarian for the Sydney seat of Cabramatta.

Although we do not have a great amount of detail of this terrible crime, I think that all members

of the House will join with me in expressing our deeply felt regret at this occurrence. Although I did not know Mr Newman personally, I understand that he was a tireless local member who always put the interests of his constituents and the Cabramatta community first. He was also a courageous local member who was not frightened to take on local criminal groups.

The real tragedy of last night's murder is the prospect that it was John Newman's stand against local criminals that may have led to his death. If this proves to be the case, this killing is much more than the tragic murder of a hardworking community leader; it is a bullet through the fabric of our democratic traditions and freedoms. We are very fortunate in Australia in so many ways, and one of the great strengths of the Australian democracy is that our political leaders are free to move about in the community and are not cocooned in security cordons, as is all too often the case in other countries.

As a community, we must fight to retain that tradition of freedom. This tragedy in Sydney reminds us of just how fragile these freedoms are. It also reminds us that these freedoms are to be cherished, nurtured and defended. This is a time to renew our commitment to, and belief in, the kind of Australia that we value and hold so dear. The Government and the Parliament expresses its deep sympathy to Mr Newman's family and to his fiancée at this time of great sorrow. I move—

"That the House take note of the statement."

Mr BORBIDGE (Surfers Paradise—Leader of the Opposition) (10.04 a.m.): I, too, would like to place on record the Opposition's sympathy and sense of outrage at the assassination last night of New South Wales parliamentarian John Newman. To his family and friends, I pass on our sincere condolences.

While, as the Premier indicated, investigations are still at an early stage, it appears that Mr Newman had been the subject of death threats as a result of statements he had made about ethnic gangs in the region. We often hear and read of parliamentarians receiving death threats over something they have said, but to date at least nothing has ever come of such incidents. Indeed, some members of Parliament who have been the subject of such threats in the past have purposely downplayed them because they did not wish to be accused of using them as a vehicle for publicity.

The killing of John Newman will change the attitude of all members of Parliament to such threats. It also represents a massive challenge to all parliamentarians, who invariably at some time

or another have to make a decision about raising controversial issues and the possible implications of doing so.

As horrible and shocking as the death of John Newman is, such action must not be allowed to stifle or inhibit in any way the concept of free speech in this country. We have parliamentary privilege for a very good reason—to enable elected representatives of the people to speak freely of the injustices or crimes that may be perpetrated against our society. Generally, we all do our best to ensure that this privilege is not abused in exercising our right—indeed, our duty—to speak out against any form of illicit activity.

If our freedom of speech is inhibited in any way, it immediately represents a threat to the system of parliamentary democracy which has served our country soundly since foundation. The perpetrators of this hideous crime must be brought to justice, and their actions should serve to heighten formal investigations or inquiries into the activities of such gangs. Australia can do without such activities, including the threat to free speech in this country.

The assassination of Mr Newman was un-Australian, and it does not belong in this nation. We have a proud record of a robust democracy. While the initial reaction to Mr Newman's death is intimidating to all members of Parliament, we should not, and we must not, be deterred by the challenge that it heightens for all of us. We all have a public duty to continue to defend the right of free speech in this country.

MINISTERIAL STATEMENT

John Oxley Youth Detention Centre

Hon. A. M. WARNER (South Brisbane—Minister for Family Services and Aboriginal and Islander Affairs) (10.07 a.m.), by leave: At approximately 5 p.m. yesterday, there was a disturbance in the Blaxland section of the John Oxley Youth Detention Centre at Wacol involving eight of the 43 youths detained at the centre.

The eight boys in the Blaxland section damaged furnishings and fittings and gained access to the staffroom in the section. Taps were turned on, and water and broken crockery created a considerable mess. Damage was confined to furnishings and fittings. Most of the repairs were completed by early this morning. Damage was also confined to the general living area of the section and the sleeping areas were unaffected.

By 5.55 p.m., the situation was under control, and those boys who had gained access

to the roof by levering open a fixed door were contained by John Oxley and Corrective Services Commission staff. One boy was taken to hospital after ingesting a substance—possibly medication—which was obtained from a locked cabinet in the staffroom. I am informed that the boy is stable and alert.

There were no abscondings and no other serious injuries to staff or boys. Six of the boys were transferred to the Sir Leslie Wilson Youth Detention Centre at 7.30 p.m. so that the Blaxland section could be cleaned up. One youth was placed in isolation. The police did not enter the centre; their role was to maintain perimeter security. I thank all of the staff for the speedy resolution of the incident, and my department will be moving further to improve systems, procedures and security at the centre.

APPROPRIATION BILL (No. 2)

Suspension of Standing Orders

Hon. T. M. MACKENROTH (Chatsworth—Leader of the House) (10.09 a.m.), by leave, without notice: I move—

"That so much of Standing Orders be suspended to enable an appropriation Bill to be introduced as a public Bill at this day's sitting."

Motion agreed to.

QUEENSLAND INDUSTRY DEVELOPMENT CORPORATION BILL RURAL ADJUSTMENT AUTHORITY BILL

Cognate Debate

Hon. T. M. MACKENROTH (Chatsworth—Leader of the House) (10.09 a.m.), by leave, without notice: I move—

"That so much of Standing Orders and Sessional Orders be suspended to enable the Queensland Industry Development Corporation Bill and the Rural Adjustment Authority Bill being treated as cognate Bills for their remaining stages: (a) one question being put in regard to the second readings; (b) the consideration of the Bills together in Committee of the Whole; (c) one question being put for the Committee's report stage; and (d) one question being put for the third readings and titles."

Mr FITZGERALD: I seek some clarification. We were told that the other two Bills, the QIC Bill and the QIDC Bill, were going to be debated together.

Mr SPEAKER: Order! I think it is proper for the Treasurer to give an explanation.

Hon. K. E. De LACY (Cairns—Treasurer) (10.10 a.m.): I second the motion. That was a misunderstanding. The two Bills which should be debated together are the QIDC Bill and the Queensland Rural Adjustment Authority Bill, because they treat similar subject matter in the sense that QRAA is being separated from the QIDC.

Mr FITZGERALD: I understand the argument, but our advice was that it was the other way round.

Mr De LACY: I apologise for that.

Motion agreed to.

QUESTIONS UPON NOTICE

1. Workers' Compensation

Mr SANTORO asked the Minister for Employment, Training and Industrial Relations—

"With reference to an answer he provided to me to a question on notice on 5 August 1994 and within which an item, 'out of court settlements—\$1,660,000' is detailed—

Will he provide the full details, item by item, of these expected 'out of court settlements' for 1994-95?"

Mr FOLEY: I seek leave to table the answer and have it incorporated in *Hansard*.

Leave granted.

This provision in the TAFE Queensland 1994/95 Budget encompasses the following provisions:

- (1) Workers' compensation payments—\$1,350,000
- (2) Out of court settlements—\$220,000 (45 outstanding civil law cases as at 30 June 1994)
- (3) Legal judgments—\$66,700
- (4) Legal fees—\$23,300

2. Brisbane City Council Transport Services

Mr BREDHAUER asked the Minister for Transport and Minister Assisting the Premier on Economic and Trade Development—

"What assistance will the State Government provide to the Brisbane City Council in delivering important transport services to the travelling public?"

Mr HAMILL: In answer to the member's question—I can inform the House that the Government will continue to provide financial assistance to the Brisbane City Council for provision of bus services at the same level as for

1993-94. This arrangement will apply for the next three years as part of a comprehensive agreement between the Government and the BCC. The agreement provides for financial assistance to Brisbane Transport for a further two years if productivity improvements of 30 per cent are achieved in the next three years. The agreement also provides for the savings from Brisbane Transport productivity improvements to be channelled into funding for improved public transport services.

In addition, the Government has committed itself to funding assistance for public transport infrastructure in the BCC area, including the provision of bikeways, pedestrian access routes and terminal infrastructure for the proposed new high-speed ferry services. Indeed, it is worth noting that support of any type for BCC ferry services has been possible only under this Government.

Clearly, the Government retains a commitment to provide financial assistance to the BCC for its public transport operations and infrastructure needs. However, financial assistance needs to be tied to operational performance because, as the Government's passenger transport review pointed out, the BCC's operating costs are on average 40 per cent higher than that of private bus operators in south-east Queensland. This point is well understood by the Lord Mayor who, in recently announcing a major State Government/BCC funded review of the council's bus operations, stated—

"There is obviously room to improve services while at the same time making productivity savings."

Furthermore, the Lord Mayor's announcement of the first wide-ranging review of the BCC's transport operations since 1921 is tangible evidence of the implementation of the Queensland Government's strategy to improve public transport in this State.

The five-year agreement between the Government and the BCC regarding council's transport services is a sound blueprint for public transport service improvement which properly links Government financial support to achievement of performance benchmarks.

QUESTIONS WITHOUT NOTICE

Shredding of Heiner Documents

Mr BORBIDGE: In directing a question to the Minister for Family Services, I refer to a letter from legal firm Rose Berry Jensen acting on behalf of Mr Peter Coyne dated 15 February 1990—which I now table—which indicates that Mr Trevor Walsh of the Minister's department was

aware on 14 February of that year of impending court proceedings, and I ask: why then on 23 March, more than a month after being advised of impending proceedings, did Mr Walsh, in company with the senior archivist, destroy the Heiner documents, when it was clear that to do so was an obstruction of justice?

Ms WARNER: As I have explained at length to the House previously but will explain again, the issue with the documents was that, once the inquiry was closed down because it was improperly set up and because it had no function, no purpose and no status, it meant that any documents that were collected in the process of that inquiry—that is, the statements made to Mr Heiner by the individuals who in good faith thought they had indemnity—would become irrelevant and null and void, because we had closed down the inquiry because the National Party did not set it up properly.

Having done that, obviously no court proceedings could logically take place as a result of documents which no longer existed and had no existence in terms of any decisions that were made by the Government or any individuals connected with the Government. There was no possible legal action that would require the production of those documents, except for legal action that would be taken between the individuals about what they had said about each other, which was defamatory and libellous. That is why the documents were destroyed.

I would also like to use this opportunity to correct a statement made in the *Courier-Mail* on Saturday by Ed Southorn that we destroyed the documents because we were fearful of defamation action against the Government. At no stage were we concerned about defamation action against the Government, because the Government had never said anything to defame anybody. All of the documents related to individuals before the inquiry, and we were concerned that they would sue each other and would be at risk of suit from each other. That was the reason.

Shredding of Heiner Documents

Mr BORBIDGE: In directing a further question to the Minister for Family Services, I refer to a letter from her director-general dated 22 May 1990—which I now table—which proves that the Minister's director-general was aware of impending litigation by Mr Peter Coyne, and I ask: when was the Minister made aware of this pending legal action, and at what stage did she first raise with the Premier the possible destruction of relevant documents, cassettes and computer disks?

Ms WARNER: The issue was first raised with the Cabinet in the first week of February. I cannot remember the exact date, but it was in the beginning of February that the matter of the destruction of the documents and the correct way to proceed to protect all the parties to whom I have previously referred was raised.

In answer to the rest of the honourable member's question in respect of the letter of 22 May—I refer to the answer that I gave a moment ago, which explains the status of those documents.

Drought Assistance Measures

Mr PITT: In directing a question to the Premier, I refer him to the ongoing severe drought which is devastating a large area of the State of Queensland, and I ask: what action does the Government propose to take to address the ongoing effects of this drought?

Mr W. K. GOSS: I thank the Whip for the question. As all members would appreciate, only comprehensive rain will bring worthwhile and long-term relief to hard-hit rural communities and farmers in particular. In the meantime, there is a range of general support measures that the Government—and the Federal Government, for that matter—can undertake, and there is also a range of more specific and targeted measures that can be undertaken. I refer in that regard to the proposals brought forward by Primary Industries Minister, Mr Casey, which have recently been approved, including Operation Lockyer Revival, which was formally announced on Saturday. That is a cooperative effort between three councils and the State Government to clear clogged waterways, and it will be of real benefit to 200 local growers when—and I emphasise "when"—it rains.

Another initiative includes the fodder drive. Mr Casey has sought and gained approval for special arrangements to support fodder drives. The undertaking by the Government to pay 50 per cent of hired carrier charges in the supply of donated fodder is a practical measure that can be undertaken. In particular, I inform the House that requests have been received and approved by Mr Casey this week in connection with three particular projects: the movement of 2 000 tonnes of fodder from Victoria by road and rail transport; the movement of 510 tonnes from western Victoria under the same program, involving the Jimboomba Rotary Club; and the movement of 300 tonnes from Geelong in Victoria to Clermont in the Belyando Shire, involving support of up to \$28,000.

In addition, we are undertaking constant consultation with the industry to try to ensure that Government support is properly targeted.

We hope that the Drought Industry Working Group will present a report to the rural Cabinet meeting in Longreach later this month.

The other thing that I think needs to be understood and needs to be acknowledged—and we tried to make this point publicly on Saturday—is that the Federal Government needs to become more involved. There needs to be a recognition that we have a crisis of national proportions that requires a greater national response and greater involvement from the Federal Government with an enhanced contribution by the Federal Government both to general schemes of support and in particular other areas such as social security and education. I would also nominate, in particular, Queensland's ongoing campaign—and I must say without much support from conservative Governments in other States—for tax relief on the necessary capital expenditure for such measures as water storage and fodder storage.

An Opposition member: How many more?

Mr W. K. GOSS: This Government has been campaigning, and we were not supported by National and Liberal Party Primary Industries Ministers at the national meeting at which we sought to have this brought back.

Mr Borbidge interjected.

Mr W. K. GOSS: The interjection from the Leader of the Opposition is typical of his contribution to the drought debate.

Mr Borbidge interjected.

Mr W. K. GOSS: Whingeing and carping, and whingeing and carping, and people in his electorate—

Mr Hobbs interjected.

Mr SPEAKER: Order! The member for Warrego!

Mr Hobbs interjected.

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

Mr Cooper interjected.

Mr SPEAKER: Order! I also warn the member for Crows Nest.

Mr W. K. GOSS: On the radio on the weekend, the people in Warrego and Crows Nest heard the Leader of the Opposition whingeing and carping, trying to divide the city from the bush. They know only too well that he makes no contribution. It is no good complaining about Bob Hawke, which is what he is doing. How irrelevant is the interjection? The interjection is irrelevant.

Mr HOBBS: I rise to a point of order. It was this Government that took the drought off the natural disaster list.

Mr SPEAKER: Order! I have warned the member. That is his final warning. The member will resume his seat. There is no point of order.

Mr W. K. GOSS: The member for Warrego knows that if he wanted to do something constructive, and certainly something more constructive than his leader, what he should do—I will give him a suggestion if he wants to make a positive contribution for once in his life—is ring the Primary Industries Ministers in New South Wales and Victoria and get them to switch to our side in supporting long-term tax relief in relation to capital expenditure for water storage and fodder storage. They did not support us; they supported the Federal Government when we tried to get tax reform and tax relief for Queensland producers, and indeed for national producers.

Mr Cooper interjected.

Mr W. K. GOSS: Well, do it. I have already raised it with people such as Fahey and Kennett. We need some support if we want to get some taxation relief.

Mr Springborg interjected.

Mr W. K. GOSS: I say to the member for Warwick that it is no use complaining about Bob Hawke. Lots of people in the Labor Party are complaining about Bob Hawke. It is no good having the Opposition joining us and complaining about Bob Hawke. Let us get on to the people who contribute to the current decision-making process and get something done about it instead of the whingeing and carping that we get from the Leader of the Opposition. Country people—people in drought-affected areas—are looking for some positive solutions and a positive contribution. Unlike the Leader of the Opposition, that is what we are doing.

New Businesses in Queensland

Mr PITT: I ask the Minister for Business, Industry and Regional Development: given the importance of the manufacturing and business sector to our economy, can the Minister outline to the House the number of new businesses starting up in Queensland?

Mr ELDER: I am pleased to be able to tell the House that in 1993-94 an extra 40 385 new businesses started up in Queensland. That is a record number, 16 per cent higher than the number of new businesses that started up in the previous year. It is not as if the increase is off a low base, because last year was also a record

year for new businesses, with some 34 000 new businesses starting up. If honourable members think back to the boom years in this State—around 1988—when members opposite used to crow about businesses starting up in Queensland, at that time the record, as they kept telling us regularly, was 28 000. This year, the figure is 40 385 new businesses. They are the things that really matter!

Many of those businesses are new family businesses in the small business sector. I can say that the Queensland Government has always been one step ahead of the other States, and particularly the Federal Opposition. If Mr Downer needs some detail to fill in on his research into family businesses, we can provide it. We have done the research, and in fact at Bond University we are doing even more research on family businesses. So when the Opposition is ready for the detail, they can come and see us; we can provide it to them. Now, in Queensland, we have some 622 788 registered businesses. That is a massive increase over previous years.

Another issue is the level of bankruptcies. No-one accepts or likes bankruptcies, but last year bankruptcies stayed at the same level as they did the year before, at 2 500. What that points clearly to is that in this State conditions generally in business and industry have settled down because we have seen a massive growth in business, but not a similar increase in bankruptcies. That indicates that confidence in small business and in business generally is truly back. No matter what the Opposition says about surveys, we can have dozens of surveys, but there is no measure of confidence better than that of new businesses starting up in any State, particularly in Queensland.

That is an important achievement for business. The point is that in this State business can plan with confidence because it has a responsible Government looking after industry needs. This Government does not pile on the taxes that other States do and we do not have policies without any depth. In fact, we have policies, we do not have plans. What about that perpetration on the people of Australia yesterday of plans without policy? Business people look for certainty, and in the long term that is what we will have to provide them with. It is this Government that provides certainty, it is this Government that provides an environment in which they can grow. When business people look at differences between this Government and this Opposition, they see a Government that is responsible and is meeting the needs of business, whereas opposite they see a fighting coalition. Queensland enterprises have always been one step ahead. I say this despite, and I only cite the

one industry sector—and citing is the appropriate word—the handicapping efforts of the New South Wales Rugby League. That is the only industry sector I will mention specifically.

Shredding of Heiner Documents

Mrs SHELDON: I ask the Minister for Family Services and Aboriginal and Islander Affairs: did she insist on the removal of union organiser, Mr Kevin Lindeberg, from the Peter Coyne case, after he was inadvertently informed of the shredding of documents by her private secretary, because he allegedly threatened her career and that of her senior departmental officers? In other words, did he know too much?

Ms WARNER: No.

QE II Hospital

Mrs SHELDON: In directing a question to the Minister for Health, I refer to the pathetic state of disrepair of QE II Hospital. Given that under his maladministration QE II is now to function merely as a campus of the PA Hospital and that its medical and nursing superintendents and its director of finance (administration) have been told that they will no longer be required, I draw his attention to his recent promise to open the third and fifth floors of QE II by Christmas, and I ask: will he confirm that now only the third floor will be opened according to his schedule and that the completion of the fifth floor is now not due until the end of 1995?

Mr HAYWARD: There is a number of questions there, but the first one relates to the development and the expansion of the QE II Hospital. What I have attempted to do there is to ensure that the management of the QE II Hospital is integrated with the management of the PA Hospital so that they operate as one campus. Logically, when we do that, of course, we do not need to duplicate, as the honourable member seems to be arguing, the various administrative functions.

Mrs Sheldon interjected.

Mr HAYWARD: I am answering the question. What I am determined to do is to ensure that we reduce administration as much as possible and use the resources that can be saved through that reduction to treat sick people.

The QE II Hospital has never been fully utilised. At least 18 months ago, I made it clear that I believe that the hospital should cater predominantly for elective surgery. I am determined to ensure that that occurs. I have proposed that the third floor should be open for the purpose of performing more elective

procedures. Currently, elective surgery is carried out at the PA Hospital, but because of emergencies people tend to get shuffled off lists there. The PA Hospital operates on the simple principal—the important principal—of medical priority. So making the QE II predominantly an elective surgery hospital ensures that people have what I consider to be an important certainty that they are going to be treated when they are told that they are going to be treated.

What I propose for the fifth floor is that it be developed as part of a centre of excellence. That is important. I need to negotiate with the various vested interests to ensure that we can establish a centre of excellence at the QE II Hospital. Given that it has never been fully utilised, it will then stand for two extremely important things: it will cater predominantly for elective surgery, and it will also be a centre of excellence in one of the major medical disciplines.

Mrs Sheldon: What about the fifth floor?

Mr HAYWARD: As I said, QE II is integrated with the PA Hospital and from the fifth floor it will provide teaching services in a particular discipline.

Mrs Sheldon: Will that discipline be covered in the hospital?

Mr HAYWARD: That is the point. It will be a centre of excellence located in the QE II Hospital. The difficulty is to determine which particular discipline should be taught on the fifth floor of the QE II Hospital. I am negotiating with a number of professors to decide which one should go there. When that is concluded, believe me, everybody in this place will know.

Noosa Junction Street Crime

Mr LIVINGSTONE: I ask the Minister for Police and Minister for Corrective Services: to what degree have police operations been successful in reducing street crime in the Noosa Junction area?

Mr BRADY: The Noosa area has been a very interesting area in terms of intensive policing, which has been made possible by this Government's attitude to significantly increasing numbers and money for the Police Service. That is something that our predecessors were never capable of doing in 32 years in Government. I will give honourable members the figures. The facts speak for themselves. The number of police officers at Noosa has increased by 56 per cent since we came to Government. They have increased from 18 under our predecessors' lax regime to 28 under the current Government. In addition, the budget for the Sunshine Coast police district is now over \$12m. It was less than \$7m only five years ago. With such

improvements in resources, it is no wonder that Noosa police have achieved great success in reducing street-related crime in the Noosa Junction area.

Mr Cooper interjected.

Mr SPEAKER: Order! I warn the member for Crows Nest under Standing Order 123A. He has not stopped yapping all morning.

Mr BRADY: This has come about through a combination of measures, including regular police patrols to trouble spots since September 1993; placement of the Police Beat shopfront in the Noosa Plaza shopping centre; regular foot patrols to known trouble spots during normal shift patrols; and, on some occasions, using combination patrols of general uniform, CIB and JAB officers, again concentrating on known trouble spots.

It has been noted by the operational police that there are now fewer complaints since the area has received this special attention. For example, the police are now called to incidents in the Noosa Junction area barely once a week, whereas before that the calls were quite frequent. Using commonsense, the local police have developed an excellent working relationship with security officers employed by local businesses.

All of these initiatives mean that progress has been made. In addition, there is an extra night wireless patrol in the Noosa/Cooroy/Pomona area as backup to the Noosa Heads police car. While Opposition members have been talking and blustering, the Government has been delivering.

Maroochy River Fish Kill

Mr LIVINGSTONE: I ask the Minister for Environment and Heritage: would she outline to the House what steps are being taken to identify the cause of the fish kill in the Maroochy River?

Ms ROBSON: The member raises a very important current issue that is of great concern, I am sure, to all of us. There has been a very substantial pollution of the waters in the Maroochy area. That pollution has been determined to be the result of endosulfan—a Schedule 7 organochlorine—which has been restricted from entering waterways in Queensland. Whether that was dumped in the waterways, whether it was an accidental spill, or whatever, I believe members need to be aware of the severity of the impact of that particular incident. Marine ecosystems have been destroyed, the marine habitat has been threatened, and there will be an ongoing and long-term effect on the cleanliness of that water and the safety of people using it.

I shall briefly relate the sequence of events. On Thursday of last week, my department was contacted by Greenpeace, which was contacted by a resident who advised that dead fish were floating around. My department immediately went out and started collecting samples of fish and crabs and taking water samples. Further samples were taken at Muller Road, Bli Bli, and Eudlo Creek near the sewerage treatment plant outfall. The outcome of that was that no endosulfan was detected in the sewerage treatment plant outfall.

The DEH boat has been on the Maroochy River. It was there early on Thursday afternoon taking further water samples and additional fish and crustacean samples. The DPI and the Commonwealth Chemical Laboratory have tested those samples for us and confirmed that, in fact, it was an entry of endosulfan into the waters.

This is a very serious offence. Under the Clean Waters Act, the penalties for being convicted for this sort of activity are \$12,000 for the first offence and \$24,000 for any additional offence. Under the new Environmental Protection Act, which Cabinet approved yesterday, the penalties range from on-the-spot fines to fines of \$1.25m for a corporation and very significant fines in between.

These offences are extremely serious in that they are not just a matter of disposing of chemicals into a convenient waterway; they carry with them heavy penalties. Whoever is responsible needs to know that we are very serious. We will prosecute. We are about to enter the courts with a prosecution related to last year's activities of this nature, when we tracked down two offenders and a possible third offender who had engaged in this sort of activity. The message is loud and clear. We will find out who has done it, and we will prosecute.

Sale of State Government Land

Mr HOBBS: I direct a question to the Minister for Lands. I refer to the sale by auction of some 94 State Government owned blocks of land in mid-March this year, which were among some 400 identified as surplus to requirements, and I ask: how many of the 94 blocks were sold as a result of the auction? Were the contracts based on a 90-day settlement period? How many contracts have been settled as a result of this selling program?

Mr SMITH: I do not know what blocks the honourable member is referring to. They may well be blocks that were offered through the Department of Administrative Services. The honourable member would have to be a lot more

precise in identifying the particular blocks before I could give him an accurate answer.

Sale of State Government Land

Mr HOBBS: I direct another question to the Minister for Lands. This relates directly to the Minister's portfolio——

Government members interjected.

Mr HOBBS: This relates directly to the Minister's portfolio, and my previous question did, too. I refer again to the sale of Government-owned land in March this year by auction on a 90-day settlement. It is now five months after this sale and well past the settlement date of some contracts. I ask the Minister: is it not the case that settlement on several blocks has been delayed because the Government has been unable to provide title deeds to its own land? What is the reason for yet another example of Titles Office mismanagement?

Mr SMITH: The honourable member could have saved himself the trouble of asking that question. Again, he has not identified what particular area he is talking about. Very large disposals of land involving thousands of transactions are going on all the time. I cannot answer the honourable member precisely, because I do not know exactly what he is talking about. If he is interested and wishes to pursue the matter, he can come to see me and I will check it out and give him an answer.

Water Police

Mr BREDHAUER: In directing a question to the Minister for Police and Minister for Corrective Services, I point out that in the recent Budget a commitment was made by the State Government to significantly boost the Water Police fleet. Could the Minister advise what progress has been made in regard to this matter?

Mr BRADY: Significant advancement has occurred in relation to the Water Police, particularly in light of the current Budget. As the honourable member said, we made a commitment. In fact, we allocated \$1.6m for new and replacement vessels for the Water Police. The most significant part of that allocation will be for a replacement vessel to be based in the honourable member's electorate at Thursday Island. The vessel will be fitted with the latest electronic navigational aids, including a computerised plotting and mapping system with satellite navigation. It is important that this service be improved because it will allow for extended patrols of the Torres Strait, the Gulf of Carpentaria and the eastern coastline around

Cairns. Tenders for this vessel were called a few weeks ago. It is anticipated that the Thursday Island Water Police vessel will be delivered some time between May and June 1995 and will be available immediately for patrols.

Of course, the improvements to the Water Police do not stop there. To assist the Sunshine Coast region, tenders have also been called for a new vessel for that area. This vessel will have a range of 250 nautical miles. It will be capable of 40 knots and it will be outfitted with radar, satellite navigation and other modern aids. The Sunshine Coast vessel will be used in general patrols, search and rescue and law enforcement. It will close the gap between Redcliffe and Hervey Bay.

In addition, other improvements to Water Police vessels will be made at the Brisbane Water Police to enable the policing of dams in the south-eastern corner of the State. Several smaller replacement vessels will be provided in the electorate of the honourable member for Cook at Mornington Island, Karumba, Weipa and Aurukun. This is a major improvement in resources for the Queensland Water Police, particularly in the electorate of Cook, but also in several other parts of the State.

Horn Island Goldmine

Mr BREDHAUER: I refer the Minister for Minerals and Energy to his recent trip to the Torres Strait during which he visited the abandoned Horn Island goldmine and inspected the rehabilitation work that is taking place. I ask: can the Minister inform the House of the progress of that work and advise whether input has been sought from local residents, including traditional owners?

Mr McGRADY: I thank the honourable member for the question. The abandoned goldmine on Horn Island is an example of the total lack of concern for the environment that was displayed by the former Government. Rehabilitation of the site was a task taken on by the Goss Government to help remedy what can only be described as a complete and utter mess. I am pleased to inform the House that considerable progress has been made with regard to the rehabilitation work.

Rehabilitation of the mine site, the camp site and the exploration areas has been completed. Recently, I visited the site with tribal representatives, members of the Torres Shire Council and also the member for Cook, Steve Bredhauer. The local people have had a positive input into the rehabilitation process. They are maintaining a good relationship with environmental officers of my department.

Everyone is striving to achieve the best possible result.

There is talk of using different parts of the rehabilitated areas for grazing, fish farming and picnic facilities. My department has prepared a draft monitoring strategy, and a monitoring committee comprising members of the Horn Island community, the Aboriginal Coordinating Council and Government agencies has now been formed. That committee will provide advice to the department in regard to ongoing maintenance and monitoring of this site. The Torres Shire Council was going to use the waste rock from the area for construction purposes, so one area has not been rehabilitated. However, the council has now decided not to use the waste rock, and the department is working on a strategy to rehabilitate that area as well.

The tribal representatives have expressed satisfaction with the work so far. I believe that is a result of a good and open working relationship with my department and also with the local member, Steve Bredhauer. I have assured those representatives that I am keen to see this relationship continue. In that way, we will achieve the best possible result from what was a disgraceful situation.

I wish to point out to the House that the Goss Government has been implementing an environmental management policy for the mining industry which will ensure that environmental standards and rehabilitation requirements are met progressively throughout the life of the mines. This will mean that future mining operations will not pose a threat to the environment and will not leave a legacy to future taxpayers.

Police Beat Shopfront Program

Mr ROBERTSON: In directing a Queensland to the Minister for Police and Minister for Corrective Services, I note that one of the things that matter in the 1994-95 Budget is the expansion of the Police Beat Shopfront Program. Further to my representations on behalf of constituents in Sunnybank, could the Minister advise whether any decision has been made to include a shopfront police station in the Sunnybank Plaza shopping centre?

Mr BRADY: That is a very interesting question in light of the recent CJC report in relation to community policing. It is very appropriate that we recognise that one of the most significant ways that community policing can be advanced in our time is through those police shopfronts. This very innovative program has been implemented by our Government over the past two years.

There are very large shopping centres right throughout the State, and thousands of people visit them regularly. The experience has been that there has been a great deal of contact—quality contact—between the police and the community at those shopfronts. That is why we decided to expand them in our current Budget. I remind the House that in our current Budget we have provided for 15 extra shopfronts throughout the State. We have provided for the recruitment of 30 extra police, as well as the employment of extra civilians, to make sure that these shopfronts have sufficient personnel to run them appropriately.

I can advise the honourable member for Sunnybank that his diligence in relation to his request for his area has been recognised and that, as from the Easter of 1995, there will be a permanent police shopfront at the Sunnybank Plaza shopping centre—a site that we believe is highly appropriate for that particular part of Brisbane. It is very important that we recognise that there are areas that need to be serviced in this modern way. I thank the honourable member for his support.

NatureSearch Program

Mr ROBERTSON: I ask the Minister for Environment and Heritage: can she outline to the House the success of her department's NatureSearch Program and plans to expand it from south-east Queensland to central Queensland and northern Queensland?

Ms ROBSON: The honourable member asks a very important question. I think the House would be delighted to hear of the success of the NatureSearch Program that was launched by my predecessor, Pat Comben, in February 1992. At that time, the goal was to collect data on, and make a record of, 250 000 fauna and flora species in south-east Queensland. The initial target was to sign up 1 000 community volunteers. I am quite delighted to report that the number of volunteers currently registered with NatureSearch is 3 000, so we have well exceeded the targets that we set at that time. As at February of this year, NatureSearch had compiled records on about 800 000 species, far exceeding the target by more than three times the initial estimate. The continued volunteer input is very encouraging.

All species' records have been entered onto a database by volunteers, and the majority of the data processing is also being done by volunteers. This database will be put to very good use for species research and management—for example, into threatened, rare and endangered species, and even into introduced species to determine where wildlife

corridors exist. It will also be used to study the effects of human activities and land uses on particular species, and in regard to fire and recreational management. School and community projects are very much involved in this.

As a result of requests that have come from councils and other bodies around Queensland, and in direct response to a request by the Townsville City Council for NatureSearch to be established in that area, we are now holding discussions with officers of Bundaberg City Council, Gooburrum Shire Council, Woongarra Shire Council and local industry representatives to get them involved. To conclude, my vision for NatureSearch is the establishment of volunteer—

Mr Veivers interjected.

Mr SPEAKER: Order! I warn the member for Southport under Standing Order 123A. I point out to the member that I will not have him yelling out "ministerial statement" all day. The Minister is answering a question. This is the member's final warning.

Ms ROBSON: As I said, in summary, my vision for NatureSearch is the establishment of volunteer data collection groups, which will verify, store and manage data, along with the involvement of local industry at a basic support level and without necessarily requiring the ongoing resources of my department's regional offices.

Library Funding

Mrs McCAULEY: I refer the Minister for Justice and Attorney-General and Minister for the Arts to the \$2m in extra library funding which was provided in the recent Budget for extra book stocks, which has led to many councils having to increase their own outlays by large amounts for which they had not budgeted, for example, Thuringowa, an extra \$82,500; Townsville, an extra \$148,000; Ipswich, an extra \$125,000; and Mulgrave, an extra \$110,000, and I ask: in light of these facts, will the Minister move to find a more appropriate formula for allocating this funding in conjunction with the LGAQ so that it is no longer solely for book stocks, which presents huge problems for local government in this State?

Mr WELLS: I refer to the \$2.5m increase in Government funding for book stock in regional libraries to which reference was made by the honourable member. I point out that the honourable member is attempting to portray an increase of \$2.5m as if it were some sort of decrease. That is very peculiar mathematics. I

think that it is National Party mathematics of the first order.

With this \$2.5m, this Government has given the regional libraries of Queensland an opportunity to increase dramatically the amount of book stock which they have available. As part of this dramatic increase in the book stock which is available, we will be moving over a period to a new system whereby the State Government provides funding for book stock and local governments provide funding for their own local employees.

Mr Mackenroth: You're going to have libraries with books in them.

Mr WELLS: I thank the Leader of the House for his interjection. We are going to have libraries with books in them! The honourable member opposite is advocating episode three of *Yes Minister*—libraries without books. The Opposition probably wants hospitals without people in them because they are more convenient. However, that is not how to works.

Opposition members interjected.

Mr SPEAKER: Order! Can we get back to the question, which was about libraries.

Mr WELLS: The State Library of Queensland, the Arts Division and local authorities have engaged in extensive consultation, and arrangements have been put in place to ensure that no municipal council is embarrassed by the riches which are being poured upon it.

If, in the past, a particular local council has invested too much of its money into things other than books so that it is going to take time for that council to be able to accept full responsibility for its employment policies and allow the State Government money to be allocated to books, then that local council will be able to phase in—

Mrs McCauley: You denied you were going to do that only two months ago.

Mr WELLS: No, I did not. That particular library will be able to phase in the new system. There will be the possibility for libraries to phase in that responsibility over three years or, in certain cases, five years. Approximately five libraries have said that they would like to take extra time. So nobody is going to be inconvenienced. This is an embarrassment of riches, which would be have been impossible during the time of the National Party Government when it built white elephants throughout the State—libraries that did not have books in them. This Government is going to provide books for the people of Queensland. That \$2.5m is going

to buy books that the men, women and children of this State are going to be able to read so that they will be much better informed and much less likely to vote for the National Party.

Sewerage Treatment Works

Mrs McCAULEY: In directing a question to the Minister for Housing, Local Government and Planning with regard to the comments Minister for Environment and Heritage on sewerage treatment plants, her concern about standards and the environmental impact of such plants, and given the fact that many councils in growth areas are finding it hard to fund the upgrades needed because of rapidly expanding population levels, I ask: will the Minister give an undertaking to consider restoring the 40 per cent subsidy for sewerage treatment works which previously operated in this State?

Mr MACKENROTH: The Government now makes about \$25m in subsidies available to councils. Last year, they did not use all of it.

Modular Police Shopfronts

Mr PYKE: I ask the Minister for Police and Minister for Corrective Services: could he advise as to the placement of modular police shopfronts during the forthcoming school holiday period?

Mr Cooper: The CJC report was devastating—you know that.

Mr BRADY: This question relates to the other aspect of police shopfronts, which is also very important. It makes sure that police move around the community. As well as the permanent shopfronts, of which the one at Sunnybank Plaza is an example, modular shopfronts are being set up. The police are available when the shops are open—

Mr Cooper: Twenty-four hour?

Mr BRADY: During all trading hours, including extended hours. In relation to the modular shopfronts, the forthcoming school holiday period will see modular shopfronts located in such diverse places as Cairns, Gladstone, Maroochydore, Redcliffe, Townsville, Deception Bay, Pacific Fair, the Logan Hyperdome, Ipswich and also—and this is very important for the member who asked the question—Mount Ommaney.

Those shopfronts enable police to meet many people during the course of their operations. They have led directly to arrests for crimes. They certainly deter crime.

As to the CJC report, the operation of these shopfronts was not even mentioned. Basically, the report was compiled from interviews, and because the CJC did not inquire into police

shopfronts, it took no account of them. I think one aspect of the report was somewhat disappointing. The community policing initiatives such as police shopfronts, which are very important, and Aboriginal police liaison officers, which are also very important and very successful, were not mentioned in that review. No doubt, the public are well aware of those initiatives and are well aware of how successful both of them have been.

In fact, in relation to the shopfront initiative, an independent evaluation by QUT found that 90 per cent of people believe that a police presence in shopping centres is very positive. In fact, people's fears, particularly those of female shoppers and other people who shop late at night, have been overcome substantially by that initiative.

I commend the modular shopfront program. It is very important and it is an initiative that will move throughout the community. I am sure that the member for Mount Ommaney, who was been very active in getting a shopfront in his area, will welcome the presence of a modular shopfront in his area.

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

MATTERS OF PUBLIC INTEREST

Shredding of Heiner Documents

Mr BORBIDGE (Surfers Paradise—Leader of the Opposition) (11 a.m.): Two wrongs—at least two wrongs—do not make a right. I am referring to the so-called Heiner affair.

It is very easy to demonstrate from what elements of the public record that the Government has not managed to shred that a number of things, uncomfortable for the Government, are clear. All lead to the inescapable conclusion that there was at least bad practice in the shredding—and potentially an associated obstruction of the course of justice also involving a cover-up—or that there was an all-out, and always highly deliberate, effort to obstruct the course of justice and to cover up that fact. On the evidence, it appears that either the Government is lying or the Criminal Justice Commission has been grossly incompetent, a part of that cover-up, or both.

First, the background to the consideration of the shredding issue in this matter is said by the Government to be simple. An investigation into issues concerning the John Oxley Youth Detention Centre in 1989 was poorly constituted under the previous Government. There can be no denying that. Neither retired magistrate Heiner nor those who were to give evidence to him in relation to certain allegations made in

writing to the late director-general of the department, Mr Alan Pettigrew, were given protection for their work or evidence. That was clearly an oversight but one for which the appropriate remedy cannot be properly gauged until we all see the first—and I emphasise the "first"—of the two known advices to the Government from the Crown law office, as well as the second.

It is possible that at the time of that first advice on 23 January 1990 the view of the Crown law office was that the documents should have been shredded because they provided no immunity from legal action for any party. However, there was a second advice to the department as a result of a letter received from Mr Peter Coyne's legal firm on 15 February 1990 formally advising an intent to begin court proceedings, which in turn followed a request for access to the Heiner documents on 8 February.

That second advice was received by the Government, on its own admission, on 16 February, one day after the receipt of the request from Mr Coyne's lawyers. According to the Premier and the Minister for Family Services, the relevant element of the advice from the Crown law office was that the material not only could but should—and I emphasise "should"—be destroyed.

Both the Premier and the Minister have also consistently maintained that the State Archivist joined the Crown law office in stating that the documents should—and I repeat "should"—be destroyed. There is not one shred of evidence on the public record to support the Government's position on that crucial point—not one. In fact, the indications on the public record are very clearly that neither the Crown law office nor the State Archivist ever said that those documents should be shredded. In relation to the State Archivist, there is clear and unambiguous evidence, under her own signature, that she said nothing of the sort. And the record in relation to the Crown law office raises the issue that, if the Government's stance is correct, then the Criminal Justice Commission was at least grossly incompetent, because it never attributes to that office advice that the documents should be destroyed. That is demonstrated simply by examining the CJC documents.

For example, in a letter to Mr Kevin Lindeberg on 20 January 1993, Mr Michael Barnes, the former Labor lawyer who was and is the chief officer of the complaints section within the Official Misconduct Division of the CJC, described the Crown law office advice to the Government. There is no—I repeat "no"—suggestion from Mr Barnes whatsoever of

a recommendation from Crown law to shred or to, in any manner, destroy the documents. None at all!

Mr Barnes simply stated—

"Crown Law had advised that those who had given evidence would not have the immunity from suit usually applying to such inquiries."

If the advice from Crown law was that the documents should be destroyed because of that lack of immunity from suit, why did Mr Barnes not say so? Surely, that alleged fact is central to any sympathetic reading of the Government's actions.

On the flip side—the lack of any such reference simply makes the issue all the more suspicious, both in relation to the Government's actions and the roles of former Labor lawyer Barnes and the commission. And what did Sir Max Bingham write in his formal submission to the Parliamentary Criminal Justice Committee on 14 April 1992? Did he refer to the imperative in the advice from Crown law for the Government to destroy the documents to protect Mr Heiner and those who gave evidence? He did not.

On this occasion the Criminal Justice Commission stated—

"The matter was apparently settled, with Mr Coyne being paid an amount in damages. The documentation thereupon was not further required for the purposes of the litigation."

Not further required! Not further required by whom? In relation to that very brief summary, there are at least two major errors. First, Mr Coyne's payment—incorrectly described as "damages"—was not even approved by the Government until early 1991. The documents in question were destroyed in March 1990—a year earlier! Obviously, therefore, there was no valid connection whatsoever between the settlement and the documentation.

Why would the Chairman of the Criminal Justice commission not assert that the reason for the destruction was clear advice from the Crown law Office, if that was indeed the case?

Mr Johnson: Two sets of rules.

Mr BORBIDGE: Perhaps there were two sets of rules. Why would he instead simply state that the documents were no longer needed? Clearly, they were not only needed but also had been formally requested by Mr Coyne. I wonder whether Sir Max Bingham was aware of that. I wonder who briefed Sir Max—and how—for that letter of 14 April. I wonder whether it was Labor lawyer Barnes.

And why did Sir Max contradict the Government's position in relation to the advice of the State Archivist? Again, honourable members need to be reminded that the Government's position was that she, too, had advised that the documents should be destroyed. It gives alleged concurrence with the alleged advice of the Crown law office, allegedly strengthening the Government's case. Sir Max says only that the State Archivist had indicated to the Government that the documents could be destroyed—not that they should but that, on the advice put to her by the then Cabinet secretary, Mr Stuart Tait, they could be destroyed. There is a very big difference between the import of the words "could" and "should".

Let us now turn to other sources. Let us examine the letter from Mr Tait to the State Archivist of 23 February seeking her approval for the destruction. That letter, in so far as it goes, provides a seemingly accurate but deeply flawed rendition of the situation, tracing the perceived problems flowing from the manner in which the Heiner inquiry was established. The letter contains one very interesting comment and is notable for the total absence of another. First, in relation to the documents, the letter stated—

"Any claim by the Crown for Crown privilege would . . . have little chance of success in order to maintain the confidentiality of the material."

That is a very important comment. It establishes that a particular form of request—arguably a form of request made by Coyne for those documents—would, in all probability, have been successful. And here we are at the nub of the matter.

Clearly, the Government was concerned about access to that material in relation to the fact that it provided no protection from suit. By definition, that says that there were significant allegations made to Mr Heiner, and that what Mr Tait has made clear in his letter to the archivist is that the Crown would, in all probability, have to surrender those documents. So why did Mr Tait, the former Cabinet secretary, not inform the State Archivist that there had been such a request from Mr Coyne? That crucial fact is not in his letter.

If there had not been a formal request from Mr Coyne for those documents, the Government might have, at least technically, a valid reason for the shredding of those documents. In the light of the fact that it did have such a request, it was clearly engaging in what prima facie could be a bid to obstruct the course of justice.

Crime Prevention Strategies

Mr FENLON (Greenslopes) (11.10 a.m.): I rise on a matter that is of great importance to the constituents of the Greenslopes electorate and to all Queenslanders, that is, the security of our citizens in their homes and on our streets. The enormous changes to our society in our own lifetimes mean that there are many new challenges that we as a community have to face. Crime has extended a substantial challenge to legislators, the judiciary, the agencies of Government and to the general community. I am very proud of this Government's leading role in ensuring that this challenge is met by legislative programs, the sound funding and administration of the agencies of Government and the support of the community's own efforts to take part in the fight against crime.

Throughout the Western World much energy is being expended in trying to grapple with the modern crime phenomenon. We see the major changes to our society, the new pressures upon our youth through endemic consumerism, the physical changes to the standards of security in our community which induce criminals to target the homes of citizens rather than the conventional areas such as banks, and we see the profound shift in the reliance that we have traditionally placed upon the family unit to inculcate appropriate social values. An appreciation of these changes must help us understand prevailing crime trends and also counter emerging ones.

Today's crime trends have demanded a reasoned consideration of policy responses rather than a knee-jerk reaction to the latest news bulletin. Most of all, they demand the very best return for every dollar spent in the prevention of crime and its aftermath. To trace these trends, we must compare the achievements of this Government in building defences against crime for our citizens with the dark days that Queensland faced before 1989—a time when Queensland's Police Service consisted of some senior officers whose preoccupation was with pursuits other than fighting crime; a time when the public's resources devoted to fighting crime were inadequate and the leadership to ensure that they were used effectively was lacking. It is not productive to dwell upon those events; rather, it is more important to detail the reforms carried out in the past five years.

First, I refer to the community's defence against crime in the form of information. A well-ordered society cannot conduct itself via fear and ignorance. In his 1989 report, Tony Fitzgerald, QC, referred to misleading statistics and said that—

"Unfortunately, the level of community awareness about the seriousness of the

crime prevention and control problem has been masked by the nature and presentation of Police Department statistics in recent years."

Mr Fitzgerald detailed only some of the myriad ways in which Queensland's police statistics were fudged. Consequently, it is practically impossible to devise a sound comparison between those times and today. Mr Fitzgerald made a range of recommendations to deal with reform of police information systems which have resulted in much higher quality information now being available to decision makers and to police officers. Last month's CJC report, which examined progress on those recommendations, referred to a significant improvement in the quality of information services in the Queensland Police Service.

Crime trends today are also obscured by increases in population, a worldwide increase in crime, increased reporting of certain offences and a qualitative shift in the type of crime being committed which alters the public's perception of what is occurring. But the most fundamental change in information systems relates to the computer access systems that police now have. The computer systems CRISP—Crime Reporting Information System for Police—and GIS—Geographic Information System—now provide sophisticated information to police. These intelligence systems collate crime-related data in ways which enable police to target resources with far greater precision. I am grateful for the briefing that I recently received on these systems from police officers at the metro south region office at Mount Gravatt. These systems will soon cover the whole State. The full effectiveness of the systems is still to be exploited, even though they are already providing immense pay-offs.

The second area of community defence against crime is the provision of adequate police resources. Here, the change in the past five years is staggering. Since the National Party days, there has been a 70 per cent budget increase and a 20 per cent increase in police numbers, placing 1 500 more operational police on duty. With the Government committed to maintaining these police numbers in line with population growth, there is further emphasis on maximising police effectiveness. Ninety per cent of police are now assigned to operational duties compared with 78 per cent prior to Labor's coming into Government as a result of initiatives such as a greater use of civilians to get police out from behind desks. Today's police are simply better resourced and better deployed.

This Government is committed to opening 15 more police shopfronts during the current

Budget session. One of these will soon be established at the Carindale shopping centre, and it will directly benefit my constituents who use that facility. An amount of \$2.4m has been allocated for a new Property Crime Squad to tackle break and enter offences in particular. In the current Budget, funding for the Aboriginal Liaison Officers Program has been doubled, bringing the total staff to almost 100. This highly successful program releases police from such work so that they can concentrate on serious crime.

The third area of community defence against crime comes in the form of our legal structures. This is a sphere which activates great emotion in the community. Frustration is experienced by citizens who wish to see appropriate retribution for crime and effective correction of offenders while at the same time not knowing the details of each case that is presented to a judge or magistrate. This frustration is fuelled by the qualitative change in crime to which I referred earlier. It is a change in the brazenness of offenders, who are more prepared to invade the personal space of our homes, to snatch a purse from the kitchen table while the resident is watching television in the next room or to prey upon the defenceless elderly. These are forms of behaviour that our society cannot tolerate, and I have unequivocally passed on this view, which is strongly held by constituents of the Greenslopes electorate, to the appropriate Ministers.

However, these issues do not warrant a knee-jerk reaction. They require a well-considered response. That is exactly the response that has been forthcoming in the form of a complete review of the State's Criminal Code over the past four years. It is the most comprehensive review of the code undertaken in 100 years, and the proposals bring our code into line with the expectations and particular challenges of today's society. It is law which confronts these new challenges and sends a clear message to our judiciary about the community's expectations for tougher penalties for the most intrusive and offensive of crimes.

The proposed changes are soon to be introduced to State Parliament, and include new burglary laws which double penalties to life imprisonment. The provisions are simpler and prosecutions will become easier, as the element of breaking is no longer required. Also, vehicles and other places will fall under this law. New simplified property defence laws mean that a citizen can now cause bodily harm in reasonable defence of his or her property. Assaulting an elderly person or child becomes a serious assault leading to a higher penalty. Sexual violence against women attracts increased penalties, and

domestic violence against women becomes easier to prosecute. Penalties increase for many other offences, and there are some new offences such as intent to transmit a serious disease. These proposed laws throw into even starker relief the absurdity of the Nationals' debate, which has concentrated on how hard offenders should be flogged. That is only seven years after the same party removed those primitive provisions from our Criminal Code.

The fourth area of community defence against crime exists in the form of a sound system of corrections that ensures that recidivism is minimised, that novice offenders are not further corrupted, that the community is kept safer from dangerous offenders and that the State's funds are used effectively so that offenders contribute something back to the community. Here, the reforms have also been substantial in delivering Queensland's system of corrections from what the Kennedy report revealed in 1988 as a shambles to a system which today fulfils the community's expectations. The level of prison escapes has been reduced by two-thirds, and significant reforms are now in place to redefine who is actually imprisoned. Minor offenders are now being diverted to community service rather than to prison.

To illustrate this change, we need only look at the estimated 2 500 people who were sent to prison in 1988-89 for fine defaulting. Under our Government, imprisonment for fine defaulting is a relative rarity, but the more serious and habitual offenders are being caught and sent to prison, as they should be. Recent figures indicate that the number of offenders being sent to prison for terms under two years has been cut back by 20 per cent, while those going to prison for five years or more has been increased by 44 per cent. This is good government, because at the same time the less serious offenders are out contributing to local organisations. The Brisbane South office of Corrective Services estimates that, over the past 12 months, 60 000 hours or \$670,000 worth of community service has been delivered.

The fifth area of public defence against crime is a very important one which is fundamentally in the hands of citizens, with the support of the Government. I refer here to community policing. This has involved changes in the operational methods of police to restore confidence in the Queensland Police Service. It has also provided a sound foundation for the criminal intelligence system via the provision of information which is fed directly into the computerised criminal intelligence systems.

I commend those citizens in the Greenslopes electorate who are involved in

Neighbourhood Watch, and the conscientious efforts of local officers who have supported them. Other community initiatives achieving results include Adopt-a-Cop, Community Consultative Committees, Safety House Committees, Household Security Advice and Safety Audit. These are some of the highlights of Queensland's strategy to fight crime.

Time expired.

Queensland's Economic Performance

Mrs SHELDON (Caloundra—Leader of the Liberal Party) (11.21 a.m.): Time and time again, this Parliament and this State hear from those opposite about how, under Labor, Queensland is a low-tax State.

Mr Beattie: That's true.

Mrs SHELDON: The member should listen and learn. We also hear from the Treasurer time and time again just how well this State is going economically. We are regaled with stories about how Labor has continued the years of good work done by the Liberal and National Parties in not increasing existing taxes and not introducing new taxes. Unfortunately for the Government, the truth is now coming out, and it tells a very different story.

Queenslanders are now realising that while the Queensland Labor Government has been sprouting its low-tax rhetoric, it has been working behind the scenes to systematically increase all existing taxes and search for more and more new taxes. This was highlighted in the raw economic data which the Treasurer released last week in the June quarter economic review. Of course, the Treasurer highlights only the good news, but a check of the figures within that report shows some very disturbing signs within the private sector. Despite the rhetoric of the Treasurer, the Queensland Labor Government has failed to provide an environment for business investment growth which would match that in the rest of the country.

In the Treasurer's own document, the facts speak for themselves. Once past the glossy introduction, we again see that private sector investment in Queensland is just not taking off. This means that any economic growth is only paper-thin and based on volatile housing development and public sector investment. Queensland is still failing to match the other States in true business investment growth. The June quarter economic review showed that, over the past 12 months, business investment was down 4.3 per cent compared with the national reduction of 2.2 per cent. I think Mr Elder should be here to hear the real figures, because he obviously does not know them.

The weakness in the Queensland economy was also highlighted by: Queensland equipment investment falling 5.7 per cent; Queensland non-dwelling construction falling 2.2 per cent; Queensland's share of national business investment falling from 15.4 per cent a year ago to 15.1 per cent in the June quarter; Queensland accounted for 15.3 per cent of the value of total national approvals, compared with 27.2 per cent for the same period last year; there were declines in shops, offices, educational facilities and entertainment and recreation approvals; and private sector activity in non-residential building declined 6.3 per cent in the June quarter, which was nationally up 43.9 per cent, which is therefore a difference of 50 per cent. I think that that must be emphasised.

This lack of activity in Queensland in the non-residential building sector was another major indicator of the inherent economic weakness in the Queensland economy. The lack of business investment, combined with the lack of growth in the commercial building sector, shows that economic growth in this State is still very fragile. Bankruptcies in Queensland continue to defy the downward trend in almost every other State. Queensland businesses are still struggling and fighting off bankruptcy while other States, such as Victoria and New South Wales, establish real business incentives to ensure that business growth underpins their economic recovery.

This morning, I was amazed to hear that even when a Dorothy Dixier was served up to the Minister for Business, Industry and Regional Development, Mr Elder, he still did not know the facts. I suggest that he refers to the Treasurer's own economic report and also to a report that I will quote which actually comes from—so it is very authoritative—the Economic Analysis Branch of the Economics Division of the Treasury Department. The June quarter economic review report indicates that bankruptcies in Queensland for the June quarter 1994 were 3.9 per cent above the previous year and national bankruptcies were down 4.5 per cent. In this document, which is dated 2 October 1994, we see that Queensland bankruptcies are up 4 per cent, while bankruptcies in every other State bar Tasmania are down. Nationally, it is minus 6.6 per cent; Queensland is plus 4 per cent. I think that indicates a pretty true position. In Western Australia, bankruptcies are down minus 19.2 per cent; in New South Wales, they are down minus 7.7 per cent; in Victoria, they are down minus 8.3 per cent; and in South Australia, they are down minus 3.7 per cent.

That is in this document; honourable members can authenticate that very easily. They should come and have a look at it if they are free.

They should suggest to the Minister—who is absent—that he checks his figures and the real facts; that he stops trying to dud the businesses of this State and actually gets off his rear end and does something appropriate to encourage business investment. They are the real facts before us. Business in Queensland is suffering, and we know why. It is because the Treasurer cannot keep his hands off business finances; he wants to tax businesses every way he can. Despite the protestations to the contrary, that is the true position. Treasurer Keith De Lacy has been going through the Stamp Act and other legislation with a fine toothcomb searching out every single way to milk a few more dollars out of the already overtaxed Queensland population. His methods have been so deceitful, so downright sneaky, that only a detailed investigation across the entire tax base will reveal the many and varied ways that this Treasurer has abused the trust of the Queensland people. Indeed, we have tax, tax and more tax.

My own investigations, and those of others like the *Sunday Mail* and *Business Queensland*—and no doubt the Treasurer dumps on both of those august publications—

Mr Robertson: Ha, ha!

Mrs SHELDON: Government members laugh. They do not attack these newspapers and magazines when they cover the positive aspects of what the Treasurer does, but when they actually point out the reality, then those papers and magazines are dumped on in this House.

How hollow the claims of the Treasurer are when it comes to defending his grubby tax grab. Although the Treasurer keeps trying to shoot the messenger, the facts are there for all to see; the people of Queensland will no longer be deceived by this Treasurer and his unscrupulous, money-grabbing Government.

Let us look at some of the facts. The overall increase in receipts for taxes, fees and fines between 1989-90 and 1993-94 is a 53 per cent increase, or \$1.231 billion. That is a massive increase from \$2.292 billion in 1989-90 to \$3.523 billion in 1993-94. That is an average increase in taxes, fees and fines over the last four years of about \$307m a year, or 13.4 per cent a year. This is more than four times the approximate average inflation rate of 3 per cent over the same period. Well, the inflation rate is really 2 per cent—although it looks like it is going to increase. This huge hike in taxes, fees and charges also came during the worst recession in 60 years when Queenslanders were suffering very tough economic times. Tax, fee and fine increases in the last four years include—

bank accounts debits tax—increased to cover all automatic teller machine transactions on cheque-bearing accounts;

tobacco tax—increased from 30 per cent to 75 per cent;

payroll tax—increased to include fringe benefits payments (1993-94) and increased to include termination payments (1994-95);

the new gaming machines tax;

stamp duty—the new "shack" tax, which eliminated stamp duty exemptions for thousands of Queensland home buyers;

stamp duty—increases in motor vehicle stamp duty to cover extras such as bullbars and rustproofing, stamp duty levied on the list price and not the actual sale price of the vehicle, stamp duty charged on the list price even when sales tax exemptions apply, as in rural vehicles.

I point out that the most extensive motor vehicle stamp duty in the country is in Queensland.

Mr Santoro: That's a stealth tax.

Mrs SHELDON: It is indeed a stealth tax. I continue—

stamp duty—liability insurance cap of \$2 was scrapped and replaced by an 8.5 per cent premium;

stamp duty again—new stamp duty on franchises;

the new waste management levy—applied to every household;

the new performance dividend—the "stealth" tax, applied to all statutory and local authorities—local councils have been promised a Government payback for three years; all other authorities, including ports and schools, which have borrowings through QTC must still pay from this financial year;

the titles system—new search fees, application fees and a \$40 fee for copy of computer title entry;

Building Services Authority—new fees for all subcontractors and registered builders;

car registration—an increase of at least \$10 this financial year, cuts in concessions for primary producers (1990-91), increased fees for trailers (1990-91);

land tax—changes to the Act mean that more primary producers are now eligible for higher land tax payments;

user-pays fees—including road tolls, fees for previously free Government services and publications, etc.; and

property inquiry fee—a new fee imposed by the Department of Transport which means that every property owner or buyer who requests a search of the department for future road proposals must pay a \$15 fee, or \$25 if they want it fast-tracked.

So we see the truth. Whether it is through broadening and expanding existing taxes, applying new taxes, increasing and introducing new fees for licenses or Government services or straight user-pays charges, this Government has dramatically increased its tax base since 1989.

The tax, fee and user-pay charges I have detailed are only some of the more obvious, and have been joined by literally thousands of new charges and fees across all departments. These taxes and charges mean that Queenslanders are paying more and more to the Queensland Government, without receiving any genuine improvements in services. These figures also make a joke out of all of the Treasurer's claims that the increase in tax revenue has been due to the increase in population. A 53 per cent hike in tax revenue in just four years is hardly population based. The Treasurer should try to think up a new excuse, or start telling the real story, rather than continue with this population falsehood.

I now wish to look at a couple of these latest tax grabs by the Treasurer and highlight the real inequities in this Government's policy of a systematic broadening of the tax base. Payroll tax, which the Treasurer had already increased to cover fringe benefits as an extra slug on business, has also been expanded to cover termination and redundancy payments.

Time expired.

Hospital Services, Hervey Bay

Mr NUNN (Hervey Bay) (11.31 a.m.): The coalition spokesperson for Health and member for Toowoomba South has failed in his attempt to frustrate my efforts to have a new hospital built in Hervey Bay. That the new \$38m facility will be built—and built and staffed to base hospital standard—is now a fact of life and will proceed despite the worst efforts of the honourable member for Toowoomba South. Mr Horan is on record as having said that Hervey Bay, with its present population of 36 000 and a growth rate of 8.5 per cent, does not need a new hospital as there is a perfectly good hospital at Maryborough which will do.

We must remember that parts of the Maryborough Hospital were built at a time when Maryborough was still part of New South Wales. That is how old it is. That statement demonstrates how ill informed the honourable member is with regard to the Hervey

Bay/Maryborough health service. The honourable member has become the willing tool of a few members of the medical establishment in Maryborough who have failed to stop the building of Hervey Bay's new hospital and who are now campaigning to have it built with no birthing facilities. They are looking backwards to the days of the National Party Government when they make the spurious claim that we cannot and will not be able to staff a new, full-scale birthing unit. I will set the record straight.

Maryborough specialists in gynaecology and obstetrics have for some time had a stranglehold over the health of pregnant women in the Hervey Bay/Maryborough district. A Dr Stokes withdrew from providing services to the public sector some years ago, and the other, Dr Pomery, withdrew lately on the pretext that the workload was affecting his private commitments. Did either of those gentlemen withdraw from providing their services to private patients at the public hospital? They did not! They became bludgers on the public health system and continued to service their private patients in the Maryborough Base Hospital—a public facility. They did so free of charge. Not one brass razoo did they pay for the privilege of using our hospital, our theatre, our nursing staff or our staff to clean up after them. On top of this, I am advised that the cost of disposable items provided free of charge to those doctors for the provision of some of their procedures to their private patients is about \$1,000 a time. So not only do these doctors knock, whinge and moan; not only do they accept the privilege of using public facilities free of charge, but they also receive in kind a gift of \$1,000—\$1,000 lifted straight out of the pockets of people such as workers, pensioners, unemployed and single mothers. Every \$1,000 those Fagins of the medical profession take in this way takes money from the very people our free hospital system was meant to benefit. It is no wonder our health dollar does not stretch as far as it should. It is no wonder there are waiting lists in public hospitals when the public purse can be purloined and plundered in this manner. I do not know how widespread these practices are, but they have to stop.

This morning, I conveyed a demand to the Wide Bay Regional Director of Health, Mr Paul Kelly, that the practice of supplying free disposable items to private specialists treating private patients in a public hospital must cease immediately. I shall now quote from a letter to the editor of the *Maryborough-Hervey Bay Chronicle*. That letter from a private person states—

"The Regional Health Authority is under attack by local obstetricians.

Hospital employed specialists can earn about \$120,000 per annum, while privately employed specialists earn in the region of \$500,000 per annum.

The tab is picked up by Medicare, the private health funds covering the gap.

No wonder doctors withdraw their services from public utilities, claiming their concern with the 'inability to properly equip and staff two units' in this area, when they can triple their income in private practice!"

She goes on to say—

"World Health Organisation statistics prove that the majority of women enjoy normal, safe deliveries when given good quality, low-intervention maternity care. Statistics also show that 50 per cent plus of women are at risk at caesarean sections under the private system. Some doctors even manage a 70 per cent rate of caesarean delivery."

She asks—

"Are privately insured and treated women less healthy and less able than their public treated sisters?"

She ends by saying—

"While public health watchdogs are essential to safeguard the standards of health care, we must be clear on the motives and the perspectives of such people. Do they speak for monetary gain or the public good?"

The president of the local medical association replies thus—

"So much was wrong in C. Winston's letter . . . re local health service problems. You may debate doctors' motives but the fact remains. We've been saying there are major health problems with the way the health service is run. Recent disasters underline this."

I think he is alluding to the appointment of a Director of Obstetrics at the Maryborough Base Hospital, about which Mr Horan has had something to say.

After the local specialists had used scare tactics to frighten off two applicants for the position, another applicant was interviewed and was appointed. No, the local specialists were not involved in the selection process. I shall quote from the Regional Director of Wide Bay Health's letter rebutting the allegations of Doctors Stokes and Pomery. By the way, the AMA stooge, Mr Mike Horan, also has a copy of this letter but refrains from presenting it in the interests of balancing the debate.

Mrs Edmond: Misleading the House.

Mr NUNN: Of course. Mr Kelly states—

"The Authority created the new position of Director of Obstetrics and Gynaecology as a consequence of the advice from Dr Pomery and the demonstrated need for such a position due to service demand.

When a further application was received consultation over candidate selection was sought with the RACOG because of the lack of co-operation by local O&G specialists. The selection panel also included the, then, President of the local branch of the Australian Medical Association, Dr Dennis Costigan, together with Dr Morrie Lewin (RACOG) and Regional personnel. Public Sector Management Commission guidelines on recruitment and selection were followed."

Not only were the guidelines on recruitment and selection followed, but also the person selected has the same letters after his name as Stokes and Pomery. He is an obstetrician accredited by the royal college, just the same as the two learned specialists from Maryborough. The selection was obviously supervised and approved by highly qualified people in the persons of Doctors Costigan and Lewin. What were they to do? The candidate checked out, and he had the magic letters after his name. Just like Stokes and Pomery, he was a fellow of the royal college. Are we to believe that the qualifications mean nothing? If they do not, where does that leave all the others who proudly display these letters after their names?

I come now to the matter of a low-risk birthing unit at the Hervey Bay Hospital. There are two things about which I have had to fight the combined forces of the AMA and the National/Liberal Party coalition in Queensland, represented in these matters by Mr Mike Horan. One has been the establishment of a decent hospital built and staffed to base hospital standard in Hervey Bay. Along with the people of Hervey Bay, I have won that fight. The building of the hospital will begin in the first part of 1995.

The other is the matter of Hervey Bay mothers having the right to choose where they will have low-risk births. Formerly, Maryborough was their only option. It was to this end that the low-risk birthing unit was established at Hervey Bay, and mothers have been able to have their babies at this unit, and some have chosen to do so. I shall quote again from Mr Kelly's letter, of which Mr Horan has a copy. He said—

"Regarding current obstetric management and delivery service at Hervey

Bay Hospital, which has been operational for approximately thirty (30) years, let me state that guidelines provided by the Royal Australian College of Obstetricians and Gynaecologists have been considered and I have again been advised that they meet acceptable safety standards. The RACOG was represented on the latest review of maternity services and, together with the Rural Doctors Association and Australian College of General Practitioners, supports and endorses the continuation of low risk birthing services at Hervey Bay."

He goes on to tell about Stokes and Pomery withdrawing their services.

If the Hervey Bay hospital with its low-risk birthing unit is not good enough to service the people of Hervey Bay, then neither are the country hospitals of the Burnett, such as Gayndah, Biggenden, Murgon, and Wondai. I just wonder if this is not the start of a campaign by the National Party and the AMA to withdraw obstetric services from the people in country Queensland.

Government members: Shame!

Mr NUNN: I think it is a downright shame, and the people on the other side of the House should hang their heads in shame. That is the system that Mr Horan supports.

Let me tell honourable members something more about the Maryborough Hospital. In the past three years, salaried medical staff increased by 50 per cent. In the past three years over \$20m has been reinvested in health in this region. The Government has announced that over \$60m will be expended in capital works in the next couple of years. Staff are well trained and motivated in providing a service. Top quality services are provided to the community, regardless of its ability to pay.

Time expired.

Mr G. Richardson, Suppression of Evidence

Mr GRICE (Broadwater) (11.42 a.m.): The Goss Labor Government has suppressed evidence in a major organised crime investigation in order to protect Labor Party interests. Law enforcement agencies have suppressed evidence acutely embarrassing to the Labor Party, and that could only have been done with the approval of senior Labor politicians.

Both the Queensland Police Service and the Criminal Justice Commission have interrogated key witnesses to an incident involving the former Senator Graham Frederick Richardson. The principal witness has to date

been denied access to her key statements given to police on 29 November 1993 and been asked to sign other statements omitting reference to the Richardson encounter. She has also been refused access to transcripts after giving evidence for some four hours to a CJC secret hearing early this year.

Last week, I placed on notice questions to the two senior Ministers in the Goss Government, and both failed the test of accountability. I asked the Police Minister about an internal investigation into sanitised and missing statements from the witness I referred to a moment ago. In his reply, the Minister stated—

"I can inform the House that there are no sanitised and missing Statements."

The Minister misled the House.

I now table a deposition taken in my office by a solicitor, and signed by that key witness, alleging that on 29 November and 15 December she gave police a detailed account of her engagement with Richardson. It alleges she was not able to obtain copies of the statements containing those details, but was asked to sign other statements containing no reference to the Richardson matter. Her deposition refers to an attachment, hand written, and also signed on each page and witnessed by a solicitor, giving full details of the encounter between herself, Richardson and another woman on the night of 10 August last year. The deposition alleges the material in the attachment was given to police on 29 November last year.

I have no plans to make that attachment public, as I do not believe such lurid disclosure to be in the public interest. I will not help divert attention from something far more serious—perversion of the criminal justice system to suit the political needs of the Australian Labor Party.

I will, however, refer to points made in that handwritten account since they show the Labor Government's true intention of a cover-up. I have deleted the name of the witness wherever it appears in the deposition since she is now in a witness protection program. I remind the House that the Minister said there were no sanitised statements, and I now table a copy of a sanitised statement that the protected witness did sign on 12 January 1994. It contains absolutely no reference to Richardson or the events of the night of 10 August that year. I ask honourable members to read both documents carefully, and to reflect on the Police Minister's statement to the House that "there are no sanitised and missing statements".

Labor's interference in the course of justice went beyond asking a key witness to sign a

sanitised statement, and there is ample evidence that the Richardson matter is intended to go nowhere. The witness statements to which I refer were taken nine months ago in the context of Operation Hacker 6 dealing with prostitution on the Gold Coast. When operational police were made aware of the involvement of Richardson and Nick Karlos, a new operation was spawned—Operation Wallah. The operation order for this joint CJC/police operation talks about prostitution, extortion, money laundering and SP bookmaking.

In his answer to my question, the Police Minister claimed matters related to the missing statements were now the subject of public prosecutions and witnesses could again ask for the material. There is no prosecution arising out of investigations into the Richardson matter, and the Police Minister knows that. If he does not, then he is being deceived.

The evidence that the protected witness swears she originally gave to police contained detail that was ridiculously easy to check. For example, she told police of a number of calls made from mobile telephones. As honourable members know, every such call is detailed on a telephone account in terms of the time of the call, the number called and the duration of call. We also know that checks on telephone traffic are regularly made by the State Government when it spies on the public service and the Opposition. Telephone records have been offered as evidence, for example, at the Carter inquiry.

The people of Queensland are entitled to know what checks were made on the allegation of mobile phone calls and what those checks revealed. Those calls were allegedly made within the time frame outlined in the work log of another key witness to the Richardson incident—adding credibility to the allegations. It would be strange indeed if Queensland police did not refer such basic evidence to Federal authorities for verification, but the Keating Government has claimed it has not been asked for help. If that is true, the Goss Government has again failed to prosecute the case and stands condemned for protecting a Labor mate. If the Federal Government was asked to investigate, then we have two Labor Governments burying evidence against a powerful Labor power broker.

The Queensland Police Special Operations Team has known about Richardson's involvement since last November. Its members have been diligent, taking statements from a variety of people, and I have a volume of material indicating that. But it is obvious the Goss Labor Government is determined to keep a lid on the involvement of Richardson and other powerful

Labor figures involved with the targets in Operation Wallah, which the Police Minister himself admits is a major investigation into organised crime.

Wayne Goss won Government on the false promise of a clean criminal justice system, but the deliberate nobbling of Operation Wallah puts the lie to that promise. Labor cannot pretend ignorance, as the allegations have simply been around for too long. Does the Police Minister expect us to believe the Commissioner did not tell him Richardson's name had come up in an investigation of organised prostitution—an activity clearly in breach of Queensland law? If the Commissioner did not, then he failed a Government supposedly committed to fighting corruption.

Does the Minister expect us to believe that he did not call the Commissioner when he read the *Sunday Mail* on 27 March or the *Australian* on 4 May? The papers had similar stories—allegations that a Federal politician was given free sex from Gold Coast prostitutes by a man with Sydney underworld connections.

Organised crime cannot survive without political patronage. That was the line Wayne Goss and the Labor Party pushed all day, every day, during the Fitzgerald inquiry. That is why the Goss Government should have demanded the full details of the Richardson allegations and insisted that the investigation be prosecuted with full vigour. Instead, statements were tampered with, and key investigators were transferred. I call on the Government now to explain those transfers, which have meant police with a feel for an important case have been sent off to other jobs. Such decisions are not made by operational police, but further up the line, and they are made in response to political pressure.

Those of us with access to full details of the Richardson matter decided some time ago to give Labor the chance to do the right thing before we spoke out. Labor Governments have had at least nine months to do something about the latest indications of Richardson's involvement with organised crime and the implications that that has for improper political influence. The clear intention now is to limit prosecutions to a couple of alleged madams and sweep everything else under the carpet.

The Government knows where the connections go in the Labor Party and will do anything to keep it all quiet, including squashing the investigation. It is time the Goss Government faced up to its responsibility for the criminal justice system in this State, but the Attorney-General ran for cover when I questioned him on this matter last week. He hid behind the myth of CJC accountability through the parliamentary

committee. However, the PCJC's last report shows the CJC is happy to lie not only to the Supreme Court but also to the PCJC and thus the Parliament and the people of Queensland.

Real accountability is the victim of section 6.7 of the Criminal Justice Act 1989, which prevents a member of the PCJC from using information from the CJC to criticise that organisation. There is no accountability for the CJC, and the Goss Government is happy that it can wash its hands of allegations linking a senior Labor figure to the operations of organised crime.

Wayne Goss should reflect on what he said in the House on 11 October 1988—

"The test of honesty and the test of the Premier, is what he does when he has a choice."

The Premier has a choice: he can let Operation Wallah go ahead or he can let the cover-up to protect Graham Richardson and the Labor Party continue.

Townsville/Thuringowa Region

Mr McELLIGOTT (Thuringowa) (11.51 a.m.): The Government has accepted the recommendations of the Local Government Commissioner that the cities of Townsville and Thuringowa should not be amalgamated, but that they should continue to exist as separate municipalities. That is a position which I opposed, and one of the reasons I opposed it was the need, in my view, to have one single planning authority responsible for the management of the growth that is occurring already and which will continue in the Townsville/Thuringowa region. However, the decision has been made and it is unlikely to change in the foreseeable future.

My purpose today is to discuss the implications of the current growth patterns and to suggest options for the future planning of the two cities. The classic mistake that always occurs in expanding urban areas is to allow suburbs to simply expand around a central city centre, which forces people further away from where the services are located. Townsville/Thuringowa is a perfect example of this, but it is made much worse by the fact that the Townsville central business district is situated at the extreme eastern end of the populated areas. As population growth occurs, residential suburbs are blossoming necessarily to the west of the Townsville CBD in what will now remain as Thuringowa City.

Currently, the population growth in Thuringowa City is running at 6 per cent, so we are looking at the injection of an additional

100 000 people into Thuringowa City in the next 10 to 20 years. Clearly, those people will expect and, indeed, demand the whole range of Government services located near to where they live. They will require a major hospital, entertainment venues, schools, emergency services and, of course, a wide range of professional services, such as accountants and solicitors, most of which are currently located in the inner-city areas of Townsville City.

This is a fact of history rather than anyone's fault, although in hindsight I suppose the residential growth which is now occurring in Thuringowa could perhaps have been predicted with more accuracy than it was. Already, growth that is not managed is creating serious difficulties for the residents of Thuringowa. Each day, over 600 secondary school students travel by bus to high schools in Townsville and in central Thuringowa. Although they are not living in what might be termed an isolated or rural area, some of those students spend an hour each day in a bus. Instead, they are living in the northern residential suburbs of greater Townsville/Thuringowa. Similarly, residents of those same northern suburbs who travel daily to work use the Bruce Highway, but are funnelled into a single-lane rail crossing at the Bohle, which carries all rail traffic to the north, including heavy traffic to and from the Yabulu nickel treatment plant. If, as often happens, an ore train is passing through the crossing or even a minor traffic accident occurs, people can experience very lengthy delays. Only last week, an employer complained to me that six of his eight workers, including himself, were an hour late to work because of a minor traffic accident.

This problem is not the fault of State Governments but results, I suggest, from unplanned and not managed growth encouraged by successive Thuringowa councils. I think that it is stating the obvious to say that it is in the State's interest to encourage people to live in north Queensland. The economic pressures that are coming on the south-east corner could be relieved to some extent if a greater proportion of the migrants from interstate could be persuaded to make their homes in the north. Indeed, the separate State for north Queensland proposition is again receiving some airing—not just because of the feeling by some people that the north will always be neglected by a Government located in Brisbane but out of a genuine view that the demands that will continue to be made on Government for infrastructure in the south-east corner will be such that future Queensland Governments, whatever their political colour, will not be able to also effectively service the north. However, that is a much

broader issue and not one that I canvass seriously today.

So, what are the solutions? Clearly, people will not choose to live in Townsville/Thuringowa unless they have access to services. They will be discouraged by the experience of residents in the northern suburbs, to which I have already referred. Planning of the road network will have a very large bearing on the future residential growth in Thuringowa. Indeed, we have the luxury of planning that road network prior to the introduction of the sort of residential development and expansion to which I have already referred. Perhaps the most critical question in that respect is the proposed Townsville bypass, the corridor for which is now virtually decided. This major road will act as a major connector as well as being the main highway around the cities. It opens up large areas for residential development. As I said earlier, we are looking at an extra 100 000 people coming into that area. Further road options that are considered desirable include the extension of Dalrymple Road to the west to link up with Shaws Road and beyond and the extension of Woolcock Street through to the Bohle. Indeed, the extension of Woolcock Street will resolve the problems at the Bohle to which I referred earlier.

It is impossible to draw a word picture for members unless they know the area, but the point of what I am saying is to establish that there will be an area of major residential density, and the question is how best to service it. Of course, one option is to continue to try to provide services from the Townsville CBD, but it is almost too late for that already. Major shopping complexes have been established at Castletown, Stockland and the Willows, and more will follow as the population growth occurs as I have predicted it will.

In my view, a second central business district should and must be developed in Thuringowa City and planning for that should commence immediately. Almost out of necessity, a CBD of sorts is springing up in the vicinity of the Willows Shopping Centre. The shopping centre itself is expanding and commercial buildings are progressively being approved along Thuringowa Drive and Hervey's Range Road.

This is the wrong location for a Thuringowa CBD. Basically, the Willows is a residential suburb. However, residential blocks are being rezoned to allow for commercial development. The road network in that area is already overtaxed and the State's second largest high school, Kirwan State High School, is in the immediate vicinity, as is the Kirwan Women's Hospital. If that area continues to be the site of the Thuringowa central business district, traffic at

the intersection of Thuringowa Drive and Hervey's Range Road will be horrendous. Perhaps worst of all, the Willows is not central to Thuringowa City. Indeed, it is virtually located at the border of the two local government areas. It is located at the eastern extremity, as is the Townsville CBD. The mistake of the Townsville CBD must not be repeated. As a population grows, people would become further and further removed from the Thuringowa CBD as they are now removed from the Townsville CBD.

Access to the CBD would then depend upon a highly sophisticated public transport system, or we would end up with severe traffic and parking problems. Obviously, if people are living long distances away, they have two choices: travel by private transport or by a very sophisticated and very expensive public transport system.

The Thuringowa City centre should be located further to the west. The junction of the extended Dalrymple Road, Shaws Road and the Townsville bypass presents itself as the ideal location. That location would allow easy and direct access to services from all parts of Thuringowa. Such a proposal may not be well received by the Townsville City Council as it will detract further from the Townsville CBD. However, it is possible to predict that the population of Thuringowa City will outstrip that of Townsville in the foreseeable future and that the services must go with the people. The Townsville City heart will always be the centre of tourist activity, and it will be the access route to the Strand, Magnetic Island and the port. As well, it provides services to the older suburbs located in the vicinity. However, the demand for Government and professional services will increasingly be in Thuringowa. Even residents of suburbs of Townsville, such as Douglas and Cranbrook, will probably look Thuringowa for services.

There are major planning decisions to be made, and they must be made now. The location of the Thuringowa City centre will determine priorities for roads, schools, hospitals, fire stations, ambulance centres and the like. Those decisions represent a major challenge for the joint planning arrangement put in place instead of amalgamation. I raise these issues today to stimulate consideration and discussion before ad hoc decision making by the two councils closes off all the options.

One of the other relevant decisions to come out of the report of the Local Government Commissioner is the transfer of a substantial area of undeveloped land in the Woodstock area to Townsville City. Why this basically rural land was transferred from Thuringowa to Townsville City I

do not know, but Townsville council may see that area as a site for future large-scale residential development including, I would suggest, its own city centre. While I would endorse that view, it would be irresponsible to attempt that development while Thuringowa continues to expand. So far, people have voted with their feet and have chosen to live in Thuringowa. It is to be hoped that the ordered development of Thuringowa City and the provision of services is locked in before any large-scale development to the south and south west of Townsville is attempted.

These are major planning issues that need to be addressed as a matter of priority. Fortunately, the mechanism does now exist that provides for a forum comprising representatives of both councils and relevant State Government departments to consider such issues. I trust that that forum will give serious consideration to the issues that I raise today.

Mr SPEAKER: Order! The time allotted for the debate on Matters of Public Interest has now expired.

APPROPRIATION DOCUMENTS

Hon. K. E. De LACY (Cairns—Treasurer) (12.01 p.m.): Mr Speaker, I lay upon the table of the House the following documents—

Statement of Unforeseen Expenditure to be Appropriated 1993-94;

Treasurer's Annual Statement 1993-94;

1994 Annual Financial Report—Government Financial Statistics;

1994 Annual Financial Report—Financial Relations Between the Queensland and Commonwealth Governments.

APPROPRIATION BILL (No. 2)

Hon. K. E. De LACY (Cairns—Treasurer) (12.02 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill for an Act to appropriate certain amounts to services for the financial year 1993-94."

Motion agreed to.

Mr SPEAKER read a message from Her Excellency the Governor recommending the necessary appropriation.

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) (12.03 p.m.): I move—

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

In the past, at this time of year the Queensland Parliament would be debating the State Budget. That is not the case this year. Parliament has debated and passed the 1994-95 State Budget before the commencement of the financial year to which it refers. Departments have known their Budget allocations for over three months and are busily implementing the new programs and service enhancements included in the Budget.

The early passage of the 1994-95 Budget has required the introduction of a further Appropriation Bill in order to finalise the application and appropriation of moneys from the public accounts for the 1993-94 financial year. The need for supplementary appropriation exists because additional expenditure requirements arise throughout the year that were not anticipated at the time of the original Budget. Section 25A of the Financial Administration and Audit Act makes specific allowance for this inevitability.

This Bill is therefore technical in nature. The appropriation sought in this Bill has been previously approved by Executive Council, and is based on the Statement of Unforeseen Expenditure to be Appropriated 1993-94, a copy of which has been certified by the Auditor-General and tabled.

The Bill provides for the supplementary appropriation of \$365.4m for the Consolidated Fund and \$285.2m for Trust and Special Funds. These amounts are in addition to amounts originally authorised by Appropriation Act (No. 2) 1993 and together provide authority for all expenditure of the Government for the 1993-94 financial year.

The early passage of the State Budget has also enabled Government agencies to devote more resources to the task of end-of-financial-year reporting. I therefore present today a comprehensive package of end-of-year financial reports, comprising a new series called the Annual Financial Report, together with the traditional Treasurer's Annual Statement.

The Annual Financial Report for 1994 consists of a volume on the Financial Relations Between the Queensland and Commonwealth Governments, together with the Government Financial Statistics. A third document on the Queensland Economy will be tabled in

Parliament in October following completion of the June quarter State Accounts.

Government Financial Statistics (GFS)

The GFS provide a detailed analysis of the State's financial outcome for 1993-94. They have been prepared in cooperation with the Australian Bureau of Statistics (ABS) and in accordance with its concepts and standards.

Mr Speaker, the news is not only good, it is exceptional. Since 1989, the Goss Government has been able to put a vast distance between Queensland and the rest of Australia when it comes to financial performance. While other States racked up huge Budget deficits, massively increased their debt and then tried to pay for it all with higher and higher taxes, the Goss Government took another path—the path of hard work, tough decisions, and stringent fiscal discipline. This Government had the courage and the determination to develop and stand by its fiscal principles.

As I have said on countless occasions before, fiscal discipline is not the nemesis of good social policy; it is an absolute precondition to the delivery of good social outcomes.

Net financing requirement (NFR)

As a result of adherence to these fiscal principles I have been able to announce, in each Goss Government Budget, successive structural surpluses (or negative NFRs) and ongoing reductions in State net debt. This year is no exception. However, the sheer scale of the achievement this year represents a milestone in Australian public sector financial management.

For 1993-94, Queensland has achieved a record negative net financing requirement of \$2.1 billion. This is comprised of \$1 billion in the general Government sector and \$1.1 billion in the public trading enterprise (PTE) sector. The NFR result for the PTE sector includes the full effect of retiring Queensland Electricity Commission debt following the sale of the Gladstone Power Station.

Other factors contributing to this excellent result include general debt repayment by our PTEs, the continued accumulation of financial assets to meet future liabilities, the carryover of some 1993-94 expenditures to 1994-95 and improved growth in revenue from an expanding economy.

This is a very significant result. In fact, based on trends in finances of the other States, it is likely that Queensland's negative NFR in 1993-94 has more than offset the combined NFRs of the other States and Territories. In other words, in line with the imperative of increased national savings, the Queensland result should cancel

out the run down in national savings caused by the Budget deficits in the other Australian States and Territories.

I need to emphasise once again that these savings do not represent funds available to be spent on general Government services or to reduce taxes. The only way that Government could access the funds represented by the NFR would be to breach our fundamental financial principles by not fully funding our superannuation liabilities or else by borrowing for social purposes.

The outlook for 1994-95 is for a more modest negative NFR of \$249m, consisting of \$212m in the general Government sector and \$38m in the public trading enterprise sector. This may sound like a very significant drop compared to last year, but honourable members should be made aware of a number of factors that cause the variation.

Firstly, the 1993-94 number needs to be discounted to exclude the one-off impact of the Gladstone Power Station sale. Secondly, as I indicated earlier, there have been significant carryovers of expenditure from 1993-94. These will be funded in 1994-95 by drawing down investment balances set aside for this purpose. Inevitably, there will be carryovers again this year, and these have not been factored into the NFR forecasts.

Thirdly, the estimates, as always, include provision for substantial draw downs of Trust Fund balances. In practice, the funds drawn are usually much smaller than estimated. I confidently predict that the eventual result for 1994-95 will be well above the initial estimate. In this context I ask members to reflect on the fact that last year the forecast was a negative NFR of just over \$200m, excluding the sale of the Gladstone Power Station. Certainly, there will be no change in the Goss Government's fiscal policy settings.

Net Debt

As I have explained a number of times before, the Goss Government does not have a debt reduction policy or an aversion to debt. What we have is a set of financial management principles to which we adhere strictly.

As a consequence, we have consistently produced Budgets involving a negative net financing requirement, thereby contributing to year-by-year reductions in State net debt. I emphasise here the term "net debt". The State does have debt and we continue to borrow for that economic infrastructure which generates an income stream capable of servicing the debt. What sets Queensland apart from everyone else is our build-up in financial assets. It is no

coincidence that Queensland's near unique policy of fully funding our public sector superannuation obligations has been a major factor in producing our unrivalled financial position.

When I delivered the 1994 Budget, I predicted that Queensland would be net debt free by the end of 1994-95. I can now announce that the State of Queensland is already net debt free. What this means is that our financial assets are now greater than our financial liabilities.

At 30 June 1994, State net debt was actually negative \$242m. Net assets of \$4.2 billion in the general government sector now more than balance net debt of \$4 billion in the public trading enterprise sector. This represents a fall in total net debt of \$2.9 billion in just one year. The fall mainly reflects the continued build-up of assets to meet future liabilities and the trend towards the early retirement of debt by State Government PTEs, accelerated this year by the sale of the Gladstone Power Station. In addition, just as falling interest rates added to the market value of State debt in recent years, increases in interest rates over 1993-94 have contributed to a reduction in the market value of our debt. The market value of debt is expected to continue to fall during 1994-95. However, the impact in later years is less certain.

Let me take a moment to put this achievement into perspective. In just four Budgets, we have eliminated the \$4.3 billion net debt inherited from the previous Government. I believe that no State in Australia since Federation could have claimed to be net debt free. I ask honourable members to compare Queensland's position with a total net debt for the other States and Territories of around \$75 billion. Finally, I have made a study of sub-national jurisdictions throughout the world during the last year. I think I can confidently assert that this is an achievement unmatched anywhere else. It puts Queensland in a class of its own.

At this point, I must inject a note of caution. Queensland is in such a strong financial position because of the consistent application of disciplined financial management. A zero net debt position does not mean that this discipline, and the underlying fiscal principles, can be compromised. We will continue to pursue cost-effective service delivery and efficiencies in all areas of public sector management.

The benefits for Queensland

On this basis, ordinary Queenslanders would be entitled to ask how they benefit from being net debt free. First of all, it means that the State is holding net financial assets valued at \$77 for each and every Queenslanders. On latest estimates, this compares with an average per

capita net debt of about \$5,124 for citizens of other States. It consolidates our AAA credit rating, thereby enabling us to borrow more cheaply, with obvious benefits for the provision of infrastructure, our PTEs, local governments, etc. We can commit virtually all of our Budget to service and infrastructure provision, unlike other States, which are required to devote increasingly larger proportions of their Budgets to servicing yesterday's spending.

For instance, the documents I tabled today show that net interest outlays per Queenslanders were estimated at only \$39 in 1993-94. The average for the other States was \$557. That massive difference represents \$1.6 billion which the Queensland Government can largely devote to important service delivery and infrastructure priorities. As a consequence, the Goss Government has been able to increase outlays in service delivery by 38 per cent in real terms since 1989-90. We have also been able to boost the State's capital works program from \$2 billion when we came to office to more than \$3.4 billion in the current financial year. Latest estimates show that Queensland's per capita spending on capital works has increased from \$671 in 1989-90 to \$905 in 1993-94. At the same time, average spending in the other States has increased by only \$3 per capita, from \$731 to \$734.

We will continue to be able to meet the service and infrastructure requirements of a rapidly growing population without compromising our low-tax status. We have been able to absorb substantial real cuts in Commonwealth funding in recent years. Since 1992-93, Queensland's Budget revenue from the Commonwealth has fallen by \$330m a year in real per capita terms.

Mr FitzGerald: \$400m, my copy says.

Mr De LACY: I draw the attention of honourable members to the fact that that is not correct; the figure is \$330m.

We are well placed to respond to any challenge, or any shock, that the future may throw up. Our unique financial strength will enable us to address our capital needs through strategic equity injections in important economic infrastructure projects which may not get off the ground on the basis of debt funding alone. I expect to be in a position to provide further details on the operation of the Queensland Infrastructure Financing Fund— QIFF—in the near future.

A further significant benefit is that Queensland has been able to retain key State assets in public ownership. Unlike other States, which have been forced into massive asset fire sales to reduce debt, the Queensland family has retained the silverware to pass on to future

generations. Further, we have also retained an important revenue stream in the form of dividends and taxation equivalents. We have also retained control of assets which have strategic importance for the State's economic future.

Our financial strength has meant that we can continue to fully meet the retirement income needs of Queensland public sector employees. In the face of ballooning unfunded superannuation liabilities, other States are closing down their old superannuation schemes, replacing them with accumulation schemes based on minimum obligations under Commonwealth legislation.

Finally, there are less tangible but perhaps even more important benefits. The symbol of being net debt free sends out a powerful signal to industry and investors that Queensland is a very good place to do business. This all leads to jobs and more jobs. It is no coincidence that the State with the strongest finances also has the fastest rate of job creation in Australia. Queenslanders therefore can look to the future with confidence in the knowledge that their State is the leading State.

Treasurer's Annual Statement

I will turn briefly to the Treasurer's Annual Statement. It contains details of financial transactions and the final outcome for the appropriation accounts of the Consolidated Fund and the Trust and Special Funds for 1993-94. It also provides further details of unforeseen expenditure requirements outlined in the Appropriation Bill (No. 2). The statement outlines that, in financial accounting terms, the Consolidated Fund outcome for 1993-94 was an accumulated surplus of \$38m. This compares with \$37m forecast in the 1994-95 State Budget papers. Consolidated Fund receipts totalled \$10,319.7m, representing an increase of 5.4 per cent over 1992-93 collections. This increase was due to strong performance in stamp duty, payroll tax and gambling taxes, reflecting the continuing solid growth of the State's economy. Honourable members will note that the 1994-95 Budget forecasts continued growth in these revenue items as the pace of economic recovery quickens.

Outlays for 1993-94 totalled \$10,286.7m, an increase of 5.1 per cent over 1992-93 outlays. Outlays for the provision of services have been heavily influenced by our continuing population growth. Queensland's population is growing on average by 2.5 per cent per annum—far higher than any other State or Territory. We are meeting the challenge to maintain community services and satisfy infrastructure demands by effectively managing

our financial resources within our budgetary constraints. The Treasurer's Annual Statement is an important financial accountability document of the Government. I recommend it to all honourable members.

I commend the Bill to the House.

Debate, on motion of Mrs Sheldon, adjourned.

QUEENSLAND INVESTMENT CORPORATION AMENDMENT BILL

Second Reading

Debate resumed from 30 August (see p. 9012).

Mrs SHELDON (Caloundra—Leader of the Liberal Party) (12.20 p.m.): This Bill is one of the first off the production line of corporatisation in Queensland under the Labor Government. Very early in the piece, we find the Queensland Investment Corporation Amendment Bill's major flaw. Its major flaw is its compliance with and, in fact, subjugation by the Government Owned Corporations Bill introduced early last year. Because the GOC Bill was not introduced to provide a better service for the people of Queensland, its main objective was not to make the GOCs in question more efficient; it was primarily introduced so that the Treasurer could provide his beleaguered and cash-strapped Government with a new milch cow.

When the GOC Bill was first introduced, I raised many areas of concern, and I intend to restate some of those areas of concern today because this Government has let down the people of Queensland with this corporatisation process. As the Treasurer pointed out in his second-reading speech, while it is true that the QIC's method of operation and relationship to the Government will not change dramatically through this Bill, the basic corporatisation process will change the QIC's position to Government, and its method of operation.

I will address many of the key points of concern and conflict which exist in the State Government's corporatisation process. The most serious point of concern for all Queenslanders is: will the corporatisation of the QIC make it more competitive? The short answer is, "No". In fact, economic efficiency of Government owned enterprises is not really a priority of this Government once they have been corporatised; the priority is to use Government enterprises as revenue raising mechanisms. This mechanism will result in the raising of revenue for the Government without increasing taxes directly. In time, all Queenslanders will become aware of the real objective of this process. It is really a form of

indirect taxation. The Labor Government is not interested in increasing the efficiency of enterprises. The Bill failed to address the issues of improved efficiency or labour market reform. However, the Bill is specific on the mechanisms of revenue raising.

The unions and Trades Hall took over the process of corporatisation by this Government at the very start. It is clear that the unions have had an unbridled influence over the establishment of the policies for corporatisation and in the development of the legislation. In their books, labour market reform will not be implemented at the expense of their members or to the detriment of their unions. In that context, let us look at two issues when considering the process of corporatisation. These are the separation of the commercial objectives of these enterprises from the community service obligations and the removal of the regulatory requirements that Governments have traditionally imposed. There is ample evidence to suggest that this Labor Government is not going to do this. The driving force of our economy is competition. The Government has been making motherhood statements for the past five years suggesting that this will be implemented. However, the reality is that true competition is unlikely to be introduced into the equation. For corporatisation to work, competition has to be introduced in areas which are going to make a difference. The most important of these areas of reform is labour market reform.

If these corporatised entities are not allowed to compete on the same level or to operate in the same way as equivalent private companies, then the Government is not going to get the efficiencies that have been promised by the Treasurer. The QIC, perhaps already the most clearly corporatised entity under the Government's model, still operates under the public service rules for employment conditions, and will continue to do so once this Bill is passed. Flexibility is vital in the marketplace, and if Government owned corporations do not have flexibility, then they will not be able to compete adequately. The major area of flexibility needed by corporations is the ability to use their workers to maximise efficiency and profit. However, this Treasurer denies the QIC that flexibility. There is no flexibility in working hours, holidays, pay structures, the general process of how people are employed or retrenched, and so on. Without real and effective reform, any attempt to introduce a private sector culture would fail.

As a revenue raising mechanism, GOCs will face another problem which will impact on the consumers of their services. I speak of the conflict between the Government's intention to

raise revenue and the GOC's ability to operate competitively in the market place without labour market reform. This approach does not promote efficiency but rather entrenches inefficiencies. Prices are based on the return to the Government of the revenue it requires at the expense of the consumer. That is to say, all Queenslanders will have to subsidise these inefficiencies in order for GOCs to meet the stated revenue targets that the Government sets. This is tantamount to an indirect tax. As such, the pricing of individual services provided by a GOC may not achieve market realities. Therefore, the supply and demand relationship will not be adhered to as full marginal long-run economic costs of services will simply not be a factor in the equation.

Another stumbling block to the successful application of corporatisation is the lack of pressure to minimise costs. This has been identified in the Commonwealth Treasury Economic Paper No. 14. The paper states that this is a particular problem where the public enterprise is a statutory monopoly. Evidence suggests that even after the enterprise is introduced to private sector competition, the problem of cost minimisation is unlikely to be a consideration.

As with the selection of the members for the preparation committee for the GOC legislation, the establishment of the board of directors is contrived. Board members are appointed by the shareholding and portfolio Ministers and are expected to deal with the day-to-day running of the business. Under such circumstances of appointment, it would be hard to believe that these directors would be at all times, or could be, operating at arm's length. Even if they should try to operate at arm's length, proposed new section 4.15 (7) highlights just where the real power is with the newly corporatised QIC. It states that the corporation's shareholding Ministers can simply override the board. The Explanatory Note states—

"Section 4.15 (7) allows the Corporation's shareholding Ministers to deal with a matter, if the board cannot deal with it because of Section 4.15 (6)"—

which refers to quorums—

"by each signing consent to a proposed resolution. This allows matters to be resolved when a quorum is not present."

This raises the question of just how much power the board of the QIC will have, and whether it will be subjugated to the Ministers whenever the Government wishes.

Under the GOC Bill, the mechanisms are in place for complete fettering of the selection

process for the position of chief executive officer. With Trades Hall officials in place at board level, it now only requires that a suitable and like-minded candidate be installed to the position. The thumb print of the organisational culture is now established. The trade unions are secure. The Government gets its money and all are satisfied—all except the consumer and the taxpayers of Queensland.

Mr T. B. Sullivan: You sound like Santoro with your union bashing.

Mrs SHELDON: I take it that the honourable member is going to speak in this debate so we will have access to his undoubted knowledge of the Bill. He is an economic moron, unfortunately, and that is demonstrated by the statements that he regularly makes in this House.

While Dawson Petie is already a member of the QIC board, his membership becomes even more important and more powerful after corporatisation. The entrenched influence and sometimes the overriding control of Trades Hall in the process of government, which is a basic tenet of this Labor Government, means that reform cannot be achieved within these GOCs. This is highlighted by seven wage accords and an abdication of State power to the unions. These are not the ingredients that will produce significant increases in productivity. This arrangement will result in the unions, and not the corporatised entities, dictating the pace and direction of workplace reform.

Mr De Lacy interjected.

Mrs SHELDON: Employers, employment bodies, the Industrial Relations Commission and some senior public servants believe that the relationship between Trades Hall and the State Labor Government has been too close. To answer the Treasurer's question, the QIC has performed and is performing well only because of the ability of members on that board who were there when we were in Government—not necessarily appointees of this Government. What I am pointing out here is the possibility of the unions infiltrating the process. Dawson Petie is already there, and under this Government's corporatisation banner this is exactly how corporatisation was used as a tool by Labor Governments in other States to destroy the solid equity base and solid performance of those entities. I am raising the Opposition's concern about that possibility.

The classic example of the corruption of the process is the establishment of the Treasurer's Queensland corporatisation process. There can be little doubt about the Bill Ludwigs and Dawson Peties of this world. Remember Bill Ludwig? He is the guy who really makes the initiatives for this Government and certainly for

the Treasurer. He stumped the Treasurer on the performance tax. There we had Ludwig's policy, not Keith De Lacy's policy. That exemplifies exactly what I am saying about this Bill. Who really pulls the strings? Who pulls the Treasurer's little arms up and down? It is Bill Ludwig, not the Treasurer.

There can be little doubt that the Bill Ludwigs and Dawson Peties of this world have wielded enormous power during the reign of the Queensland Labor Government—and I have just alluded to a classic example—and, in particular, during the development of the GOC White Paper and Bill. Another sign of the Trades Hall's growing influence was that confidential departmental advice to Ministers ends up on desks at Trades Hall headquarters or individual unions.

While I am speaking about the Treasurer's great debt-free policy, which I have just had put in front of me, so I have not had the ability to look at it in detail, as the Treasurer has—the Treasurer never once gave credit to the fact that the things that he was saying were fully funded and run well did so on the basis of Liberal/National Party Treasurers. This Treasurer purely took over that basis. If we were in Government, we would have had better results than this Government has had.

The Treasurer constantly alludes to the situation between Queensland and the southern States, yet he forgot to say that the reason the southern States have been in such a financial mess is purely by Labor Party policies that were put in place when the Labor Party was in Government. In many of those southern States—take Victoria, for example—when Labor came to power, there was a strong economic base; but after 10 years of power, that State was devastated. Exactly the same thing has happened in South Australia and Western Australia. The Treasurer should not assume hypocritically to take the benefit of the good financial management of this State. Mr De Lacy is damned lucky that he came in with what was there at the time.

Mr Davies: Go back to your script.

Mrs SHELDON: The Treasurer gave me a good reason to get off the script on this issue and to say very important things that need to be said.

Mr Livingstone interjected.

Mrs SHELDON: Is Mr Livingstone going to close a few more railway lines? He should tell the Opposition all about it. Thanks for the leak. As I said, another sign of the Trades Hall's growing influence was that confidential departmental advice to Ministers ends up on desks at Trades Hall headquarters or individual

unions. I am sure that even some of the Ministers of the Labor Government felt compromised by this infiltration by Trades Hall. I know they did, because they said so.

The budgetary implications of this corporatisation process will result in the financial enterprise going off budget and, as such, its accountability is one which may fall foul of the WA Inc. or Vic Inc. fiascos. Of course, we still do not have accrual accounting in this State, although we have been told—for how many years now—that we are going to get it. The Treasurer might be able to tell us today the exact date that full accrual accounting will be brought in.

Mr De Lacy: I'll tell you when we will be bringing it in.

Mrs SHELDON: Is the Treasurer going to give us that date? That would be novel, because many people would particularly like to know, including, I believe, the Auditor-General. The Treasurer states that accrual accounting was going to be brought in, yet we see no implementation, and we have been given no definite date as to when it is coming in.

I also wish to speak on global borrowings. The Government has used this process with its motorway companies—remember them—which are then placed outside global borrowing limits. This leaves the door wide open for Government syphoning of assets and reserves while the corporation is forced to borrow, and borrow more, to keep up with the drain from a money-hungry Labor Government. The financial implications for Queensland taxpayers from this practice of the State Labor Government, which we have seen with the various tollways around this State—and I believe we will have more, thanks to Molly Robson—are quite frightening.

Mr Budd: Why don't you drop yourself in the glass of water?

Mrs SHELDON: What another genius statement from the great intellect who sits on the Labor back benches.

Mr FitzGerald: A blob of blancmange; that's what they are.

Mrs SHELDON: They are a blob of blancmange, indeed. The Leader of Opposition Business in this House, who should be the leader of Government business, certainly is right.

Under the company GOC structure, the Government elects five shareholding Ministers to hold the equity for and on behalf of the Government. One of these Ministers is the Treasurer, with the other Minister being the respective portfolio Minister. The other three Ministers hold non-voting shares and may be any Minister in the Labor Government. Between them lies the control of the GOC's corporate

governance. In addition, they have the ability to alter the memorandum and articles of association. The portfolio Minister and the shareholding Ministers do not need to refer any of the matters involved to any other authority and do not need to seek permission from any other person. This ownership structure allows for the manipulation of the objectives of the GOC in addition to the manipulation of the way in which the GOC does business and in the way in which the GOC conducts its internal affairs.

The amendment Bill before the House today will also ensure that freedom of information requests will now be blocked for the QIC. Again, we have a case of the Government having two bob each way: maintaining the public risk of the QIC through corporatisation, while refusing proper public access to the QIC's operation. The QIC corporatisation Bill, while pretending to offer wider scrutiny of the QIC through FOI, in fact retains a structure which allows it to, at any time, make any information it wishes exempt from FOI.

This Bill details, in fact, the two areas which can and will be excluded from FOI. These are commercial activities and community service obligations prescribed by regulation. As that covers every activity undertaken by the QIC, it is the FOI you have when you do not have FOI—Clayton's freedom of information, which we have seen the Attorney-General preside over in this place since it came in.

Mr T. B. Sullivan: You can find out anything about yourself on any Government file, and you know it.

Mrs SHELDON: I do not need to find out anything about myself on any Government file, unless the honourable member has salted them.

The same restrictions to which I have referred apply to the Judicial Review Act. As stated in the reasons for the Bill, the QIC's community service obligations have to be exempt from the Freedom of Information Act 1992. In his second-reading speech, the Treasurer states that the removal of FOI and judicial review from the QIC puts it on the same footing as commercial operators. However, the fact remains that the QIC is not a commercial entity. Even after corporatisation, the QIC retains its public ownership and is, at the end of the day, owned by the people of Queensland and operated for the benefit of the people of Queensland. Therefore, some public scrutiny is still necessary if we are not to have the spectre of the Bank of New South Wales and Tri-Continental hanging over us.

There is no doubt that the QIC has operated extremely well. There is no doubt that this Labor Government inherited a QIC which managed

well-funded and fully funded superannuation schemes and which managed the investments of the Government very efficiently. However, things can change, and public scrutiny of public institutions is vital. So, in answer to the Treasurer's second-reading speech comments that the QIC could not be open to either FOI or judicial review, I say that while the QIC remains an arm of the Government, it should remain under the scrutiny of the people of Queensland. The Treasurer has failed to justify the exemption of the QIC from FOI and judicial review.

The Treasurer might like to comment on this: I know he has highlighted the fact that if these entities are going to operate in the private sector, and private sector entities do not come under FOI or judicial review, then why should the commercial operations of the QIC and, indeed, the QIDC—when I get to that later—as well? The fact is that we can have them as a private entity or we cannot. But the Treasurer is having two bob each way. If he thinks that they can operate as a private entity, then he should privatise them. He is not doing that here; he is taking away any public scrutiny of their commercial operations.

In his second-reading speech, the Treasurer also spoke of the performance reporting and monitoring process, which has been "considerably enhanced" under the GOC Act. That performance reporting and monitoring may have been considerably enhanced for the Treasurer, but the public and the Parliament are certainly no better off than they were when it comes to scrutiny of the performance of the newly corporatised QIC. I ask the Treasurer: could we not cover the reporting process by having a committee, such as the PAC, that is reported to when he is specifically looking at the operations of these GOCs, considering that he has eliminated FOI and judicial review? I believe that there should be some reporting and review mechanism available to the Parliament. We do not have it.

The community service obligation is the first victim of the corporatisation of entities such as the QIC and other statutory bodies. While the QIC is a specifically commercial enterprise and will continue to operate in that vein once corporatisation takes place, as an arm of the Government it must take into account community service obligations. Once corporatisation takes place, these obligations will no longer be relevant to the day-to-day operations of the QIC. While I note that this is not as serious with the QIC as it would be with, say, the QIDC, it is still of concern to the people of Queensland.

The Government will generate its revenue through the receipt of dividends and through the payment of taxes by the GOC. Under a company

GOC structure, Commonwealth taxes are required to be paid. These are to be remitted back to the State pursuant to an agreement. Dividends are paid to the shareholding Ministers on a pro-rata basis of the number of shares issued. The amount of dividend that the Government can receive can be manipulated by the Government. This is part of the money-grabbing process. The Bill provides for additional shares to be issued and thus the Government will receive more cash.

Similarly, any class of share can be issued and any number of shares can be issued. The Government may issue classes of shares to itself that simply represent a form of quasi-debt. This quasi-debt would command a higher rate of dividend than the ordinary voting shares. Similarly, the Government can skew the debt burden towards the GOC, therefore requiring the GOC to operate a high debt capital structure. The Government may do this to transfer its debt servicing obligations from the State Budget to the GOC. These are just a few examples of the methods that the Government will employ to gain access to the cash generated by the GOCs.

Mr De Lacy: Did you get someone in Victoria to write this?

Mrs SHELDON: In fact, one really could have referred to former Labor Ministers who brought in a very similar corporatisation process to that being brought in by this Government—practically to the letter—and some of whom, I believe, are languishing in gaol to this day. Those Ministers used those mechanisms to strip their Government organisations dry and to destroy the economies of the State. I am raising very just concerns, about which I am surprised the Treasurer is being so glib.

It could be argued that the corporatisation process represents the third stage in the Government's raiding of its own coffers. Stage one was obvious, as it constituted the raiding of the classic hollow logs. Those included the skimming off of working capital from public sector entities and the access to capital stored within these entities. Stage two, which is still in process, is the raiding of public sector trust accounts and special funds. That is being achieved through the collapsing of these Trust and Special Fund accounts into the Consolidated Fund.

Stage three, corporatisation, represents the biggest source of revenue raising by the Government. Corporatisation is the cash cow this Government is banking on to get it home at the next election.

Mr T. B. Sullivan: Oh, no!

Mrs SHELDON: Don't tell me that we have that economic guru, Mr Sullivan, interjecting again.

Having raided, looted and sucked dry every trust fund and hollow log that he can find, the Treasurer is now relying on these new corporations, such as the QIC, the QIDC and the ports, to provide big bucks in dividends and tax equivalents. This Government does not have the best interests of Queenslanders at hand with the corporatisation of the QIC.

The QIC has operated efficiently and managed fully-funded superannuation funds for the State Government thanks to the guidelines, as I said, put in place under the non-Labor Governments up until 1989. That is a point that the lot on the other side of the House like to conveniently forget. It is a matter of some concern that this Government is now changing the structure of the QIC, and it is incumbent on the Treasurer to ensure that the integrity of the QIC is not damaged by its shift to full corporatisation.

Despite my obvious concerns with the corporatisation process under Labor in Queensland, the coalition will not oppose this Bill. Of all the entities that face corporatisation under this Government, the QIC is the one that faces the least change and the least upheaval. It is just a shame that the corporatisation of QIC has instituted such basic flaws as I alluded to—problems that could occur due to the lack of access by the public through FOI and judicial review—and it institutionalises the union influence on Queensland's Government owned corporations.

Mr FENLON (Greenslopes) (12.44 p.m.): The white leghorn has landed yet again and left us with another great cloud of feathers and dust to appreciate and to find our way through in this House. What an absolute load of bunkum we have heard again from the Deputy Leader of the Coalition, the member for Caloundra. She has not caught up with the realities that we are facing in Queensland today. She has not learnt what the corporatisation process is about. That process is about achieving efficiencies that return to the taxpayer. We have heard again the tired old arguments that have been trotted out in this House time and time again about corporatisation. The members of the Opposition just have not learnt. They are still trying to tell this House and the people of Queensland that corporatisation is somehow about raising revenue and that it is some form of sinister indirect taxation process. Nothing could be further from the truth. Every time that the honourable member rises in this House to cite those monotonous lines she shows that she

does not understand that nothing could be further from the truth.

The portent of corporatisation is one which delivers economic returns back to the taxpayers of Queensland. If there is anything sinister in that, I am part of it because that is a very sound objective. The taxpayers of Queensland have already been receiving and will continue to receive the very fine benefits by way of the healthy Queensland Budget that we have heard about again today, which is going to benefit all Queenslanders.

She does not seem to understand the fundamental calculations that are revealed within the corporatisation process. That is the central factor that she fails to appreciate in terms of how Government owned enterprises have been conducted in the past compared with the way they will be conducted under corporatisation. Under corporatisation the calculations are revealed. The calculations of economic return on investment, the fundamental ingredients of the business balance sheet, are revealed for the first time. Under corporatisation we have moved away from the traditional line accounting methods that the National and Liberal Party governments were happy to live under for the past 100 years, which provided no accountability back to the taxpayers of Queensland.

For the first time, enshrined in laws in this State we have calculations that directly reveal the economic undertakings of the enterprises. All the members of the Opposition can do is whinge about it, saying that there is some conspiracy under way—a terrible conspiracy to provide an economic benefit to the taxpayers of Queensland. What an awful conspiracy! That shows the shallowness, the intellectual bankruptcy, of the Opposition in trying to criticise those laws on those bases.

The honourable member whom we have just heard criticised labour market reform saying that somehow the undertakings are wrong and that we are not properly exposing the labour force within those organisations to the full forces of the market. The honourable member must be living in some sort of vacuum. Again nothing could be further from reality. If she would like to listen to any trade union official in this State, that official would list foremost in his or her objections to some of the reforms the objection that those negotiations and reforms that are occurring within the Queensland labour market are ones that are causing aggravation in the workplace because they are changing work practices in line with like sectors of the market. That is the fundamental source of aggravation. For some reason the honourable member cannot see that.

The Liberals and the National Party in this State have not learned that the efficiencies that are now being enjoyed are being shown within the current Budget and will be shown continuously in future Budgets. Again, we find shallow, negative harping against the board members who have been appointed to the various organisations that are in the process of corporatisation or are about to be.

Mrs SHELDON: I rise to a point of order. I ask for that to be withdrawn. I find that offensive and untrue. There was no negative harping against the board members or questioning of their integrity or ability.

Mr Barton interjected.

Mrs SHELDON: Dawson Petie is an exception.

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! There is no point of order. The honourable member should not take the opportunity, during legitimate points of order, to take cheap, sordid shots. There is no point of order.

Mr FENLON: What we have heard today from the Opposition is, indeed, appalling. It is the same negative harping, but this time it is an attack on fine citizens of this State who are involved in processes that are going to deliver benefits for the people of Queensland. The Opposition is criticising people from union and business backgrounds who have the expertise and skills to contribute. All Opposition members can do is complain about a situation which brings together all the interests and the productive processes to give us some returns. If that is a criticism, I agree with it, because it will deliver real benefits for our taxpayers. All the Deputy Leader of the Coalition can do, in true Santo Santoro style, is conduct a smear campaign. Because somebody from a trade union background is contributing something of worth to organisations in this State, she says that that is a terrible thing. What an appalling lapse of logic! For the first time in this State, people from peak trade union organisations are taking part in these processes. They are intelligent and skilled people and they provide a conduit to the trade union movement to involve it in these processes.

The Liberal and National Parties would like to introduce into this country a retrograde model of industrial relations. That model would take us back to the Dark Ages, when representatives of trade unions and businesses sat in different rooms and did not talk to each other. However, they come out with the platitudes that they want to see reform in the workplace. How are they going to achieve that if the people who are fundamental to the process are not in the same room talking to each other and being involved in

the process? The Opposition fails to acknowledge the real reforms that are needed in this country now. Those reforms will not only relate to private enterprise but also to fundamental Government enterprises. This legislation provides the building blocks required for putting that framework together.

Mr T. B. Sullivan: Isn't it strange: normally a deputy leader tries to imitate the leader but here we've got the leader imitating the deputy's union bashing.

Mr FENLON: I agree. There are some very strange juxtapositions in the Opposition. The Deputy Coalition Leader also applied that same fascinating logic in her comments about accrual accounting. Somehow this born-again reformer sitting on the Opposition benches has discovered the words "accrual accounting". Indeed, we know that for 30 years before this Government came to office, the Opposition's accounting was simply line accounting. They said, "This is what we are going to spend", without giving any consideration to its economic benefits or formulating any strategic plan that would evaluate how, where and why they were doing it. However, all of a sudden, the Opposition has a new interest in accrual accounting because, for the first time, this Government is introducing it into Government owned enterprises.

This is a very difficult process. Opposition members not only have a lapse of logic but also they have a lapse of memory. They do not understand that many of the problems involved in implementing accrual accounting stem from the fact that, when they were in Government, they did not even bother to put together the fundamental ingredients that are needed to construct accrual accounts, such as proper asset registers. They did not even develop those fundamental building blocks.

Mr Davies interjected.

Mr FENLON: I take that interjection from the honourable member. There will be sound accounting practices within this organisation, which will be enshrined and enhanced under these proposed laws. The exemption from the freedom of information legislation in relation to commercial activities is a well thought out and sound initiative. However, the accountability processes of commercial activities that are non-exempt under FOI will be covered because Treasury has access to them. Most importantly, the organisation will be able to use this commercial information to provide a clear, commercial focus to its activities unimpeded by other factors. That is what we want out of our Government owned organisations—to have an unimpeded approach to delivering economic

benefits to the stakeholders who, ultimately, are the people of Queensland.

Again, the born-again reformers on the Opposition side of the House would like to see those commercial processes impeded and interrupted at random whenever they think that should occur. They want carte blanche to step in whenever they like and say, "We would like to let out this bit of information or that bit of information and give certain sectors of the public rights to that information." Those same people would pretend to represent a party which has an understanding of the fundamental principles of free enterprise, and which is supposed to promote free enterprise. Yet, members of that party come into this place, trample over those principles and say, "No, when we want to give the economic benefits of our Government enterprises back to the people of Queensland, the rules change." They change the rules as they go along. Again, those members are adhering to the old bend-with-the-wind principles.

Under this legislation, performance reporting will be sound. The proposed laws will provide accountability to the shareholding Ministers, who ultimately have that right of veto over the board. That is the best form of accountability because it is accountability which comes back to this Parliament. It is also accountability which comes back to the fundamental stakeholders, namely the people who sit in this place as trustees for the people of Queensland. That accountability will ensure that the strategic plans, the fundamental calculations upon which such organisations are to operate, are brought to this place and, for the first time, revealed to the people of Queensland. This framework is put in place to ensure that this organisation and others like it will be able to work commercially and deliver the goods back to the people of Queensland.

Sitting suspended from 1 to 2.30 p.m.

Mr CONNOR (Nerang) (2.30 p.m.): I rise to speak to the Bill, and in particular about the reserve powers of the shareholding Minister, which in this case is the Treasurer, in relation to giving—

Mr De Lacy: Ministers.

Mr CONNOR:—sorry, Ministers—direction to the board. I want to raise a particular issue in relation to the Treasurer and giving directions to the board, in particular on superannuation. On 12 June, a letter was written to the Treasurer by Superannuation and Retirement Planning Pty Ltd, and it was signed by Philip Burke. The Minister may remember that letter, which stated—

"Recently, a client of mine who is an employee of the Queensland Railways became aware of his eligibility to join Q-Super and telephoned the Q-Super offices for further information.

He has advised me that during the course of conversation with a female staff member on whether to join Q-Super or not, he was advised by this person . . . to divest himself of his life insurance and put all of the contributions he was paying into his superannuation.

My client rejected this gratuitous information recognizing it for what it was—uninformed and inadvisable, and contacted me.

Quite frankly, I am horrified that a government employee with no knowledge of my client's personal affairs should, representing Q-Super, give such advice. I wonder what responsibility for that advice would the government accept should my client have followed that advice and subsequently died and his family had been deprived of the substantial amounts of life insurance which I have arranged for him.

I respectfully request that action be taken immediately within the office of Q-Super to ascertain to what extent advice is being given and the qualifications of those giving it. Further, I would request that steps be taken to ensure that incidents such as outlined above do not reoccur.

As a person giving advice in regard to life insurance and superannuation, and a proper authority holder under the Securities Code, I am required to be legally responsible for the quality of advice given. I believe the officers of your department should also be held accountable for their advice."

Mr Barton: What's Q Super got to do with QIC?

Mr CONNOR: I will take that interjection. Does the honourable member not know what Q Super has to do with QIC?

Mr Barton: I used to be a director of both. What have they got to do with each other?

Mr CONNOR: The QIC invests money on behalf of Q Super. It is relevant.

Mr Beattie interjected.

Mr CONNOR: If the honourable member wishes, I will quote clause 11, which specifically details that.

Mr Beattie interjected.

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! The honourable member for Nerang does not have to take interjections if he does not want to. The honourable member may continue.

Mr CONNOR: Thank you, Mr Deputy Speaker. On 3 July, the Treasurer replied—

"I refer to your letter of 12th June 1992 which I referred to the Director of the Government Superannuation Office for advice.

The Director has advised me that the giving of advice along the lines and within the context presented by you is contrary to Government Superannuation Office policy and advisory officer training.

Accordingly, the Director would be happy to discuss the issue directly and personally with your client should he have concerns at the way the matter was addressed with him by that particular advisory officer.

...

Whilst I have noted your concerns I would hope that you have, as a professional superannuation adviser, made yourself aware of the excellent conditions of the QSuper Scheme."

So the Treasurer, Mr De Lacy, was not prepared to investigate the matter and was not prepared to look into whether this policy was being complied with.

The same Mr Philip Burke from Superannuation and Retirement Planning wrote to me on 24 August and stated—and this was in relation to his letter to the Treasurer—

"The letter really only lists one case. I am aware from this same person of a workmate of his that was in a similar position and got similar advice. I thought DeLacy's reply was rather offhand. There is anecdotal evidence in the industry that these sort of activities are going on all the time but unfortunately, it is very difficult to get public servants to put their hands up and complain about these sort of things. I did also speak to the Director, Dale Hennesey, but he was also very offhanded about it and in fact quite pompous in the same vein as DeLacy's letter."

Mr De Lacy interjected.

Mr CONNOR: All I am asking is that the Treasurer investigate the matter.

Mr De Lacy interjected.

Mr CONNOR: I will continue.

Mr De Lacy: "Come in and talk about it", we said. Did they come in and talk about it? Who

was pompous? They were invited to come in and discuss it. They did not come in and discuss it. Who's offhand about it? Who is being pompous about it?

Mr CONNOR: In the Treasurer's reply, he did not offer to investigate the matter. The Treasurer suggested that he call a member of his staff, who then detailed the benefits of those products.

Mr De Lacy: I said, "Come in and talk to the director of the office and make all of your accusations. Let's get to the bottom of it."

Mr CONNOR: These are not my accusations; these are the accusations of the industry. I will continue. That letter continued—

"Since that time, I have had another case of a client of mine who retired from the public service. He did the necessary paperwork to rollover over his benefit and he gave that to the superannuation office. Some of his money has been rolled over and the rest he took in cash. They paid him out the cash portion and told him that he didn't need the other forms that I had prepared for him to roll it over and they would take care of everything. Subsequently of course the money wasn't rolled over, it was kept with Q Super. He hit the roof when he found out that they had duped him into believing that it would be all taken care of when they in fact had no intention of rolling it over. It took us weeks to get the money out of them as they lost the paperwork and they could never seem to track down the person who was actually handling the job. Eventually it was paid out.

It would seem to me that they go to extraordinary lengths to keep money in the system . . ."

Those are not my words; those are the words of a major player in the industry.

Mr De Lacy: He is just somebody who is trying to make mischief, somebody who thinks that they have all of the answers to superannuation, somebody who is upset because they are using the public sector and the public sector is better than the private sector, and they go to people like you and you stand up here and use the good time of the Parliament going on about nothing to do with the Bill. No wonder we treat you as a joke.

Mr CONNOR: As I said before, clause 11 of the Bill does allow the Treasurer to intervene on these matters. I would call on the Treasurer to intervene and to further investigate this, because if these sorts of activities are going on, he cannot simply abuse the Opposition and just

turn a blind eye to it. If they are going on, it is his duty to do something about them.

Mr D'ARCY (Woodridge) (2.39 p.m.): It always amazes me when we get a financial Bill before the House, particularly one such as this, that is really only housekeeping. What it is doing, in effect, is cleaning up some of the areas of the GOC Act that we have already passed to make the QIC conform with those areas, as the Treasurer has already explained to the Opposition.

The member for Nerang, and certainly the Deputy Leader of the Opposition, continue to try to find a dark side to financial Bills. It is as if everything we do on this side of the House with finance is sinister. In reality, it is quite simple. It is much more effective and efficient than anything they ever did.

We do need to sing the praises of the QIC, which was controlled by the National Party prior to 1988. That party's whole financial basis seemed to involve investing in the overnight money market with whatever cash that it could rake up during the week. That was about the extent of it. That basically was correct. That is where all of the cash was largely invested—that is, just at bank interest.

In recent times, if the current QIC board and management had been doing that, we would almost be bankrupt, given the way that interest rates have fallen from around 22 per cent on the overnight market to around 4 per cent or 5 per cent. That is the type of thing that this Government has done during that period. There has been a diversification of the QIC. There has been effective and sound management of the QIC. It is a model with holdings of about \$10 billion in investment. It is a fairly large investment by Australian standards—perhaps not by world standards. Basically, it is a large and successful fund. I think that the Treasurer has pointed out many times that it is probably the most successful fund of its type in Australia. Rather than relying purely on the overnight money market, the QIC currently focuses on cash fixed interest rates, domestic equities—which are tremendously important—offshore fixed cash and fixed interest rates, offshore equities and the property market. Those markets are variable, and investment in them must be monitored closely in order to obtain the best return for the shareholders, who are all the State Government employees.

This Bill is largely of a housekeeping nature. It conforms in large part to the provisions of the current Act. The FOI provision of this Bill does not represent a significant departure from the current situation, as the QIC is currently exempt from the Freedom of Information Act. Similarly, the other two major provisions of the Bill do not

represent radical departures from the status quo. The QIC is a tremendous adjunct to the Government. It is a very successful investment body. The QIC has ensured that this State has attracted the economic recognition that it deserves.

As I pointed out, the policy of the Nationals and Liberals—those great gurus of finance—was merely to invest in the overnight money market. Under this Government, that policy has changed. We now have five equity types of investments. Those investments vary from time to time. The QIC has been highly successful in predicting world market trends, which has meant the best possible return for shareholders.

Often, many of the large financial organisations are behind the times. They are like sheep. The AMPs of the world and some banks want to be wrong at the same time. They do not mind if they are wrong, provided that everyone else is wrong. That is not an investment strategy that should be emulated. It is not the investment strategy that is being adopted by the QIC. Often, it is way ahead of the market.

The dramatic fall in interest rates over a short period illustrates the changing nature of the financial market. Before that fall, for a fairly long period interest rates increased steadily. In recent times, the property market has definitely taken a downward turn. The return on commercial properties in many of the capital cities—particularly in Brisbane, Sydney and Melbourne—has been low, and as a result there has been a glut of property. Any observer of the financial market knows that the pattern of investing changes regularly. To keep up with the changing financial trends requires a very efficient organisation—a description that can definitely be applied to the QIC.

Because of the stability that exists in Australia, and because of Queensland's high credit rating in particular, there is a prediction that there will be even more investment in this country in the near future. Members may not be aware that at present Australia has approximately 0.9 per cent of the total investment in the world. Present overseas predictions are that that figure will increase substantially in the next decade. Good economic management and the changes taking place in the financial world—led by the QIC and this Government—provide a sound base for such investment to occur. There are predictions that Australia could eventually have 2 per cent of the world's wealth. If that occurs, Australia is in for a fairly sustained period of growth.

I support the Bill. As I said, it is largely a housekeeping Bill aimed at bringing the QIC Act and the GOC Act into sync.

Dr WATSON (Moggill) (2.46 p.m.): I rise to support the Queensland Investment Corporation Amendment Bill. I was surprised by some of the comments by the member for Woodridge. I know that he is a successful businessman and investor. It is strange that he would make the comment that business organisations forego competitive advantage. The member knows as well as everyone else that that is simply not true.

The member for Woodridge said one thing that was correct. This Bill represents an evolution in the developing role of the QIC. The member is correct in asserting that the QIC began as a part of the Queensland Treasury Corporation, a separate board which was looking after the investment of public moneys. There was another board which looked after the liability management of the Government. In 1991, we debated in this place a Bill that took that board away from the QTC and established it as a separate corporation. This Bill is a modification of the existing Act to bring it into line to some extent with the GOC Act, which we debated last year.

During the debate on the QIC Bill, I raised a number of concerns. I do not intend to repeat all of those comments, although I believe that a number of the comments that I made at that time are still relevant. I have to admit that the performance of the QIC over the past few years has been extremely good. Of course, one of the reasons for that is that a number of its senior people were not only my colleagues but also my students. Although I do not take any credit for their current acumen, I do take some credit for their intellectual grounding.

Mr J. H. Sullivan interjected.

Dr WATSON: It is obvious that the member for Caboolture did not have the benefit of any quality higher education.

An important issue with respect to any of these corporations—whether it be the QIC or another body—is monitoring their performance and controlling them through this Parliament. The process adopted to monitor and control a GOC can be divided into two parts. Firstly, there is the appointment of the board of directors; secondly, there is the monitoring of the ongoing performance of the GOC. The duties and responsibilities of the board in a corporatised organisation should be similar to those in any private corporation. They are in this case, because they are meant to manage the corporation in the best interests of the owner, and in this case that is the State of Queensland and, through this Parliament, every citizen of Queensland.

The other component is the ongoing monitoring of the organisation—the year-to-year

evaluation of exactly how well a corporation is performing. The central feature of any monitoring regime for a Government owned corporation is the annual preparation of what is generally referred to as a statement of corporate intent and the reviewing by both a GOC and its shareholding Ministers of that statement. The key elements of that statement of corporate intent must include the following: the nature and the scope of the business activities of the GOC; the performance targets for the next few years, preferably more than one year and maybe up to three years; the level of the dividend to be paid; the information to be provided to the shareholding Ministers during the year; the procedures to be followed when the GOC invests in any other company or organisation; any non-commercial objective—that is, the community service objective—and any compensation the GOC can expect from the Government for pursuing such objectives; and, most importantly, the statement of corporate intent should be made public.

The reason I say this—and I mentioned it in the previous debate—is that it seems to me that to ensure an adequate flow of information to the public so that the public, through this Parliament, can make judgments regarding the performance of the corporation, we have to have some idea of what the intent of the corporation is for any particular year. There are no private incentives for investors to gather information on their own initiative, which of course is in contrast to private corporations where investors can develop their own private information and make capital gains in the stock exchange. So we have to have a more formal and explicit public reporting mechanism on the expectations for the organisation as well as its performance during a particular year.

While the primary obligation rests with the board to develop the statement of corporate intent and to discuss this with the shareholding Ministers, I think that this Parliament should also have a role at least in terms of evaluating what the corporate intent is and understanding where the corporation is going to go. The problem that I raised in the previous debate is that this information on the financial performance targets and the annual performance contract is really a private negotiation between the QIC and the Minister. I admit that under section 6.1 of the Queensland Investment Corporation Act, the performance for any particular year does become public in an annual report, but the problem is in terms of evaluation; we still need to understand where the corporation wanted to go as well as where it actually has been in an historical sense.

The second issue that I would raise is the ability of the Minister to interfere with the

activities of the corporation. I understand that clause 11 of the Queensland Investment Corporation Amendment Bill—and there were similar sections in the previous legislation—says that the shareholding Ministers of the corporation may not notify or give directions to the corporation's board about certain aspects of the corporation's decision making, and these are generally things such as the direction of where to invest or how to exercise voting rights with respect to investments that they may have made in securities with other corporations, or how to deal with certain assets or certain affairs of the corporation.

However, the amendment Bill does exempt the Minister from certain requirements. For example, under the GOC Act, particularly sections 123, 124 and 161, the Minister can do certain things, and these are specifically incorporated in a further subsection of the replacement legislation. If honourable members recall the debate of last year, they will recall that the problem is that sections 123 and 124 are exceptionally broad clauses which allow public sector policies and other Government policies to interfere with the running of the corporation if the shareholding Minister determines that it is in the public interest to do so. Once this is done, the GOC board is compelled to operate in what a Minister determines is the public interest, despite the fact that this may interfere with the GOC meeting its commercial objectives. Since there is no objective definition or guide presented in the original GOC Act or in this amendment Bill as to what is meant by "acting in the public interest", one can only conclude that this permits a rather wide and perhaps even arbitrary interference in the conduct of the affairs of the GOC.

Section 161 of the GOC Act also places in the hands of the Minister an ability to interfere with a disposal of an asset. If the GOC board wishes to dispose of an asset which is no longer required to meet its commercial objectives, then it can, at the direction of the shareholding Minister—and honourable members have to recall that the shareholding Minister does not have to specify a reason for doing so—restrict the GOC from disposing of that asset. These are issues that are similar to the issues that I raised in this House during the debate on the original Queensland Investment Corporation Bill in 1991. I see that the same kind of thing flows through this amendment Bill.

There is no doubt that QIC has performed pretty well over the past few years. If we look at its rate of return in terms of the industry average—if we look at an industry mean weighted rate of return—then QIC has consistently beaten that

industry average. In fact, I think over the past couple of years, and maybe even this year, its rate of return is probably somewhere near 1 per cent greater than the industry average. So this does represent an extremely good performance, and the employees—including the original general manager, Ian Macoun—have to be congratulated on that performance. However, what worries me in the longer run—and I do not have any evidence to suggest that it has been done to date—is that there still appears to be a significant amount of discretion in this amendment Bill for the Minister to interfere in the activities of the QIC and the activities of any GOC. I believe that those issues do give rise to some of the concerns that were expressed by members earlier on this side of the House. There is a legitimate basis for raising those concerns. They may not have actually been founded to date, but the possibility exists, and it is up to this Parliament, including the Opposition, to ensure that the Minister does not interfere adversely in any fashion in the operations of the QIC.

As Opposition members have indicated, we are supporting the Bill. I believe that this is a reasonable evolution of the QIC.

Mr BARTON (Waterford) (2.59 p.m.): I rise to support the Bill. I think it is very important that this Bill ensures that QIC can continue to operate in the strong commercial manner that it has done to date. The Bill also strengthens the accountability to Government and ensures that QIC continues to go from strength to strength as it has in the past. In the main, this amendment Bill brings the QIC Act of 1991 into line with the GOC Act of 1993. Importantly, it recognises the difference between QIC and most other Government bodies that are to be corporatised by specifically allowing certain exemptions. These differences are important, and I would like to speak fairly briefly about them and the need for them.

The provisions for directors' disclosure will be different from the standard GOC provisions. In fact, as was mentioned by the Treasurer in his second-reading speech, QIC's provisions are of a higher or tougher standard, and they will remain so as a result of this Bill. QIC's standard is very high. As some people know, I was a director of QIC for several years before entering the Parliament and, based on my experience, my observation is that the QIC's directors' disclosures are in fact tougher than those that apply to us as members of Parliament. I would say that that is arguably desirable because of the nature of business that Queensland Investment Corporation conducts. A huge number of decisions are made by its board and by its senior staff and a huge number of transactions occur in

relation to issues such as equities, shares, including options and property—significant property both in terms of purchase and sale—and the management of those properties, particularly in the case of significant shopping centres.

Although it does not happen at every board meeting, it was not unusual for some individual decisions to be made about half a billion dollars worth of investment in one hit. Importantly, because of that, and because of the very nature of the commercially sensitive proposals that they are handling directly in their day-to-day operations and many others that are being put to them on an ongoing basis, the directors and the senior staff have to have a disclosure provision that is very tough. I shall cite a few instances.

It is not unusual for the managers of large funds, such as QIC, to have advance information about potential takeovers or floats of companies. They are frequently being approached to be the underwriters of such floats or to be directly involved in putting together a takeover. This, in turn, will no doubt increase in the future as the major fund managers, who have traditionally been passive in the management of companies in which they have large shareholdings, become much more active. I cite the instance in recent weeks of Goodman Fielder. Several of the major life funds have used their shareholdings at annual general meetings to ensure that there are significant board changes at Goodman Fielder. That was almost unheard of until several years ago. In terms of the change that this Bill puts in place, it is very important that there be proper disclosure by the directors and the senior staff of the QIC—in fact, disclosures that are much tougher than those imposed on members in this place, that is, disclosures that need to be much tougher than those for many other corporatised bodies.

There is another important difference. As a result of this Bill, QIC will maintain its exemption from freedom of information provisions and judicial review in respect of its commercial activities. I shall say something later about the comments made by the shadow Treasurer and Deputy Leader of the Coalition. It amazes me that she is unable to understand why a commercial entity such as the Queensland Investment Corporation needs to have those exemptions from judicial review and the Freedom of Information Act in particular.

Mr J. H. Sullivan: Acting on behalf of business, trying to get the secrets.

Mr BARTON: If they talk to some people from the business community, they might understand why some of that knowledge has to be kept confidential.

There are many examples, and I have already mentioned several. I refer to when there is advance knowledge of what takeovers could be taking place or what floats are about to be made. Quite frankly, people would not go to the Queensland Investment Corporation if they knew that there was the potential for that very sensitive commercial information to be distributed through freedom of information or to be attacked in some other manner. It is important that that information remain confidential.

If members on the other side of the House believe that that is not a relevant argument, I suggest they talk to some of the people who are involved in the major funds management industry in this country, because they will find that they all keep very tight rein on information about those types of activities because it is absolutely necessary for competitive advantage. It is essential that competitors and other vested interests do not obtain that commercially very sensitive information. That is why the QIC must be exempt from this level of freedom of information and judicial review. The QIC simply could not operate in the area in which it operates as a major funds manager if it was not exempt from those provisions.

Mr Bennett: They are not interested in finance. There are only two Opposition members in the Chamber.

Mr BARTON: It is interesting that there are only two Opposition members in the Chamber. That is typical of people who want to oppose some important provisions but not be here to listen to the debates.

Brokers, companies, rating agencies and others simply would not provide the level of information that they do to the Queensland Investment Corporation if those very important exemptions did not exist. In many cases, they simply would not deal with the Queensland Investment Corporation.

This Bill also ensures that the Queensland Investment Corporation can continue to operate in the strong commercial way that it has since its inception while improving its accountability to Government. The Bill brings the Queensland Investment Corporation into line with the Government Owned Corporations Act 1993 in most ways, apart from those differences I have already mentioned.

The QIC has outperformed the average of other major fund managers since its inception. It is important to stress that. Each and every year there has been an outperformance by QIC over the average of the other major funds managers in this country. The 1993-94 results, which were released in the past several weeks by the Queensland Investment Corporation Chairman,

Jim Kennedy, and acting CEO, Peter Forbes, continued this trend. It is not something that happened in the past; in terms of its outperformance, it is still relevant.

This has advantaged the Queensland taxpayer and public servant superannuants, particularly those who are in accumulation funds through which very substantial funds are invested by the Queensland Investment Corporation. To the Government it would certainly be hundreds of millions of dollars, but to the individual small stakeholder in an accumulation fund that is invested by the Queensland Investment Corporation on behalf of the trustees of those funds—those people have significant percentages of outperformance other than what they would have achieved if they had been members of alternative funds.

As indicated by the Treasurer, this has been a big factor in maintaining fully funded superannuation for the Queensland public sector. At a time when every other State has been doing away with its defined benefits funds and lowering superannuation benefits, notwithstanding the fact that they are not fully funded, in this State the benefits have been able to be maintained and, in some cases, improved. At the same time, the funds have remained fully funded.

Some comments were made earlier by the shadow Treasurer about the board. She tried to deny it later when called to task on it. I want to stress my knowledge of the existing board and the earlier boards from the early days when it was the Queensland Treasury Corporation Investments Advisory Board and then, from mid-1991, as the Queensland Investment Corporation. It is an extremely strong commercial board that any major corporation in Australia would be very proud to have. It is a board that has a high degree of autonomy and independence, and it also has working for it a very strong professional staff. It operates—and I want to repeat this point because I really want to drive it home—in a commercial, private sector, competitive manner.

I shall refer to some of the people involved with the QIC. I really find it strange that the shadow Treasurer would say that the board is not appropriate, or that somehow it has been taken over by the Labor movement. The board was initially appointed by the Ahern Government, with only a few changes since. Some of the people who have been members of the board include: Jim Kennedy; Ken McDonald; Alan Coates, the former chief executive of AMP, who is also the Chairman of CSR and a member of the CRA board, among many others; Charles Goode, who is a member of a handful of boards that are

among Australia's leaders and was also one of the original directors of the Queensland Investment Corporation; Ben McDonald, who retired from the board early this year; and Dawson Petie, who is also playing a very effective role. Many people like to think that trade union officials in this country are somehow thugs who never have any commercial experience. Dawson Petie, in his own right, would be one of the strongest and best equipped directors of any financial institution in this country.

I am going to perform the member for Clayfield's trick in this case. I am going to send a copy of the shadow Treasurer's speech to all those directors of the Queensland Investment Corporation because, quite frankly, I believe that Charles Goode, in particular, who had some connections with the Liberal Party in Victoria, will be rather shocked to find out that, as indicated by the shadow Treasurer, he is being manipulated and controlled by the trade union movement in this State.

The Queensland Investment Corporation is subject to accountability to the shareholding Ministers. That is important. That has been happening for several years already. They are responsible for maintaining the performance standards that are negotiated annually in line with that annual statement of corporate intent. I want to put to rest the concerns of the member for Moggill, because most of the issues that he was raising about items that need to be in the annual statement of corporate intent certainly are there. The statements of corporate intent that I saw during my period there are, quite frankly, some of the strongest business plans that one could see in this country. More importantly, the performance and the contents of the statement of corporate intent, as has been demonstrated year in and year out, have been met and have been met better than they were intended to be by the strong outperformance that QIC has achieved. That has been achieved with the appropriate low standard of risk. In my humble view, the QIC board and staff are doing a magnificent job on behalf of the people of Queensland. They will be able to do an even better job as a result of this legislation.

Before I resume my seat, I will refer to some of the ill-advised comments made by those members of the Opposition who have spoken. This Bill is not about taxation by stealth, revenue raising or subsidies by taxpayers to the Government through those boards. It is not about union takeovers of corporatisation. If honourable members talk to the members of the trade union movement in this State, they will learn that those people do not believe that they got in totality what they were seeking out of corporatisation. Those union members will say

that they were involved in negotiations with Government during which their point of view was considered and, where appropriate, was accepted, and vice versa. That was done in a true climate of cooperation. Unions are not stopping labour market reform in this country. As I have stated when speaking to many of the industrial relations Bills, quite frankly, the unions are the ones who have initiated, led and are still driving labour market reform in this country.

In terms of the Queensland Investment Corporation, I can assure honourable members that the public sector rules do not provide for the standards of the employees of the Queensland Investment Corporation. Some notice has to be taken of that. Initially, many people were seconded from the public sector to the QIC. Most of the staff of QIC are specialist professionals who have been brought in. They are under contracts; they are not under awards, because of the very senior level at which they operate. They are working under contracts that are very comparable with those in the private sector in the same industries. Otherwise it would not be possible for QIC to attract and hold the best people in that industry, which is certainly what it is doing. That is demonstrated by its performance.

As to the shadow Treasurer's comments about no competition—I am quite unsure how she could reach that position. She said that there is a lack of pressure to minimise costs because it is a statutory monopoly. I would like to issue a challenge to the Opposition. I can assure honourable members that during the period that I was at Sun Super, which is the largest private superannuation fund in this State, I and my colleagues—both employers and those from the union movement, some of whom are still on the board—would have loved to have QIC managing a portfolio of investments for us. QIC's outperformance is one of the best in this country.

I issue the following challenge. If the members of the Opposition think it is a monopoly, then my view would be to say to the Government, "Let's have open slather. Let the QIC not be a monopoly in its own right. Let the QIC go out and compete for business against the AMPs, the National Mutuals, the Suncorps, the Westpac Banks and Westpac Financial Services." Quite frankly, judging by its outperformance over the past four or five years, QIC would take an enormous amount of business from those other companies. It would have under investment even more funds than the \$10 billion of public sector funds that it has at present. The mates of those opposite and the people whom they represent from those major

financial institutions would be screaming their heads off if the Government were to put genuine competition into this market rather than protect the private sector from the well-managed and outperforming QIC.

I cannot understand the assertion that the appointments to this board have been contrived and controlled by Trades Hall—that the board is not at arm's length. I find that comment incredible when one considers the backgrounds of the people who are members of that board and the other boards of which they are members. They are some of the best and most professional company directors in this country. I find it absolutely galling and appalling for the shadow Treasurer to have made that comment.

I am glad the member for Moggill indicated that the reserve powers have never been used and may never be used. There is some anecdotal evidence to the effect that a previous Premier, during the National Party's period of Government, tried to get the first board to do something directly. That is anecdotal evidence; I was not on the board at that time. However, I can assure honourable members that there has never been an occasion on which this Premier or this Treasurer have tried to exert their influence on the current board of the Queensland Investment Corporation. They are reserve powers that I am very sure will never be used.

I will refer to one other comment that really shows the Liberal Party's agenda in relation to this subject. The shadow Treasurer said that we should privatise. She said that we should not have corporatisation; we should have privatisation. If that is the real agenda of those opposite, let them say that openly; let them be up-front about it. Then we can have a debate. The QIC is not being privatised; it is being corporatised. Quite frankly, it is a brilliant example of what can be done in the public sector with a well-managed, well-resourced organisation.

Finally, of course, the shadow Treasurer conceded that the coalition will not oppose the Bill. What a farce! That honourable member comes in here, belts every provision in the Bill, belts the board, belts the trade union movement, and then says, "We are going to agree anyway". If that is good tactics, then I am not sure what they are.

I will refer briefly to the contribution of the member for Nerang. What the living daylight did the advice of a manager of Q Super, the Government Superannuation Office—even if they did give that level of advice, which would be inappropriate—have to do with QIC? QIC is a totally separate organisation. It happens to manage the Q Super funds, but it is not the person giving that advice. As for the member for

Nerang's attack on Mr Hennessy, the Director of the Government Superannuation Office—I say to the Parliament that one would not meet a more professional person, a more cooperative person, or a nicer guy than Dale Hennessy. For the member for Nerang to attack Dale Hennessy in this Parliament in that cowardly way is absolutely shameful and disgraceful.

This Bill is good legislation. It improves the QIC's independence and it enhances its capacity to do an even better job than the excellent job that it has been doing.

Time expired.

Debate interrupted.

MINISTERIAL STATEMENT

Mr G. Richardson, Suppression of Evidence

Hon. P. J. BRADY (Rockhampton—Minister for Police and Minister for Corrective Services) (3.19 p.m.), by leave: The member for Broadwater, Mr Grice, and the truth have frequently been strangers. His comments today just confirm that. Under the Goss Government there has never been and there will never be any ministerial or political interference in any Queensland police and/or Criminal Justice Commission investigations into criminal activity in this State. This includes the matters referred to today by Mr Grice.

In doing the dirty work of the Federal Liberals and Nationals, Mr Grice brings himself into even greater disrepute. He is just muckraking—plain and simple. If the member has any information or material that indicates wrongdoing, he should present that material to the Queensland police, the CJC or whatever other agency he feels is appropriate. The challenge to do so is with him.

The statement I gave to the Parliament on Thursday, 1 September refutes all the allegations made by Mr Grice. I repeat that the allegation of statements being sanitised or missing in these matters has been fully investigated by the Criminal Justice Commission. The CJC, after reviewing all of the evidence—including statements and tapes—has found no evidence of sanitisation or of missing statements.

The CJC investigation makes it absolutely clear that no evidence acutely embarrassing to the Labor Party or anybody else has been suppressed by me or anybody else. As I advised in the House, the two witnesses who previously sought access to all of their tapes and material are invited to renew their application to the Queensland Police Service. There is no

substance in the imputation that police officers have been transferred for improper reasons in that matter.

All of these matters, in a full rebuttal to Mr Grice's allegations, are set out in a letter of 31 August 1994 from the Criminal Justice Commission to Police Commissioner Jim O'Sullivan. I am now authorised by the Criminal Justice Commission to table a copy of that letter, with the appropriate names and details deleted because of further investigations and court actions still pending.

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! I suggest that the Minister seek leave to table the document.

Mr BRADY: I seek leave to table that document.

Leave granted.

Mr BRADY: The member for Broadwater's grubby exercise has been exposed for what it is—yet another attempt to attract personal publicity at the expense of the truth and the administration of justice within our society.

QUEENSLAND INVESTMENT CORPORATION AMENDMENT BILL

Second Reading

Debate resumed.

Mr SLACK (Burnett) (3.22 p.m.): I have just listened to the member for Waterford. Of course, I must take issue with a couple of points that he made but, before doing so, I place on record that Opposition members have full confidence in the Queensland Investment Corporation. We have not at any stage said that we have not. We recognise that the Queensland Investment Corporation has invested wisely, that on average it has outperformed the private sector and, as has been correctly stated by more than one of the speakers in this debate, it has outperformed the private sector by 1 per cent—last year, 8.1 per cent by the private sector and 9 per cent by the Queensland Investment Corporation. Therefore, Opposition members have every confidence in the corporation and the job that it has done. In saying that, I pass on my compliments to the board, the people who manage the investment corporation and to the people who staff it. It has been a splendid performance, and that never has been an argument in this House.

The Queensland Investment Corporation is one of the factors that has given Queensland a high reputation for the management of its financial affairs. Throughout the recession, and during periods of economic mismanagement by

other States, it was always recognised that Queensland-based institutions performed well, that they are managed well and that investors could have confidence in them. That was the case long before this Government came to office. It inherited that situation, and there is no question that the Queensland Investment Corporation has continued in that vein.

The Opposition is questioning—not so much in this Bill—the motive behind the concept of corporatisation and why the Government wants to corporatise entities. No doubt, the Government trots out arguments about increased efficiencies and services but, when we talk about Government owned corporations, it is hypocritical of the Government to say that it is not looking to make extra revenue out of it. That is a fact of life. The Opposition is also questioning the level of returns and efficiencies we will receive from that corporatisation process, and that is what it is all about. It is incorrect for Government members to say that the Opposition condemns or casts any slurs on Queensland's corporate bodies, particularly the Queensland Investment Corporation.

The member for Waterford referred to the judicial review and the Queensland Investment Corporation being exempt from FOI. However, the member did not say that the shadow Treasurer was attempting to make the point that that is the difference between what happens in the private sector and what happens in the public sector. Of course, the Opposition recognises the necessity to exempt this organisation from its requirements under FOI if we are going to have true commercial activity, if we are going to be able to keep commercial dealings private and have an edge on the market within the system. The Opposition also recognises the exemption from judicial review, but the shadow Treasurer was making the point, in respect to privatisation, that the Government should consider privatisation because that method does not need those exemptions because privatised organisations are not subject to judicial review and freedom of information. That is the point that she was making, and she was misrepresented by the member for Waterford.

The Treasurer engages in hypocrisy when he says that this Bill has nothing to do with gathering extra revenue. Of course it is about gathering extra revenue. Why does the Treasurer want efficiencies? Why was there to be a 0.25 performance tax on local authorities? Under the last Budget, expenditure increased by 9.2 per cent. Of course the Government is looking at ways in which to fund that level of expenditure, and it is looking at ways in which it is going to fund increased expenditure in the future. It is absolutely hypocritical for the

Treasurer to say that this legislation has nothing to do with extra revenue.

Will people receive extra services from GOCs? That is a debatable question. How more efficient can the Queensland Investment Corporation be when it is already outperforming the private sector? The logic defeats the Government's own argument. The Treasurer says that people are going to make more money out of it. The Government is the one that is going to make more money out of it.

The Treasurer says quite blatantly that there will be no increases in taxes. However, he does not say that there will not be increases in charges, and that is what this Bill is all about. Once the Government starts putting performance levies on corporate bodies, Government owned enterprises or whatever, there are going to be increases in charges because those entities will pass on their increased costs. It is a de facto tax. The same applies to other Bills that we will debate later. The Government, out of this corporatisation plan, will receive much revenue which, at the end of the day, could be more than it receives through stamp duty, payroll tax and land tax. It has massive potential to create extra money for the State coffers. I am glad to see that the Treasurer agrees.

Mr De Lacy: Out of efficiency, not out of taxes.

Mr SLACK: Why does the Treasurer rise in this place and throw in red herrings about increased efficiency, no increases in taxes and that corporatisation will not mean more cost to the consumers. Somehow, there is going to be some marvellous new efficiency that will not cost people any more. In fact, they will be better off. People will not be better off. The Treasurer may say that people will receive more Government services. In fact, they will receive more red tape. For example, shortly a Bill relating to environment and heritage will be introduced into Parliament that will charge each small business about \$240 to facilitate that legislation. If that is not a charge or a de facto tax in lieu of a service that was supposedly provided by the Government in the past, I do not know what it is. That is what happens in this whole exercise.

Because an entity is corporatised does not necessarily mean that it is not going to have failures. The Treasurer should not misunderstand what I am saying. I am not suggesting for a minute that the Queensland Investment Corporation will have failures. However, just because it is corporatised does not mean that it has not the potential for failure. Of course it has. It does not matter what the Government does to protect it, it still has the

potential for failure. That is why the member for Moggill and the shadow Treasurer spoke about better publicity in respect of what the corporation is doing, and better reporting to the people on what the actions of that particular corporatised body will be.

We need better reporting. If FOI and judicial review are to be removed—and I understand and agree with that; I do not dispute it—in lieu of that we need a system of better formal reporting, as the member for Moggill correctly said. If things go wrong, as they did in South Australia and Victoria, the Government is not likely to tell this Parliament that things are going wrong. That did not happen in those places. We should learn by that experience. It is a great teacher. That is what the Treasurer has to provide in this Bill. He still has some control and some ability to do what I am talking about. If things do go wrong, it does not necessarily follow that that will be reported to the people of Queensland and this Parliament before it is too late. The capacity for that to happen is still within this legislation before the House. We do not want to see in Queensland the things that happened in South Australia and Victoria in respect of Government owned enterprises. But we must guard against the potential for that to happen. The Government's assurances are not enough to guarantee that this will not happen.

However, we are supporting the Bill before the House. We recognise that the Government passed legislation earlier in respect of Government owned enterprises. We respect that. The shadow Treasurer has correctly raised some points in respect of privatisation, and that will apply more to the other Bills—for example, the QIDC Bill—than the Bill currently before the House. But, by the same token, it is a valid and principal point. It is incorrect for the member for Waterford to say that the Opposition is not supporting the Bill, and that our members have made disparaging allegations and so on about the performance of people involved in this investment corporation. That is completely wrong. We do have our reservations, which we are now stating.

Mr DAVIES (Mundingburra) (3.33 p.m.): Basically, this Bill is a mechanical Bill. It is related to the corporatisation of the GOC Act, with which it is consistent. In essence, in order to effectively implement the QIC's corporatisation charter, certain amendments to the QIC Act are necessary. These changes are mainly necessary to enable the accountability structure and reporting regime to mirror that required under the GOC Act. Changes are also required to provide for QIC's exclusion from the operation of certain administrative laws and public sector policies

which impose upon the corporation's commerciality and threaten aspects of its competitive neutrality.

In terms of the powers of the corporation, the QIC Act currently lists a broad range of specific powers which the corporation may exercise in the course of its business. The GOC Act, on the other hand, gives GOCs all of the powers of a natural person and lists a limited range of examples of those powers, although not necessary.

Previously, some comments were made about FOI and judicial review, about which I would like say to a few words. Under this Act, it is proposed to exempt the QIC from the FOI Act and the Judicial Review Act 1991 in all but matters relating to community service obligations, regulatory powers and certain statutory matters. As the QIC has none of these responsibilities, it will be effectively exempted from FOI and judicial review.

The Opposition seems to be making much of that. I do not know whether it would argue that organisations such as the Commonwealth Bank should also be subject to FOI and judicial review. If it does, while we have no jurisdiction over an organisation like the Commonwealth Bank, nevertheless it does involve a certain amount of public ownership—in fact, a large amount of public ownership. I think that just shows how stupid that argument is. It does not wash. I totally agree with the comments made by the member for Waterford. By implication, it follows that I totally disagree with the comments made by Opposition members.

I find it difficult to believe that the supposed private enterprise parties on the other side of House should try to argue that FOI and judicial review should apply to a corporatised body such as the Queensland Investment Corporation. That is a pretty ridiculous argument and it shows just how desperate it has become to get an issue. On the other hand, the Opposition is saying that it will support the Bill.

Mr Deputy Speaker, you have a choice: you either corporatise or you privatise. Obviously, in Queensland we have gone down the corporatisation line. As the Treasurer said in his speech in relation to Appropriation Bill (No. 2) earlier today, one of the reasons that we have done that is that we are retaining those public assets in the hands of the public. That does not mean to say that, because we retain them in the hands of the public, we do not want them to be efficient. Of course we do. The reason we want them to be efficient is so that we can get a good return for the beneficiaries of those organisations. If we manage those corporations in the right way, that will assist us in the Budget to

provide a lot of the services that Governments like to provide. So there is no magic in it; it is just plain, good commercial policy.

There is a litany of examples throughout Australia's history of those types of organisations that have not been run efficiently. The parameters will be set out for the boards to follow. They will have to report to the shareholding Ministers, in terms of the objectives which they agree upon, in the annual statement of corporate intent. At the end of the day, I really cannot see how the Opposition can oppose those types of good principles.

We have heard a number of comments from various members opposite. Some of the comments have been fairly sound, as opposed to some of the comments that we heard from the Deputy Leader of the Coalition, Mrs Sheldon, who just parrots the speeches written for her and does not understand what she is reading. When someone interjects on her speeches, it becomes increasingly apparent that she does not know about what she is talking; she is just reading the text.

I do not think that the member for Nerang has changed all that much since his maiden speech, which I dug out. It is dated 6 March 1990, and states—

"Coming to Parliament, I was looking for some direction. I read a quote from a notable political wit, Terry M. Townsend, which states—

'One of the principal qualifications for a political job is that the applicant knows nothing much about what he is expected to do.' "

And then he went on to say—

"If that is the case, then I am eminently qualified."

He stated further in his maiden speech—

"The people who make up my electorate are very optimistic"——

Mrs Woodgate: They would need to be.

Mr DAVIES: For the benefit of the member for Kurwongbah, the member continued—

"otherwise I would not be here."

In light of the Treasurer's statement today in relation to Appropriation Bill (No. 2), I went back to my maiden speech, because I could remember a couple of comments that I made in that speech about when I was making up my mind whether to stand for Parliament. That speech stated—

"Because the private sector is the principal employment-creator and because I

have a background in accounting, commerce and local government, I needed assurances on economic management.

...

Research on Labor's policies convinced me that it was not only the most responsible and caring party but also that it had the best policies for sensible economic development."

I then went on about some other matters. In light of the Treasurer's statement to this House today which lists the benefits for Queensland which have come out of four and a half years of sound economic management, I do not think there is any doubt in the minds of people on this side of the House and in the minds of the public of Queensland that the best party in terms of economic management and caring for Queenslanders is the Queensland branch of the Australian Labor Party represented in this Chamber by the Goss Government.

There has been a fair bit of comment on this Bill today. I had made some notes that I was going to use to have a bit of a crack at Mrs Sheldon about, but I think it is probably time to wind up the debate and let the Treasurer summarise.

Hon K. E. De LACY (Cairns—Treasurer) (3.40 p.m.), in reply: I thank honourable members for their contributions and their support for this legislation. The contributions by members of my committee and members of the Government were constructive, particularly the contribution by the member for Waterford. As honourable members would be aware, in a previous life the member was a director of the Queensland Investment Corporation and also a director of Q Super. He brings from that world a great knowledge and understanding of the Bill before the House and the concepts underlying it. I intended to say plenty about the contribution by the Deputy Leader of the Coalition, but I do not believe that much is left undemolished after Mr Barton's speech this afternoon. However, I believe there are a couple of issues that I should raise.

I wish to comment on the implication by members of the Opposition in general but particularly by the Leader of the Liberal Party that somehow the role of shareholders in a Government owned corporation is incestuous; that shareholders should not have a role to play. The fact is that shareholders own the corporation. We would not be responsible shareholders if we did not have in place a mechanism and a piece of legislation that ensured that the corporation, which we effectively own—and in this case it is myself and

the other shareholding Minister—in trust for the taxpayers of Queensland, was performing in line with its objectives. I make absolutely no apologies for having in place a monitoring mechanism and reserve powers to ensure that our intentions are delivered by both the board and the management of that particular corporation.

The nonsense comments about trying to shift expenditure or debt off budget ought to be seen for what they are—just ill-informed comments with no substance at all. I noted that the member for Burnett sprang to the defence of the Leader of the Liberal Party—one would wonder why, but he did—in response to the comments by the member for Waterford. The member for Burnett said that members of the Opposition in fact supported the Government's position on FOI and JR and that the Leader of the Liberal Party was not opposing that. Obviously, the member for Burnett did not listen properly to the comments by the Leader of the Liberal Party in that regard. I sat here and heard her say that we needed to have JR and FOI so that we would not have the fiascos represented by the State Bank of South Australia and Tricontinental.

Mrs SHELDON: I believe that the Treasurer is misrepresenting what I said.

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! The member will resume her seat.

Mrs Sheldon: Well, he is.

Mr DEPUTY SPEAKER: Order! What is the Deputy Leader of the Coalition's point of order, or is there a point of order?

Mrs SHELDON: There is a point of order, because I feel that that is a misrepresentation of my position by the Treasurer.

Mr DEPUTY SPEAKER: Order! There is no point of order. That is a cheap debating point. I warn the Deputy Leader of the Coalition under Standing Order 123A.

Mrs SHELDON: With due respect, I was not trying to make a cheap point. I felt that the Treasurer's comment was untrue and that I was being misrepresented.

Mr DEPUTY SPEAKER: Order! I am on my feet. Under Standing Order 126, the member will resume her seat. I have made my ruling. I call the Treasurer.

Mr De LACY: Mr Deputy Speaker, thank you for your decisive action.

I say to the Leader of the Liberal Party that what she said is on record and what I am saying is on record, and people can make their own judgment. I can assure the member of this: JR

and FOI are not the types of mechanisms that will prevent financial fiascos. As the member for Waterford said, the fact is that it is not appropriate to have the commercial operations of Government owned corporations that are out there competing with the private sector subject to FOI and JR. However, those duties that they perform which are not part of their commercial operations such as the delivery of community service obligations or the carrying out of a regulatory function on behalf of the Government—and that is not the case with QIC, but it is with some others—are subject to FOI and/or JR.

Some comments were made about the role of the Public Accounts Committee, and it was alleged that we need to make these particular entities more accountable to Parliament. I do not know how we can make them more accountable to Parliament. The fact is that there are two types of GOCs—company GOCs and statutory GOCs. The Leader of the Liberal Party spoke at length about company GOCs, even though we do not have any in Queensland at this stage and we are not corporatising the Queensland Investment Corporation as a company GOC. Therefore, most of the comments that were made in that regard are absolutely irrelevant. But just for the record—

Mrs Sheldon: That is another misrepresentation. You are telling me you are not corporatising the QIC.

Mr De LACY: As a company GOC, yes.

Mrs Sheldon: I said, "You are corporatising the QIC."

Mr De LACY: Good. I would hope so; that is what this legislation is about.

Just to set the record straight—a statutory GOC, as is the Queensland Investment Corporation, is subject to the Public Finance Standards under the Financial Administration and Audit Act and, as such, is required to table its annual report in Parliament each year. The Public Accounts Committee is capable of reviewing that annual report, and I would imagine that it has an obligation to review that annual report and to question that annual report. The Queensland Investment Corporation is subject to purview by the Public Accounts Committee. It is true that a company GOC is not quite subject to the same scrutiny by Parliament, simply because it is not subject to the Financial Administration and Audit Act, but it is subject to corporations law and the Australian Securities Commission.

The member for Moggill also joined in by saying that somehow Government corporations are not being properly monitored. For goodness' sake, I just do not know how we can put in place

any more checks and balances than we have in place under both the umbrella GOC legislation and this piece of legislation. However, I can assure members that there are enough checks and balances in place to ensure that we will not have the financial fiascos that occurred in other States. How the Deputy Leader of the Coalition can prove her argument by saying, "Look what happened in South Australia; look what happened in Victoria"——

Mrs Sheldon: They have the same model.

Mr De LACY: It is not the same model. What a demonstration of the member's lack of understanding and her total ignorance of our legislation to sit there and say that this is the same model as applied in South Australia and/or Victoria!

Mrs Sheldon: When you brought in that GOC Bill, you said that.

Mr De LACY: Who said that? The Deputy Leader of the Coalition said it. She says these things, and then afterwards she believes them! It is not the same model. I do not know how the member could confuse the type of regulatory regime that controlled the State Bank of South Australia with what we are doing here. However, I can assure the member and I can assure the people of Queensland that it is dramatically different, and that is why we will not have those types of fiascos in this State. I will make sure of that. Whether they are company or statutory GOCs, they are subject to audit by the Auditor-General, on top of the whole range of reporting and monitoring mechanisms that are in place in the legislation.

The member for Moggill spoke about the statement of corporate intent. The fact is that the statement of corporate intent has to be included in the annual report and tabled in Parliament, and therefore it is subject to review. It is fully accountable to the Parliament. The only thing——

Dr Watson: It is ex post, though.

Mr De LACY: Ex post, if you like, but even the performance indicators about which the member spoke are in the statement of corporate intent, and one can measure the performance against the performance indicators. The only parts of a statement of corporate intent which would not be included in the annual report are those components that may be considered to be commercially sensitive, and I think even the member would agree that there are some things that perhaps are not appropriate to table publicly.

I would like to make mention of a couple more of the comments made by the Leader of the Liberal Party. As to five shareholding

Ministers—the only reason there is provision in the legislation for five shareholding Ministers, in respect of only a company GOC, I might say, is that under the corporations law there needs to be five shareholders to make up a corporation or a company. There is no other reason and there are no ulterior motives.

The member also made the challenge about accrual accounting. All of these corporations that we are talking about operate on the basis of accrual accounting so, to the extent that we are talking about Government owned corporations, I do not understand what the honourable member was saying. In respect of Government departments or the public sector proper, if the honourable member took the time to read some of the material that I release from time to time she would have seen that our financial management strategy did spell out our program for fully implementing accrual accounting in the public sector, and I can recommend that to her as Shadow Treasurer.

Mrs Sheldon: Is there a precis there, too?

Mr De LACY: There is even a precis in here. Not only that, there are pictures in it as well. I can tell the honourable member that the whole of the public sector will be on full accrual accounting by the 1996-97 budget year and that some departments will go on a trial basis prior to that in accordance with Australian accounting standard 29, which we have implemented and which we are required to implement by agreement.

The member for Moggill had some reservations about the power of direction from shareholding Ministers. As I said, there need to be reserve powers, but I believe that the honourable member should at least have drawn attention to the fact that, under this piece of legislation, we have taken from the existing QIC legislation the very severe restrictions on the power of shareholding Ministers to make directions in respect of investments. In respect of the other powers to direct the board—as he would know, the GOC legislation has some very severe constraints on that power to direct. As the member for Waterford said, they are there and he would expect that those reserve powers to direct would never be used; and I would expect that that would be the case.

Dr Watson: I acknowledge that. I said that the problem is that the criteria such as public interest were never specified anywhere and therefore gave a very broad approach. That was the point I was making.

Mr De LACY: I do not think we can put in legislation all of the circumstances in which this could occur.

I would like to thank the members for Greenslopes, Woodridge and Mundingburra, and I have already made reference to the member for Waterford, for their support on this legislation and for their constructive contribution.

As to the contribution by the member for Nerang—I could only reiterate what the member for Waterford said in response to that. To use this legislation to debate an issue that is not related to the QIC—in other words, an issue related to the Government Superannuation Office—and to make unsubstantiated allegations and slurs not only against myself—I can use Parliament to defend myself—but also against the Director of the Government Superannuation Office is beneath contempt and I will treat his comments with the contempt that I believe they deserve. However, I think that I ought to say to everybody in this House that the kind of behaviour that the member alleged occurred by an employee of the Government Superannuation Office is not acceptable. I very much doubt that it did occur but, if it did occur, it certainly did not have the sanction of myself or the director. It is not our policy. When people ring in seeking investment advice, all we do is to explain what Q Super is all about. We have a general policy of not giving investment advice. That is our policy, and I will ensure that our policy will remain that way.

Motion agreed to.

Committee

Hon. K. E. De Lacy (Cairns—Treasurer) in charge of the Bill.

Clauses 1 to 7, as read, agreed to.

Clause 8—

Mrs SHELDON (3.58 p.m.): My concern—and I did raise this in the second-reading debate—was proposed section 4.15 (7), which states—

"The shareholding Ministers may, by each signing consent to a proposed resolution, deal with a matter if the board cannot deal with it because of subsection (6)."

Subsection 6 deals with the quorum. I do have a concern that Ministers therefore have the right to sign any resolution regardless of the fact that no directors are present. Could this not allow interference by a Minister if he or she so chose?

Mr De LACY: I am advised that a director is prevented from voting on a resolution of the board to determine if his or her interest in a matter before the board is material. If a quorum of two directors cannot be convened because of the interest, the shareholding Ministers are able

to decide if the interests of the directors should disqualify them from voting.

Clause 8, as read, agreed to.

Clauses 9 and 10, as read, agreed to.

Clause 11—

Mrs SHELDON (4 p.m.): I just have a concern that this is not really consistent with clause 8 and proposed section 4.15 (7).

Mr De Lacy: Did you ask a question?

Mrs SHELDON: Yes, I did. I said, "Is it consistent?"

Mr De Lacy: Yes, it is.

Clause 11, as read, agreed to.

Clause 12—

Mrs SHELDON (4.01 p.m.): This appears to be a catch-all of what will not be allowed to have freedom of information queries on it. I am concerned about proposed section 7.2A (2), which states—

"A regulation may declare the activities of the Corporation that are taken to be, or are taken not to be, activities conducted on a commercial basis."

I am concerned that, just by regulation, things can be excluded from being queried under FOI or, indeed, judicial review.

Mr De LACY: In respect of this whole area of freedom of information and judicial review—the honourable member is right; it is put there to clarify some issues that could lead to misunderstanding. It clears up one area in particular. It is conceivable that a document could be exempt in itself, that is, it could be exempt in the hands of the exempt organisation, such as the QIC, but once it was given to a non-exempt organisation, such as Treasury, it would then be discoverable. I think anybody would agree that that would defeat the purposes of the exemption.

In respect of the honourable member's specific question about when something can be exempted by regulation—that is true; but again, that is put there in case there is any doubt from time to time about whether or not something is commercial or otherwise. It is possible that, from time to time, there could be grey areas. Ultimately, we, the shareholding Ministers on behalf of the Government, have the right to issue a regulation to put some area beyond doubt.

Clause 12, as read, agreed to.

Clauses 13 to 24, as read, agreed to.

Schedule 1, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mr De Lacy, by leave, read a third time.

QUEENSLAND INDUSTRY DEVELOPMENT CORPORATION BILL RURAL ADJUSTMENT AUTHORITY BILL

Second Reading (Cognate Debate)

Debate resumed from 30 August (see pp. 9013 and 9014).

Mrs SHELDON (Caloundra—Leader of the Liberal Party) (4.05 p.m.): Despite some confusion from the Treasurer's offices about just what Bills would be debated together today, I am willing to debate the QIDC and the Rural Adjustment Authority Bills, even though on today's Daily Program—

Mr Ardill: That's very nice of you.

Mrs SHELDON: When we have such a lack of resources and such a lack of time to prepare, believe you me, that sort of confusion emanating from the Treasurer's office, or from the Treasurer himself—perhaps I should not blame his officers—does mean extra work for my beleaguered staff and me. It is just not good enough. If the Government cannot organise itself with all the people it has, how on God's earth are we supposed to? The fact of the matter is that it is not good enough. We will do our best, and that will be it.

The corporatisation of the QIDC highlights the direction in which the State Labor Government is heading. It takes only a couple of minutes to realise that the intention of the QIDC corporatisation is, as with the QIC, to create a vehicle from which more money grabs can be made by this State Government, because the corporatisation of the QIDC raises some interesting questions about this Government's policy direction, or lack of policy direction.

The original QIDC Act 1985 set out very clearly the objectives of the QIDC. The original Act stated—

"The objectives of the Corporation shall be to facilitate, encourage and promote the development and expansion of economic activity in Queensland, with a view to enhancing economic growth and employment opportunities in the State and for the public benefit."

Anyone who read that list of objectives would immediately be struck by the community service obligations inherent in the objectives. Community service was the cornerstone of the original QIDC charter. It was a carry-on from the former Agricultural Bank, which was instituted to

help the rural community—really help the rural community, not just mouth platitudes and blame the Feds, as this Government is fond of doing.

So when turning to the Bill that we are discussing here today, it was with interest that I noted the new set of objectives, which state—

"QIDC's objective is to operate as a financier to Queensland's primary, secondary and tertiary industries in order to achieve a commercial return on its business undertakings."

Well, there we have it. The new objectives have absolutely no basis in community service—none at all. The objective of the new QIDC will be to make money through finance packages to industry—to make money, just like its private sector counterparts. I believe the Treasurer should listen to this. When breaking down the objectives of the original QIDC Act 1985, we see that the organisation was established to facilitate, encourage and promote economic activity in Queensland. The QIDC was there not just to provide support for Queensland's vital rural industries but also to promote Queensland industry when the private sector could not or would not. Its role was to provide start-up finance for industries in their infancy to help establish a genuine manufacturing base in Queensland. Its role was to help encourage new industry within Queensland by offering finance and expertise at a rate better than that offered by the private sector. Its role was to enhance economic growth and employment opportunities in the State. The QIDC's primary purpose was, therefore, to help encourage economic growth, whether through the rural sector or through manufacturing and other industry, in an effort to create long-term and sustainable jobs.

In fact, looking at the list of functions under the objectives in the original legislation, we see the real strength of the QIDC for Queensland in the past. The functions included: to provide or assist in the provision of financial resources or other services to business undertakings; to administer such schemes of structural adjustment, debt reconstruction or other financial support for any business undertaking or class of business undertaking as may be approved from time to time by the Governor in Council; to make recommendations in relation to the granting of guarantees to business undertakings on behalf of the Government of Queensland; to engage or participate in the establishment or expansion of economic activity, either alone or with any other business undertaking; to bring together or coordinate financial resources for private investment and to increase the availability of capital and export finance to business undertakings; and to

promote ownership of business undertakings by persons resident or incorporated in Queensland.

All these functions were directed towards helping the Queensland economy as a whole. None of these functions appears in the new Bill. All these objectives have been thrown out the window by the State Labor Government with its corporatisation plan. Now, as is baldly stated in the Bill before us, the QIDC's one real objective is to make money. The question has to be asked: why corporatise the QIDC at all? If this Government is determined to abolish the QIDC's role of community benefit, why not just sell off the QIDC and be done with it? I wonder why the Treasurer is not doing that. Perhaps he can enlighten us. After all, it will now be a full commercial player in the private sector, will it not? It will be competing directly with similar private finance organisations, and no longer placing any real emphasis on its community service obligations to encourage and promote economic growth across the State as a whole.

While there is no doubt, for example, that the Queensland Investment Corporation should—

Mr T. B. Sullivan: Can't read your own writing?

Mrs SHELDON: As I told honourable members, I had to try to rewrite this speech thanks to the bungling by the Treasurer.

The QIC will now be little more than a Government owned finance institution in the same way as Suncorp, or the State Bank of South Australia. In light of this, the removal of Government schemes and the creation of the Rural Adjustment Authority become necessary, therefore completing the QIDC's changeover to a true financing organisation.

The concerns raised by this Bill, however, go much further. The QIDC has made great play in recent years of opening offices in most of the major regional areas of the State. I understand the Treasurer even comes out of his office to attend these openings, and to push how hard the Government is allegedly trying to help regional Queensland through the QIDC. When honourable members read the Bill they will see that Clause 11 raises some serious questions about the future dedication to rural and regional Queensland by the QIDC under this Bill. That clause, and I quote from the Bill's Explanatory Note—

"Reinforces the power of QIDC to establish and terminate branches and agencies both in and outside Australia."

That sounds great. It sounds, on a quick reading, like the QIDC will now be able to open branches across Australia and the world to become a major

player in the finance field. However, one must also read the word "terminate" in that clause. "Terminate" means: to close down, extinguish, kill off. That means that this Bill leaves the options open to QIDC, like some of the major banks already have done, to shut down branch offices in rural and regional Queensland where it is not receiving enough commercial return.

I add that when banks close down their regional offices—and the same thing will happen with the QIDC—it tends to be the death knell of the small country town, because people go to town to do their banking or to access the QIDC. If those functions are not available the people will go to the next biggest town where they are. Thus those small communities die. These small-business communities in the country must have a focal point for the local people who live on properties and who come to town to shop, otherwise the other businesses will close down. I can name one town where I know this has happened, that is, Wandoan. The bank of the day—I think it was Westpac—closed down its offices and the whole town is withering because people are no longer accessing it in the way that they did. The Treasurer should consider carefully the closure of QIDC offices, particularly as this Labor Government has now found that there are people west of the Great Divide and it is saying warm, fuzzy words about them and taking advantage of picture opportunities. If the Government is interested in the real benefits to the people of the rural communities, both the townspeople and those on the adjoining properties, it needs to look seriously at the viability of those towns. Branch offices which the State Labor Government has used as political pawns to show its dedication to areas outside of the south-east corner of Queensland will now, in many cases, probably be quietly closed as the QIDC looks to maintaining its most profitable areas while scaling down those which are not profitable.

Yet, while pursuing the QIDC into its role as a full player in the private sector, the Government, in its drive to ensure healthy profits, is not willing to let it out into the private sector without a few advantages. That is right, not only has the QIDC's community service obligation been removed, but the Government has also disadvantaged its private sector competitors. I speak, of course, of clause 15 of the Bill before the House today. It is entitled "State guarantees QIDC's future liabilities".

Mr De Lacy: You are not supposed to refer to the clauses during the second-reading debate.

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! The Chair will make those kinds of rulings.

Mrs SHELDON: Thank you Mr Deputy Speaker. What a learned response from you, in great contrast to that from the Treasurer.

It is only two paragraphs, but they are paragraphs with meaning. The clause states—

"(1) This section applies if QIDC becomes liable to pay an amount because of something done or not done by it after the commencement of this Act.

(2) Payment of the amount is guaranteed by the State."

Other private sector organisations that will now be competing toe-to-toe with the QIDC in the marketplace will not have the advantage of a Government guarantee. So, once again, without privatising the QIDC and so putting it out on even terms with the private sector, the State Government has obtained the best of both worlds for itself, which is a corporatised QIDC paying big dividends and tax equivalents to the State Government and backed with Government guarantees, while selling out QIDC's private sector competitors and the industry and rural producers who previously relied on its community service obligations.

However, while providing the QIDC with these guarantees, the Treasurer has once again not forgotten to line his own department's coffers. Clause 18 of the Bill states that the State Government will charge a fee to the QIDC for providing the Government guarantee, and that the "amount of the fee and the timing and method of payment are to be decided by the Treasurer". This fee, if it is to be imposed on the QIDC, should be determined commercially and not set arbitrarily by the Treasurer, when and where he likes, and at whatever level he feels comfortable with. This just opens another door for the Treasurer to milk the QIDC when he feels like it, and at a level with which he feels comfortable. This creates a similar situation to that which occurred in Victoria and South Australia where the respective Labor Governments used finance institutions like the QIDC to suck funds out to prop up Budget shortfalls. The Treasurer has left the door open with this clause to do the same with the QIDC, and that should be a frightening prospect for all Queenslanders.

For, while the Treasurer wants the QIDC to get in as much money for the Government as it can, he also has to keep his union mates happy. Here is where the contradictions start appearing. As I mentioned in the debate on the QIC corporatisation legislation, the union influence on the labour force of the QIDC is over-stated and detrimental to the operation of the QIDC. Labour force flexibility is essential to the better operation of the QIDC. It would be difficult to

corporatise the entity without allowing the board to have the same labour force flexibility as its competitors in the private sector. I am sure the Treasurer, given his own way, would rather not have to kowtow to the union heavies and hamstring his corporatisation process, but, that is what is happening.

While on the one hand the Treasurer is going out of his way to make the QIDC more than just competitive with private sector financiers, on the other hand he is bowing to the unions by preventing the QIDC from making its own arrangement with staff. By ensuring that a union representative is on the board, the Treasurer has also made life hell for the QIDC in trying to match it with the big financiers in the private sector when it comes to providing a flexible labour force.

I will also return to another major issue from the QIC corporatisation Bill, and that is the castrating of FOI provisions when it comes to the QIDC. Under the Bill we are debating now, clause 35 exempts the QIDC from the operations of the Freedom of Information Act. Just in case we missed it that time, clause 35 (3) provides that the QIDC does not have to submit to FOI requests on any document which falls under its commercial or community service obligations and, just in case some FOI requests manage to slip through this net, a regulation is to be made to declare that any activity or document produced by the QIDC can be brought under the commercial activity banner, and so be exempt from FOI demands.

As I said with the QIC, I am aware of the problems that can arise on a commercial footing when things can be looked at under FOI and judicial review in private enterprise. Of course, those private enterprise entities are not liable to FOI request or judicial review, but this is still a public entity—it is still owned by the Government and we are still looking at public funds. I have concerns that so much restriction can be put on the public about genuine requests it may have for information. For the QIDC to be able to prevent FOI requests on its commercial interests may be one thing, but to extend that ban to the corporation's so-called community service obligations, as minimal as they will be under this Act, does seem highly unnecessary.

The Treasurer, through this Bill and the associated GOC Act, has severely limited public scrutiny of the QIDC. However, in his reply to the debate on the QIC Bill, he seemed to say that there was no limitation. I think that there are concerns both from the Opposition and the community regarding that matter. I do not think that that can be to the long-term benefit of the Queensland taxpayer. I know when it comes to

monitoring these GOCs, the Treasurer would like to say, "Trust me", but as I said before, I am not adequately convinced by the Treasurer's words until he spells out in detail the difference between the corporatisation process in this State and that in southern States. I am not convinced that, if similar circumstances arose, the problems that have occurred elsewhere in Australia could not occur here. Public scrutiny is necessary and welcome.

Mr De Lacy: I will tell you a very important point of this Bill: the QIDC is to be supervised by the Reserve Bank. That was not the case with the State Bank of Victoria or South Australia. That is a very fundamental point.

Mrs SHELDON: I am very pleased to hear that that is part of the function of scrutiny. As we wait to see the reporting mechanisms and mechanisms for checks on these corporate entities put in place, I hope that, at that stage, the Treasurer and we in the Opposition are satisfied. We will be keeping a check on it. I hope what the Treasurer says is correct and that nothing awry does occur.

Clause 36 prevents the QIDC from calling itself a bank and prevents it from providing retail banking facilities or finance for owner-occupied homes. As the Treasurer said, the QIDC is also under the control of the Reserve Bank, which will ensure that the corporation meets all the Reserve Bank's prudential and supervisory requirements. Regardless of what has been said, I believe that it is essential that strict controls be placed on the QIDC when it comes to prudential matters. Obviously, supervision of the QIDC by the Reserve Bank in line with its supervision of banks throughout the country is the best way to ensure that the QIDC does not repeat some of the errors of similar organisations in South Australia and Victoria.

Finally, I wish to draw the attention of the House to the national competition policy report, better known as the Hilmer report, which was released last year. In chapter 13, the report details competitive neutrality and the advantages held by many Government businesses such as the QIDC when competing with private firms. The Hilmer report argues that all Australian Governments should agree to adopt a set of principles aimed at ensuring that Government owned businesses comply with certain competitive neutrality requirements when competing with private firms. The principles distinguish between markets in which Government businesses have traditionally operated and new markets. Although the report highlights the advantages of commercialising some Government activity, it also details the problems of Government entities such as the

QIDC moving into new areas of competition with the private sector. The Hilmer report rightly calls for all Australian Governments to agree to a set of principles that would institute a national competition policy to deal with competitive neutrality and the incursion of Government owned enterprises into commercial areas. The report correctly points out that competitive neutrality is essential if the public is to gain true benefit from the commercialisation of Government entities such as the QIDC. That ensures that corporations such as the QIDC are not given an unfair advantage over private sector firms. If the Government can ensure that no unfair advantage is given, then the overall effect is a more competitive and more responsive industry.

Mr De Lacy: That's what this Bill is all about.

Mrs SHELDON: The Treasurer may possibly be able to detail to us in his reply how this fits in with the Hilmer report and with the national competition policy.

Mr De Lacy: Absolutely consistent with it.

Mrs SHELDON: I ask the Treasurer if he could point out those details, because it would appear that there are some concerns that these corporate entities under the Treasurer's corporatisation policy will not fit in with what Hilmer has said must be the basis for competition.

Mr De Lacy: Competitive neutrality is one of the fundamental objectives of corporatisation.

Mrs SHELDON: I ask the Treasurer if he can detail how, under his corporatisation policy, that would fit in with Hilmer. I would be very interested to hear that. The Queensland Government, through its corporatisation policy, must not be allowed to create GOCs which use the advantages of being Government owned to price below efficient private sector competitors. As I said, no doubt the private sector, along with the coalition, will be watching very carefully to ensure that this does not happen. The Treasurer might explain in his reply how he will ensure that Government owned corporations will not price below efficient private sector companies. If the Government does not want a private sector backlash against its corporatisation program, it is in its interests to ensure that the warnings of the Hilmer report are taken seriously.

I have spoken long and loud about the problems with the State Government's corporatisation policy when speaking to this Bill, the QIC Bill and the corporatisation Bill, which was debated more than a year ago. Those problems surround the central tenet of this Government's program which, at its direction, is

not primarily to provide better and more efficient services to the Queensland taxpayer but to provide more money through dividends and tax equivalents for this hungry Treasurer. I can see him smiling in agreement. I believe that this is the prime reason for this push for corporatisation. I know that the Treasurer can hardly wait to get his hands on the expected windfall over the next financial year so he can help pay for some juicy election promises. However, as a coalition, we will not be opposing this Bill today. As I said, I will wait with interest to hear the Treasurer's comments on Hilmer's concerns in his reply.

We are also debating the Rural Adjustment Authority Bill with the Bill relating to the corporatisation of the QIDC. I turn now to that Rural Adjustment Authority Bill 1994. Obviously, through the corporatisation of the QIDC, this legislation has become necessary. It is essential that this statutory authority provides the rural assistance that will no longer be provided by the QIDC. The rural sector in Queensland is suffering from the worst drought on record, and it is receiving very little help from Canberra and only limited help from the State Government. This vital sector and the communities that live and work within Queensland's rural and regional areas need pro-active Government support if they are to survive. The fact that they must survive is not an issue. However, whether this new statutory authority will provide enough assistance is still open to question. Although this Bill, which the coalition will support, does go a long way towards filling the void created by the corporatisation of the QIDC, there are various concerns that must be noted. Firstly, I would like to welcome the Treasurer's inclusion of, in particular, subclauses (2) and (3) under the heading "Objective of Act". Subclause (2) states that the authority's activities are to not only give assistance to rural producers who have long-term viability, but also to those who may need and desire to leave rural production. The resettlement of rural producers whose properties are no longer viable because of climatic or financial conditions is essential if Queensland is to claw its way out of the drought. Rural families must not be left with nothing when, in many cases, they have lost all through no fault of their own.

As I said, I also welcome subclause (3), which states that small businesses in rural communities are also to be considered for financial assistance. Small businesses in rural communities have also suffered severe financial hardships during the drought. Those businesses are essential for the future viability of country towns and must not be allowed to close down. It would be tragic to find that once the rural sector has recovered, many of the businesses in

rural towns that they relied upon have gone forever. I believe that this is a very worthwhile inclusion in the objectives of the Rural Adjustment Authority Bill. However, in order to determine long-term viability, I believe that some current parameters need to be changed. I ask the Treasurer to take note of what I am saying in this regard.

The asset base on which farmers and businesses in rural communities are judged for assistance needs to be changed. This is a classic case of asset-rich and income-poor people. The value of the infrastructure needed must be taken into consideration and the value of the infrastructure needed to run a viable rural entity must be taken into consideration. Otherwise, if the assistance given is based only on the current asset test, people in great need will not receive vital Government assistance such as unemployment benefits, Austudy and the vital welfare payments that will enable them to live. In this respect, children from rural and regional Queensland will suffer if they cannot receive adequate education. Therefore, the asset level at which the Government can help must be re-assessed. It must be raised and its method of calculation re-assessed.

Small businesses in rural towns affected by drought must similarly be taken into consideration. They cannot operate if the farmers have no money to spend. We must maintain our rural towns and communities, particularly in a large, decentralised State such as Queensland. History has proved that once people leave a country town, they rarely return. With the exodus we are seeing from the rural areas, we are running the risk of having everyone in Queensland and the rest of Australia living around the green coastal strip.

The importance of a viable rural industry to the State and nation cannot be overemphasised. It is incumbent on both State and Federal Labor Governments to realise this and to act accordingly. Warm, fuzzy words and manipulated picture opportunities are not sufficient.

I also raise some concerns about the Bill that I do hope the Treasurer will rectify. Under the Bill's specific limitations in borrowing and investing, the Minister—in this case the Treasurer—is given remarkable latitude. The Minister has the power to determine the amount of any borrowing and can determine the nature of any investment to be undertaken by the authority. The authority is permitted to invest an amount that it does not immediately need for up to three years, and this investment can be in any way as approved by the Treasurer. This is the same Treasurer who is only too willing to ride roughshod over the investment experts in order

to dump taxpayers' money in such failed enterprises as Compass Airlines.

Whilst the three-year investment outlook may be of benefit to the authority, it also raises the possibility of speculative losses, which could be incurred under the guidance of the Treasurer. In order to limit these losses, it is more appropriate that any surplus funds be invested for significantly shorter periods.

I also question the power which the Treasurer will have over where the authority puts its money. As I mentioned earlier, not only does the Treasurer have the ability to approve all borrowings by the authority; the Treasurer can also veto all investments by the authority. One wonders why the Treasurer has bothered to set it up at all and does not instead just run it from his ministerial office.

I question also the authority's accessibility to those who will most need it. Those in the rural communities who are in need of an approved financial assistance scheme developed and operated by the authority must be able to readily access information on the schemes available. However, the Bill states that a document explaining the scheme must be open to inspection at the authority's office.

Surely, the authority must ensure that all such schemes are widely circulated in the rural and regional communities where they are needed and not just stuck up on a notice board in a Brisbane office. The authority should utilise agencies in rural communities to get word and information on available rural assistance packages out into the communities that require them. The Treasurer may be able to achieve this if the rural officers of the QIDC are kept open and used to this effect. Possibly, the Treasurer might like to comment on that in his reply. For the authority to be of benefit to the rural communities and producers, it must operate efficiently in carrying out the objectives detailed in this Act.

This Bill leaves too much leeway in the effective control of the authority. The Bill states that the board's role is to ensure that the authority performs its function in an appropriate, effective and efficient way. It would appear that this is not quite good enough, because the Treasurer, Mr De Lacy, decides what is appropriate, effective and efficient. Where is the criterion in this Bill that sets out what is appropriate, effective and efficient? It really is not there.

This statutory authority should come under proper performance monitoring to provide an independent watchdog and to ensure that it is operating in the most efficient way to assist Queensland's rural communities and primary producers. This somewhat slapdash approach

under the Bill should be changed to provide proper monitoring of the authority.

Also, I have concerns about the provision in this Bill to end the appointment of a director of the authority for "any reason or none". Surely, the sacking of a director must be recorded and reasons given, if the public is to be safe in assuming that there is no undue influence by the Treasurer or the executive on the board. To be able to sack a director without giving any reason opens the State Government up to claims of possible corruption or undue political influence over the board.

Regardless of why a director is sacked by this Government, a reason should be given and accorded so that it can be proved that no undue political influence played a part in a decision. While mentioning the board and its directors, I was concerned to note that there was nothing in this Bill to ensure that the directors of this authority had some connection to the authority's objectives. The coalition believes that it is important for the board to at least include rural and business representatives, not just public servants and bureaucrats like some other statutory authority boards. The board must have some direct knowledge and connection with those it is trying to help.

I understand and welcome the fact that an entirely new bureaucracy will not be created to support the 50 staff who will be employed by the new statutory authority. I welcome the fact that the support staff will continue to be provided by the QIDC.

I wish also to question the future of the Young Farmer Establishment Scheme under this Bill. While I note that the scheme has been included, I note also that the section on these loans expires 10 years after its start-up date, which was in 1987. This means that the scheme has only three years of operation before it expires. I urge the Treasurer to include some roll-on provisions to ensure that young farmers will continue to be encouraged to become rural producers through incentive schemes such as this one. Possibly, the Treasurer could detail what he intends to do about that concern of mine.

In conclusion, again I would like to welcome the establishment of the Rural Adjustment Authority and put the Government on notice that the authority will be closely watched by the coalition to ensure that it lives up to expectation and provides genuine assistance to rural producers and rural communities. As I mentioned previously, the coalition will not oppose either of these two Bills.

Mr FENLON (Greenslopes) (4.36 p.m.): It is with some trepidation that I rise to speak in

support of this Bill, because I feel that we have failed on this side of the House. We made such an effort this morning. Many of the speakers on this side of the House, as well as the Treasurer, went to great pains in the debate earlier today on the QIC to explain to the member for Caloundra what the principles of corporatisation are about and how they affect our future plans for Government and enterprises in Queensland. The honourable member still has not learnt the lessons that were explained to her today.

Mrs Sheldon interjected.

Mr FENLON: The explanations were very sound and professionally based. The honourable member should be indebted to us for those good explanations. But we will persist; we are devoted to the task of educating those opposite as to what the corporatisation process is about. The members opposite should do some more homework and at least start by reading the relevant legislation, because it is obvious that they have not done so. They do not understand the principles of corporatisation. Perhaps they should go back to the original papers and processes by which this legislation was put in place—to the original Green Paper and White Paper on corporatisation in Queensland.

It is still obvious that they do not understand issues such as the community service obligations and the need to separate the commercial practices and principles from issues about which the State must decide whether to provide some form of direct assistance by way of satisfying a community service obligation. This is still within the terms of what is being done through the rural adjustment process. It is part of that same continuum of separating out the things that Governments do to assist communities from those things that the Government does by way of maintaining commercial processes and practices at a viable level—a level which satisfies the needs of the taxpayers in terms of providing a commercial return. The honourable member still missed the point that commercial principles and those practices have to be separated.

As to the Rural Adjustment Scheme—it certainly must be acknowledged in this debate that there is a very serious crisis in our rural communities. This crisis is being acknowledged by the city communities. It is certainly well acknowledged by my constituents, who appreciate it very well and show a great deal of concern about it. More importantly, in view of that crisis, we need to be able to address relevant commercial principles. This is a very important vehicle to set in place the sorts of commercial principles that will be needed for the future to ensure that, where commercially viable

operations are in place, the right commercial packages and the right commercial environment is being provided for them and, at the other end of the spectrum, where operations are reaching a non-viable stage or the extreme end of crisis and bankruptcy, there is a framework where the Government is clearly on the path to assistance rather than providing a commercial environment. Those are distinctions which are necessary and which are well provided by this Bill.

The non-commercial aspects can be dealt with under the structure provided by this legislation. The board of directors of the Rural Adjustment Authority will be able to provide advice to the Minister on rural assistance and rural conditions generally. That part of this legislation approaches the less commercial end of the spectrum at which enterprises need that sort of assistance and industry needs some form of State intervention. The Deputy Leader of the Coalition peddled the usual diatribe and paranoia about the Government opening the door to milk the QIDC and to milk these enterprises. Nothing could be further from reality. The Government is certainly milking these enterprises, but for the benefit of the taxpayers, in the sense that they are being commercially based.

The direct effects of this legislation on individual producers will be minimal. However, in a general sense, its effects will be substantial in terms of improving the commercial environment and improving the avenues by which assistance can be provided. The Deputy Leader of the Coalition expressed paranoia about the FOI provisions without having any regard to the structure by which accountability will be properly managed. As the Treasurer pointed out, there will be accountability directly back to the Reserve Bank via that supervision process.

After having regard to the Deputy Leader of the Coalition's questions about the Hilmer report, it is obvious that she has missed the whole point of this legislation. I note that she has left the Chamber already. The Hilmer report is essentially what this legislation is about. This legislation and the corporatisation legislation that is already in place is at the forefront of the principles enunciated by Hilmer in his report. This legislation is about setting in place the very specific principles by which competition within the particular environment of those enterprises can be set on an even footing. Specifically, it is about creating a fair basis for competition and, whether it is artificially created or not, creating the specific instruments within those organisations that put in place the practices of competition, even down to the elements that replicate the taxation structure that private organisations have to adopt.

I challenge the Deputy Leader of the Coalition to put up or shut up, as it were. She referred to not replicating the practices of competition and claimed that we are in some way not providing fair competition consistent with the Hilmer report, yet she cannot specify an example. Where is an example of the way in which we are not replicating those processes of competition? We are doing that, right down to the finest detail, right down to replicating the private enterprise taxation structure within the calculations of those organisations.

The pathetic nature of the Opposition is revealed by its stance on corporatisation. The Opposition constantly knocks corporatisation in Queensland because it cannot cope with it. That is pathetic, because the Opposition's counterparts in States such as New South Wales are just as advanced as Queensland in terms of developing corporatisation processes. In fact, many of the aspects of corporatisation which the Deputy Leader of the Coalition criticises are no different from those adopted in some southern jurisdictions. For example, the more extreme aspects of corporatisation have been taken up by the New South Wales Government, which enforces these commercial practices to a very extreme degree. This legislation is very soundly based, in that it separates commercial practices from the need to assist industries. It puts those organisations on a sound commercial footing for the future.

The amount of assistance provided under the Rural Adjustment Scheme is significant. For example, in 1993-94 a total of \$35m was paid in interest subsidy to producers. That is a significant amount. A further \$8m was advanced to farmers under various loan schemes. This is an area that requires a specific framework and one which ultimately must be linked back to the QIDC and to the spheres within Government that are directly cognisant of the fundamental calculations that have to be considered in today's commercial environment. This is fine legislation, and I commend the Treasurer for bringing it to the House.

Mr LINGARD (Beaudesert—Deputy Leader of the Opposition) (4.50 p.m.): I believe that history will show that over the last three years there have been some unethical and suspect dealings by the QIDC. The Deputy Premier and the Minister for Primary Industries have been aware of those dealings, and they should have been referred to the Treasurer. The concept of this Government's agenda to implement corporatisation has in this case certainly provided a most convenient reason to clean up the QIDC. Certainly, without the perceived need to corporatise the QIDC, there would be many

questions raised as to why specific legislation is required for the QIDC.

The corporatisation of the QIDC, which has been claimed to be introduced under this Bill, covers up some old wounds and does not entirely corporatise the QIDC. What is being presented in this Bill is nothing short of a glossy exercise to bring about the perceived guise of a corporatised agency operating on the competitive and level field of private enterprise. This is not the case. There is no level playing field in the game of the corporatisation of the QIDC. The QIDC is to operate as a commercial enterprise with extensive powers about finance. It will now have the power to borrow or raise finance and obtain other forms of financial accommodation in Australia or elsewhere. It will have the power to issue debentures, bonds, stock and other securities. It will have the power to accept money on deposit, lend money, invest money, keep accounts outside of Australia, trade in commodity futures, acquire, hold, deal with and dispose of foreign currency and incur and perform obligations about foreign currency. Such activities are naturally subject to risk—risk in the highly volatile environment of international finance, and especially in the area of commodity futures. That has been the cause of numerous financial failures of many organisations and individuals. Such activities require expert risk management principles and strategies to be employed. However, the new look corporatised QIDC is to be afforded the financial protection of the consolidated cash reserves of Queensland. So here it is, the so-called corporatised QIDC operating as a fully commercialised private enterprise organisation subject to the upturns and, of course, downturns of the business cycle.

There is to be one great difference between the QIDC and other private sector enterprises; there is to be indemnity. It could be classed as indemnity from proper and correct financial accountability. The differential is the avenue for the State Government to simply bale out the QIDC for any liabilities which may be incurred. The level playing field of private sector competition is simply not applicable to the so-called corporatised QIDC. The Government is to indemnify against a failure by QIDC to recover the whole or part of the principle of the loan which may have been offered to a company by the QIDC. The Treasurer may bale out the QIDC by simply paying the amount from the Consolidated Fund without further appropriation. All future QIDC liabilities, because of something done or not done by the QIDC, are to be guaranteed by the Government. Such a guarantee must be taken in context when the State Under Treasurer, Henry Smerdon, stated that the Queensland Treasury may not be able to

meet all the capital requirements of Government owned enterprises aiming to corporatise.

It is fascinating that the Goss Government rushes these Bills before the House in light of serious allegations aired at both the recent Senate hearings into the Rural Adjustment Scheme and by myself in this House as recently as last week. Indeed, I am amazed at the promptness and accuracy of the Government in drafting two Bills that address the more critical aspects of allegations brought against the QIDC in its capacity as administrator of the Rural Adjustment Scheme. I therefore cannot help questioning the timing of the introduction of these Bills as somewhat politically expedient in view of the damning and incriminating evidence presented to the Senate inquiry. Nevertheless, I will await with great interest the report of the Senate investigation into the activities of the QIDC.

As I stated, both the Rural Adjustment Authority Bill and the Queensland Industry Development Corporation Bill address major aspects of concern targeted in my speech of last week. Given this, it would appear that the Labor Party was also well apprised and well aware of what those issues were. I hope in addressing his comments to this debate, the Treasurer will refer to two or three accusations which I ask him to either clear up or to answer. It is quite obvious that in borrowing money from the QIDC, several farmers, when they went into debt either for the first property or the second property, took a first mortgage from QIDC. QIDC also took a mortgage on the stock and it also took the wool lien; I have no argument with that. But it is quite obvious that those farmers also had debts to stock and station agents and, through those stock and station agents, they sold their wool and those agents kept the money for that wool. Now, it is quite clear that if that money had gone immediately to the QIDC, many of their debts would have been repaid to the QIDC, which may have delayed the takeover by the QIDC.

That raises two allegations. Firstly, why were stock and station agents—especially the big ones—allowed to keep the money rather than that money going to the QIDC when the QIDC held the first mortgage? The stock and station agents were the unsecured creditors. Secondly, why did the QIDC personnel not demand that money from stock and station agents? Why did it allow money to sit with stock and station agents rather than calling in that money to cover the mortgage which it had? Clearly, the unfortunate thing which this Government allowed to occur was the angle of some personnel having clear connections with Elders and QIDC. Clearly, the allegations are that that is incorrect and clearly this new Bill of the Treasurer's will stop that

because it is trying to overcome what has occurred over the past three or four years.

Mr De Lacy: Why didn't they put it to the CJC, or did they?

Mr LINGARD: The allegations were put to the CJC. The CJC came back with a report saying that certain partnerships should be overcome and sold out, and that was only days before the Senate inquiry. The Treasurer knows that as well as I do because the Treasurer's answer to allegations that I have been making throughout Queensland has been that there has been a CJC inquiry and there has been a Senate inquiry, so the problem is solved. The CJC inquiry did not solve it. It said that that person should get rid of his partnership with the stock and station agent. He sold that partnership days before the Senate inquiry, and it is incorrect for the Treasurer to say that the CJC or the Senate solved the problem.

The second point that the Treasurer must answer is why has the QIDC, as a commercial body, been allowed to demand of farmers that, unless they leave their properties or sell up their properties in an orderly manner, they will not receive RAS payments? That is part of an inquiry which is to report on 16 September. I do not know why the Treasurer did not release it, but clearly there have been claims that this RAS money should be paid. We have been citing many examples of people who are now saying, "The QIDC has said to us that, unless we leave in an orderly manner and do not say anything about what has been happening, we will not get our RAS relocation money of \$45,000." Clearly that has happened.

Mr De Lacy: Clearly it hasn't happened.

Mr LINGARD: It has happened. A report on this will be handed down on 16 September by a person who says that he has not received RAS money, and the Treasurer knows that as well as I do.

Mr De Lacy: Did he leave in an orderly manner?

Mr LINGARD: Why cannot a person report to members of the Opposition how he believes he has been unfairly victimised? Why should there be a letter, a letter which I have seen, from the legal officer of the QIDC which states to the farmer, "Unless you leave in an orderly manner, you will not get these RAS entitlements"? That is absolutely incorrect and that is what the Treasurer has allowed the QIDC to do. He is now trying to overcome that by bringing in new legislation; he is trying to overcome that by saying that the CJC has investigated it and the Senate has investigated it. Well, the CJC has not investigated that specific complaint and the Treasurer knows it.

The other question I would ask the Treasurer to answer is: if there are debts to these people and if there is a farmer who owes \$400,000 to the QIDC—and if it is quite obvious that the farmer has no chance whatsoever of repaying that \$400,000—does the QIDC use that as part of its assets on which the Treasurer determines the dividend that is to be returned to the Government? It is quite obvious that the assets of those people who have virtually gone are being used as the assets in the QIDC reports. I ask the Treasurer whether that money is being used in the QIDC reports and are the Treasurer's dividends being returned on some of that money?

I believe that we will now hear examples of allegations pertaining to the QIDC related to some of the more ruthless and exploitative practices being carried out at an institutional level by that bank. Most endemic and intolerable of these practices is the application of what is most accurately described as institutional blackmail. This is where the QIDC, with all its power, not only as mortgagee but as overseer of the Rural Adjustment Scheme, is able to force farmers to accept unpalatable and unjust terms in the seizing of their properties. The QIDC has held a sword over the heads of farmers in that if they give up without a whimper, if they cooperate in full with the corporation and keep quiet about their treatment at the hands of a Government-owned bank, then no further action will be taken in relation to residual debts.

To further ensure that the QIDC's seemingly inalienable right to confidentiality is not breached, farmers have been further threatened with losing access to their RAS entitlements. This situation is totally unacceptable, and this Government, by throwing the administration of the Rural Adjustment Scheme to a commercial entity, has not only encouraged institutional blackmail, it appears to have endorsed it.

The dangers of a body such as the QIDC being in charge of the Rural Adjustment Scheme do not end there. Naturally, I am hoping that the Government has seen the error of its ways in this new legislation. There have been numerous allegations relating to the QIDC's less than impartial distribution of Rural Adjustment Scheme grants. For example, in deciding between interest subsidies for case A—a farmer with loans to Westpac, or case B—with QIDC, it has been alleged that the QIDC has exercised a certain amount of bias in making a decision between the two. Naturally enough, that bias went the way of protecting the income base and the profit margins of the QIDC. The selective application of RAS grants by QIDC can be extended to deciding which accounts or which debts would be more favourable to be called in in

terms of profitability to QIDC—the implication being that in case C, for example, QIDC has little chance of recovering its debt, so interest subsidies are provided to maintain him until he becomes viable.

I remind the Government that these intolerable and ruthless activities were at the hands of a State Government bank with a commercial rate of return credo governing every action. The Treasurer must answer the allegations that I have put up here today. He must answer them correctly and not just say that the CJC and the Senate inquiry have investigated it. The Senate inquiry has not reported back, and the CJC has not given a report on whether these activities are correct. All the CJC did was give a report on what it believed that person should do.

The commercial rate of return edict was enshrined in the QIDC's Corporatisation Charter and is given a legislative base in the Bill before us. Many farmers have been adamant that they have been as much the victims of a shifting Goss Government policy from an agricultural lender of the last resort to a fully fledged commercial bank. Many have been victims of QIDC first and victims of the drought second.

Mr CAMPBELL (Bundaberg) (5.04 p.m.): I was not disappointed with the performance of the member for Beaudesert, because if there was a disgraceful performance in this Parliament by the member for Broadwater it was only surpassed by that of the member for Beaudesert. It was disgraceful. He used smear and innuendo to attack the QIDC and, by that, he also attacked the board.

I have the greatest respect for Roy Deicke as the chairman of the board. I am going to let every person in Bundaberg know how the National Party has smeared disgracefully people such as Roy Deicke, who is a dedicated and respected businessman. I believe he has taken the QIDC board not only to be profitable but to be a well-respected body within financial markets in not only Queensland but Australia. Over the last three years, the QIDC has had growth of greater than 15 per cent in its assets base. In other words, that puts the lie to what was said by the honourable member. If it was not doing its job and doing it well, people would not be going there. People would not be using its services if it was not doing a good job.

I would like to offer my sympathies to Roy Deicke on the loss of his wife, Nell, only a few weeks ago. He has put a lot of time and effort not only into the QIDC but also the sugar industry and especially the community of Bundaberg. I would like that recognised.

There has been a so-called Senate inquiry. Opposition members could not do the dirty work in Canberra, so Mr Grice had to do it today. Members opposite rely on a Senate inquiry discussing the QIDC. When there are droughts, people will lose their properties. That is one of the most difficult, stressful things that will happen.

Mr Johnson: There are droughts and there are droughts.

Mr CAMPBELL: This is a very difficult drought—one of the worst. Drought occurred in the thirties and the seventies, and it is happening in the nineties. It is very difficult to say this, but not everybody is going to succeed and stay there. That is a fact of life. But peddling lies and innuendo and trying to blame a respected body such as the QIDC is very small and narrow and does nothing for the National Party.

The QIDC Corporatisation Working Party felt that delivering schemes of assistance did not fit into the framework of the QIDC. That is why we have this Bill as part of a cognate debate to establish the Rural Adjustment Authority, which will now take over the functions of the Queensland Government Schemes Division of the QIDC.

There was once a Rural Adjustment Board, which was changed around in July 1986 by the former National Party Government to form the QIDC and extend its charter. I believe that now we realise that it is best, when considering rural adjustment schemes—support for primary producers—to have an authority, which we are establishing now, to manage and utilise the various schemes in one area. I believe that the Rural Adjustment Authority will be able to handle that.

Schemes such as the Primary Industry Productivity Enhancement Scheme, the Natural Disaster Relief Assistance Scheme and the Small Business Debt Assistance Scheme will all be encompassed by the Rural Adjustment Authority. The important aspect of this authority, namely, taking it back to its origins, will increase emphasis on linkages with other rural initiatives. Now we can have a package of policies and reforms that can be brought together to help a productive primary industry base.

I believe that many facts will fly in the face of the propaganda that has been peddled by a number of National Party politicians. Since July 1991, when the drought started to take hold, the Government Schemes Division had approved RAS assistance of over \$100m. The Government Schemes Division has been called on to make decisions on 23 279 applications for assistance in the last three years. Of these 23 279 applications, 16 572— or 71 per

cent—have been approved. What about those people who have been helped? There has been not one word of credit for the 16 572 people who have been given approved assistance under those Government schemes. Of course, Opposition members can pick on the ones who have missed out, because they are very bitter and disappointed, but in many cases the Opposition has not been prepared to lay the full facts of those individual situations on the table of this Parliament.

Those 16 572 approvals have involved nearly \$96m of Commonwealth and State funds being paid out in the form of non-repayable interest subsidy grants. That \$96m in grants has subsidised \$1.5 billion in farm debt. We have wanted to assure primary producers—and particularly those who are drought affected—that RAS schemes are not being rationalised. If people need help, they should contact the Government Schemes Division, or the Rural Adjustment Authority, as it will become.

However, many ill-informed comments have been made about RAS. I refer again to the member for Beaudesert. The Rural Adjustment Scheme is not a substitute for social security. It is designed primarily to support primary producers who have long-term prospects. The scheme also assists producers without long-term prospects to re-establish themselves off farm.

There is a requirement that farmers dispose of off-farm assets before being eligible for RAS drought assistance, which provides non-repayable grants to cover up to 100 per cent of interest on a farmer's debts. That is a non-repayable \$50,000 grant. The guideline is not enforced—and this is happening—in cases where the sale of an off-farm asset would involve extreme hardship. We cannot allow people who own holiday units on the coast and who own substantial share portfolios to receive those non-repayable grants of up to \$50,000. How could we go to our battlers and say, "Farmers and other people could be able to get \$50,000 and yet they can own holiday units and can own share portfolios"? If Opposition members are going to raise any specific cases they should be very careful they that they have been briefed properly and that the people involved are not hiding away some other assets. I believe that it would be inappropriate to give away funds to people who own other assets. That can happen in a small number of cases.

In many cases, the Government has responded, especially over the past few years, by making certain that the funds have been provided to overcome the effects of the drought. For example, up to 1972, including the RAS drought subsidy, \$7m was given by the

Commonwealth. Up to March 1993, another \$1.3m was given in drought subsidy— \$1m by the Commonwealth and \$0.3m by the State. For the first time, the State started to provide funding, not just leaving it to the Commonwealth. That funding was 75 per cent of the amount provided by the Commonwealth.

The State also provided funding of 100 per cent, and another \$2.14m was given in grants, and the State provided some of that funding. In May 1993, an additional 100 per cent drought funding was provided, at a total cost of \$7.14m, with \$5m provided by the Commonwealth and \$2.14m by the State. The State Government has always come to the party when it felt that the effects of drought were sufficiently bad. It ensured that the funds were available. In 1992-93 and 1993-94, a total of \$44m was provided—\$33m by the Commonwealth and \$11m by the State. In 1994-95, another \$3.57m has already been provided.

In addition to that RAS funding, other funding has been provided for the Crop Loan Scheme, the Restocking Loan Scheme, Family Services counsellors, the Drought Relief Appeal, farm vehicle inspection fees, the 008 number, the fodder register, and the Drought Employees Support Scheme, and \$15m has been put aside for the local authority drought loans. Funding has been provided for rural lands protection and plague locust funding, urban water supplies and freight subsidies. In 1992-93 and 1993-94, the RAS funding and other funding totalled \$70.93m. For 1994-95, another \$18.39m was provided. Over \$100m has been provided since the drought started. Much of this funding has been provided through the Rural Adjustment Scheme. Because of the drought much of the debt has become hard-core debt secured by property mortgage but with little prospect for repayment. That is because sales will only substantially reduce land values and subsequently reduce the equity of surrounding landowners in their properties and ultimately threaten their survival.

There is no short-term solution to the present drought. In many cases, extra loans and subsidies will only prolong the problem. There is a long-term structural alternative. I believe that we, and especially primary producer organisations, should seriously consider the formation of a land bank as an authority that purchases rural land and leases it back to the producer on a long-term basis. A land bank could complement RAS funding for debt reconstruction and farm build-up. A land bank is basically an authority that purchases rural land and leases it to producers for farming and grazing purposes. A land bank achieves debt

reconstruction by encouraging a viable producer with liquidity problems to sell his or her land and lease it back from a land bank. Farm build-up is achieved by encouraging producers to sell non-viable holdings to a land bank, and this land is then leased to neighbouring producers who need the extra land to remain viable. It can provide extra land without increasing the farmers' debt.

On the one hand, RAS funding may refinance and restructure debt but it will not reduce debt; on the other hand, selling a mortgaged property to a land bank and leasing it back can actually reduce debt for an individual producer. I believe that a land bank scheme could be an extra tool for primary producers suffering from this disastrous drought. The land bank concept is being used in many countries. For example, in Canada and the Netherlands it is being used to allow young farmers access to land without security. At present, we are close to losing a whole generation of farmers. We have not been able to allow young people onto farming land.

Mr Lingard: Has it happened in the sixties and seventies?

Mr CAMPBELL: Yes, it has happened in the sixties and seventies. It has been happening all the time. It is about time we started looking at innovative ideas to help get young people onto farms, because the average age of farmers is increasing.

In other countries this same problem has been attacked and addressed using processes such as the land bank concept. For example, in Canada it is used to allow people with limited capital access to agricultural land without security. It also allows farmers to remove their capital from their farm and spend it as they wish while still retaining the right to use their land. In Germany, for example, a land bank is used to take pressure off fragile land and to establish mechanisms that will allow this land to be used within its potential.

In Canada, Germany and the Netherlands the land bank is used to increase the mobility of users of agricultural land and to assist in structural readjustment. For decades we have been looking at this type of case. A land bank has also been used to control land use patterns in the United States, Canada, Germany and the Netherlands. In Canada and the Netherlands it has been used widely to ensure the maintenance of family farms by guaranteeing the transfer of land from father to son without cost or probate. In Canada and the Netherlands it has been used to reconstruct viable farms with liquidity problems. It has also been used to

stimulate farm build-up. In Canada it has been used to facilitate changes in land use.

I believe we have to consider new ways to overcome some of the structural problems in our rural areas. In fact, we are not coming to grips with some of those problems. I worked with the DPI at Roma, and for many years we looked at the mulga lands at Charleville. I feel that some of the management techniques and management practices that were fostered by the Department of Primary Industries over those years have not been to the benefit of the environment and the industry in the long term. Whereas we may have been able to increase stocking capacity and increase production for a short term, I believe that during a drought, if farmers have adopted management practices such as the use of molasses and urea, they find the dry matter is totally used. That has led to even greater land degradation.

I believe that we should consider seriously a land bank scheme. Mary Condon and Roy Powell of the Kellogg Rural Adjustment Unit at the University of New England have published details of aspects of a land bank scheme for Australia. They studied what has happened in this country and found that, in many cases, lending institutions have not been able to meet fully the needs of the farming economy, basically because of the often unstable nature of the farming economy and the constant threat of crop failure.

When we experience drought, we also experience drastic reductions in commodity prices, such as has occurred in the wool, meat and wheat industries. It has been found that, in many cases, traditional lending practices have not given those people going into farming sufficient flexibility in their repayments. I believe that we have to consider those aspects. The publication states—

"Traditionally, Canadian farmers had been assisted by the granting of 'interest loan subsidies'. It was recognised however that such subsidies tend to get capitalised into the price of land. This had the effect of raising the price of land, adding to, rather than alleviating, the problems of those wishing to purchase farm land. The Land Bank scheme, lacking this subsidy element was seen as a means of assisting existing farmers, while at the same time facilitating the entry of new farmers into agriculture.

The scheme aimed to provide an alternative to the existing structures of land purchase and insecure private rental. By so doing it provides an alternative for those not wishing to or unable to commit themselves to a lifetime of capital investment in land and

at the same time facilitates the transfer of family farms from generation to generation."

Rural industries have many needs. I believe that, through this Bill, the formation of the Rural Adjustment Authority will allow better use of Government policies and packages to help with the readjustment of rural industries. However, I believe that, as an extra tool along with the RAS scheme, we should be looking at a land bank for Australia to help all primary producers.

Mr STONEMAN (Burdekin) (5.23 p.m.): I wish to refer to a number of points that are contained in the Rural Adjustment Authority Bill and to consider the objectives of the Bill, in particular those that relate to financial assistance. I want to go back over some of the concerns that I have raised before in the public arena and, more particularly, refer to the philosophy of support for rural people which, along with small businesses that operate in rural communities, is what we are really focusing on in this debate.

Quite frankly, most members are motivated to speak about the catastrophic drought and the suffering that people in rural communities have been experiencing for a long time. Of course, the effects of that drought are now affecting the lives of every person in this nation. Who would have thought that we would be talking about importing grain for the basics of life, such as bread. This nation, which is so rich in resources and production, has effectively been brought to its knees by what some Government members have termed "a fact of life". Droughts are a fact of life, and I will refer to that later. However, I wish to refer to the philosophy of support for rural producers. I must say that the prime objective of any support must be to sustain production, and the basic unit of production in the primary sector, that is, the family and the family farm. Without either of those units, effectively rural Australia ceases to exist. It is the means by which the nation was made, and it is how the nation will continue to be sustained regardless of the growth of industries such as tourism and mining. In many instances, farming units have paved the way for other industries such as mining to be increased gradually and to sustain themselves in their own right.

We need to recognise within that base the role of support communities. It is a natural progression that they be must given the same support as that which is given to the base units of the family and the family farm. We have to recognise that the shopkeepers in small communities—and the larger communities—in rural Australia have a responsibility to provide a service to their communities. Of course, they would not exist if it had not been for the capacity of the district in which they live to sustain primary

production. So if primary production is in trouble, they are in trouble.

Unfortunately, the truism that has been adhered to over the years that if we help the farmer we help the towns does not necessarily follow because so much of the relief money has been directed towards stopping the financial rot of farmers. That money goes straight to institutions that are located in capital cities around Australia and, in some cases, overseas. So in many instances the local shopkeeper does not see a single, solitary bean come his way. That money certainly keeps the family farm going, but it does not recognise the need of shopkeepers and suppliers who have to maintain their operations in the midst of a drought or some other tragic occurrence such as a crash in commodity prices.

We also have suppliers of specific goods and services in those rural communities who keep primary production going. They are the people who supply the mills—the spare parts, the engines, the vehicles, the fertilisers and the tractors. They have to be maintained to a level at which they can also be sustained within the structure of the communities in which they are located. That is why it is so important for them to have access to lending institutions that recognise those needs, and that is why we are debating these Bills today.

I make the point that those specific suppliers can exist only for as long as they are getting a throughput and only for as long as they are getting paid for their services. I refer to those agents who supply specific services such as wool trading, beef trading and grain trading. They are all a part of what I call the mosaic of primary production in rural Australia. They make up the very heart and foundation of this nation and, more specifically, this State.

Queensland is unique in that its population is the most decentralised of all the States. It has virtually no bad land areas. Admittedly, some areas have fairly low production values but, in many cases, that low production per hectare is compensated by very high production per animal, such as beef or sheep. Queensland's very large pastoral areas are the most productive in the world in terms of production per animal. So we must recognise that, unlike New South Wales and Victoria, which have huge mountain ranges that take up enormous parts of those States, Western Australia, with its huge deserts that have no capacity to sustain life or agriculture in any form, the Northern Territory and South Australia, Queensland has virtually no areas of bad land; it is all productive. However, the fact that Queensland's communities are spread out also creates major problems.

I refer to a conference about rural community that was held recently in Townsville. It brought together in Townsville experts from all over the world. My understanding is that no Minister of this Government nor of any Government in Australia found it necessary to be at that conference, which is sad. Some very good papers were given, including one by Professor Sher. I was amazed that he was ridiculed by spokesmen purporting to represent and understand the problems of rural communities. These spokesmen were saying that such people had not been given a guernsey to tell people about the problems of the bush.

I have read Professor Sher's paper of 40-odd pages, which I commend to every member of this House. It draws together all of the components of rural life about which I am talking, and have talked about loosely over the years. He brought those together in such a way as to make some very valid points, including the need to recognise that rural communities contain people other than primary producers, as I mentioned earlier, who are needed to maintain the quality of life and services.

In his paper, Professor Sher indicated that 80-odd per cent of people who live in rural communities do not have direct attachment to the production in the area in which they live. In other words, they are the school teachers, bank managers, policemen and nurses. They are all of those people who are part of the rural community but who are not engaged in primary production per se. When finance flows into the primary industries sector directly, it does not flow back directly to those other people in rural areas. They have to bear the vagaries and the impact of droughts and low commodity prices on the community, without the recognition that they are in many ways suffering as much as the people who are trying to eke out a living from the land.

The other thing that needs to be understood—and this was also raised at that conference—is that value-adding in primary industry is very much a downstream component. It is very much something that happens outside the sphere of rural communities and the primary producers about whom we are speaking. For instance, after wool is shorn, it is put in a wool pack and trucked to a capital city. Most of it is sent offshore to be processed, although some may be processed in woollen mills hundreds and thousands of kilometres from the point of production.

The flour mills are pretty much the same. Obviously, flour is processed closer to where it will be manufactured into bread and so on—as much as is possible, anyway. It is the same with meat. Cattle are sent hundreds—and, in some

cases, thousands—of kilometres. In some cases, there is a gradual process in which they start from the top of the Northern Territory, are moved into the better areas of the Territory and then down into the Channel Country. Finally, they are moved into fattening blocks and maybe even into feedlots. But, in each case, jobs are exported and value-adding opportunities are lost. That is a very valid point that we need to understand in relation to the structure, objectives and philosophy of the legislation.

It is important to recognise that lending institutions are part of the equation. Rural finance can create a lot of pain, which will spread out into the communities. High interest rates, which victimised thousands upon thousands of primary producers in rural communities across this nation—and still are; a residual effect carries on for many years—were a part of the ACTU Accord deal. That was the way in which that was paid for. The farmers paid for it most of all. Production had to take place in an environment of enormous interest rates. That is a cost that cannot be passed on. It is a cost that made our primary producers the beggars of production in the world.

The member for Bundaberg was exactly right when he referred to hard-core debt. Entrenched debt is an insurmountable problem. There is little that primary producers—and other businessmen in all of the associated businesses that feel the flow-on, ripple effect of the problems of primary industry—can do to surmount the problem. In almost every instance, the only way that one is able to overcome the problem is to sell out and hope that there is a positive difference between the total debt and what one put in. In many instances, a life's work and even generations of work are lost. That experience is not only lost to a community and to a family unit but also to the nation. That is the major tragedy of rural communities and primary industry in this nation.

Those people who put their shoulder to the wheel to produce the wealth of the nation are then stuck with the interest structures of the day. So the lending institutions have a major responsibility. It seems to me that, as part and parcel of any adjustment structure, there needs to be a recognition that banks and other institutions have to take their share of the losses, too, and not simply pass it all on to the poor devil who walks off the property. There has to be a sharing of the responsibility.

I have talked to people in New Zealand who have told me about the way in which they overcame problems in the early eighties by accepting a shared responsibility. Individuals and lending institutions—and most often there were

two—each took a share of the load so that they could get primary industry in that country back onto something of an even keel. They also recognised that not everyone can be a winner. There will be people who go out of the industry at the bottom end. The member for Bundaberg talked about that. There is no real winner when the banks force someone to sell up. The bank still loses its money in a lot of cases. However, the family unit and experience is lost, and so is the capacity to sustain what generations have imparted into an area. As I said, it means that an element of benevolence needs to be part and parcel of rural lending.

The other area is that of taxation, which has to recognise the needs of those within rural communities. We have to look at adjustment not just in a narrow sense; we have to look at it in the full sense. Again, I refer to the member for Bundaberg, who was correct when he said that we have to look at new areas. I happen to disagree with his land bank idea, about which I will say something in a moment. But the fact is that what we have been doing has not been sufficient to bring us through the problem that we are in now.

There are a number of aspects to drought aid. It has to sustain the base of the commodity. That might be grain, seeds of various types, the herd or the flock. We have to aid the independence and capacity of the primary producer to cope with what I call little droughts. The Prime Minister talked about droughts being a normal function of life. He is right in the sense that we have lots of little droughts. They are normal, but no person, no family, no State or no Government can cope alone with major national disasters such as we are seeing now and saw in some areas of western Queensland in the sixties and seventies.

Then we have to look at the way in which we support the victims of a major disaster. The victims not only include the livestock, the land upon which livestock are grazed or farmed and the grain crop that is lost, but also all of those people about whom I spoke before—the families, the farms and the towns. We need to identify the variations of drought—the single-year, the multiple-year and the type of drought that occurs once in a decade. In the sixties I lived in western Queensland. We had a drought in 1965. We had some rain in 1966 but we then had a drought 1967. Then we had a break until the drought of 1969. Then there was another little break until 1971. So it took almost a decade for the land to climb out of that drought cycle. That is the sort of thing about which we are talking. That is the sort of thing that needs to be recognised. The mere falling of rain and a season in which there is a bit more grass than the year

before does not mean that, effectively, the impact of a drought has ended. We need to focus community attention on that fact. Unless thousands of people live in the communities that are affected by drought, the tendency is for the greater population not to be aware that a problem exists. Only when the drought encroaches into urban areas—such as the current drought is doing on the Darling Downs and along the coastal strip of this State—do the communities associated with that area become aware that a problem exists.

We must consider issues such as the forward movement of stock. In some areas, that is the only way in which a primary producer can be assisted. That is a realistic means of helping a primary producer sustain his livelihood. It also leads to lower levels of land degradation. Provided that a primary producer has a small enough operation and is close enough to the source of the food, in many cases he can feed his stock. The provision of water is a worthwhile exercise, provided once again that a supply is available. However, if a primary producer is hundreds and hundreds of kilometres from any of those sources, he has no chance on earth of being able to access those forms of assistance. In such cases, a primary producer must be able to move his stock to where assistance can be provided. If he does not have the money to do so, the only way that can be achieved is through a forward movement subsidy. I challenge all members of the Government, both State and Federal—but particularly those in this House—to cite one instance of the so-called rorts and the down side of removing the so-called capacity for those rorts, which have been the source of much amusement and vilification for Government members. The forward movement of stock is a vital weapon in fighting drought.

As to the land bank—I say to the member for Bundaberg that we already have a land bank of sorts. Approximately 70 per cent of this State is leasehold land. Huge national parks are being set aside, and there are also stock routes and lanes. A land bank is available in those forms, and we must make such areas more accessible. If we make them more accessible to primary producers in times of drought, we will have a genuine land bank. The Government currently owns those areas. However, this Government is too inclined to lock up areas of the State and throw away the key and leave the primary producer to make the most of adverse conditions.

Time expired.

Mr DAVIES (Mundingburra) (5.44 p.m.): I want to respond to a few points made by the member for Burdekin. I agree with some of the comments that he made, and I disagree with

others. I agree with some of the points that he made about banks. In my view, not many banks have managed the rural crisis well. I will say at the outset that I do not include the QIDC in that category. Of all of the financiers to rural communities, the QIDC is probably the most responsible. During the decade of greed that was the 1980s, banks went out of their way to encourage rural producers and others to borrow more, to buy more properties and to highly commit themselves financially. When the downturn came, those people had no chance to dig themselves out of trouble.

Mr Stoneman: They were reacting to demand, in that people wanted to buy, unfortunately, in a lot of cases.

Mr DAVIES: The banks not only reacted to demand; they also created demand. The eighties was the decade of greed, and the banks were trying to push money out the door as fast as they could lend it. Much of that money came from overseas. We all remember the types of bills that were being put out. People did not really know what they were getting into. Many of the court cases that were instituted as a result of those activities have been settled out of court in favour of the people who took out the loans, but we will never know the details of them.

The member for Burdekin referred to taxation relief and other schemes to assist primary producers. I remind the member of the Premier's answer this morning to a question from a Government member in which he stated that the conservative leaders in the other States—such as New South Wales, where massive drought problems exist—must put such proposals before people such as the Prime Minister. The conservative leaders are not taking such steps. Queensland seems to be the State that manages the difficult times in the best manner.

In the previous debate, I stated that the Queensland Government is a caring Government. It has done a lot for the less advantaged people in the community. I include the rural community in that comment. The member for Bundaberg mentioned some of the initiatives that this Government, in cooperation with the Commonwealth Government, has put in place. A consideration of those initiatives provides evidence that this Government is very concerned about the drought situation in Queensland, the lack of productivity as a result of the drought, the impact that that has on rural communities and the impact that it has on the towns and all of the organisations that make up those rural communities, as outlined by the member for Burdekin. We are concerned about

all of those factors. As a result of that, we have had—

Mr Stoneman: I didn't say you didn't, of course. In fact, I did not bag the Government once.

Mr DAVIES: I know, and I did not say that the member did. It is good to see that we have agreement on both sides of the House!

I want to outline briefly some of the initiatives that the Government has undertaken to assist rural communities. The package of assistance that was announced in the 1994 Budget will continue. That includes new Commonwealth/State assistance recently announced for RAS, and the package for 1994 presently stands at over \$27m. Another talking point is the major element of ongoing support under the Rural Adjustment Scheme, freight subsidies, and a new family support package, which I will detail in a moment. The Government also recently announced the reconvening of the Government Industry Drought Working Group, which provides a high level of consultation with all industry sectors for special consideration of drought issues. I am informed that the group last met on 11 August.

Another initiative is the maintenance of State drought assistance measures triggered by drought declarations for 12 months after declarations are revoked. In addition, as a result of the 11 August meeting of the drought working group, a series of working parties involving industry and Government were set up to review drought assistance, including that for transport and small business. A major State review of the RAS guidelines chaired by Treasury has also commenced in conjunction with all major rural producer groups to allow State input into the review of RAS guidelines recently announced by Senator Collins on his visit to Queensland. Even after the Commonwealth's recent announcement of an additional \$2.5m in RAS drought funding for Queensland, this Government will continue to monitor and discuss with the Federal Government the adequacy of the level of funds provided to Queensland under the Rural Adjustment Scheme. The Treasurer and the Minister for Primary Industries remain committed to monitoring all aspects of Queensland's serious situation in consultation with industry. The recently established Queensland Rural Regions Advisory Council will provide a further means for the views of rural Queenslanders to be fed into the formulation of Government policy.

In relation to the drought—as of 18 August, 38 per cent of Queensland remained drought declared. Although that is a significant improvement on the situation in February, when

around 51 per cent of the State was officially drought declared, no substantial rainfall has been recorded in droughted areas since that time, and the prospects for rain in the next few months are not encouraging. That prediction seems to be agreed upon by most rainfall commentators, with the exception of Lennox Walker. I place on record that I do not have too much regard for Lennox Walker. He kept the tourists away from Queensland for at least a decade. However, I hope that he is right this time. Since the drought began in 1991, funding provided in the drought package has totalled \$103m, including \$40m from the Commonwealth and \$63m from the State.

The severity of the continuing drought has prompted widespread calls for further changes to the guidelines for RAS, and Treasury is chairing a Commonwealth industry committee to formulate a submission to the Commonwealth. The State Government will also continue to pursue the question of additional funding for drought assistance, including the possibility of developing a longer term alternative to the further extension of the exceptional circumstances of RAS. Both of these developments clearly depend on the cooperation of the Commonwealth Government and, as I said earlier to the member for Burdekin, we would like to get the cooperation of the other States in that push to try and get the Commonwealth Government to agree to some of the new measures that we think are appropriate.

It is worth mentioning that the schemes that are available to assist the rural sector in the 1994-95 Budget include: the Rural Adjustment Scheme; drought freight subsidies; interest-free loans to local authorities; crop replanting and restocking schemes; schemes for urban water supplies; the freeze on lease rental increases; the Drought Employees Support Scheme; the Primary Industries Productive Enhancement Scheme, or PIPES; the Rural Family Support Services Scheme; the South-west Queensland Strategy; and the Rural Lands Protection Scheme. There is a whole range of measures which this Government in some cases has not only pioneered but continued, and it is those schemes that are helping rural Queensland in these very difficult times.

Unfortunately, there are a few politically inspired stories going around about the rural sector and I think that we really should encourage the rural sector to ignore those stories which have unfortunately come from some members of the National Party. I think the facts that I outlined a minute ago speak for themselves and they fly in the face of the propaganda being pedalled by some National Party members. It really galls some National Party

members that this State is so well managed financially and that we are able to help out the rural sector better than they would have been able to do under equivalent circumstances. That is the case because we have been prepared to take a lot of the hard decisions. Due to the prudent financial management of the Treasurer and the Government, in five years we have been able to shave off just under \$5 billion off our net debt. It is because we have been able to take those sorts of decisions that we have been able to help out not only the rural sector but the rest of Queensland through the difficult times. I am quite confident in saying that the National Party would not have managed the economy as well as this Labor Government is managing it.

Opposition members interjected.

Mr DAVIES: That really irks them. It really irks them that we have knocked off the \$4.3 billion net debt since the National Party Government was in office. The sum of \$4.3 billion net debt has gone in four and a half years, which means that we are reducing our net debt by about a billion dollars each year. I would just say to members of the National Party that they could not have done it. Because the Labor Party has been able to do it, and now that Queensland is net debt free, we have been able to help the rural sector. As an aside—we have been able to provide the \$1.5 billion Capital Works Program for the Health budget—and I notice that the Health Minister is in the Chamber. We have been able to put all of these types of schemes in place, schemes which the National Party would not have been able to achieve. We have done that with an increase in population of between 1 000 and 1 500 a week. People just keep coming across the border. Through the great financial management of the Treasurer we are able to achieve all of these things and help out not only the rural citizens of Queensland but also the other citizens of Queensland.

I think it is important to say in this context that since Federation no State has been able to claim to be net debt free. This State can now claim that. It is important to repeat that; since Federation no State has been able to claim that it is net debt free. We have now done it. Some earlier interjections were the typical old scenario, "You could not have done it without us", but the reality is that we have done it without the National Party, and we have done better than they could have done it.

Mr Springborg interjected.

Mr DAVIES: I will take the interjection. It is because we have been prepared to corporatise the Government owned entities and make them perform. We are not afraid of competition; the Opposition always was. The agrarian socialists

were always frightened of competition—"protect this and protect that".

Mr Slack interjected.

Mr DAVIES: We make the Government owned corporations competitive. We make them perform, but we do not forget the community. We make sure that the community service obligations are there. If they are not provided by the corporation itself, they will be provided on Budget and that is why—because of that sound financial management and because we can commit virtually all of our Budget to service and infrastructure provision—we have been able to put large portions of our Budgets towards servicing today's spending, unlike any other State in Australia, because other States have to service yesterday's spending. As a consequence of all that, since 1989-90 we have been able to increase outlays in service delivery by 38 per cent in real terms. We have also been able to boost the State's Capital Works Program from \$2 billion when we came to office to more than \$3.4 billion in the current financial year. The latest estimates show that Queensland's per capita spending on capital works has increased from \$671 in 1989-90 to \$905 in 1993-94. At the same time, average spending in other States has increased by only \$3 per capita, from \$731 to \$734.

Due to all of this prudent financial management, in the bad times we have been able to have these massive capital works programs, even during a recessionary period. That negative debt situation is making sure that Queenslanders can look forward to the future with confidence in the knowledge that their State is the leading State. I must say that I was pleased a couple of weeks ago to hear Mr Borbidge say that we have to keep Queensland as the leading State. He actually recognises that the Labor Party has made Queensland the leading State.

The one really good thing about the sound financial management of the Labor Party compared with the policies that were implemented by the previous Government in this State—and I have to say that Mrs Sheldon really needs to have a look at the history books because the Liberals have not been in Government for probably 11 or 12 years; she was talking as if it was only five years ago—is that we are not placing a burden on the kids of today because we have serviced all the problems. Our kids now have a clean slate, unlike the kids in other States.

It is very close to 6 o'clock. I will just say that I support both of these Bills; they are a testimony to the continuing sound financial management of the Queensland Treasurer, Keith De Lacy.

Sitting suspended from 6 to 7.30 p.m.

Mr SPRINGBORG (Warwick) (7.30 p.m.): Tonight I rise to support the broad principles of the Rural Adjustment Authority Bill of 1994. In doing so, I would like to make a few points regarding the current horrific drought that is permeating rural Queensland, and also to make what I hope will be some constructive points that all members should consider.

There is absolutely no doubt whatsoever that the drought that we are currently experiencing throughout Queensland is completely unprecedented. The comments of the Prime Minister, which would be seen as unwise even amongst his colleagues here in Queensland, certainly have stirred up the emotions of many people in rural Queensland. I can honestly say that they have certainly stirred up the emotions of many members on this side of the House and many members on the Government side of the House.

I refer to an article in the *Sunday Mail* dated 14 August 1994 titled "Rural Despair".

Mr De Lacy: I don't think they'll give much credibility to your argument.

Mr SPRINGBORG: But some of the points are certainly relevant to the problems that we face. They certainly are not a political statement. The article states—

"The Ekka is with us again, the crowds are high and the number of stock entries for competition are about normal.

The RNA Exhibition is a good representation of all aspects of Queensland life but it is not the full picture because many of our rural citizens are suffering severely from a savage drought which has lasted nearly four years. Latest prognosis is that it will continue; there are indications that the El Nino phenomenon which has been blamed for the prolonged drought will heighten. In Australia it has caused drought; to the north it has caused vast rainfall and thunder storms in Hong Kong and southern China.

Australia's rural industries, like those in other countries, are greatly affected by the weather but we are uniquely disadvantaged in that we have knowledge of weather patterns over only 200 years or so—and some of it very meagre at that.

Aboriginal oral evidence passed down through the generations talks of huge periodic floods but recorded evidence dates from 1788 at the earliest. Since then Australia has been hit on occasions by severe floods but some scientists believe that in the historic sense the past 200 years have been the golden age of weather in

Australia—that past droughts sometimes lasted a century or more."

With that sombre warning, I certainly hope that is not the case. Many of the climatologists we hear commenting in the media suggest that those sorts of phenomena may be the situation in Australia. I am concerned that some of the new evidence from the James Cook University in north Queensland seems to indicate that, around the time that Captain Cook came to this part of the world, there was a 15 to 17-year drought, which would make this drought seem a mere pup. That should concern many of us.

That is not to say that everything is doom and gloom. Let us not forget the fact that, according to our records, for many of the last 200 years since European settlement we have had quite prosperous times. I am sure that members on both sides of this House would recognise that we must put in place plans to ensure that our producers are able to meet those hard times and, hopefully, are able to put away and plan for the hard times when they are experiencing a better season. By and large, many producers have done that.

Mr Ardill: Are you going to enlarge on that—how they're going to do it?

Mr SPRINGBORG: Yes, I certainly am going to enlarge on that later in my contribution. I would like to make a few comments about the Treasurer's second-reading speech. There is very little in the second-reading speech on the Rural Adjustment Authority Bill with which any member on either side of this House could disagree. Most of it is motherhood stuff, and most of it makes a great deal of sense. I understand that we are going to have rural adjustment schemes administered by an authority that is purpose built and which, hopefully, will be overseen by professional people who have knowledge of the assistance that they are distributing and understand the particular circumstances.

I am interested in the selection of the board. I realise that the Governor in Council will do that. However, I would like the Treasurer to outline whom the people on that board might be. Will they be people who are drawn from the primary sector who are aware of the conditions that might be afflicting rural producers, or will they be a mixture of those people and others who have some expertise in financial assistance measures? That is most important. It is something that many people in rural Queensland are waiting for.

It is also interesting to note that the Treasurer said that we must go on to foster the development of a more productive rural sector for the benefit of all Queenslanders. I certainly agree with that. It is a statement with which all

members would agree. I believe that all primary producers have tried to achieve that. However, I sound a note of caution to the Chamber. It is a little bit like running the four-minute mile. One sets a goal. Even though one does not have access to the best technology or one does not have the ability to obtain it, it is possible to reach a particular point, but going beyond that is often quite difficult.

What I mean by that is that, over the past 20 years, I believe that many primary producers have taken great steps towards improving productivity. That is also the case for the work force in this State and the nation in general. It is difficult to take further steps. We must also understand that, once we reach a particular level, the next step—for example, going from 18 bags an acre to two tonnes an acre—might take a lot longer, and we might not be able to do that with much of our country because our climatic conditions and the nutrient base of much of our soil would not be conducive to doing that.

I hope that what the Treasurer said in his second-reading speech about the board being comprised of people who can provide positive information to the Treasurer or the Government on the current drought and needs does come to pass. I believe that some rather heartless remarks have been made over the past couple of years about this drought being just another dry spell.

Mr Beattie: No-one said that.

Mr SPRINGBORG: It certainly was said. We all heard that in the media. Earlier in the year, the Treasurer presented his Budget and suggested that this Budget's emphasis would be on recovery from drought and the recession. That pained many people, because they saw that that drought was not over in the rural community. It certainly was not over in the Lockyer Valley or the Darling Downs, but there was some short-term minimal relief in western Queensland.

Mr Bennett interjected.

Mr SPRINGBORG: No, it is not a cheap shot. It was said. This is all about receiving information from people who are able to provide constructive advice. I do not know whether that advice has been put forward in the right way, and in some cases it might not have got through. The drought had not ended at that stage, and we are right back into it.

Mr Bennett: There had been rain at that time, though, hadn't there?

Mr SPRINGBORG: There had been rain; but it is a little bit like one swallow does not make a spring. We really must take that into consideration. It is easy, on the basis of some small indicators, for members to come in here and make statements about things greatly

improving when we have seen some small improvement, but there is a very real likelihood that we might slip back into the previous situation.

I turn to one other area that has been worrying me and many other people. I know that the Government has made some statements about this, but I would like to see something constructive come of it. I refer to the impact of this drought on small business. An article in the *Australian Financial Review* of 26 August 1994 titled "Drought Scorches Small Business" stated—

"Small businesses are emerging as the forgotten victims of the crisis in Australia's drought-stricken rural areas.

While drought-affected primary producers have successfully lobbied for increased assistance, the plight of rural small businesses, isolated and mostly unrepresented by established support networks and business organisations has been ignored.

Yet rural small businesses are feeling the effects of the drought almost as much as the primary producers they rely on for custom. While a proportion of their trade comes from the non-farming community, unlike many farmers they do not have the asset base to help them ride through difficult times.

As a result, many rural small businesses, already damaged by the recession, are closing down or drastically curtailing their activities and slashing staff numbers."

That article stated that we are in very real danger of seeing the entire social fabric of many of our small towns on the verge of collapse. That really does affect the workers in those areas. It is something that I mentioned recently in a contribution in the Parliament. A problem that has come to light in later times relates to the people who have worked loyally for a small business for many years and now, because of this downturn associated with the drought which has continued longer than any of us would have dreamed, they find themselves unemployed or at risk of being laid off from the source of their employment. That creates the problem of those people being out of work.

If those people are 45 or 50 years of age, they have little prospect of finding another job locally or elsewhere. Once a person is getting towards middle age, people do not want to employ that person. That is very unfortunate because people of that age are often the most skilled, loyal and dedicated core of people that

we could have in our work force. The jobs just might not be there because some of the businesses will close down and never reopen.

If people go further afield—if they are young, maybe 35 or 40 years of age—then often an established family is taken out of that town to another centre. If a person cannot find a job, he or she has to apply immediately for unemployment assistance. That is not very good for one's self esteem and does not help to balance the books in the country in general.

Support measures for primary producers do exist, but it is very easy to fall into the trap of believing that all primary producers are eligible to receive help from the assistance programs that are available. That is not the case. Recently, I noticed that Senator Bob Collins, the Federal Minister for Primary Industries, said that approximately 70 per cent of all primary producers who applied actually received some form of assistance. On the face of it, that may very well be the case, but we must not forget the fact that many of the primary producers do not even bother to apply for assistance because of the guidelines that are in place.

At one stage—I think it was a year or so ago—legislation passed through the Federal Parliament that supposedly allowed primary producers to receive some form of unemployment benefit. I believe that, in a period of 12 months, only six Queensland primary producers qualified for that assistance. I liken the problem to people losing their jobs. That is not the best time in a person's life. Many people have to make payments on loans for cars and mortgages on their homes. They can often rely on unemployment benefits or some equivalent benefit—even though that benefit might not be the greatest—until they are able to find employment. If businesspeople or farmers go through a bad trot, they have to eat into their equity. Many people do not realise that. People assume that the assistance programs exist and that all sorts of people can access those programs. That is not the case.

In conjunction with other initiatives such as this authority—and I know that moves are afoot to implement this—we need to have a good, hard look at the Rural Adjustment Scheme guidelines, because they are inadequate and they are not advantaging many people who should be advantaged. Those people should be encouraged to stay in rural Queensland and primary industries. It is very much like losing a family who have come up through the railways and who know what they are doing. Once that skill level is removed, something is lost. The same can be said about primary producers.

I see solutions outside of what we are debating today. The Government should consider making capital debt repayments tax deductible. I know the Treasurer is looking for suggestions, and I welcome his announcement that we are lobbying the Federal Government for tax incentives for water and fodder conservation. That is an extremely sensible move that should be welcomed by all State Governments and all thinking people around this country. Unfortunately, it has not been welcomed by many people, but it does make a lot of sense.

Prior to 1983-84, when many of the tax incentives were reduced or taken away altogether, a great deal of rural infrastructure was put in place. That has been valuable. In many cases it has helped primary producers overcome extremely difficult times.

Returning to capital tax debt repayments being tax deductible—the unfortunate position is taken in this country in which all types of people—from ordinary PAYE taxpayers to the primary producers and businesspeople—are encouraged to go into debt for a business venture. They can then claim their interest as a tax deduction. To my way of thinking, that is a strange situation. We should be turning that around and giving an incentive to the people who put away the most money and who try to plan for their future. Unfortunately, over the past few years we have tended to run off the rails in that regard.

I do welcome the initiative of many people in this State, including the Premier, who has lobbied his Federal counterparts for the reintroduction of decent tax incentives for fodder and water conservation.

While I am talking about the drought, I would like to thank all of the people who have made generous donations to various drought funds throughout Australia—whether those donations be fodder, blankets, other goods or money. However, I do announce one word of caution. Sometimes by being generous, people can take away from long-term, established businesses in the rural communities. That is something that will soon come to the fore. It has been mentioned in the past and it will be mentioned again. Often, bringing in food or donating blankets takes business away from the local shopkeeper who has carried many primary producers through very difficult times. I believe that cash contributions or coupons would be a way around that, because those donations have had a big effect on many businesses in many areas of the State. I make that particular plea for people to consider.

With those few words, I would like to end my contribution. Hopefully, at the end of this debate we will be able to come up with some

constructive measures that we can take to our Federal counterparts and some constructive measures to put in place in Queensland. I note that the Premier talks about the need for the Federal Government to be involved. However, it also behoves the State Government to look at the construction of essential State infrastructure that would, hopefully, alleviate problems of drought in the future. I am referring to the need to construct dams and weirs in many areas. In certain places in my electorate, the drought would have been ameliorated to a certain extent if the Broadwater dam and some other weirs had been constructed. However, that is a matter to be dealt with at another time.

Broadly, I support the Rural Adjustment Authority Bill. I hope that this drought is going to end soon because it is something that I believe is going to create a social catastrophe for many areas in rural Queensland and rural Australia. It is unfortunate that it is only starting to come to a head in the minds of many people at this stage. It is something that members of the Opposition have been concerned about for a long time. As I mentioned in a speech recently, I am worried about the rising incidence of domestic violence, which occurs when people are under stress, and of the rising incidence of youth suicide, which is linked to the problems that we are facing. Those problems are not isolated to rural areas. Those problems are now starting to permeate many other communities.

Mr BEATTIE (Brisbane Central) (7.50 p.m.): It gives me a great deal of pleasure to rise to support the Queensland Industry Development Corporation Bill and the Rural Adjustment Authority Bill. Before I begin my contribution, I must say I was disappointed to see that, during the speech by the member for Warwick, only two Opposition members were present in the House. The Opposition spokesman, that is, the shadow Treasurer, was not even here, and is still not here. I welcome the honourable members for Noosa, Warrego and Lockyer, who have just arrived in the Chamber. They missed the contribution of their colleague the honourable member for Warwick. I remember that, last week, the Leader of the Opposition was whingeing on radio that the Government closed down the House just before dinner, and was saying what a dreadful state of affairs that was.

Mrs Woodgate interjected.

Mr BEATTIE: Now we know why. The first night we sit after dinner, and there are two Opposition members—

Mr FitzGerald interjected.

Mr BEATTIE: It is the Government's responsibility to make sure that there is a quorum. As members would see, there are

plenty of Government members present. Last week, the Leader of the Opposition was whingeing that on one day the Government had closed down Parliament just before dinner, and what happens? This week, we sit after dinner, and two members, the honourable member for Mooloolah and the honourable member for Warwick, are present in the House—as they usually are—one of whom was speaking in the debate. Even the honourable member for Mooloolah went for a walk, and the poor old honourable member for Warwick was left standing all alone facing the Government benches. What a terrible state in which to leave the poor member for Warwick! So let us not hear any more whingeing about the sitting times of Parliament. If Opposition members want Parliament to sit, they should turn up and be here.

I will move on to the important pieces of legislation that are before us. It is indeed—

Mr Davies: The member for Warrego was finishing his glass of wine.

Mr BEATTIE: I will not take that interjection. Let me move on to—

Madam DEPUTY SPEAKER (Ms Power): Order! The Chair has been reasonably tolerant with the member for Brisbane Central. I ask that he now return to the Bill, and I ask Government members to recognise that.

Mr BEATTIE: As I was saying when I was going through the Bill but could not be heard because of the ruckus, today is a great day because the Treasurer indicated a little earlier that Queensland is now net debt free. This is an important day for Queensland, and I place on record my congratulations to the Treasurer for the role that he has played in putting Queensland in the sound financial position in which it finds itself today.

I am always a bit intrigued—and this is very relevant to this legislation—when National Party members talk about the so-called wonderful financial position in which they left Queensland. Talk about ancient history! That was five years ago. Sure, when Labor came to office, Queensland was in a reasonable financial position. However, this Government has improved upon that position significantly.

Mr J. H. Sullivan: Every year.

Mr BEATTIE: I take that interjection. Every year, this Government improves upon that position significantly. Let us look at the real legacy that was left by the National Party. It did not undertake any infrastructure planning at all. Under the National Party, there was no social infrastructure planning, and no corridors were set

aside for roads. Today, we have this enormous debate in the community about roads, and why?

Mr J. H. Sullivan: They didn't do their work.

Mr BEATTIE: That is right. The members of the National Party did not do their work. They were incompetent planners. They simply drifted along. The financial assets of this State, that is, our natural wealth, as well as our wonderful climate and the boost in industries such as tourism, have led to a significant improvement in our economic status. There was not a great deal of direction from the National Party when it was in Government, and its lack of infrastructure planning has created a crisis, particularly in regard to the growth in the south-east corner with which we have been confronted over the past 10 years.

Mr J. H. Sullivan: They ought to be ashamed.

Mr BEATTIE: Indeed. This Government has had to make the tough decisions. If National Party members want to talk about their legacy, I say that their legacy is incompetent planning. I want to place that clearly on the record because my constituents in Brisbane Central are some of the people of Queensland who have to put up with hardship because of the National Party's incompetence over 32 years.

The QIDC working party recommended that the function of delivering schemes of assistance to rural producers and certain small businesses did not fit into the framework of a corporatised QIDC. That makes sense. Accordingly, as a result of that recommendation, the Rural Adjustment Authority Bill 1994 will establish the Queensland Rural Adjustment Authority to handle the functions currently carried out by the Government Schemes Division of the QIDC. The central objective of the Queensland Rural Adjustment Authority will be to nurture and encourage a more productive rural sector for the benefit of all Queenslanders.

I acknowledge that significant contribution by the working committee and, indeed, the importance of this legislation. However, I take the opportunity to place on the public record briefly the enormous goodwill which exists in the City of Brisbane—indeed, in my electorate and in your electorate, Madam Deputy Speaker—towards country people, especially during this time of the worst drought in the recent history of Queensland and Australia. I have many constituents, such as Mr Terry White of Kelvin Grove, who have been part of a Brisbane-based effort to assist country people in their time of need. Terry White and many others have put in a considerable amount of time and effort for no reward to assist country people in need.

As we all know, Brisbane is a modern, cosmopolitan, world-class city, but it has still retained its heart from the days when it was a big country town. It has maintained close links with and affection for country Queensland. Many country children have moved to Brisbane for work and other reasons and, therefore, that close linkage, in my view, will continue well into the future. Brisbane people want to support their country cousins in their time of need, but not in a paternalistic way. They are sensitive to the feelings of those proud, hardworking Queenslanders who are currently struggling against the drought. They know that they have the support of Brisbane people who are opposed to those politicians—and, unfortunately, we have some—who seek to divide the country from the city for cheap political reasons. I hope that the politicians who have sought to do that will desist.

I want to mention briefly some of the people in my electorate who are concerned about assisting country people. In particular, I mention Mr Terry White. As I said, he is a constituent who set up a scheme to encourage a street to adopt a farmer. He approached the Minister for Transport and me to enable the transportation of assistance in a range of forms to country people. He doorknocked people in Bally Street, Kelvin Grove where he lives and asked the people to pay a levy of \$3 a week as part of a two-month trial run. He then made contact with some people in the Charleville area to assist in the distribution of the goods that he was able to acquire. In the period since he first approached me in April 1993, Mr White has made a number of visits to country Queensland. I table for the records of this House the letter that Mr White wrote to his neighbours in Kelvin Grove, because I think it shows clearly his strength of commitment and the commitment of many Brisbane people to country people.

I want to give an indication of how responsive Queensland Rail was to a letter from Mr White, who was then seeking to get transportation of material to country people. The general manager of small freight for Queensland Rail, Mr John Atkin, stated—

"The food relief scheme proposed by Mr White is commendable in the light of the present prolonged drought conditions.

...

Q-Link is agreeable to free transit of consignments of food for consumption by farmers, graziers and others in drought declared regions of Queensland."

In addition to Q Link's very positive response, some other assistance was given. Over and above the 50 per cent consignment

allowed by the Department of Primary Industries on wagon loads of hay and chaff, Queensland Rail has allowed a discount of 20 per cent. Three freight-free fodder trains were organised for deliveries within Queensland. Bulk molasses was also conveyed by rail at concessional rates from sugar mills to drought-affected Australia. During the latter part of 1993, the town water supplies of Toobeah and Warra townships dried up. Queensland Rail supplied bulk water wagons to convey water free of charge from Goondiwindi to Toobeah and from Dalby to Warra. From May 1993 to February 1994, water was conveyed from Goondiwindi to Toobeah by rail and from November 1992 to January 1994, from Dalby to Warra. Again, for the records of this Parliament, I table both of those communications because I think it is important that there is an appreciation of the contribution that was made by Queensland Rail at that time.

However, that was not all that was done to assist people. I will also refer to a couple of other matters. In a media release, the Minister for Transport announced as follows—

"Primary producers have been given a new concession to ease the burden of transport costs.

The Transport Minister, David Hamill, has announced an increase in the distance that vehicles with special farm plates can travel.

'From 1 July' "—

this was in 1993—

" 'farm plates will allow the driver to travel up to 12 kilometres on public roads—an increase of 7 kilometres on the previous distance.'

...

'Vehicles with permit plates will be able to travel up to a kilometre.' "

The media release continued—

"Mr Hamill said primary producers had mounted a convincing case for an extension so they can move feed and stock between different parts of their properties.

'These are very difficult times on the land and the Queensland Government is looking at a number of ways to give farmers and graziers more flexibility.

Charges for farm and permit-rated vehicles have also been kept to a minimum with the annual registration rising 60 cents to \$38.20.

Primary producers in drought-affected

areas have the added benefit of being able to pay vehicle registration fees on a quarterly basis.' "

But that was not all.

On 12 November 1993, an announcement was made in relation to machinery movement for farmers also being made easier. The media release stated—

"The Transport Minister, David Hamill, said new permits for moving 'excess dimension' agricultural implements meant greater flexibility and less inconvenience, without compromising safety. He said the new permits would apply, pending the implementation of national overdimensional vehicle regulations, probably in 12 to 18 months. The main benefit will be for broadacre farmers, who operate large equipment over six metres wide.

Among the benefits will be: relaxation of escorts required on certain roads . . ."

Mr Johnson: You're going to keep \$20m of that money.

Mr BEATTIE: I thought that the member would have agreed with this.

Mr Johnson: I agree with giving farmers concessional registration, yes, but not taking \$20m from them.

Mr BEATTIE: The member should be fair.

Mr Ardill: You must be the pied piper.

Mr BEATTIE: The Nats always come into the Chamber to listen to me. We can understand why. We are so much better than the Opposition speakers. Why would they come into the Chamber to listen to their own speakers? We have to be realistic about this. They always come into the Chamber to hear what we have to say. We have always got something to say.

The Minister said that there would be—

"more flexibility for the operator and police to negotiate permit conditions, including times, days and routes;

greater recognition of local traffic, road and visibility conditions; and

exemption of escort requirements when crossing certain rural roads."

So, as members would realise from that material, there was a significant effort made by Queensland Rail at that time to assist farmers who were going through difficult times. That is appropriate assistance. It is the sort of thing for which Terry White, to whom I referred before, argued strongly. He wrote to me and that letter was passed on to the department. He was pleased to see, as I was, a positive response. But not just individuals such as Terry White have

made an effort. A number of other groups, including the *Courier-Mail*, Channel 9 and Metway Bank have initiated a bush appeal. The Deputy Premier distributed \$640,000 to councils in April last year as a result of that appeal. Cheques were drawn and passed on to those councils. As I said, the total was \$641,137.

I was interested to see that my old home town of Atherton received \$40,473.

Mr Bredhauer: They remember you kindly there.

Mr BEATTIE: They do remember me very kindly, and why would they not?

That area normally receives about 52 inches of rain every year. For it to be included in a drought area gives us some idea of how difficult and how extensive this drought has been. I was stunned when I saw that Atherton was considered to be in a drought area.

As recently as the end of July, as many farmers enter their fourth year of drought, I noticed in the *Australian* that farmers were still appealing to their city cousins to stick by rural communities. All of us in the city are very supportive of our country cousins. I endorse what Terry White and other such people in my electorate have done. I hope that we continue, as we have done in the past, to be supportive of country people.

Finally, I will refer to one other matter. I received a letter today in the mail from an A. J. Symonds, who is the secretary/organiser of the Bush Support Loans Campaign Committee, who wrote to me, as I am sure he has done to quite a lot of members, saying—

"I am writing, as a matter of urgency, to enlist your support for a campaign to help rural Queensland survive the drought."

Everyone has a lot of sympathy for that cause. In his letter, he talked about a meeting that was organised by the Australian League of Rights in country Queensland.

Mr Bredhauer: Are you going to go and address them?

Mr BEATTIE: No, I am not going to address them.

Although all people are very supportive of the aims expressed in the letter, I would be very cautious about supporting any arrangement involving the Australian League of Rights. I am concerned that the letter talks about attacking foreign aid. That letter stated what it wanted to achieve, including—

"That the Commonwealth Government immediately divert some of the foreign aid funds to Queensland primary producers, as no interest, no charge loans,

to be repaid, at will or on sale of property, to the foreign aid funds.' "

That may sound interesting on the surface, but the bottom line is that aid funding by this country is by and large these days linked to aid programs that create jobs in Australia. The League of Rights should get out of the 1930s and 1940s and realise that, while aid funding is important for our position in the world, it also creates jobs here. Take the friendship bridge between Thailand and Laos, recently opened by the Prime Minister, Paul Keating. A lot of that work was done by Australian companies, which not only brings overseas dollars into Australia but also creates jobs here.

The same situation applies in Vietnam—and I have reported on my recent visit there. When I was in Hanoi it became obvious that a considerable amount of that aid funding is very clearly linked to creating jobs in Australia.

Mr Bredhauer: It helps generate export markets.

Mr BEATTIE: It certainly does. It helps to generate exports. We have to be very careful in all of this that we do not get caught up in trite, short-term slogans that sound wonderful but in the long term do not assist the country at all. I hope that Mr Symonds will have a look at the aid programs because of their links to job-creation schemes in Australia and their potential to generate wealth for this country.

I will conclude by saying that all members who represent Brisbane seats understand and appreciate the seriousness of the drought. We are doing everything we can to assist people in the country and, like everyone else, we hope it will rain soon.

Mr SLACK (Burnett) (8.07 p.m.): I am sorry that I was not here to hear the whole of the speech by the member for Brisbane Central. However, I was here to hear the latter part. The honourable member concluded by voicing his concern for the people in the country and his understanding of their problems. I appreciate those comments, but whether he actually understands the problems in the depth that he claims that he does is questionable. However, I will give the Government respect for the fact that its members are genuinely concerned about the plight of rural industry. I will give them credit for the fact that they are making some effort to address those problems.

However, if we compare that effort with the efforts that it has made in other areas, it may not weigh up quite as well with what honourable members opposite would have us believe. If we start adding up the amount of money that has been allocated to drought assistance and to rural

industries over the extent of this drought, it pales into insignificance when we compare the amount of money that has been spent on the Indy car race or the amount of money that will be spent on a road to the Gold Coast that addresses social and environmental issues. There is also the Lang Park grandstand, which cost \$35m, and the list goes on. So \$100m in assistance over the duration of this drought pales into insignificance.

A little while ago, the member for Bundaberg said how concerned he was about drought and how devastating they were. He suggested land banks and so on. Years ago, that very member, in association with the member for Hinkler, Brian Courtice, had drought removed from the natural disaster list. So let us be honest about this situation. Now the member for Bundaberg has come back saying how interested in and concerned about the drought he is. I know that he is concerned, but let us look at the reality. How many members on the other side of the House have been involved in rural production? I know that the Treasurer has been involved. I am not saying this disparagingly. He would understand some of the problems from his own involvement in rural industry some years ago.

There are major problems in rural industry. Rural producers do not have an easy time. We talk about that ad infinitum. The member for Bundaberg acknowledges—and I accept this—that there are many cases of hardship out there. But there are avenues through which we can address that problem. The Commonwealth has the responsibility, in so far as the assets test is concerned, in respect to education and in relation to people getting social security. That is not the Government's fault. It is a fact of life that is causing real hardship.

Many people on the opposite side—and I do not believe that the honourable member understands this—do not appreciate the amount of capital that is required to make farming enterprises viable. I am talking about amounts in excess of \$1m. People who have not been directly involved in rural industry do not appreciate that that is the sort of capital required merely to allow a person to live on a property. It does not include paying large mortgage redemptions to the bank or anything else. Because of the low return on capital outlays, banks and financial institutions require at least 80 per cent equity in a property for it to be a viable concern. That is the reality. Many rural people have a \$500,000 to \$800,000 property, but they are not making a living. Some rural families live under more difficult conditions than do those who receive the dole, yet under the assets test those families do not qualify for education

assistance for their children and they are not eligible to receive social security benefits.

As to the corporatisation of the QIDC and the establishment of the Rural Adjustment Authority—the reality is that we have come the full circle. Years ago, the Agricultural Bank was run by the Primary Industries Department for the benefit of rural producers. It recognised some of those factors to which I just referred. That institution allowed \$100,000 to be borrowed, which was of assistance in many cases, but it required a first mortgage, so its requirements were fairly stringent. The bank placed a ceiling on the interest rates that could be charged for that money.

After pressure from the rural constituency, the National Party changed the administration of that bank from being the responsibility of the Department of Primary Industries to being the responsibility of Treasury. That was done in an effort to make more money available to address the problems of rural producers. If ever a mistake was made, that was it, because Treasury did not understand the problems of rural people in the way that the Primary Industries Department did. That department dealt directly with those problems. The people in the field shared the problems with the people on the land.

Members should not hold the mistaken belief that people on the land are the only ones affected by drought. The produce that is sold flows through the whole system. It represents the security of country towns, the security of railway lines, ports—the whole lot. If productivity levels start to falter—which is occurring because of the current drought—the whole economy starts to falter. Members should ask Malcolm Fraser why he was voted out of Government. It was claimed that the largest contributing factor to his demise was the problems being experienced in rural areas because of the drought affecting this country at that time.

During the life of the Agricultural Bank, the Opposition of the day questioned the actions of the Government and claimed that the system was being rorted. Campbell and Courtice made those accusations in order to score cheap political points. As with social security or any welfare system, there will always be the rorters who have a unit down the coast worth \$100,000. However, the overwhelming majority of people who obtained assistance under the rural lending scheme that applied at that time were in desperate need. I acknowledge that a small percentage of people may have rorted the system. However, the Federal Labor Government abolished that assistance altogether, and now many rural producers face disaster.

This Government is beginning to recognise that the QIDC is no longer a rural bank. It is no longer specifically there for the direct benefit of primary industry. This Government is acknowledging that the QIDC has really become a State bank. The only difference between the QIDC and a State bank is that it does not have cheque accounts and people do not deposit their money and draw it out. How long will it be before that occurs? We changed the Agricultural Bank to being the responsibility of Treasury, and then it became the QIDC. It has moved one step at a time. Only one step remains before the QIDC is a fully fledged State bank. Government members cannot claim that those in the QIDC are not asking for the privilege of running a cheque account.

I place on record that I have no problems with Roy Deicke. The member for Bundaberg spoke about him earlier. Mr Deicke is a well-respected, astute businessman, and I have every confidence in him, but that has nothing to do with the subject matter at hand. What we talked about before—

Mr De Lacy: The member for Beaudesert.

Mr SLACK: The member for Beaudesert referred to the fact that it is a matter of administration. That can occur in most institutions. I will stand by the integrity of that board, and I can vouch for the integrity of Roy Deicke in particular. That does not change the fact that he is a hard-nosed businessman, and he wants to return a profit for that bank. Last year, the bank returned a 16.1 per cent profit on its equity. That is not a bank designed to help people in need; it is out there competing with the other banks.

The Treasurer claims that the QIDC is competing on fair terms. It is not competing on fair terms when it is underwritten by Treasury.

Mr De Lacy: When what?

Mr SLACK: The QIDC is being underwritten by Treasury. I am not knocking that, but the QIDC also lends to cooperatives. That is fine; let it remain that way. It is a boost to those cooperatives in the system. However, it is a fact that the QIDC is not competing on equal terms, as the Treasurer claims it is.

Mr De Lacy: It is competing on equal terms. It has got a guarantee but it pays an appropriate guarantee levy.

Mr SLACK: The fact that it has a guarantee means that it is not on equal terms.

Mr De Lacy: No, it pays an appropriate guarantee levy. It has to pay the price when it raises money and that's what it means when we say it is on equal terms.

Mr SLACK: I know what the Treasurer is saying.

Mr FitzGerald: They split the guarantee between them.

Mr SLACK: That is right.

Mr De Lacy: It will pay the proper guarantee fee so that it competes on an equal basis, on a level playing field. That is how you take account of that.

Mr SLACK: What about venture capital? Will it still have venture capital to support Compass or whatever?

Mr De Lacy: Venture capital has gone.

Mr SLACK: The Treasurer says that that is completely gone, so the QIDC will be out on its own as a private bank without any responsibility to the Ministers. I thought that the Ministers had an overall control—

Mr De Lacy: Shareholders, yes. It is the responsibility of shareholders.

Mr SLACK: As shareholders, yes. I put it to the Treasurer that the QIDC is in a slightly different situation from other financial institutions.

As to the divorcing of the schemes division—originally, it was designed to administer schemes. We have come the full circle, and it is probably appropriate that it be established on its own, provided that it works in the way it should. That will be the problem. Will the people who represent that particular agency be located in the same centres as the QIDC? Will they share the building? How will it actually work in respect to providing services in the country towns in which the QIDC presently operates?

Mr De Lacy: All of the commercial lenders will be agencies for Government schemes.

Mr SLACK: In other words, the Treasurer is saying that it will be like PIBA—the Primary Industries Bank of Australia. Will it or will it not be like that?

Mr De Lacy: This is not a bank, it is a Government schemes division. It is a Rural Adjustment Authority to administer Government schemes of assistance. All of the commercial lenders will be agents.

Mr SLACK: I thank the Treasurer for that advice. Will the division adopt any additional functions to that which it currently has?

Mr De Lacy: It administers Government schemes of assistance, namely RAS schemes but also PIPES—but no commercial lending.

Mr SLACK: So there will be no commercial lending; it will be funded directly from the Commonwealth and State money contributed, and that is the \$100m over the period of the

drought that we have talked about. Who will do the inspections for it? Will it be the banks that do the inspections for that particular facility? Say it is the National Bank of Australia.

Mr De Lacy: Because it is an interest subsidy. All they are doing is subsidising the interest.

Mr SLACK: I will leave that for the moment and get on to the land bank that Mr Campbell, the member for Bundaberg, talked about. I have never heard anything so ridiculous. I see the Premier smiling. I am sorry to inform him that it is a fact of life. One of the reasons people in the rural sector own land is that they have a pride of ownership; and that is one of the reasons that they stay on the land. As I explained before, they do not necessarily make much money out of it, it is just that they like to develop a property. The only way that their money is returned to them by way of income is at the time of the eventual sale of that property. Many people on the land see their property as their nest egg. Some might not earn any money out of their property; they might just live what they call a free life—as much as it can be in this day and age. Many of them have certain feelings of achievement in the improvements that they make to a property, etc. Once that private ownership is taken from them, that feeling of achievement or interest goes, so taking the property from them is not the answer to the problem.

The scheme that this Government is proposing will only set up a bureaucracy to purchase the land. Whom will the Government give the land to then? Will there be a ballot or a tender for it? At the end of the day, what interest will be charged on it and how much rent will be charged? The Treasurer is looking at from 7 per cent to 11 per cent as a fair return on an investment from Government owned agencies, yet he is going to lease this bought-back land at 1 per cent to 2 per cent—or will it be 7 per cent to 11 per cent? If it is to be 7 per cent to 11 per cent, the people will not make money out of it. What will that achieve except to take away people's pride? That is all it will do. That is not the answer to the current problems that are before us. The answer is some understanding and a genuine commitment to these people. It is extremely difficult to give that help. The Treasurer knows it and I know it but, if those people do not get more help than they are currently getting, the Government is just going to perpetuate the disaster; it will not help those people who are genuinely trying to stick to the land, and there are many of them out there who need to stay on the land.

The grain growers are in an absolutely disastrous position. They have not had a crop

this year. Some of them are down to virtually bedrock equity. When one is down to bedrock equity, one is not meeting that 80 per cent requirement and there is no way that one can be viable. But if we wipe all of those grain growers out of the system and say, "Sorry, you can all go", what will happen to all of the country towns and where will the social structure go? The situation is as bad as that. Even though over the past five years both Federal and State Governments have given the rural sector \$100m, it still needs more to survive. Some people argue that the money is only propping up bad managers. Nobody denies that there are some bad managers out there and that they should go. However, because of how tight things have been, most of the bad managers are long gone because they just could not stay in the system.

The cost of finance going up to 20 per cent in the last three or four years is not the only reason for the problems that some farmers are experiencing—some were paying as high as 25 per cent—they experienced low commodity prices at the same time. We went through a period of sugar prices being at a bedrock low. They were so low that nobody could survive on them without using up most of their equity. We went through, and are still going through, the wool price disaster. We are also going through a grain price disaster. While some people think grain is all right even if you have a crop, it virtually covers only the cost involved in planting the crop, and even that is dependent upon a crop every year.

Do Government members have any idea of the price of a tractor on one of those grain farms? The small tractors used on some of the farms on the Downs cost over \$100,000. Some tractors cost up to \$350,000. Do Government members have any idea how much other farming implements cost? A chisel plough to go behind a tractor costs \$20,000 or \$30,000. Do members have any idea of the amount of capital that is involved in running a rural enterprise? That is what we are talking about when we talk about giving assistance to rural people. Some people describe farmers as a mob of whingers, but they are very proud people. Many of them have been on the land for five or six generations. Can honourable members imagine how farmers feel when they have to leave their land, after they have done everything they possibly can and after their forebears have managed that land and passed it on down the family line? Probably, in many cases people were silly to stay, but they endured it for as long as they could, but that reflects the pride and commitment of these people that have made Australia as great as it is today.

There is no way in the world that we should think of not raising our commitment to this particular group of people. I would ask the Treasurer and this Government to be understanding of their needs and to do something. We should not just talk about the Commonwealth providing the money; this State should make a commitment because much of that \$100m that has been mentioned came from the Commonwealth Government, not from the State Government.

Dr WATSON (Moggill) (8.27 p.m.): I rise to speak in this cognate debate on the Queensland Industry Development Corporation Bill and the Rural Adjustment Authority Bill 1994. In the few remarks I make I will concentrate principally on the Queensland Industry Development Corporation Bill but will refer, because it is relevant, to the Rural Adjustment Authority Bill. The purpose of the QIDC Bill is really to establish the corporatisation framework of the QIDC and to focus the QIDC on its commercial objectives. The second major reason for the Bill is to establish the appropriate supervisory regime; namely, that the Reserve Bank of Australia prudential guidelines should be applied to the reporting and recording activities of the QIDC.

Clause 8 of the Bill defines the objective of the QIDC as being to operate as a financier to Queensland's primary, secondary and tertiary industries and to earn a commercial rate of return. Of course, this is reinforced by the cognate Rural Adjustment Authority Bill which separates out the Government schemes traditionally run by the QIDC to a different authority. I support that initiative because it helps clarify the objectives of the QIDC as well as clarifying the objectives of this new authority. It makes transparent the costs associated with supporting the rural industry. Once we have separated them out into two different authorities, there are no hidden subsidies; so these two Bills are cognate, and that makes sense.

Of course, this leaves open the question: what is the QIDC Bill really all about? If we look at why the Queensland Industry Development Corporation was originally established, we see that the then Minister's second-reading speech tells us that there was a commercial market gap and that the Bill was to fulfil this role by providing a competitive presence. Financial services were not adequately met from other sources, and this Bill provided finance for projects not meeting normal banking criteria but which were nevertheless potentially viable. In other words, the original argument for the QIDC was one of market failure, that there existed a gap in the market and a Government intervention in the form of QIDC could fill that gap. That gap was

associated principally with venture capital and it was particularly important to the rural adjustment.

As the Treasurer said a while ago, those major aspects of QIDC venture capital have long gone. The Government schemes are being put off to another authority. The question remains: what is the role of the QIDC? In a second-reading speech of the Treasurer, for example, I would have expected that one might have had presented to this place an argument for the preservation of the QIDC. Presumably, the argument would have also gone along the lines of a market failure; that there still exists a gap in the market, and that a Government organisation can fulfil this whereas private organisations cannot.

So what could these arguments have been? It is possible to make a case for Government intervention to correct some perceived market failure. While there are probably a lot of different rationales that could be provided, let me provide just one or two. First of all, there could be an information deficiency. When technology and demand patterns are changing fairly rapidly, participants in markets—particularly export markets, but even markets within the State—might lack information on which to make investment decisions. Perhaps a Government organisation that is collecting information from all around the State might be able to provide the necessary information and thus give some kind of benefit to potential customers.

A second argument is one which is generally referred to as risk aversion. Individual companies might be unwilling to accept risks for innovative projects because they have a high chance of failure or because the returns they get are received slowly over time. There is some long-run probability of high returns that are good for society as a whole. This is usually the argument put forward in Japan for MITI and other similar organisations.

A third possibility is that there might be a problem with returns to scale, particularly in high-tech industries that face heavy, up-front capital investments but very low marginal costs of production. It might be too great for private enterprise to come up with the high, up-front investments. Again, for the benefit of the country or the State, it might be thought that such investments should be encouraged, and one way to encourage this is by Government support through an organisation such as QIDC.

A fourth argument in favour of some market intervention could be that there are greater benefits to other people in the State than would accrue to the individual making the investment, which is usually referred to as the externalities

argument. In that case, again there might be an argument for Government intervention.

Finally—at least of the ones that I can think of—there might be insufficient competition. It might be that a Government organisation can induce further competition in a particular market and encourage further competition, thereby making society, if one likes, better off because it has effects on costs and the ability to invest in a particular industry.

One could make an argument for the retention of something like the QIDC, but none of that exists. I see nowhere put forward by the Government any rationale for the QIDC. Arguments, of course, about market failure do, in part, beg the question. Just because there is a market failure, that does not necessarily mean it is cost effective for the Government to intervene. One of the costs of intervention is simply that Governments might fail; they might not have sufficient information to be able to overcome the externality. The costs that they generate might be greater than any of the benefits that they generate; so intervention fails in that sense. There is also the cost of retribution by other people, for example, other States or other countries. When they notice that the Government intervenes in the market, they might take other action that tends to retaliate against that particular State for creating something like the QIDC.

I do not see any of these kinds of arguments put forward. What I do see is the traditional QIDC stripped of its original intention—the original justification of market failure—but no other rationale is put forward. We all know the reason for that. I am sorry that the Premier has just left the Chamber. Everyone knows that the Premier wants to get rid of QIDC and privatise it; that he sees no benefit whatsoever in an organisation such as QIDC continuing to exist. However, because of the factions within the ALP, he cannot do that. I notice the member for Everton and, I presume, part of the Left Wing of the ALP looking at me.

Mr J. H. Sullivan: Why would you presume that?

Dr WATSON: This is what I hear around town. Everyone tells me around town that the Premier keeps saying, "I want to get rid of QIDC." We already know what the position is with respect to the ALP factions. We saw some of that in the arguments between the Premier and the Treasurer which became public.

The problem with this particular Act is simply that the Government has gutted QIDC of all the original arguments in its favour, but it has not put forward any reasonable arguments for its continuance. The Government has not done that

because the Premier and, I presume, others within the party do not believe it ought to continue. They believe it ought to go out to private enterprise; that the Government ought to get rid of it and use the money for some other purpose. The Treasurer and the Treasury, I presume, do not want to give it up—for whatever financial reasons that they put forward.

Mr De Lacy: You had better get back to economics; you aren't too good on politics. You aren't much good on economics, either.

Dr WATSON: As I said, that is what I hear around the place. It seems to me that the Treasurer has not put forward any reasonable arguments whatsoever. Chapter seven of the Brady report, which was not released originally but was released later, tends to support the argument that was going on in the Government's own Cabinet and party.

Brady indicated that the committee could not support retention of any of the existing State-owned financial institutions with the exception of QIDC when it had the venture capital and rural adjustment schemes in it. The committee could not find any argument whereby it appears that any of the financial vehicles it was looking at were used to achieve the Government's social objectives. The committee also concluded that the returns on funds invested in State-owned financial institutions appear to have been low—a finding consistent with what is happening in other States in the Commonwealth.

The committee also concluded that, in the current deregulated environment, it is not possible to build a case to support the extent of the Government's current ownership of financial institutions. That is what that committee came up with, and that is the argument that the Premier has been trying to push within his own political party, but has obviously failed to convince it.

If we are to have a corporatised QIDC, the Bill that has been put forward is consistent with the Government's previous legislation and, in that sense, it should be supported. Given that the Government has gutted the QIDC of all its rationale—its venture capital and its rural adjustment schemes—and that what is left is only a development bank trying to meet commercial objectives in financing primary, secondary and tertiary industries, the real question remains: if that is the only objective, why is the Government keeping it? That is the outstanding political question, the question that no member opposite has tried to explain, nor can explain.

Mr FITZGERALD (Lockyer) (8.41 p.m.): I wish to make a few points on the cognate debate on the two Bills before the House, the Queensland Industry Development Corporation

Bill and the Rural Adjustment Authority Bill. I agree with what the member for Moggill said. The Opposition supports the Bills before the House. Particularly with the Queensland Industry Development Corporation Bill, I agree wholeheartedly with the point made by the member for Moggill that, if the majority of the reason for the existence of the QIDC has been gutted—as the Treasurer said, it has no venture capital now, it is not going into risky businesses and the rural schemes have been taken away from it—then the operation of the QIDC becomes just the same as that of any other Government-owned banking corporation. I question seriously whether the Government should own such a body and I ask: what is that body going to do that is different to the commercial banks? I have a philosophical belief that private enterprise quite often does things better than Governments, unless it is for the handing out of welfare or for Governments to carry out their wishes and policies. The Government has not spelt out exactly what benefit the QIDC will be after it has been gutted.

I wish to speak mainly about the Rural Adjustment Authority Bill. We understand that the Rural Adjustment Scheme, which is the main scheme that is to be administered by this authority, has a very important role to play in the survival of rural Queensland. It is not easy for Governments or for the authorities that will be set up under this Bill to pick winners and losers in rural industry. Over many years we have seen the gradual adjustment occurring in one rural industry after another. We have gone right through the history of opening up the western parts of Queensland with large grazing blocks. When one goes out to those very large properties and sees the large shearing sheds, one can get a good idea of what were the sheep populations in those areas in those early times. When one asks the present owners what the sheep population is at this time, one is told that the history of those properties is that in the 100 to 120 years that most of them have been operating the owners have gone broke two or three times. Empires have been built up but, because of the economic and climatic pressures that come to bear on those properties from time to time, those empires have fallen away.

It is very difficult for any Government to pick winners and losers in rural industry or to be able to say what size property is the correct size at this time. We know that in the past Governments, including conservative Governments, have made disastrous mistakes when they have opened up western land but subdivided it into blocks that are too small. The economics did not work. At that time it was thought that those blocks would be economic units. The Governments had a

great desire to put people on the land. They said they would put people on their feet; they gave them a bluey to put over their shoulder and a billy to dangle by their side. That was what putting those people on their feet meant—and they went broke. Virtually all properties out there have a history of their owners going broke.

I wish to inform members of the House that we in the Lockyer Valley are going through those circumstances at this stage. We have a potential disaster on our hands and I believe that the people of Queensland should be made aware of that.

Mr Johnson: The disaster has already happened.

Mr FITZGERALD: Yes.

Not only is it the drought that is affecting us; over a period of years some of our industries have had extremely low prices. Up until two years ago most of our commodities went through a period of very low prices. The countryside looked green; irrigation spray lines were all running; production was high; but producers were facing lower and lower incomes. In fact, for a number of years many of them incurred losses. It was very hard to explain to city people that those properties were being well managed but were running at losses and that the owners were facing financial ruin.

Now we are faced with a continuing drought. We know that over most of the Lockyer Valley there is a great shortage of underground water. After years of mounting up huge debts, some of those properties find that they do not have the irrigation water that is a vital ingredient in an irrigation farm, so they have no income to service their debts. Of course, at this stage it is impossible to find a sale for those properties, so the debt will continue to grow. That is disastrous for those producers; and it is a very awkward position for their bankers. It will be very interesting to see the outcome of the problem.

The Report on Operations of the Rural Adjustment Scheme Advisory Council from 1 January to 30 June 1993, which I got from the Parliamentary Library, has the following report on the RAS program in Queensland—

"The circumstances that prevailed in 1991-92 have deteriorated dramatically under the influence of the worst drought in the history of the State, with 50 per cent of the State by area drought declared, and about 15 000 producers suffering the effects of the prolonged drought. Compounding this condition were further falls in commodity prices affecting all areas of agriculture with the exception, to some extent, of the sugar industry.

Queensland's RAS program delivered \$34.1 million of interest subsidy grants to primary producers supporting a record farm debt of \$521 million. In addition, assistance was supplied to re-establish 54 rural producers.

There was a significant increase in rural training assistance. The Authority approved 287 producers to receive training assistance, compared with 17 for the previous year."

I remind the House that that report was referring to 1991-92. We know that conditions have deteriorated dramatically since then. After that time some areas received some rain, but the drought has continued to prevail in some portions of the State, including in the Lockyer Valley. The rainfall records of the Lockyer Valley show that for 48 months there has been a continual decline in the cumulative deficit of the rainfall below the mean. In other words, we have now had a 48-month drought in the Lockyer Valley. That has been charted against the previous record longest droughts, which come in at 30 to 36 months. This drought is the granddaddy of them all.

In addition, the Lockyer Valley is dependent on its underground water resource. We know that with the normal use of a full aquifer at near full pumping capacity to service the farms of the area, there is only about two and a half years' supply of reasonable quantities of water. Some farms are now completely dry and many farms are pumping at only 20 per cent to 30 per cent capacity or thereabouts. Pumping costs are higher. We hope that those farmers who can produce a commodity and receive a reasonable price will receive some income this year. However, prices have varied a lot and there is certainly no fortune in it.

Recently, the Premier and the Minister for Primary Industries came to my electorate and launched a Lockyer revival program. I totally support what is being done for the revival of the Lockyer area and I commend the Government for what it is doing in this way. In fact, I was very critical of previous Governments, and of this Government, for not allowing farmers to go into the creek beds to desilt the creeks so that they could help themselves to recharge the aquifer when the creeks flowed. Basically, we have an underground aquifer in the Lockyer Valley that is recharged when water runs down the creek. As silt comes off the hills and, of course, off the agricultural land, although weirs hold back the water to aid the infiltration to put more pressure on to the aquifer, when that silt level builds up very little infiltration takes place. This Government has now admitted that it was wrong

to charge farmers a royalty to take silt out of the bottom of the creek, even though it was done under the supervision of Water Resources officers, which is very important.

I believe that the fact that the Premier visited the area and gave recognition to the farmers in the Lockyer Valley that they have a problem gave people a warm, inner feeling that at least somebody understands what is occurring. However, I say with all due respect that I believe that it was just a publicity stunt by the Premier so that he could establish a background upon which he could attract the media to say that he was appealing to the Federal Government for extra funds to provide support during the drought that has been ravaging Queensland for up to four years and, of course, ravaging New South Wales for a much shorter period but over a larger percentage of that State. Of course, the Premier achieved his objective. He was able to tell the people in the populated parts of the south-east corner of Queensland, "I blame the Feds for the problem and I want them to come to our assistance."

However, I think that it would be fitting if tonight we recognised that drought was taken off the natural disaster list while this Goss Labor Government—as it so rightly wishes to emphasise—was in office and when the Minister for Primary Industries, Ed Casey, was also in charge of that portfolio. At that time, we heard no objections. We heard Keating, the Prime Minister of Australia, belittling the drought that we have at present and saying that droughts are a natural phenomenon and that they are going to continue. Now the Premier is seeking out the air waves and the media to say, "We are calling upon the Feds to recognise that drought is a major disaster." Of course, it is a disaster for all Queensland.

As to what is happening in rural industries—I will quote from an article in the *Courier-Mail* of 28 August 1994 in which Mr Michael Prendergast, a spokesman for the United Graziers Association stated—

". . . drought aid was primarily interest rate relief provided through the Rural Adjustment Scheme."

Mr Prendergast goes on to say—

"The rules had been framed four years ago when the drought began but conditions for many had changed markedly since then."

Mr Prendergast said further—

". . . the Government also had to release

more money. It appears to producers that the purpose of the RAS guidelines was to ration funds rather than support farmers.

Deputy Premier Tom Burns said Queensland would have to talk to the Federal Government about the rules."

I want to know: has the Government been talking to the Federal Government about the rules, and what is it achieving? Of course, one of the major problems is that many farmers believe that the RAS schemes do work to some extent. I sympathise with those people who are trying to administer the scheme. They are limited in the amount of money that they have. They have very strict guidelines. They are not handing out money; they are lending money at a lower interest rate to producers who they believe will become viable. How on earth can they pick those producers who will become viable?

I can remember when a well-known cotton producer in Queensland and his partner walked from bank to bank, getting knocked back one after the other. They were mortgaged to the hilt and they had had a couple of crop failures. They went from one bank to the next seeking a loan to grow a crop for next year. A failure to secure a loan would have meant that those properties would have been sold up. Eventually, they found a bank that would back them. The next year, they had a reasonable crop and ever since then they have gone ahead. Now, those farmers are very, very successful cotton producers in southern Queensland. We do not know how close that edge comes at times. I do not know how bankers can pick it. Sometimes, a very good farmer, through no fault of his own, because of a series of crop failures for various reasons, gets to the stage at which his debts are getting so high that the banks are likely to say, "I think that we should realise your assets so at least you can get out with something." It is very hard for banks to tell people that, in their opinion, those people should be leaving their properties.

I refer now to the amount of money that has been spent on the RAS scheme. I understand that, in the last couple of years, about \$100m has been ploughed into the interest subsidy and other RAS schemes that have been operating. However, when one hears reference to that amount of money, particularly the small amount of money that was handed out last year, and compares that amount with the \$27m that was given to Lang Park—and it could end up being \$34m—for one football oval, I believe that we should get our priorities right in Queensland. I am talking about \$100m for all the rural industries of this State over the last five years. I have heard recently that a couple of hundred million dollars is being spent on a convention centre in Brisbane.

We have been told that \$35m will be spent to save the koalas or to save the Minister for Environment and Heritage in this State—\$35m on one tunnel just to protect a Minister from the ravages that those people will inflict at the next election. We know that the accumulated debt for the Indy is about \$72m; we know that a couple of hundred million dollars is going into the demolition of the Cahill Expressway in Sydney; yet we are talking about \$100m to preserve primary industries through this dreadful drought that we are having at present.

I know that it is very good to have fodder drives. It warms the heart to see that the people in Victoria are very, very concerned about their rural producers. I know that it is great to see the hat being passed around to support rural people and to provide them with some of the necessities of life or some little gifts at times. I really thank those people who are contributing to those people in the west who are suffering from the ravages of drought and financial misfortune. However, the fact of life is that these are mainly moral support measures. Because of the huge debts that many people in rural areas face, the fact is that many of them will have to move off their properties, anyway. The support that they receive from a load or two of hay is only keeping the house cow—and not many of them use house cows now; they use powdered milk. That support may keep a pony, or a family pet alive. It is great moral support for them, but the economic impact of that support is extremely low.

In the few minutes that are remaining to me, I want to refer to those people who decide who will receive interest subsidies and who will not. I believe that it is a burning question for those people who fail to receive the subsidies. The guidelines are fairly tight. Of course, we have all read the guidelines that state that people have to have no substantial off-farm income, no off-farm assets and that they have to be living on their properties. People who have been knocked back say that they have been told to declare what income they have. They say that they have an old house on the farm that they purchased so many years ago, for which they receive \$100 a week. Because of that income, they miss out. Those people are led to believe that that income may have contributed to their missing out on the subsidy. Supposing the farmer's wife is a teacher's aide in town. She is collecting pay for so many hours a week, and that money is listed in the form as other income. Those people also believe that they have other off-farm income. Those people have debts of hundreds of thousands of dollars—and we know what the interest rate would be on that amount for a week, for a month, or for a year. It is an enormous debt to face, particularly during years of low

production, yet that farmer is receiving a couple of hundred dollars a week for his wife's work as a teacher's aide and finds out that he misses out on the subsidy. However, somebody else receives a subsidy. One believes that there are probably some inequities in the scheme.

Basically, those are some of the social problems that are facing people, particularly in the Lockyer Valley. Farmers do not want handouts; they want to be able to provide for the future. This Government should be criticising the Federal Government. It should do a Joh on them. For goodness sake, it should make itself popular and tell the Federal Government that in 1983, when it cut out the income tax incentive for people to provide facilities to store water and to provide fodder storage facilities on their properties, it was an absolute disaster. That was the biggest disaster that the Federal Government ever created. We want people to help themselves. We do not want handouts. Farmers do not want handouts; they are very proud. They will go broke or make their fortune on their own ability and some luck with the weather.

What has this Premier done with regard to cutting out the tax incentives that were available? I will tell honourable members myself. Personally, I spent a large amount of money on a dam that is still on a property that I eventually sold. That dam went in because one year I had the good fortune to make a fair amount of money.

Time expired.

Mr HOBBS (Warrego) (9.01 p.m.): I am pleased to speak today on these two Bills before the House, namely, the QIDC Bill 1994 and the Rural Adjustment Authority Bill 1994. These Bills enact the process of corporatisation for the QIDC and the separation of the Government schemes section to a separate identity to be known as the Rural Adjustment Authority.

It is disappointing to see the State Government removing one more structure from rural Queensland. It is taking away the last lifeline of long-term rural finance. That has been the very basis on which the previous Agricultural Bank and the QIDC were formed. It is well recognised across all sectors throughout Australia that there is a need to provide long-term, low interest finance to assist rural industry.

Looking at the big picture, I see this as the ultimate withdrawal of services from rural Queensland. The closing down of the courthouses and railways, the robbing of the money from the Ambulance Service—this is bigger and better than all of those, when we look at the amount of money involved and at what potential production would be if assistance were provided to those areas. This is the big

withdrawal from rural Queensland by this Government.

In view of the present record drought and the wool price crash, what we need now more than ever is long-term financial assistance. It must be remembered that the replacement, the Rural Adjustment Authority—or RAS, as it is presently known—is only short term. No other provision is provided that will give rural industry any real financial assistance into the future.

A lot of the RAS assistance is based on three to five year terms at the most and, perhaps in a couple of cases, up to seven years. That is not long-term assistance in anyone's language. Also, Queensland has not provided the maximum assistance under RAS that is available at this time. The authorities that interpret the Federal Government guidelines for the redistribution of RAS to primary producers have often looked at them in a very restrictive way. There are many cases in which funding was not expended when it could have been. Many producers have not received exactly what they should have or what was intended by the Federal Government.

The whole basis of the Queensland Industry Development Corporation changed under Labor. At that time, long-term concessional interest rates were available. What did the Government do? It went out and said to those people, "Show that you are worthy to receive that assistance." Do honourable members know what happened? I have a few examples. I know exactly what happened. Government members will have to sit there and cop this.

People were knocked back and told, "Sorry, sir, you are too strong. You are not eligible for this assistance." Do honourable members know what happened? A year and a half later they went back to try to get some help because they just could not get ahead, and they were told, "Sorry, sir, you are too weak. Your position is now beyond hope." So they went from being too strong to too weak in a year and a half. That happened. I have numerous documented cases in which that has happened.

The concessional assistance, the very foundation, the cornerstone of the Agricultural Bank and the cornerstone of the QIDC, has gone. The Government has removed it. It has pulled the rug from under rural Queensland.

At the moment, the QIDC has quite a large and very efficient branch structure throughout the whole of Queensland, which is working quite well. A lot of good people are working very hard and, in a lot of cases, they are copping it on the chin. They are working long hours to help people get their acts together and to pacify those people who are in desperate straits. I take my hat

off to the people working in the QIDC branches for the work that they do.

But what is the Government going to do with the Rural Adjustment Authority? Basically, the Government schemes are being withdrawn from the QIDC. Who will go out to see these people who are in trouble? Will they have to come to Brisbane to try to gain assistance, or will the Government have officers in the field to see them? If that is the case, we can turn the clock back about 100 years to when people had to come to Brisbane in a horse and buggy or on the train to see the bank manager. Is that what the Government wants us to do? That is the only way left for people who are desperate to get some assistance from the Rural Adjustment Authority.

For instance, what would happen when people are knocked back? In most cases, that happens to most people in the first instance. They are desperate. They will do anything—they will walk to Brisbane if they have to. All the Government is doing is placing more and more problems onto those people, who are already stressed enough as it is. Perhaps these field officers may be able to give some assistance, but at the end of the day that will cost more. I would like to see some sort of response from the Minister in relation to that.

I will explain a couple of things about the problems in rural industry. One of the big problems that we have is our silent partner on the land. Our silent partner on the land—believe it or not—is the Government. It has its hands in our pockets all of the time. Many countries have been able to assist their rural producers. New Zealand is one such country. New Zealand has had a total restructure. It has restructured income tax, industrial relations, the waterfront—the whole lot. That country is now able to put its products on our markets overseas at a price that we cannot match. All we have to do is look at the facts. That is what is happening. That is happening in other countries as well. In some cases, even Tasmania is able to find niche markets overseas.

However, we still cannot compete. Until such time as we recognise the interest rates, taxes and so on that we in Australia have to pay that our overseas competitors do not have to pay—that is, for the wool, beef or whatever we produce—we will continue to be inefficient and we will not reach those markets.

For instance, take interest rates. If any Government—it does not matter what party—wishes to use interest rates as a tool to control the economy, that would be its choice. It does not have to do that but, if it did use interest rates as a tool to control the economy, it must understand the consequences that flow on to

vulnerable industries within the constituency. The consequences must be understood. Rural industry is a receiving industry. It is right at the very bottom. It has no choice. It is a price taker, not a price maker. It has no choice. The Government must understand that some sort of concessional assistance must be provided. There needs to be an understanding in that regard.

There is income tax, provisional tax, fringe benefits tax, but everyone pays. That must also be considered. If we ever want to try to get ahead and have a viable industry, we must look at those taxes carefully. Another example of the problems that we face is fuel. Not many people would realise that the majority of fuel that is used in this State is produced in western Queensland. In many cases, it is refined in that area. For instance, Eromanga has a diesel refinery. The diesel is dropped off in Charleville, and then it is sent to Brisbane. In Charleville, people pay 10c more than the price paid in Brisbane. That is ludicrous, and it can be changed. The blame lies with the oil companies, not the Government. That red tape could be eliminated. I note that the Minister for Minerals and Energy is in the Chamber. He would have to agree with me.

It would not cost the Government a cent to eliminate that red tape, and any positive competitive measures will greatly assist rural industry. How can our producers compete with the American cattleman who buys diesel at 40c a litre when our cattlemen are paying 70c a litre? The same applies to a four-wheel-drive vehicle. We pay \$36,500 for such a vehicle, but the American cattleman can buy a Bronco for about A\$20,000. We cannot compete.

It should be understood that many other groups receive assistance in a big way. I have no problem at all with the housing industry receiving assistance. However, if one considers the number of housing loans that are approved each month, multiplies that by the average price of a house, multiplies that by 12 months of the year, multiplies that by 20 years—which is the period over which some loans are taken out—and multiplies that by 1.5 per cent, one realises that that is the benefit that the housing industry receives. Well over \$1 billion a year goes into the housing industry alone. I have no problem with that; that is fine, because it keeps the economy going. But let us keep it in perspective. Why is there a need to take from one sector to give to another? Why can the assistance not be evened out? Earlier, it was mentioned that each year rural industry receives assistance to the tune of \$100m. The housing industry receives \$1 billion. That is a huge difference.

As to RAS—there is a need to provide a real concessional rate. At present, it is about 8 per cent—or that is what it was until the recent increase. Most banks would say, "Look, we can just about do the deal for you with about half a per cent extra and a few extra cuts here and there." In real terms, no assistance is provided by the QIDC. It really has failed rural Queensland.

Many Government members do not understand this issue. In this debate, five Government members will speak. At least 11 Opposition members will contribute to the debate. It is obvious that we in the Opposition have some understanding of and are prepared to debate the issue. A perusal of the speaking list reveals the names of those Government members who should be taking part in this debate but are not. I see that the member for Whitsunday is not listed to speak. I would have thought that there would be a few rural producers in her area who need assistance. I am sure that in Mount Isa many rural producers will miss out on this assistance. The electorate of Cook also contains many rural areas, yet the member for Cook has not said a word on this issue. What about the member for Fitzroy, Mr Pearce?

Mr Bennett: He's not here.

Mr HOBBS: He is not in the Chamber. He is nowhere to be seen. What about Don Livingstone, the member for Ipswich West? It is terribly dry in his electorate. He is not in the Chamber to add to the debate this evening. What about Heckle and Jeckle? Where are they? They always speak on rural issues. We have heard not a sound—not a peep—from them. They are asleep in the back of the Chamber. Government members need to gain an understanding of the wider issues.

I welcome the member for Ipswich West to the Chamber. I am pleased that he has returned.

Mr Livingstone: Go your hardest. Throw it up.

Mr HOBBS: I have finished my reference to the member. I stated earlier that I was in his electorate the other day. It is a hell of a dry out there. The member for Ipswich West should be giving us a bit of a hand. We need the Government to give rural industry a bit of a hand. I am sure that, with the dry country that the member has in his electorate, he would certainly acknowledge the problems that exist.

I am pleased that the member for Brisbane Central contributed to this debate. He represents a city seat right in the heart of Brisbane.

Mrs McCauley: It's dry in Fortitude Valley.

Mr HOBBS: That is right. He had the courage to speak in this debate, which is more than one could say for many other Government members. That is commendable. However, the member did not really know what he was talking about. He referred to the fact that these Bills have been before the House only for one week, and they contain a massive change to the structure of rural financial institutions. Of course, this morning there was confusion as to which Bills were to be considered together. However, one of the important points made by the member for Brisbane Central related to foreign aid. I know that it is a Federal matter, but it is important. Should not charity begin at home? I know that we have to help other countries, but if billions of dollars are going overseas when we virtually have an Ethiopia on our doorstep, should we not do a bit to help at home? Is that not reasonable?

Mr J. H. Sullivan: What value of overseas aid goes out in rural produce? You explain that to the farmers.

Mr HOBBS: Nothing goes out in rural produce. The Government merely sends money out, and nothing really helps. If rural industry were offered positive assistance, we could market our own product. We must find markets overseas.

Mr J. H. Sullivan: I refuse to say the only thing you can do on your own because it is unparliamentary.

Mr HOBBS: That is typical of the contribution to this debate by Government members. I rest my case. What more can I say?

Mr J. H. Sullivan: Sit down.

Mr HOBBS: I have four minutes left. Let me turn to Caboolture. I missed the member when I went through the list of Government members whom I believe should be speaking in this debate. I will be very interested to know exactly what happens to those in need of assistance in the member's electorate. What will he say to them when they come to him and say that they cannot obtain assistance in any manner or form? Will the member say, "Nick off. Rack off"? That is the sort of language that the member uses.

Mr J. H. Sullivan interjected.

Mr DEPUTY SPEAKER (Mr Palaszczuk): Order! Lengthy interjections will not be tolerated by the Chair.

Mr HOBBS: Mr Deputy Speaker, I love it when the member interjects. I can send my speeches around with his interjections included in them.

There is a very serious problem out there. We are not speaking here for fun. We could all be

doing other things. The Government is changing the fundamental economic structure of banking throughout rural Queensland. Years ago, the QIDC was a very, very competitive banking structure. It was able to provide interest rates at one and a half per cent below the prevailing rate. Of course, the banks kicked up a bit of a fuss, but by gee it kept the so-and-sos honest. We can do it again. Government members can help. They do not have to sit back and listen to all the garbage that comes from the Treasurer. He does not have any understanding. He does not have any compassion. He does not understand the real implications of the problems that we face.

No Government member can speak from the heart about exactly what it is like out there. People face having their livelihoods completely ruined. However, they can get through. They need some assistance for only a short time. A consideration of history illustrates that rural industry has had its ups and downs. It is down now, but it will come up. We are bouncing along on the bottom. Rural industry merely needs a bit of a kick along for a short time. Eventually, the industry will pick up. Hopefully, the season will break and commodity prices will increase. We will be able to do it. However, we need Government members to give us a hand.

Mrs McCAULEY (Callide) (9.21 p.m.): I rise to speak on the Rural Adjustment Authority Bill 1994 and the Queensland Industry Development Corporation Bill 1994. Over the past four years it has become increasingly obvious that the Government Schemes Division has been a burr under the saddle of the QIDC. It is well known that the QIDC board and senior officers wanted Government schemes out of its structure as it impinged on the sophisticated commercial focus which the QIDC has cultivated. The QIDC aspires to be in the big league, to be a mover and shaker. It does not want to be shackled to the battlers and the strugglers and the stragglers of the drought-affected towns and the bush with accounts tied up under the Rural Adjustment Scheme.

The Government Schemes Division, under the shadow of the QIDC, has not worked out and it is for the best that it loses this division to an authority. The establishment of an authority to house the various schemes is a fair solution, but while it is logical that it should be under the jurisdiction of Treasury, the question must be asked whether there is another department where it would sit more comfortably—perhaps the QIDC, although that has been so gutted by this Government that there is not a great deal of it left. The QIDC has moved far from its original charter. The Government sees the QIDC in terms of revenue earning and the QIDC sees itself as part of the Queen Street and Eagle Street

financial boardrooms and definitely not the humble kitchen tables of battling Queenslanders. To be fair, I also know some businesspeople who are very pleased with the QIDC and the way it conducts its affairs. It is simply another financial institution out there competing in the market place for business and as such it is doing a good job. But it has got far away from what it was originally envisaged to be in the first place.

In the last financial year, 1992-93, the QIDC provided \$18.9m for the Queensland Government, which was made up of \$12.3m income tax expense and \$7.2m dividend. As at June 1993, the QIDC's exposure to the State's primary industry sector was about \$870.6m, or 54 per cent of its total loan/lease portfolio. This was down 14 per cent on the previous year when the exposure was almost \$900m, or 67 per cent, and there were some 7 800 customers. Last year, there were 6 984 customers, a decline of some 10 per cent. In the previous year, the average debt for the primary industry sector was \$125,000 and the subsidised farm debt was \$521.4m, which understandably was an increase—an increase of \$9m on the 1991-92 figure of \$512m. We await with interest the annual report to see the latest figures for subsidised farm debt and farm debt.

This Bill provides the opportunity to ask the question: what is the true level of debt of the Queensland rural sector? Such a figure in its totality would enable the development of industry, social and Government policies, both State and Federal, to handle the huge human, social and industry problems that neither Government nor industry has yet to come to grips with. I am aware that the Senate Standing Committee on Rural and Regional Affairs is inquiring into the adequacy of the Rural Adjustment Scheme, including the extent of rural debt, the nature and serviceability of that debt and its social, economic and ecological consequences. It is my understanding that it will not have a bottom line on the Queensland rural debt figure.

Drought is gradually, relentlessly and devastatingly increasing its stranglehold over the earning and repaying capacity of rural people, both in small business and primary industries. What is their debt? What funds are needed for reconstruction in both the short and long term? It is my fear that the policies in place now are piecemeal and do not address the real problems; they are inadequate for the disaster at hand. Primary producers need to be sustained, they need to have assistance to reconstruct. They need to be something of a protected species. This Government is always going on about protected species—"let us protect this, let us

protect that, let us protect something else"—but never our primary producers, and what Tom Burns does when he flashes out into the Lockyer Valley is absolutely peanuts. It was a Federal Labor Government that took away the tax concessions and it was this State Labor Government that took away every piece of assistance that primary producers in this State ever had. I believe that that has been the problem. It has left farmers vulnerable to long periods of droughts such as we are suffering at the moment and it has left them with nowhere to go; that is why they are looking for handouts. But they are not looking for the miserable handouts of food parcels. They need more help than that.

It seems that the Government is hung up about things that happened in the past, like someone gaining an advantage on the forward movement of stock or something else. The Government should grow up and face facts. The drought and its associated human, social, economic and environmental problems are such that action is needed, not bleating about some petty problems of the past. It is essential that we face facts. We need to know the overall and true level of indebtedness of the Queensland rural sector with banks, stock and station agents, other rural financiers, country stores, the people who sell the fodder and the whole host of other sectors. We need to know that total debt. It would be a shocker. Hopefully, if this figure was available, the Federal Government would change the eligibility for unemployment and Austudy for farm and rural families and this would provide immediate relief for so many people, but that is too easy. The Government would not do that, and Tommy Burns would not go into bat for them against his Federal Government mates and say, "Why don't you do this? Why don't you give those people unemployment benefits? Why don't you give them Austudy?" They will give these things to all the hangers-on in the world, but they will not give them to the rural battlers. When Tom Burns does that, I will take him seriously.

The State and Federal Governments' policies for drought are piecemeal and inadequate and do not address the disaster in its totality. This natural disaster is worse than a cyclone or a flood. Those disasters are swift and rescue is quick. Drought is insidious in that it creeps up and slowly strangles the financial lifeblood out of the earth. The much vaunted corporatisation of the QIDC and a brand spanking new authority with a raft of new board members and the accoutrements of office are not going to make one shred of difference to the immediate problems. The authority will be working with the same schemes, particularly the Rural Adjustment Scheme, and the same restricted guidelines

which pick and choose. Some applicants will wither and die on the vine and others will be eligible for a lifeline.

Kerry Martin, the former President of the Cattlemen's Union in Queensland, said that RAS should be scrapped altogether if more producers could not access assistance. He went on to say that RAS was not working and should be replaced with long-term, low interest loans such as those that helped spark a rural recovery in the late 1970s. He said the \$58m injected in RAS Exceptional Circumstance was a pittance compared with the potential \$350m in beef exports generated by the GATT agreement, and he was so right; it is an absolute pittance.

The new authority should not just have a new structure but new policies and extra funding to apply that would ameliorate the social and economic problems. I believe those people with off-farm assets who have applied for and been knocked back for RAS should be considered on a case-by-case basis. For example, one woman rang me and explained that she and her husband had cashed in some insurance policies to buy a unit in one of our major provincial cities because her husband had major health problems and often had to be going to that city—he eventually had to have a kidney transplant. He was often in that city for lengthy periods for medical purposes. It was sensible for them to cash in their insurance policies and invest in a unit in that particular city. That unit meant that they were not eligible for interest subsidy. To be eligible for interest subsidy they would have to sell that unit. Why the hell should they? I do not believe that they should.

In another family, the parents had bought a beach house, which they will live in when they retire. Having that beach house stops that family farm from obtaining RAS interest subsidy assistance. Why should it? If those people sell their beach house, the oldies will have nowhere to go when they retire in a few years.

I believe that each of those particular cases must be considered on a case-by-case basis until those things are done. Until those sorts of sensible actions are taken, we will continue to hammer this Government for its lack of nous in this whole situation. There is a need for big assistance, not food parcels, although it is very nice to know that people are thinking of the country people. There is a need for big assistance. Mr Burns is on the wrong track completely. He is fooling the city people with his talk to Macca on *Sunday All Over* and all of those things, but he is not fooling the country people. They know that it is all window-dressing. This Government is not helping, and it must. It has to start. It is about time it learnt.

Mr JOHNSON (Gregory) (9.32 p.m.): Tonight, I rise to speak to this Rural Adjustment Authority Bill, and I ask: what is the charter of this piece of legislation? Through this legislation, the rural producers of this State will lose something which, if it had been administered in the first instance, would have been the lifeblood to enable the survival of some of the producers who are going to crash as a result of the misunderstandings of this Government.

Rural producers and the rural economy are important to the whole State, not just rural Queensland. It is absolutely paramount that this Government recognises the needs of rural producers in order to preserve those people—the older farmers, the middle-aged farmers and the young farmers who will take over in time. The average age of the Australian farmer is somewhere around 60-odd years. Young people are leaving the land in droves because we have Governments that do not understand the needs of rural people.

Mr Nuttall: You're losing ground out there.

Mr JOHNSON: The member for Sandgate can yell all he likes, but the situation is grave. In his second-reading speech, the Minister said that the objective of the Queensland Rural Adjustment Authority will be to foster the development of a more productive rural sector for the benefit of all Queenslanders. He said also that the new authority will continue to assist viable producers to enhance productivity on their property or help them through a temporary period of difficulty. I assure members that this period of temporary difficulty that the Treasurer has been speaking about has been going on for about 14 years, and there is no relief in sight.

The Treasurer knows as well as I do that this State is in the grip of the worst drought in white man's history, and the situation is becoming progressively worse by the hour. The problem has been further compounded by a Government that does not understand the needs and requirements of the man on the land and the hardship that has been felt by the people who work businesses in rural Queensland. When I talk about businesses in rural Queensland, I refer to the people who are directly affected by this downturn in the rural economy and the compounding factors of this ongoing drought.

As to the shearing industry—I know for a fact that, around my home town of Quilpie, the shearing contractors in that particular area used to shear for eleven and a half months of the year. They are now back to shearing for only eight months of the year. Men are out of work, and families have left those western towns because of the downturn in the industry. Another factor that has compounded this problem—

Mr Campbell: Because you were so naive.

Mr JOHNSON: The member for Bundaberg knows that another factor that compounded this problem was that John Kerin pulled the rug on the floor price for wool. Wool producers who had security lost that security thanks to the Federal Labor Government and the non-support of a State Labor Government.

Fencing contractors, yard builders and other people who have been service employees to the rural industry are out of work. One earthmoving contractor in the Longreach area, who has been a tradition in earthmoving contracting in that district for many years—as were his father and brothers before him—sold his plant because of the downturn in the industry. But what is this Government doing about it? It does not understand. As the member for Warrego said tonight, not many rural members of the Government spoke on this piece of legislation. It is sad to think that the rural economy has been treated with contempt by this Government.

Transport operators and kangaroo shooters are in the very same predicament. Many of the graziers and townspeople in those rural communities are using kangaroo shooting as a form of sustenance to keep themselves afloat in these hard economic times. They are family people; they are the lifeblood of those areas. The situation is critical.

Rural businesses are suffering. They depend on the man on the land for their survival. In the past four or five years, their survival has been almost nil, because if the man on the land does not have a dollar then those businesses cannot survive. This Government must recognise the needs of primary producers. I know that Government members cannot make it rain, but they can show some compassion and understanding in those people's hour of need. When I say "compassion and understanding"—those people are walking mental, physical and social wrecks because people in this Government and in the Federal Government do not understand their needs.

We have a Prime Minister who wants to give the New South Wales administration \$150m to pull down the Cahill Expressway because he reckons it is an eyesore for the year 2000 Olympics. What a shame! It is a sad indictment on the people of this nation when one thinks about the hardworking men and women of our rural sector who are out there busting themselves for survival, trying to educate their kids who are away at boarding schools or hostels in rural towns, trying to pay their fuel bills and tucker bills—not to mention clothes or new cars; they are dreams that they will probably never have again. That

\$150m would be better spread across the rural sector of this State and nation. Whether it is roadworks, assistance to rural producers or whatever, that would be better than pulling down a freeway that is serving a very good purpose. The member for Burnett hit a nerve when he said——

Mr Beattie: You can't have it both ways. You opposed the airport motorway; now you want to support the freeways.

Mr JOHNSON: I am not talking about motorways, but I will get onto that subject, too, if the member wishes. The member for Brisbane Central is a joke. I am talking about the rural economy and the survival of rural producers, and he is treating them as a joke. If he wants to laugh about it, I will go out there and spread the story.

A while ago, I was speaking to the leader of the Premier's rural and northern task force. He told me he is concerned about the needs of rural Queensland; yet members of this Government are laughing. It is no laughing matter; the situation is grave. I point out to Government members that every dollar of mining production that is exported from this nation returns \$1.60 in wealth to this nation. Every dollar of rural commodities that is exported from this nation returns \$4.40. That is a very big difference. The mining sector is a very important part of our wealth generation; and thank God we have it. We have it because of the foresight of the former National Party Government, which gave the people of this State that wonderful mining industry.

I shall give honourable members another example. Every 1 000 head of cattle—and those cattle do not come from Brisbane Central; they come from the Channel Country, the downs and north Queensland—create 700 jobs for one day. So 1 000 head of cattle keep 700 men employed for one day. That is in the meat industry, meatworks and meat processing plants right around this State.

Mr W. K. Goss: You obviously didn't go to the Exhibition this year; they were all in Brisbane Central.

Mr JOHNSON: I do not think it is a joke. It is a serious situation, yet the leader of this State makes a mockery of the situation we are in. I am ashamed of the Premier. I thought he was a man of more standing than to mock rural industry, which is crashing around our ears. However, I will press on.

Mr W. K. Goss: I just want to say: I am impressed with the way you have taken me on. I think you have got my measure.

Mr JOHNSON: I will take the Premier on at any time. I have never walked away from anyone

in my life and I will not walk away from him. I will meet him on his ground, my ground, anyone's ground. The people of rural Queensland will know exactly what he thinks of them. He can wave his arms.

Mr W. K. Goss: I said, "You've got my measure."

Mr JOHNSON: I am not worried about the Premier's measure. Tonight I am pointing out an issue that is crucial to the whole of this State. If I were the Premier, I would not laugh. It is absolutely paramount that the Treasurer, the Premier, the Minister for Primary Industries, the Minister for Rural Communities and the Government as a whole realise that the situation is grave and that they must work with other financial institutions—whether it is through the Rural Adjustment Scheme via the QIDC—to provide a situation in which these people can redeem themselves. Most people in this House have a relation who comes from a rural area, they themselves come from a rural area or they know someone who comes from a rural area who is in a sad situation. We must provide sustenance to those people. We must create a policy that is going to give those people the chance to redeem themselves.

Tonight we are wondering what the future will be for rural Queensland. I know plenty of people who are third and fourth generation farmers. I heard some of the members say that probably some of the bad farmers are gone. That is probably through no fault of their own. Some of those third and fourth generation farmers have been the lifeblood of the industry that they have served and the lifeblood of this State. It is through no fault of their own that they have copped 10 or 12 years of drought or low commodity prices.

I urge the Premier and his Government to show responsibility and leadership in addressing the needs of this State and our rural producers. Yes, I represent a rural electorate. I represent an electorate that is covered by mines. It is probably one of the most diversified electorates in the whole of this State. I say that the people of the electorate of Gregory are totally conversant with the needs of each other and I hope and pray that the members of this Government are conversant with the needs of the whole of this State and not just the south-east corner.

Mr CONNOR (Nerang) (9.44 p.m.): I rise to speak on the Queensland Industry Development Corporation Bill. I concur with the statement of Dr Watson, the member for Moggill, that, according to the Premier's own Brady report, the aspects of the QIDC that have been removed quite clearly show that there is no reason for it to continue.

I wish to quote briefly from an article on the QIDC dated 17 March this year published by the Commonwealth Parliamentary Research Service. It states—

"The QIDC currently performs a dual role as 1) financier to the primary, secondary and tertiary sectors of the Queensland economy, and 2) administrator of Schemes of Assistance for the Commonwealth and State Governments and provider of Venture Capital on behalf of the Queensland Government. It operates through a comprehensive system of 28 branches spread throughout Queensland, employing a staff of 419 people. Regarding its first role, its lending is currently confined to business clients—it undertakes no lending for personal or mortgage purposes. As of June 1993 its loan/lease portfolio was composed of 53.8% exposure to primary industry, 33.2% exposure to tertiary industry and 13.0% exposure to secondary industry. It also has substantial funds lodged with various financial markets. Its borrowings has been raised from a mixture of retail . . . sources and wholesale . . . sources; its branch system was very successful in the recent major expansion of its retail deposits which was brought about largely through the introduction of attractive, new retail financial products. Retail customers exceeded 10,000 by the end of June 1993.

Regarding its second role, QIDC's Government Schemes Division administers schemes such as the Rural Adjustment Scheme, the Natural Disaster Assistance Scheme, the Emergency Assistance Scheme and several others. Applications for assistance under these schemes continued at high levels in 1992-93 due to ongoing difficult climatic and economic conditions. The Corporation also administers the State Government's Venture Capital Fund which makes capital available to enterprises having commercial prospects but which are unable to attract more traditional forms of finance. Applications to this Fund undergo rigorous assessments and the approval rate is quite low; in 1992-93 only 5 proposals were conditionally approved for \$2.4 million funding out of 72 applications considered.

The QIDC currently follows the capital adequacy and liquidity guidelines for banks laid down by the Reserve Bank of Australia. At the end of June 1993 its risk-weighted capital ratio . . . stood at 9.45%; this was substantially above the Reserve Bank's minimum requirement of 8% but still considerably below the almost 11% average level for the Australian banking system as a

whole. The QIDC management regards Reserve Bank prudential guidelines as more appropriate for the QIDC than those of the Australian Financial Institutions Commission which supervises the activities of credit unions and building societies, since the QIDC's lack of personal and mortgage lending makes it quite different from the latter financial intermediaries. Its profitability and high prudential standards has allowed QIDC to achieve good credit ratings from the international ratings agencies and this has reduced its borrowing costs in wholesale fund raising.

QIDC was nominated for corporatisation in 1992 and in February 1994 the Queensland Government announced its acceptance of several recommendations on QIDC corporatisation from an internal working party, with the aim of corporatising QIDC as from 1 July 1994. The goal of corporatisation is to increase the efficiency and commercial viability of government business enterprises and enhance the neutrality of their treatment by public policy relative to private commercial rivals. QIDC is to be given a strictly commercial charter focused on achieving high rates of return through industry financing; the Government Schemes Division is to be hived off into a separate organisation; the Venture Capital Fund is to be incorporated into the other, strictly commercial, financing activities of QIDC, and further examination of prudential supervision arrangements will be made. Exclusion from personal and mortgage lending is to continue. There is no intention to convert QIDC into a bank. The Queensland Government's guarantee of QIDC deposits and its other liabilities is to now be made explicit and the QIDC is to be charged a fee for this guarantee in order to negate any advantages it gains over competitors because of the guarantee.

Banks and other financial institutions owned by State Governments have gone through great trauma in the last several years. Escalating bad debts and large loss-making outcomes have led to the sale of the State Bank of Victoria to the Commonwealth Bank and the restructuring and impending privatisation of the State Bank of South Australia . . . There are also tentative plans to privatise the State Bank of New South Wales and the R and I Bank of Western Australia . . . Essentially, the State governments have decided, with great encouragement from the Commonwealth Government, that ownership of banks is too

risky for them in the modern world of deregulated financial markets and intensified competition amongst financial intermediaries.

Given this context of the experiences of other State Governments and the quasi-bank trajectory in which QIDC is heading, it would seem very reasonable to predict that QIDC will eventually convert into a banking operation and that this will be accompanied, either before or after bank conversion, by privatisation. Conversion to a banking operation would enhance its sale value and further encourage the Queensland Government to sell off a valuable commercial asset which no longer fits with contemporary views about the proper role of government in Australia."

I remind the Treasurer that about two years ago in this Chamber he was waving around a document called *Reinventing Government*. He might remember that that was the book that Clinton used as his manifesto for winning the Democrat election in the United States a couple of years ago. I also remind the Treasurer that that book said the same thing, that is, that Governments have no right—just as the Brady report said—to be involved in these types of service delivery or product-type industries.

I will continue the quote from the Commonwealth Parliamentary Research Service—

"The Reserve Bank might require that the QIDC begin some sort of retail lending operation for personal and mortgage loans, since it likes new banks to provide a full spread of traditional bank services."

I am sure that the Treasurer has heard the rumours around Brisbane that, because of pressure from the Reserve Bank, very shortly he will be moving towards delivering these consumer services. I know that the Bill prescribes that specifically, but I have no doubt that there will be certain pressures from the Reserve Bank along those lines. The Federal Parliament is of the same view. The quote continues—

". . . but this would be relatively easy for QIDC to achieve given its well established branch network and sophisticated credit risk assessment skills derived from its industry and lending experience."

Let us have a look at the previous Labor Governments in Victoria, South Australia and Western Australia—three Labor financial disasters. In Western Australia, we had the R & I Bank and a number of associated entities such as the State Government Insurance Commission

and Western Australian Government Holdings. In South Australia, we had the State Bank of South Australia, Beneficial Finance and the \$3m-plus bailout of taxpayers in South Australia. In Victoria, we had the State Bank, Tricontinental and the Pyramid Building Society. All of them had one thing in common: all of them cost taxpayers billions of dollars. Most of them involved State-owned financial institutions that were being bled dry by respective State Governments to finance recurrent expenditure in the Budget. All of them ended up in royal commissions where the activities of the associated entities were aired in public. As a result we had a resounding vote of no confidence in those Labor Governments.

What did all three of those States have in common? That is the question. It has been said that a State Government is judged primarily on its ability to deliver services to the community but at the same time keep taxes low. At first glance, it would seem that this would be mutually exclusive. However, can we have a high standard of service delivery without a commensurate level of State taxes? With that in mind, three Labor Governments went about trying to prove that we can.

I refer to a press article that appeared in the *Australian Financial Review* on 27 May this year, which states—

"Goss boasts Queensland has more money to spend without extra taxes."

Does that sound familiar?

Mr Elliott: I think we have heard that before.

Mr CONNOR: Yes, I think we have heard that before in some of the Labor rust-belt States. The article states further—

" 'This one's going to be different,' he said.

. . .

Mr Goss said it would be a 'spending' Budget.

'We don't have the deficit problems, we don't have the debt problems, we don't have the high tax problems that other States do,' he said. 'And what that means is that as we come out of the tough times, and into the good times, we can spend money where it is needed.

'We are running into better times, but I don't regard this as big spending, I regard it as smart spending.

'We've got the money to do it without going into debt and without bringing in new taxes like other States.' "

They said exactly the same thing during the late 1980s in the Labor States. Nothing really changes; history repeats itself. The Premier would do anything to be able to sell the QIDC to private enterprise. It is only some of the troglodytes in the Left of the Labor Party who are stopping him. He made it quite clear that he would sell the QIDC and Suncorp because, as he sees it—and probably quite rightly—it is the only thing that is going to stop Queensland from having a long-term Labor Government. So he says, "Why take the risk? Why have the QIDC sitting there? We do not have all the big debts that the southern Labor States have. Why have it sitting there? Why not get rid of it. It no longer plays an important role. We have got rid of venture capital. We have got rid of the Rural Adjustment Scheme. Why not sell it? It does not play an important role." The Government's Brady report proves that and the Federal Parliamentary Research Service is saying exactly the same thing. The Reserve Bank is now saying much the same thing. It is also saying that to be competitive the QIDC needs to be a full bank, anyway. If the QIDC is going to be a full bank, the Government might as well sell it. That is what the agenda is all about. If the Government is going to make it a full bank, eventually it will privatise it. That will probably not occur during this term, but as soon as the Labor Party is returned to Government—if it is returned to Government—within 12 months the QIDC will either be sold off or it will be floated. It will happen; we do not have to worry about that.

The respective Labor Governments decided that they could get into the corporate world and become major players and use dividends from profits made by Government business entities to subsidise their Budget balance sheets. To a point, they did, but like any business venture, there are associated risks. With any financial institution, there is a credit rating issued, and it is on the basis of that credit rating that the cost of funds is determined. Most Government borrowings are at a very low cost because of the Government guarantee. In the South Australian royal commission, the Government guarantee was said to be worth approximately half a per cent. In other words, the Government can borrow on the open market for about half a per cent—0.4 per cent, to be precise, which is what was said in the royal commission—cheaper than a similar well-established, privately owned financial institution. I might add that the person who wanted to push that through in South Australia all of those years ago was actually the economic adviser to the Treasurer and later to Bannon—a fellow by the name of Paul Woodlands. Surprise, surprise! He could not get it through in South Australia; he had to wait until he came here. So we do not

have to look far to find out who was the architect of the guarantee fee when we have Mr Woodlands around.

Quite simply, what happened in those three States was that the State Government was cashing in on that half per cent. The State Government was renting out the risk. Because of that half per cent from the guarantee that every taxpayer in the State gives to those loans, the Government was able to turn that into a profit on a regular basis.

One might ask, "What is wrong with that?" There are plenty of things wrong with it. That half per cent was not properly quantified or recognised until it was too late. It was not properly dealt with from a financial perspective, so there was no offset allowed for that risk to the taxpayer. Because of the lack of accounting for that half per cent, fund managers in those various financial institutions had much greater leeway and flexibility and lacked the discipline that was required of the privately owned financial institutions.

Once recognising that the Government guarantee was worth about a half per cent, that amount should have been allowed for in most transactions. The taxpayers of Queensland should be properly accounted to for that half per cent in the Budget papers themselves, not have it stuck away in some annual report. However, the risks associated with this Government guarantee should also be properly accounted for in the Budget papers themselves. The risks associated should be fully accounted for in the Budget papers, not hidden away in the financial sections of the Government enterprise annual report. I digress here for a moment, because this is a very relevant aspect of the present accounting system. Under the present accounting system—and members will notice this when they read the annual report—the wholly owned Government business enterprises are required to report, usually by Act of Parliament. However, there is no overall requirement for a wholly owned subsidiary of these Government owned enterprises to report separately.

I now move on to another area, and that is this guarantee fee, which is quite an interesting creature. The Queensland Government, with this legislation, has made the final step towards the same financial mismanagement that caused the southern States to go broke. Under clause 17, the Treasurer has been given full powers to siphon off any amount of money he wishes without accountability. It is often thought that the State Bank of South Australia and the State Bank of Victoria were the main money losers that brought down the two State Governments.

However, in reality, it was the commercial arms of the two banks, Tricontinental and Beneficial Finance, which lost most of the money. The unrestrained lending to entrepreneurs during the eighties lost money for these two rust-belt States.

The QIDC will be able to operate in much the same way as Tricontinental and Beneficial Finance, lending to the business community. At the same time, the Treasurer will be able to siphon off as much money as is required. The legislation allows the Treasurer to charge the QIDC any amount of fees he considers appropriate. Clause 18 (2) states—

"The amount of the fees and how and when they are to be paid are to be decided by the Treasurer."

The total lack of accountability in this process leaves it wide open to the same financial abuses as the southern States. Not only would the Parliament not have the opportunity to debate any increase in the guarantee fee; it will not have the opportunity even through subordinate legislation and regulations to object to them.

The Treasurer can even vary those fees depending on the customer. So what level of accountability do we have here? This one piece of legislation, more than anything else, puts into question the financial accountability of this Government. It could take more than a year for the Opposition to even become aware of an increase in the guarantee fee being determined by the Treasurer. Without needing a regulation to increase the guarantee fee, there is no automatic process that will keep the Opposition or the community informed as to the current rates. Not even under FOI can we access that sort of information.

However, it will be argued that, under the new corporatisation legislation of the QIDC, the QIDC will require the full fiduciary requirements of the Banking Act. But the State Bank of South Australia and the State Bank of Victoria also came under the same Reserve Bank scrutiny, and it did not help those States. It must be clearly understood that this is the start of "Queensland Inc.". It was only a matter of time. This Government could not help itself. As a result of the hollow logs being empty, it had to raid the financial institutions of this State. This is history repeating itself, and if the community does not express its outrage about this development, it guarantees that Queensland will face the same disastrous financial catastrophes that the southern States faced in the last few years.

It goes further. The Treasurer does not even have to talk to his Cabinet colleagues. He can go and put the rate up. He can make it 10 per cent if he wants to. That would be no problem at

all. But it gets better! Also, with the guarantee fee, he does not have to appropriate the funds. If anyone ever cashes in on this guarantee, if ever it does go down the gurgler, the Government does not have to put a Bill through the House for an appropriation; the Government can grab the money out of it, and we would not know anything about it. The Government could call an election in the meantime. If it loses a billion dollars or two, what is the difference? The Government will grab it.

Time expired.

Mr HORAN (Toowoomba South) (10.04 p.m.): In joining in this debate tonight on the Queensland Industry Development Corporation Bill and the Rural Adjustment Authority Bill, I want to say at the outset that what we are witnessing tonight, in particular in relation to the first Bill, is probably the ultimate withdrawal of services to rural Queensland. The Queensland Industry Development Corporation had its genesis many years ago in the Agricultural Bank. That was an organisation whose charter was to assist the rural industry, to assist the families on the land, to assist them in development, to assist them through hard times, and to assist them in getting equipment or expanding their operations so that they were viable.

It was then shifted to the QIDC and transferred into the authority of the Treasury. At the same time of the transfer to the QIDC, it was made an organisation that looked after not only primary industry but also secondary industry, so it had an expanded role. But always it was based upon the philosophy that this organisation would provide that extra competition, extra products such as long-term loans, low-interest loans and special arrangement loans that would suit primary and secondary industries of Queensland. That was always its ultimate philosophy. But what are we seeing now?

We have only to look at the second-reading speech by the Treasurer to see the real reason for this Bill and for the existence of the QIDC. In his third paragraph, he states that the QIDC's objective will be to operate as a financier to Queensland's primary, secondary and tertiary industry in order to achieve a commercial return on its business undertakings. Further on, he states that it is to provide an appropriate rate of return to the people of Queensland on their investment in the corporation.

Obviously, it is being turned into just another bank, into just another milch cow—into another organisation that will make money for this Government. It has lost its ethos, purpose and philosophy of being an organisation that represents this State, which has so much

potential and so much financial strength. Based upon that, it was able to offer this competitive advantage to our primary and secondary producers, particularly in the area of venture capital, in development and new equipment.

So we have turned to this new organisation, which is just another bank. If it is just another bank, what is the reason for its existence? It will be paying taxation in three ways to the State Government. It will pay taxation at the corporate rate; it will pay after-tax dividends; and it will also pay a guarantee fee on its liabilities to the State Government. So three lots of money will be going to the Government that used to go back into the organisation so that the organisation was stronger, more competitive and able to offer those sorts of financial terms that provided a real advantage for those basic industries of Queensland—the primary and secondary industries.

In discussing this change in philosophy, we should take a look at the profit levels of the bank. Last year, in 1993, it made a profit of \$18.1m after tax. In the year before, it made \$16.9m. In the year before that, it made \$15m. In the year before, in 1989, it made a \$5.7m profit after tax. So that just goes to show what is happening with this organisation. It is extracting greater amounts of money from those people whom it is serving. That money used to go back to them, so that we had a stronger State with a strong base. It means that there is less money available to those people whom it is required to serve.

When looking at what is happening to the QIDC, we have to wonder what the philosophy of this Government is. Many of the things that Governments do are supposed to be based on service, particularly in a State such as Queensland—a far-flung and decentralised State. Many of the things that we must and have a duty to provide cannot be provided on the basis of profit. For example, take railway lines, the Police Service, the health services, the education services that we provide and the ports. If they were all to be simply on the basis of a profit and if we were to all take the line that the Treasurer takes—that is, that the people of Queensland have an investment in these facilities or services because they pay their taxes, fees, levies and fines—then we would not have any services whatsoever. We would rip up all of the railway lines, just as the Labor Government tried to do earlier this year. We would pull out all of the schools and small hospitals in the west and take away police stations from areas where they felt they were not worth while, because they would not make a profit. That is what this is all about.

It is a fundamental change in Government philosophy from a philosophy of service to a philosophy of making a profit and a commercial return. And for what return? It really goes against all of the philosophies and reasons why the Agricultural Bank was put in place and why the previous Government set up the QIDC. It did so to provide the sort of support that over the years has made Queensland the strong, viable, stable and attractive State it is. Now, we are seeing those sorts of services being eroded. This is the ultimate withdrawal of a service.

I turn to the Rural Adjustment Authority Bill. The fundamental change is that the Government Schemes Division, which has always been a part of the QIDC, is to be made a separate entity to be administered by a board. Many of the officers of the QIDC in a way will be pleased to see it go, because they have always felt that it interfered with the image of the QIDC. It had enormous problems. In trying to run its operation, particularly through these years of drought, it has given them some incredible difficulties and problems and has tarnished their image.

The thing to remember about the change to the RAS scheme and board is that it will still be operated by the staff from the QIDC. Some 50 staff will be subcontracted to run the RAS schemes. In the past, RAS has paid administration fees to the QIDC—some \$7.9m in 1993 and \$9.9m in 1992. It has also paid money market management fees to the QIDC—\$255,000 in 1993 and \$420,000 in 1992. What will happen to all this money? Will these schemes be run as efficiently and as tightly as they can, or will all those major amounts of money still be paid to the QIDC? Naturally, administration fees of some sort will have to be used in order to pay the staff.

The RAS scheme has simply not worked. There have so been many complaints, stories of problems and anecdotes about the RAS scheme that everybody really has to sit up and take notice of the problems associated with it. There is no doubt that the RAS scheme needs changing, that it needs fixing and that it must be made to work. Today, many people on the land take the view that the RAS scheme is the only available scheme—it is what they must deal with—so they are trying to work to make the scheme better so that it is of real benefit.

Under this Act, the RAS scheme will be under the control of a board comprising some five to seven people, and that board will have the power and the opportunity to make representations to both the State and Federal Governments. If that board is selected correctly and if it listens to the various rural organisations and to the Opposition, this legislation provides a

channel and an opportunity for real and practical concerns to be taken to both the Federal and State Governments so that the RAS scheme can be made to work. It is important that it does work so that our primary industries can survive and produce the vital exports—that new money that comes into the State—that are the financial strength of this State.

As I said earlier, the RAS scheme is just not working and it needs a complete review. I want to touch on some of the problems with the RAS scheme. Some of these problems have arisen in the latter years. This drought has been going for four years. What applied and what made sense or what might have seemed fair and practical in year one or year two of the drought no longer really applies. As to exceptional circumstances—much has been made tonight of people who have off-farm assets. Bear in mind that Governments of all persuasions have been advising and encouraging farmers to have off-farm assets so that, during times of drought and when there is a downturn in price, something else can come in and support the farm through those difficult periods. That was quite applicable in years one and two of this particular drought. However, as we enter year four, totally different circumstances apply. We have properties and businesses whose equity has seriously declined, and in some cases producers have been using their off-farm assets to provide the seed, the diesel, the fertiliser, the food on the table, the registration, and so on.

Many rural organisations are calling for the RAS scheme to be able to look at individual cases and assess them on their merits. We cannot just make a blanket statement and say, "They have a unit at the coast or a share portfolio." It is a matter of considering the equity that certain rural producers have left in their property, whether they have used off-farm assets to fund the ongoing operations of a particular property so that they have not had to dip into the RAS scheme or into any of the publicly funded schemes up until that date. Such practices have saved the Government and the people money.

Another aspect is sharefarmers and leaseholders. Those groups are not catered for at all under the RAS scheme. Many of the sharefarmers have major debts with large broadacre cultivation equipment and machinery. They are unable to access this scheme. They are highly productive farmers. They form a substantial part of the agricultural system, and they deserve consideration under the RAS scheme.

One of the other problems is the Government restriction on funding. One cannot

expect there to be an endless bucket of money. However, the problem with this particular scheme at the moment as the drought goes on and on and on is that the Government is basically saying, "Here is an amount of money. This amount of money is politically acceptable. When that runs out, that is it." As the drought goes on and on, the needs become higher and higher; they increase out of all proportion. If we are serious about assisting these good, viable producers—these young producers, these family producers—through the trauma of this terrible drought, then the RAS scheme must allow for the fact that a limited amount of money just will not address the problems.

Some 20 per cent of farmers across-the-board have obtained access to RAS. In the true light of what is occurring at present, this simply needs to be doubled to about 40 per cent. Because of the continuing failures of both winter and summer crops—generally speaking, in the last eight crops in the last four years, there have been seven failures and one reasonable crop—those farmers who were viable in year one or two or three and who had 90 per cent equity in their property may no longer be in the same position. As they plough tens or hundreds of thousands of dollars into having another go at those crops—and that is the only alternative they have; they have to take the gamble; they have to do it—then the equity in their property continues to decline. We are seeing young, substantial farmers with a great potential for this State whose equity has dropped from 90 per cent down to 50 per cent or 40 per cent. Those people have to be considered. They are the ones who are now getting into trouble. The RAS scheme needs flexibility. The board that will be in charge of RAS provides an ideal opportunity—another channel—to inform both the State and the Federal Governments about the shortcomings of the RAS scheme.

I want to say a word about the Rotary Western Families Drought Assistance Fund, which commenced in Toowoomba during this drought, and which set itself a target of \$20,000 to assist people in the areas of south-western Queensland. With a modest target of \$20,000, that group has done an absolutely phenomenal job and raised \$740,000—about \$540,000 in cash and \$200,000 in groceries and food vouchers. Almost all of that money has been distributed through 27 voluntary committees throughout south-western Queensland at a total cost of \$1,200 for stamps and envelopes—\$1,200 to distribute \$740,000! After a request for assistance was made, the cheque was in the mail within 24 hours.

That is the sort of committee to which the people in RAS and Government should be

speaking. Through the vouchers that it has given out and through the money and assistance that it has given out, that committee can identify on a map an area of Queensland about the size of Victoria that is in desperate need of massive reconstruction and massive renewal, simply by pinpointing where the assistance has gone. It is about time that this State and this Government started to have some real vision about what is required in the rural and regional areas of Queensland, and this drought is just the catalyst to make us consider these sorts of issues.

Where is the vision for water in this State? Where are the schemes that we have seen in the past with the construction of major dams? Not one dam has been built. The only exception is the Teemburra dam at the back of Mackay, which is about to start after five years. This State should be injecting hundreds of millions of dollars into water so that we have drought mitigation schemes all around the State, so that there are centres of green that can mitigate the effects of lack of agistment or lack of fodder. Let us consider the locations in which water is in ready supply—the Mary Valley, the Emerald irrigation area, Mareeba and around St George. Those are the only safe places in the State. It is about time we had some vision and some real money to help people get through this drought, to look after people properly. Once we have achieved that, we can commit some decent money to reconstruction, renewal and water supply. Let us at last have some vision!

One could describe this particular drought and the rural downturn that went with it—caused by the double whammy of the massive interest rates and the pulling out of the floor price scheme for wool—as a natural disaster like Cyclone Tracy, but whereas Cyclone Tracy hit for about 12 hours or so overnight, this cyclone has hit our people for some four years. It has been a disaster of monumental proportions—a social, financial, economic and ecological disaster. It will take a big commitment and big vision to undo the damage that has been done by this drought.

It is absolutely vital that, within the RAS scheme, we ensure that the good producers are there for when the change in the season comes; that they are able to go out and plant a crop when the rain comes; and that breeding stock are preserved so that the cattle industry can keep the cattle flowing through to the feedlots and the fattening areas so that we can keep the jobs in the meatworks, in the transport industry and at the terminals from which those products are exported.

I call on the Federal Government to show some compassion. With schemes of assistance such as Austudy, it should be natural that in

circumstances of disasters young people are not denied the opportunity to access a reasonable education before they return to a rural or remote area to spend the rest of their lives. The assets test on Austudy is totally unfair. Some young people and families went through awful trouble trying to access unemployment benefits. If they had lived in beautiful houses in town which had buses that pulled up outside their doors and they worked for their fathers who had factories but had been put off because things were not too good, they could walk down to the CES the next day and get unemployment benefits or Job Search, but the difficulties experienced by those in country areas trying to access Job Search or unemployment benefits has just been one of the tragic issues that has added to this whole disaster of the drought and the rural downturn. I cannot stress too much the importance of having a flexible arrangement with the assets test in the area of education.

That brings me back to the Rotary Western Families Drought Assistance Fund. That fund has done some wonderful things for young Toowoomba students who have not had a penny to spend. It has helped these young people. Some students had tickets bought for them to catch the bus home to western Queensland. In one case, there were two boys at one school who were suffering Toowoomba's cold winter climate with one school jumper to share between them. One wore the jumper one day, the other wore it the next day. That is the sort of thing that we are seeing and those are the sorts of cases that this fund is helping.

It is about time that there was proper recognition of the value of the primary industries of Queensland and what they contribute to our cities in the way of jobs, exports and turnover. We need to recognise how they are an integral and vital part of our decentralised State. It is time that we got the Federal Government to look at these issues and to care about them. We do not need a fellow such as Keating, who is a divisive leader, who only garners his 50.5 per cent around him and forgets the rest. He offers \$150m to rip down the Cahill Expressway when decent, good families all over the State would like \$150m to drought proof an entire district and get something of substance that would last forever.

It has been said earlier that we support this Bill. I would like to just conclude by making some final comments on this new board that will be an integral and important part of the Rural Adjustment Authority. Here is an opportunity to get it right. Here is an opportunity to make sure that the mistakes of the past associated with RAS—because no-one knew what would happen throughout such an extended

drought—are not repeated. Now, each time that there is a review of RAS, notice can be taken of the rural organisations that are out there so that we all know what the particular flexibilities and practicalities are. Through this change we can have a RAS that works and from this drought we can learn. This drought can be the catalyst to make this State finally get it right and put in some decent infrastructure that will help the rural people last forever.

Mr LITTLEPROUD (Western Downs) (10.24 p.m.): In joining in this cognate debate on the QIDC Bill and the Rural Adjustment Authority Bill I acknowledge the contribution made by members on both sides of the House. In particular, I have listened carefully to the contributions made by many of my colleagues who fully appreciate the ramifications of the serious downturn that we have had in rural Queensland in the past four years. I do not intend to go over that ground again because I think they have made their points very strongly. I would like to speak in more general terms.

I would have to say that I do support the notion of the Queensland Rural Adjustment Authority being set up. In making that comment I recognise that we are going full circle. A number of years ago we had the Rural Reconstruction Board, which was set up by the coalition Government. It was generally recognised that that board was made up of a group of people who had expertise in rural industries and rural financing. The people on that board considered applications for assistance. At that time, Government money was distributed for assistance. By and large, after that board ceased to exist, it was recognised that it did a lot of good.

I would also hasten to say that whenever public funds are being handed out, there is always going to be some unhappiness, and that was certainly the case in the days of the Rural Reconstruction Board. I know in my own area that it was often said that some people who did not deserve money were given assistance to buy neighbouring properties.

Mr De Lacy interjected.

Mr LITTLEPROUD: I am not commenting about that at the moment. I also know that at the present time, with both State and Federal money going into the RAS, we are again in dire times because people are starting to look sideways at their neighbours and making the same sorts of comments. Unfortunately, that is just our nature. When Government money is handed out, the guidelines will never be right, but I suggest that, if we have a group of people who come from industry bodies themselves and they sit down around a table and make a determination, they

are going to get more things right than they get wrong.

Probably the better way to go is to have the situation in which the rural producer and the people in small business in the rural areas are self-sufficient—then they do not have to put their hand out so often. When that occurs, we will get away from this unhappiness that is caused by the handing out of public funds. That is possible, but I will talk about that later on.

Others have mentioned this, but I will say it again, that the QIDC was set up by the last National Party Government. I can remember a pretty lengthy debate at various National Party functions when it was thought that the Agricultural Bank of Queensland should become the QIDC. The purpose of that was twofold: to provide venture capital for new organisations out there that could get up and create some more infrastructure for Queensland and create more wealth—and that had merit—and, secondly, to be the vehicle to provide Government assistance. I think that on both counts it did pretty well.

I would also say that the QIDC of 1989 is not the QIDC of 1994 and we should not for a moment confuse the two. With the change of Government there was a change in direction, and the Treasurer, in particular, made changes to the QIDC. I believe with this new authority being set up that there will be a lot of people who will be able to offer suggestions of what should happen, but I believe that they will suggest things that were already discovered pre-1983. There have always been cycles in the level of prosperity in primary industries and the people who live in rural Queensland over the years, depending on the price of wheat, the price of wool, what happened to the cattle market and what happened to the weather, and over the years successive Governments at a Federal and a State level have worked their way through those cycles. However, there were some things that were always recognised that had to be. Then, when special circumstances came along, they perhaps then complemented the proven things with some new initiatives for that particular period.

It is my belief that pre-1983 we were doing things pretty right in that we were providing for people to accumulate assets so that when things got tough they could look after themselves without calling on the Government so much. We also gave tax relief to those people who were able to go out there and conserve water and conserve fodder, and that being the case, they were better able to prepare themselves on-farm. We had the IEDs, under which people were able to go and put assets off-farm and then call on

them in hard times. All those things had been refined and thought about over the years.

In 1983, Bob Hawke came to power in the Federal scene. One of his stated intentions was a redistribution of wealth within Australia, and he certainly achieved that. He achieved it to the extent that it has been overdone. There are some cynics who say that what is going on at the present time is still very much part of that master plan. The soft edge to it is a bit of RAS money going to help people when they fall over, but the real intention is to reduce the size of rural Australia. If that is the case, it will always be held against the ALP. Whether or not that was the real intention, that has been the reality. There is now impoverishment out there, and my colleagues have spoken of the extreme hardship suffered by people.

I know a retired Uniting Church Minister who used to live in Chinchilla—he is a good friend of mine. He chastised the Labor Deputy Premier about 18 months or two years ago by saying, "You are providing things to go out there and look after the stock, but what about feeding the people?" I think that put a focus on it from his perspective that probably all of us in Government and local government had missed out a little bit. We all thought that if we looked after the cattle, that would provide the substance to provide the food.

The mental health of many of those people who are going down the tubes financially is deplorable, and they need assistance. However, I know that the farmers are heartened by the messages and the assistance coming from the people of the cities of Australia. About this time last year, I happened to be driving back from the western end of my electorate one Saturday when I passed a convoy that was going from the Redcliffe area to Wandoan. I just happened to be driving down along an undulating piece of country where I could see down a valley and up another hill for about three miles and the road was lined with vehicles taking hay and good wishes to the people of Wandoan. It was a pretty touching experience that so many people would get together to help the rural sector.

I have said in this House before, and I will say it again, that I believe it was the passion of the city people that moved this Government to do more than it was going to do for the plight of rural industries. I hope that good sense remains. In the past couple of days, the Premier was in the Lockyer Valley making suggestions about the sorts of things that could be done to overcome this problem. That will fall upon this new Rural Adjustment Authority. The Premier was talking about taxation measures; but, as I said a few

minutes ago, that would be reinventing the wheel.

I make a plea to the Treasurer and his Cabinet colleagues that, when the people on that authority sit down and formulate what I think will be a restatement of many of the proven ways of giving assistance, they take note. I am guessing that their discussions will be on two fronts: they will be talking about short-term survival and long-term remedies. I believe that the idea already put forward of a moratorium on debt while the poor weather conditions remain has value. There is also talk about variations to the subsidies on the movement of stock and fodder. That is varying, but I believe it has a lot of merit.

There must be a realisation that this Government and the Federal Government were wrong when they took drought off the list of things that occur as natural disasters. There must be a continuation of the growers' scheme that was introduced when Mr Casey became the Minister for Primary Industries. He listened to deputations from my colleagues the member for Burnett and the member for Barambah, who met with him on behalf of the growers in the grain industry.

I believe that, over the years, the QIDC and the Agricultural Bank were very good at working out schemes for providing assistance to those people who have livestock industries, but it was not as easy to provide assistance to people in the grain industry. I believe we have some way to go in making sure that we provide assistance to those industries that have to stay in production, such as the dairy industry, where they have to produce milk every day. As well, people in the piggeries cannot just look after their breeding sows; they also have to take their progeny onto the stage where they can be slaughtered, otherwise the system gets choked up.

I also believe that people in the stud horse industry have a case for assistance. They are really finding it tough. It has been recognised by the Minister for Sport that racing is a big industry in Queensland. Stud breeders have a role to play. It is not quite fair that other people should get some sort of recognition during tough times such as this when inputs are high, yet those people are asked to put up with it.

In the longer term—the Premier was on the right track when he was talking about the tax measures that were in place many years ago. At the State level, I believe we can talk about stamp duty relief for transfers of properties.

Mr Springborg: Review of water charges, too?

Mr LITTLEPROUD: Yes, a review of water charges, or a wiping of water charges. The Government was on the wrong track when it was trying to recover the costs of irrigation schemes and water supply schemes from the first user rather than spread it across the whole community.

When I was at a conference in Perth a couple of weeks ago, I picked up a suggestion about long-term loans. A paper was delivered about generation loans. I believe that what has probably happened in the finance world is that, whereas a long term was once regarded as seven to 10 years or more, it has gradually reduced to a shorter term. That does not suit the nature of primary industry, which is highly capital intensive. It takes a long time to pay back debts. Therefore, the use of the term "generation loan" is pretty good.

We in this House must come to terms with what is the future of rural industries in Queensland. There seem to be two options. We can talk about corporate primary industries or the family farm primary industry. I do not believe that going down the track of corporate ownership of primary industries in Australia is the right way to go. In my electorate, it has been my experience that, when some of the corporate bodies get into the value-adding industries, they do not spend very much money in the local community itself; they are organised on a bigger scale, and they get their input from the larger cities.

As well, corporate management is more mobile. It makes decisions based on the bottom line of a balance sheet rather than on a lifestyle. Those corporate bodies move in and out of industries very quickly, leaving financial deserts. For example, if the beef industry has trouble with the feedlot industry in the next 12 months because of a shortage of feed supply, we could well find that tremendous ramifications will flow not only to the butcher shops and the consumer but also through to the western parts of Queensland and the Channel Country where people raise cattle and normally depend on feedlots to buy their progeny.

I am worried about the corporate farming sector coming in. It has huge amounts of money from superannuation funds and insurance companies. Because of the new industrial relations laws that were passed by this House and the Federal House, the corporate farming sector will find that, in many cases, it will not be able to operate at a very efficient cost per person. It will not have the same attitude as the workers themselves, and in many cases they will find it pretty difficult to survive.

There is something else that we must be wary of; it came to the surface between 1987 and

1989. Western Australia was going through a very tough time at that stage, and a practice was developed whereby corporations would go out and buy huge tracts of agricultural land and then lease it back to the farmer who used to own it. We made a determination in Cabinet that that should not happen in Queensland because it creates a tenant farmer situation. We should guard against that. The corporatisation of primary industries has not worked in eastern Europe, and I do not believe that it can work here, especially with the vagaries of our weather.

I do support the idea of the new authority. I know of some people who have already been chosen for this. They have expertise to put into it. It has worked in the past. I just hope that the sorts of things they put forward are listened to very carefully by the Treasurer and his Cabinet colleagues and that they have the ear of the Federal Government. We have a mammoth problem on our hands in ensuring that the very fabric of rural Queensland remains. When I say "fabric of rural Queensland", I do not mean only rural production; I also mean the towns that depend on it. Good moves are being made. The authority will also be looking after the small business debt scheme, which is a vital part of it. I wish the authority well. I support this legislation. I have not made many comments about the corporatisation of the QIDC because other members have spoken about that.

Mr STEPHAN (Gympie) (10.38 p.m.): It gives me pleasure to join in this cognate debate on the Queensland Industry Development Corporation Bill and the Rural Adjustment Authority Bill. They certainly do have some points in common so that they can be discussed as cognate Bills. However, I begin to wonder just how much understanding Government members have of these Bills as they relate to the rural areas of Queensland, bearing in mind the enormous contribution that rural communities make to the cities as a whole and the welfare of those who live in the cities.

I was a bit disappointed to hear Mr Beattie, the member for Brisbane Central, make the claim that, when this Government came to power, there was no infrastructure in the State, that the National Party did not leave any infrastructure at all. I ask him: where are the cranes that were operating throughout Brisbane when this Government came to office?

Mr Beattie: What about your road infrastructure?

Mr STEPHAN: What about the roads on the Sunshine Coast? This Government said, "We will not charge any toll on that road." What about those roads? What happened to that decision not to charge any toll on that particular road? The

toll gates were shifted. The Government changed its mind. It did not know exactly where that road was when it came to power, so it decided to have a look at it. The Government realised that it had to go along with the previous decision in relation to that toll road. There was another member in that area—I think his name was Mr Barber—who did not last very long.

Mr Veivers: He disappeared.

Mr STEPHAN: He disappeared. He was elected on the promise of no tolls on that particular road. Where is the toll road? Where is the understanding and where is the infrastructure? It is there and Mr Beattie has only just found it.

Mr Nunn interjected.

Mr STEPHAN: He has just been told. And I certainly hope that he understands what he has been told.

This Government thinks that the problems in rural industries are wholly and solely a problem of drought. It goes a lot further than just the drought and the immediate impact that it is having on the producers and on the confidence and the ability of the State to be as viable as it always has been. Honourable members need only to consider the attitude of this Government in relation to the DPI and rural industries.

Mr Elliott interjected.

Mr STEPHAN: There has been a big drain out of the DPI. Officers have been offered voluntary redundancies. They are the in words. Many of the excellent officers have been convinced to take a voluntary redundancy because otherwise they would be shifted out into an area over which they would have no influence and on which they have no expertise. I refer to one excellent research officer who is recognised throughout the world as the leading adviser on avocado production. What happened to him? He was transferred to the Stanthorpe area where there are no avocados. What is the good of his expertise and ability when he has been put out to pasture? That is the type of thing that concerns me and many producers throughout the length and breadth of the State. I mentioned just one example from the DPI. There are many others. The confidence of those officers has gone, as has their ability to deliver the services that they once delivered. Gone too is the expertise that was being handed onto the community. We cannot continue to do that without any adverse effects on the producing sector.

I will read a couple of sentences from the Minister's second-reading speech and give honourable members my thoughts on what the Minister is trying to say—

"One of the recommendations of the QIDC Corporatisation Working Party was that the function of delivering schemes of assistance did not fit into the framework of a corporatised QIDC."

Obviously, they decided to shift it.

"The objective of the Queensland Rural Adjustment Authority will be to foster the development of a more productive rural sector for the benefit of all Queenslanders . . . The new authority will continue to assist viable producers enhance productivity of their property or help them through a temporary period of difficulty."

That rhetoric came from the mouth of the Treasurer when he was introducing this Bill. That fact is summed up in the example that he gives—

". . . in 1993-94 a total of \$35m was paid in interest subsidy to producers, while a further \$8m was advanced to farmers under various loan schemes."

He is claiming that that is a substantial contribution to the rural community. We need only to consider the size of the rural community. For example, the dairy industry alone is worth \$600m annually to this State's economy. The dairy industry is a substantial industry, but it sits alongside the fruit and vegetable industry, the beef industry, the wool industry, and the grain industry. Honourable members will find that the dairy industry is smaller than what we might be led to believe by this statement of the Premier that the \$35m for interest subsidies for producers and another \$8m for various loans is a very substantial amount of money that has been offered to primary producers. Under these sorts of conditions is it any wonder that we get a bit concerned and disappointed about the attitude and approach that the Government has taken?

We need drought mitigation programs and programs that will result in a level playing field so producers can remain in their industry and continue producing with confidence. We find the opposite is occurring. When we consider water distribution and the ability of the State to continue producing because of water conservation methods that should be being used, we find that the Minister, Mr Casey, is doing little more than just working out ways and means of charging more for the water that has been stored previously. The Minister has to come up with a different attack—a different idea—from just charging the primary producers out of existence. In a similar way, other primary producers have not been operating on a level playing field.

As to the Rural Adjustment Authority—I also am quite concerned and worried about from

where it is going to be operating. Is it still to operate as an arm of the QIDC? I have the idea that the suggestion was that it was to be divorced from that authority, but I find nothing in the Bill to clarify whether it will work through the banks, the QIDC or on its own. I look forward to an explanation of that. I want to know so we will have that information when people come into my office and want to know where to go and what is available.

It is surprising for many city dwellers and city members that we have close contact with the primary producers and from time to time they see fit to come into the office looking for advice and direction as to where this information can be found. I am not trying to be funny, but those are the facts of life about what goes on in members' work-a-day world. If the member is not there the officer concerned—usually the secretary—will find that she, as it is in many instances, is going to have to answer questions of that nature.

The Bill states the authority's primary function is—

"(a) ensuring the schemes are properly and fairly administered; and

(b) directly giving the assistance the schemes provide for.

(2) The other functions of the Authority are—

(a) to arrange for education, training and advice to applicants under approved assistance schemes."

I am not sure what the Minister is talking about when he is talking about an education and training program. Is that training about how to be producers, or how to fill in forms? What is the Minister looking for under these arrangements and this authority? Are advice and training to be given in the management of money or will it be the management of the farming techniques? I wonder which way the Minister is going.

I am also concerned about the administration of the scheme. In administering an approved assistance scheme, the authority may, for example, cancel the provision for assistance or put conditions on giving that assistance. Again, the Government is moving the goal posts. I ask: what else is the Government changing? Is it changing the interest rates, or is it changing the time for the repayment? Again, such changes will only undermine the confidence of the producer and others who rely on the scheme. They will lose confidence in whether they will be operating next year or in five years' time.

Finally, a section of the Rural Adjustment Authority Bill relates to the Young Farmers Establishment Scheme. Although this scheme

has not been a great success, it has been a reasonable success in being able to place more young people on the land. In some instances, those young people have been able to buy their farms from their parents. In other instances, they have been able to go out on their own, but without that encouragement and assistance, they would never be able to get that start in life. It must be remembered that as the years go by and after people reach the age of 35 or 40, they find that the years go fast.

Mr Davidson: Your age?

Mr STEPHAN: No, a little bit younger than my age. Once one gets to my age, one finds that one should have done something a few years earlier. Basically, many young people are looking for that opportunity to get a start in life on the land. In many instances, they come from a family that engages in rural pursuits and they have the understanding, the ability and the knowledge; it is just a matter of being able to put it into practice.

I know that the Bill prescribes the interest that will be charged. For the first and second years, it will be 60 per cent of the interest rates, for the third and fourth years, 70 per cent of the interest rates, for the fifth and sixth years, 80 per cent, for the seventh and eighth years, 90 per cent and after the ninth year, 100 per cent. Even that measure does give some assistance to young people to get a start on the land. I encourage the Government to expand on that initiative a little to give that support that is so vital to the rural community if it is to be prosperous again.

Mr ELLIOTT (Cunningham) (10.54 p.m.): In rising to take part in this cognate debate, I must say that in all the time that I have been a member of this place, although I have been told that there have been other cognate debates, this is the first one in which I have participated. There are interesting parts of this Bill. I certainly support the concept of what the Treasurer is attempting to do, but not necessarily for the same reasons. As I understand it, the section that is to be separated from the QIDC will have no commercial lending rights, but all commercial banks will be able to act as agents. That is important because the QIDC has branches throughout rural areas. As such, people can go to those branches and find out exactly what is going on, and those other organisations will be able to act as agents for them.

I would like to take this opportunity to thank individuals and various organisations throughout the State who have come to my area and other rural areas to support the people during the drought. This has been one of the few times over the years when there has been massive support from the community for rural people.

Although someone said tonight—rightly so—that the people do not need a few dollars, or a bit of food, that support has had a massive impact upon people's morale. I believe that the fact that they felt that they have been supported morally by the people in the city has had a big impact on people in the country. I do not think that we can sell that short. I believe that we need to understand what a useful contribution those people from the city have made.

I would like to support what my colleague the member for Toowoomba South said about the Rotary western family support scheme. I was one of quite a number of people who met with the members of Rotary who were responsible for that scheme. It made one realise what people who are determined and organised, who have ability and experience in the commercial area and are prepared to put their money where their mouths are, can do. They spent virtually nothing of the money that was raised—99 per cent of the money went to where it was needed. Unfortunately, that is a very different situation from the various world aid agencies that supply aid to places such as Rwanda. Those aid agencies have become massive bureaucracies and waste so much money. I have said enough about that subject for the moment.

In saying that I support this Bill, I do not do so through any sense of bitterness towards the QIDC. It is a commercial operation with an understanding of rural business and how it operates. I think that it is probably fair comment to say that it has been quite successful. Over a number of years, I have used the lease facilities and the channel mortgage facilities of the QIDC to purchase machinery and so on. All of the dealings that I have had with the QIDC have been very satisfactory. I have found the QIDC to have a good understanding of rural matters. When borrowers put a proposal to the QIDC and outline their budgets, because of their background and their understanding of rural areas in a commercial sense, most of the people who work for the QIDC know what those borrowers are on about. Generally speaking, people are able to achieve a mutually agreeable result with the QIDC. Regardless of what I have said, as a rural, long-term, low-interest lender that we would all like to support, unfortunately I would have to say the QIDC is a bit like the one-eyed bank manager. We have all heard about him. A person goes to the bank and asks the bank manager for a loan. He says, "I'll give you a loan on the condition that you can pass a little test first."

Mr Veivers: What test is that?

Mr ELLIOTT: My colleague from Southport says, "What test is that?" The bank manager says, "I have a glass eye. If you can tell

me which eye is my glass eye, then I will give you a loan." Of course, the bloke says, "That is no problem at all, it is your left eye." He said, "How on earth did you know? That is very clever." He says, "No trouble at all. It is the one full of compassion." Unfortunately, the Treasurer is full of compassion, too. However, one wonders when we are going to see some of it.

Mrs Bird: I am not going to go to your meeting.

Mr ELLIOTT: The member has upset me! All jokes aside, it is very easy to look at these matters and say that it is someone else's problem and that it will go away. Unfortunately, the QIDC has now become one of the entities that are at the forefront in the foreclosure stakes. That is not the QIDC that I knew and supported. Quite frankly, to do what the Government is doing to the QIDC represents the ultimate withdrawal of services to the bush. It has been an organisation that has worked for many years to assist rural industries.

The Government has presided over the withdrawal of a fair number of services. In my area, substantial parts of the DPI have been closed down. The Government has taken away the courthouses. It has closed the railway from Bongeen to Cecil Plains and to many other areas. When we finally get out of this drought, we will find that the Government is going to move massive amounts of grain over those country roads. That will not only wreck the roads but it is going to cost each and every farmer who currently delivers his grain to Malu and Brookstead additional money. All of that grain that used to go through Bongeen, Norwin, Nangwee and down through to Cecil Plains will be directed elsewhere. Because there are no longer rail lines in those places, more of that grain will be delivered by truck. Those silos will be closed and the grain will be taken to Malu or Brookstead. That will cost not only those growers who have to deliver their grain to those places but also the growers who used to deliver it to other places. That is the sort of thing that this Government is on about.

I issue a challenge to the Government today. The Premier is sitting opposite, as is the Treasurer. I challenge them both to fight the "get big or get out" mentality and to stand up and support the family farm concept for a change. Where is the Deputy Premier? Where is the good old battler's friend, Tom? Where is he tonight? What is he up to? Is he going to stand up and fight for us? Is he going to stand up in Cabinet and really do something constructive? He is terrific. He can go out into the bush and he can use all of the rhetoric that he likes.

All of those people will go to the wall if the Government does not do something about them. Does the Government want them all in the south-east corner? Does it want to add them to the urban sprawl? By the year 2020, it will be the greatest mess that we have ever seen if the Government does not do something about planning. Does it want to bring all of those people here? That is what will happen. They will all finish up in the greater Brisbane area or in the south-east corner, which will add to the Government's problems.

Basically, what members opposite support is something that all of my life I have heard them talk about—that is, absentee landlords. That is what they will get. Overseas companies are coming into my area and are buying the very best land in the Darling Downs. I have nothing against people from overseas buying the land, if they live on the property and work it. We want owner/operators and family farmers. We want people who drive their own tractors and operate together with the work force on the property. They are the most efficient operators in this country. If the Government wants to destroy agriculture, it should cut all of that out. That will destroy it for sure.

It is with a sense of sorrow that I say these things about the QIDC. I have been down a lot of dry gullies with the QIDC. A lot of its advisers and its top operators have been down plenty of dry gullies with me—and a wet one or two, such as during the Cooyar floods and at various other times. As a former agricultural consultant, I have helped a lot of farmers to put together budgets, I have helped them to explain their circumstances to the QIDC, and I have got a few of them through. I am very proud to be able to stand in this Chamber and say that I know people who pulled through the last rural recession because of the efforts of the QIDC, and the efforts of the applicants and me in putting together these submissions.

It will be a tragedy if all of those people whom we have got this far go down now. Just as many speakers before me have said, many long-term rural families who are the third and fourth generations on those properties will not make it. I do not know whether the Government has really got the message about what is going on. In my area in the central Darling Downs, in the last six years—in 12 cropping seasons; summer and winter—there are people who have grown two viable crops. Who can survive under those circumstances?

Mr Purcell interjected.

Mr ELLIOTT: That is the sort of remark that we have come to expect from the old heavy from the wharf.

We would like some assistance from the Government. Our problem is that we are efficient from the farm gate, but from the farm gate to the wharf it is a disaster because of costs and inefficiencies. We want the Government to assist us to lower our costs from the farm gate to the wharf. It should think about that issue for a change.

For example, people can live in Brisbane or on the Gold Coast or can have a mansion on top of the range in Toowoomba and can walk down to the CES and ask for the dole and for all sorts of assistance. They will get untold benefits. However, if a farmer wants some sort of assistance—for example, to get his kids to school—he cannot have it; he has too many assets. It does not matter that he is on the verge of bankruptcy. He is probably five minutes to midnight as regards the bankruptcy stakes. He cannot have anything. The attitude is, "No way. We can't help him. That would be totally wrong. We cannot help these people. Let them go to the wall. It does not matter if their kids are not educated. It does not matter at all." What an absolutely double standard! Members opposite should hang their heads in shame for being associated with the Federal Government, which has done this. It makes the rules about social security. To me, it is just unbelievable that that situation exists.

The last point that I want to make concerns the Young Farmers Purchase Scheme, as we used to call it. It is now called the Young Farmers Establishment Scheme. In respect of the new entity that this Bill is creating tonight, firstly, the Government should be very careful about whom it puts on the board. It will be very important to have some businesspeople on that board. We need some good, practical, hard-headed blokes who have been up a few dry gullies. We do not want blokes who are still wet behind the ears and who have a lot of theories. We want a few people who have been up a dry gully or two. That is why the QIDC as a commercial operation is doing well. Roy Deicke is there. He knows what it is all about. He is a top businessman.

The Young Farmers Establishment Scheme is an important scheme. We are going through one of the worst recessions in Queensland's history and there has not been a lot of demand for it; nonetheless, in June 1993, \$16m was loaned under the Young Farmers Establishment Scheme. In 1991-92 and 1992-93, there may not have been a lot of demand, but \$2m was still lent to 13 different producers. So there are still some young people who are prepared to take up a challenge and try to do something even in these dreadful times that we are going through. I urge the Government not to forgo that scheme, because it is worth while.

Those people should be offered reasonable interest rates over a long period and an opportunity to make a go of it. If they are not given that opportunity, there will be no young farmers. The Treasurer has been in the farming scene and knows a bit about it. He cannot tell me that he has not been up a dry gully or two. He used to grow tobacco, which is not an easy industry. We all know that. I urge him to ensure that we do not just go through the exercise of giving people interest subsidies. Sure, that is of assistance, but the whole answer to a hell of a lot of people's problems is to be able to provide long-term loans at a reasonable interest rate that they have a chance of paying back. If that is not done, they have no show. They are just like dead ducks in the water. With those few words, I thank the House for its indulgence.

Mr T. B. SULLIVAN (Chermside) (11.09 p.m.): I rise to support the Rural Adjustment Authority Bill and the QIDC Bill. Our heart goes out to all Queensland families suffering as a result of the drought, whether they be farmers, graziers, rural workers, small shopkeepers, itinerant or permanent residents. We must support anyone who needs help, anyone in anguish or pain and anyone whose hopes or dreams are shattered.

Just last night, I was at an ALP branch meeting. The first major topic of discussion was the effect of the drought on Queenslanders. Branch members from inner northern suburbs of Brisbane made constructive suggestions as to how the Government and city dwellers can help our rural colleagues.

It is a shame that the Opposition tries to paint the drought as an us and them—city and country—type scene, but it should not surprise us because it is the party of division. As I will demonstrate in the next couple of minutes, it is also the party of hypocritical rubbish. When it was in Government, it gave assistance almost exclusively for livestock, crops and machinery. This Labor Government has focused on providing food for families and individuals. When the previous Government gave assistance, the major beneficiaries were the big property owners—the senior people in the National Party. We know how they rorted the system and duded their fellow smaller rural producers.

In contrast to that, this Labor Government is used to focusing on the battler, whether that person be in Brisbane or Barcaldine, Townsville or Tambo. Since the drought began in 1991, total funding provided in the drought package has reached \$103m, including \$40m from the Federal Government and \$63m from the State Government. This State Government will also continue to pursue the question of additional

funding for drought assistance, including the possibility of developing longer-term alternatives to further extension of the exceptional circumstances of RAS.

On top of RAS, there are new initiatives that this Government has brought in that the National Party in 32 years of Government never introduced, and it was supposed to be the party for the country people. I refer to the interest-free loans to local authorities, crop replanting and restocking schemes, urban water supply assistance, the drought employee support scheme, rural family support services and rural lands protection. All of those are new initiatives by a Labor Government to help rural people.

This ALP Goss Labor Government has with words, actions and money reached out a helping hand to rural Queenslanders. We contrast this to the National Party response when city people were in trouble. When city people were out of work and the Government gave financial support, the Nationals said, "They are dole bludgers. They are unproductive. They have a welfare mentality." But when country people are out of work, the ALP puts its time, effort and money into country areas.

When urban businesses collapsed because of international trade wars or the lowering of tariffs and city people were on the dole, the National Party did not call on its rural supporters to support the city folk. I know that the country folk would have helped had they been told the real situation, because country folk are generous at heart. But the National Party, rubbishing and criticising the city people on the dole, kept saying that the city people had a handout mentality; they relied on welfare; and all they had to do was get off their backsides and do the work.

Mr Veivers interjected.

Mr T. B. SULLIVAN: That is the attitude adopted by loudmouth people such as the member for Southport, who has not shut his mouth for the last five minutes. He says that he is from the National Party. He is just part of the surfside brigade, part of the Borbidge Surfers Paradise group that really has failed country folk. They know it, and we know it.

That is the difference. The ALP is looking after all people, especially the battlers, the marginalised and the down-and-out. That is part of our broad-based philosophy of democratic socialism, where the haves share with the have-nots. That is part of the Labor tradition; that is what we stand on. For five years, the people of Queensland have seen through the negative, narrow whingeing of the National Party and its sycophantic coalition partner the Liberals. For five years, the people of Queensland have

recognised the hand of Labor supporting all people with the basic needs of housing, health and education. That is why, with this legislation before the House and the caring attitude of this Treasurer and the whole Goss Government, the people of Queensland will continue to prefer the Goss Labor Government to the coalition. I support the legislation.

Hon K. E. De LACY (Cairns—Treasurer) (11.14 p.m.), in reply: I thank honourable members for their contributions to this debate and also for the support from both sides of the House. It was something of a bold experiment, having a cognate debate—in effect considering two Bills in the one debate—but I think it was worth while in the sense that it is difficult to talk about one without the other when what in effect we are doing is corporatising the QIDC but, as part of that, setting up a new authority called the Queensland Rural Adjustment Authority. I thank everybody for cooperating in that new style of debate.

I recognised that members would use the opportunity during this debate—and quite rightly and quite justifiably, because we are setting up what is effectively a new authority to deliver schemes of assistance, primarily to rural producers and primarily to rural producers affected by drought—to talk about the drought. I want to make a couple of comments. I believe that the drought that we have in Queensland now is a natural disaster of almost unprecedented magnitude. The contributions from many members on both sides, but particularly from the Opposition, were worth while and were constructive.

I would have thought that drought is something which is above and beyond party politics. It is certainly the way in which the Labor Party has addressed the drought. Some members of the Opposition approach it from that point of view, but some people lapsed back into their petty party political point scoring. Some members opposite expressed mock moral outrage and claimed to be the only people who understand the drought, the only people who really know about the drought. They implied that the Labor Party and the Goss Government do not know about it, do not understand it, do not feel for it and are doing nothing about it. Members opposite went almost to the point of implying that we are responsible for it. That may be the view of the National Party—and I guess if one sits on the Opposition benches too long, one tends to become like that; one becomes vindictive, nasty and small-minded—but the rural communities and the representatives of the rural communities do not see it that way.

We have mobilised to respond to this drought in a way which I think it is fair to say has impressed everybody. We are not being criticised by the rural community. We are not being criticised by the peak bodies and the representative bodies, and nor should we. We all know that Governments cannot solve the drought. We cannot solve the problems out there, but we all recognise the worth and the value of the rural community to both the economy and the social fabric of Queensland. We would be a pretty poor Government if we did not. There has never been any question of us not recognising that and not responding to it. I need to place that on record. I thank all of those members who made meaningful and constructive contributions in respect of the drought.

Obviously, we must continue to look at the schemes of assistance. Obviously, as the magnitude of this natural disaster becomes worse, we must expand the response. We as a State Government recognise that fact, and we are doing everything in our power to offer assistance, and we are also using our influence, if you like, with the Federal Government to ensure that it becomes involved. Once the problem becomes too large, it is beyond the capacity of the State Government to respond in full with its own resources.

As the member for Chermshire said, we have put in place a whole range of programs on top of the RAS scheme, the normal interest subsidy schemes and the traditional schemes, including what we call the transaction subsidies and the freight subsidies for fodder, water and so forth. We have put in place a whole range of schemes that were never in place before. The member for Western Downs mentioned that we have responded not only by attempting to save the stock, the crops and so forth but also by looking at the people who are suffering—the families and the people in the towns. It is not finished yet.

We have a drought committee, which is comprised of representatives of the rural sector and the various Government departments. We are looking at new ways of responding, and we will continue to do that. In terms of making resources available for the existing schemes—I can give the House an assurance and I have continued to give an assurance that this is absolutely the highest priority for Government. Members opposite ask, "Where will the money come from?" That is not the point. To the extent that we have to respond, we will respond, because budgeting is all about priorities, and priorities change from time to time. The highest priority is enabling our rural sector to get through this crisis still intact. That is the commitment that I make.

In respect of this legislation—I appreciate that everybody has supported what we are doing. People are supporting the need to separate the body that delivers the Government schemes and all of the schemes of assistance away from the QIDC, as the QIDC inevitably becomes more commercially focused. I know that we have been criticised a thousand times this evening because of the commercial orientation of the QIDC. Some people still live in the way distant past and believe that the only way we can establish bona fides with an organisation such as the QIDC is to run it at a loss. That is not the way of the Goss Government. I make no apologies for giving the QIDC a commercial focus, a commercial charter and a commercial board and for saying, "You have to compete in the real world."

The member for Toowoomba South went on with nonsense that it should be like it was in the old days and that we should just get out there and help people and deliver services. What sorts of services? What does he mean by "delivering services"? If we have schemes of assistance, they need to be focused, because it is taxpayers' money that we are talking about. It is easy to say that we are using Government money, but we are not; we are using taxpayers' money. Such schemes need to be focused, and the money has to go to the people in need. There is no point in giving assistance to people who have no prospects of long-term viability, and we cannot morally justify giving taxpayers' money to people who are independently wealthy. So the assistance has to be focused, and it is focused. However, we cannot have something like the QIDC getting out there with some woolly objective of just helping the people and giving them low-interest loans, as used to be the case in the old days.

There were many contradictions in the Opposition's contribution to the debate. On the one hand, we had members such as the member for Toowoomba South saying, as I have just explained, that we are too competitive and too commercial. He said that we should not be commercial and that we should not be having tax equivalents and dividends and commercial rates of returns, and so forth. They are all of the things that the Opposition does not like about corporatisation. Members opposite criticised us for that. I can understand that; I realise that many of them live in the past. Many of them are old agrarian socialists who have not come to grips with the modern era.

However, Mrs Sheldon almost did step into the future, because she stood up and started to talk about Hilmer and competition policy. I said to myself, "Hello, somebody has realised what corporatisation is all about." I thought she was

nearly going to say, "Congratulations, Goss Government. You are one step ahead of the game. You are doing it before Hilmer said it had to be done". That is what we are doing. The honourable member mentioned competitive neutrality. How are we going to introduce competitive neutrality? That is what corporatisation is all about. One of the fundamental principles of corporatisation is competitive neutrality, and that is what we are doing in respect of this Bill.

What we are doing with the QIDC is the absolute cornerstone of competitive policy. The QIDC is in a competitive market. As it competes with private sector entities, it will have to pay tax. That is what competitive neutrality is all about. It will have to pay tax, it will have to make profits and it will have to have commercial rates of return. That is how you take away all that assistance that it used to have from the Government. That is how it competes on a level playing field. That is what Hilmer is talking about. That is what this whole game is about. I thought the honourable member was getting close to understanding it and then she went right off the rails. It is all about the separation of the community service obligations.

Mrs Sheldon: What about labour market reform? You've got to admit that must be addressed, and it has not been.

Mr De LACY: What ensures that the QIDC has competitive labour practices is the fact that it is out there competing without any support from the Government. It has to do that. If it cannot compete, it dies.

Mrs Sheldon: One of the problems that lies ahead before long is that it doesn't have labour market reform.

Mr De LACY: The honourable member is going on for too long and she is not advancing the debate. The point I am making is that when all of the props are taken away and the QIDC has to get out there and compete, if it has inefficient labour practices, then it will not be able to compete. But let me assure the honourable member that the QIDC will compete. It is competing and it is expanding both its profit and its balance sheet, year after year. It is competing, and it is competing on a level playing field.

Mr Elliott: Tell us about ANL.

Mr De LACY: The Commonwealth Government could learn something from us. Instead of trying to tell us how to run our business, the Commonwealth Government could learn something from the Queensland Government, particularly in respect of corporatisation and teaching public entities both to compete and to run efficiently and competitively. The RBA would not be taking over

the prudential supervision of the QIDC if it was not given a commercial charter or if it was not operating on a level playing field. I can absolutely assure the honourable member of that.

In summary, let me make some points about the contradictions that came from the Opposition. People like the member from Toowoomba South were trying to take us back to the past—without having the QIDC competitive; without a level playing field; ignoring the realities of Hilmer; ignoring the realities of competition policy; thinking it is possible to get away with that in this day and age. Then the Leader of the Liberal Party almost touched on the need to be competitive and introduce competition policy. What all members of the Opposition ought to do is a little bit of policy development. They should try to understand what is going on in the modern era instead of sitting over there and criticising everything that is done without even bothering to ensure that their criticism is consistent. Every person who gets up puts a different policy position. No wonder the people of Queensland do not see the Opposition as relevant!

One question that was asked was: what is the benefit of having the QIDC? Why not privatise it? Certainly all of the Liberal Party speakers got up and said that it ought to be privatised. I can give honourable members a number of reasons why we are not privatising. Firstly, the Queensland Goss Government has a policy of maintaining our assets. We do not have to flog them off like our Opposition's mates.

Mrs Sheldon: Tell us about Suncorp.

Mr De LACY: Exactly—Suncorp, QIDC, whatever the honourable member likes. We are holding onto our assets. The benefit of QIDC is that it is filling a market gap—a market niche—out there. It is a specific industrial financier. I can tell the honourable member that it is filling that gap for the reasons that I have just mentioned—because it is continuing to expand its portfolio and it is taking market share away from everybody else. So it is filling an important gap. It still has that special rural focus.

Mr Connor: What have you done about the Brady report? Absolutely nothing!

Mr De LACY: The honourable member would not know. The first time he stands up in this place and says something intelligent, everybody on this side of the House will gasp.

Mr Livingstone: You won't have to worry about that. It won't happen.

Mr De LACY: I accept that. The QIDC has a special rural focus, and some people acknowledge that. It is playing a very important role as a commercial lender to the rural sector

because it understands the rural sector, and I think that is very important.

An honourable member interjected.

Mr De LACY: It has a good performance record. The honourable member is right. It is both turning a very healthy profit—\$18m or \$19m last year after tax—and, as is the case with our Government owned enterprises, we are getting all of the Commonwealth tax equivalents. We got the best part of \$20m back to Budget, so why sell it off? Why give it to somebody else? That is another good reason. I am not ashamed to say that.

Other members said that the QIDC has been gutted. It has a portfolio of about \$2.5 billion dollars, which has increased by a billion dollars in the last three years, so it has not been gutted. If we take out the Venture Capital Fund and the Government Schemes Division, we take away about 5 per cent of the portfolio, so it has not been gutted. It is a very important financial institution and it is fulfilling a very important role in Queensland.

Mr Elliott: In actual fact, there is only 5 per cent of the QIDC that's really rural. That's what you're saying, isn't it?

Mr De LACY: No, not at all. I am talking about the Government Schemes Division. In addition to that, almost 60 per cent of its lending is to the rural sector—that is, on top of the Government Schemes Division. I have no time to explain it any more than that.

The other matter mentioned was the guarantee. We had all of these great exposes about the guarantee. The member for Beaudesert—ha, ha—has found something that we can do with the guarantee and the guarantee fee. He says that the Government is going to guarantee it so that the QIDC can get into the money markets and it will destroy this State. That is wishful thinking on the part of the member for Beaudesert.

The member for Nerang said that I had now found another way of getting money, and he said that I do not have to appropriate it. For the member's information, I point out that we only appropriate expenditure; we do not appropriate revenue. Of course it is not appropriated. We do not appropriate guarantee fees. It just shows the level of his understanding of the way things work in this State.

Mr Connor: You don't know what you are talking about.

Mr De LACY: It is not worth taking an interjection from the honourable member. Members asked, "How could you be on a level playing field if you are guaranteeing it?" We can,

provided that we charge the entity the full cost of the guarantee. In other words, the entity has to pay for the guarantee. We did not have the option of not giving a guarantee because, under the Crown Proceedings Act, we cannot walk away from the guarantee. In other words, if it went broke, because of the Crown Proceedings Act it is owned by the Queensland Government, and people could sue the State Government. We accepted the reality of a guarantee. But to ensure the level playing field concept was preserved, we will charge it a full guarantee fee for the benefit of the guarantee.

Mr Connor: Is Suncorp in the same position?

Mr De LACY: Just to put the honourable member's little mind at rest, I point out that it will be worked out on a proper commercial basis. In other words, the benefit of the guarantee, which is the difference between the assessed credit rating of the QIDC as compared to the AAA rating of the Queensland Government, will be charged as a guarantee fee. That is the way it will be struck.

Mr Connor: Are you going to set that up by regulation?

Mr De LACY: I told the honourable member how we are setting it up. I do not expect him to understand it, but I told him. I want to make a few comments about the contribution of the member for Beaudesert, who has been running a vendetta against the QIDC—a campaign of vituperation. This is part of the old National Party thing. It used to own the QIDC. It never saw it as a commercial entity; it owned it. It was a means of largess. It was a way in which it could pay back all its mates.

Mr Bredhauer: Tell us about the lousy loans.

Mr De LACY: Yes, the lousy loans—as the member for Cook said. It was a way in which the National Party could pay back its mates. Members opposite talk about having guidelines for making assistance. The biggest guideline of all was having the National Party ticket. That is the way it used to run.

Some members of the Opposition, including the "Beach Boys"—that is, the Leader of the Opposition and the Deputy Leader of the Opposition from the Gold Coast—are trying to be relevant to country areas, so they are getting onto the QIDC bandwagon. But there is nobody following them, because the rural producers know the QIDC is properly structured and delivering proper services. Some people cannot accept that.

All of a sudden, the honourable member for Beaudesert says that we ought to separate the schemes of assistance. Then he made the fanciful claim that he made the call last week and we have the legislation in this week; that is how fast we responded to his call. What utter nonsense! We have gone through this process for the past three years.

When we were elected to Government five years ago, the administration of the schemes was simply part of the rural lending division of QIDC. There was no separation between the Government schemes of assistance and normal rural lending. It was all mixed up—all confused. So we brought Polichronis in, and he said, "They have to be separated, because it cannot operate properly that way." When we separated them, every member opposite squealed. Now the member for Beaudesert says, "They are still too close together." We have come to that conclusion, too. The commercial operations of QIDC and the delivery of assistance schemes do not work well, so we have separated them completely, because everything ought to be aboveboard. Most people have accepted that, including members of the National Party, and I thank them for that. At least we have agreement on that.

The member for Beaudesert went on to talk about the Kelly affair. Today, he regurgitated the same types of silly allegations that he made last week. I make the point that when there is a rural downturn people experience a lot of difficulties. It is inevitable that some people will not pull through; that their debt will become such that they will be unable to continue, and their lending institutions will foreclose on them. It is a reality of commercial life, and it is a bigger reality during a severe rural downturn or a drought that people will be suffering great trauma and emotional stress, and they will make all sorts of claims. I believe that those claims ought to be put into context. I am not saying that claims ought not be checked out, but they ought to be put into context. Sometimes people will make them up. Certainly they will just give one side of the coin. One will always find people in Parliament, particularly in Oppositions, who will be willing conduits for what is patent nonsense. I am saying this because I know what Opposition is like.

The honourable member asked, "Why did the QIDC let Elders get the money?" According to what the honourable member said last week, the QIDC did not let Elders get the money. It had to sue Elders to get the \$170,000. In respect of that particular person, that action cost the QIDC \$300,000. I do not know if that is what a cruel and heartless lender does, but it did keep extending debt. It obviously extended debt longer than it should have done. One cannot criticise it for

extending it for too long and then, in the next breath, say that it was cruel and heartless.

The second claim that the honourable member made was about the orderly exit. He asked, "Why not get the re-establishment fee?" I do not want to use Parliament as the honourable member uses Parliament, that is, to dump on somebody. All I can say is that there are two sides to every coin. The re-establishment grant can be given only in accordance with the guidelines, and one of the guidelines is an orderly exit. The honourable member can read into that what he likes, but I assure him that there is an awful lot behind it.

The honourable member made the allegation of a conflict of interest by a QIDC officer. That is the only allegation of impropriety that was made. Why did the honourable member make that claim so vigorously last week but not repeat it tonight? It really is the only allegation of impropriety, yet he backed off it. I am a little concerned about the allegation of impropriety. My challenge to the member for Beaudesert is: if he wants to follow that up, he should write me a letter detailing the allegations, and I will ensure that it gets to the CJC and that it has a proper investigation.

Mrs Sheldon: It's in the *Courier-Mail*. The *Courier-Mail* mentioned the same officer.

Mr De LACY: No. My challenge is that, if the member for Beaudesert writes to me detailing those allegations, I will ensure that they are properly followed up. That is my challenge.

Finally, the honourable member asked, "The assets which were written off—do they go into the balance sheet or the total assets in the balance sheet of the QIDC for purposes of dividend?" I suppose that is a fair question. The balance sheet contains only net assets. If an asset is written off, it is obviously not in the balance sheet. I think the honourable member was probably implying that somehow the QIDC was not properly providing for bad and doubtful debts. I assure the honourable member that that is the case. I assure him that we know it is the case because, during the corporatisation process, KPMG was asked to assess the systems in place for bad and doubtful debts and the level of the provisioning for bad and doubtful debts, and it has signed it off.

The Reserve Bank of Australia, during its due diligence process for taking over the supervision of the QIDC, had to satisfy itself that its provisioning for bad debts was adequate and that its systems were adequate. It is about to take over the supervision. I assure the honourable member that all of his concerns have absolutely no substance, and all of his wishful thinking that

we have a potential disaster on our hands will not ever come to pass.

I will conclude. I know I have probably gone on for too long again, but I thank honourable members for their support for these two pieces of legislation. They are very important. Not only are they a major step forward to our program of having competitive and safe financial enterprises in Queensland but also serving, as the QIDC is, as an industrial financier to primary, secondary and tertiary industry and, particularly through the new QRAA, it is the most effective way that we can continue to assist rural Queensland through this difficult drought.

Motion agreed to.

Committee

Hon. K. E. De Lacy (Cairns—Treasurer) in charge of the Bill.

Queensland Industry Development Corporation Bill—

Clauses 1 to 4, as read, agreed to.

Clause 5—

Mr CONNOR (11.43 p.m.): This clause deals with the continuation or the existence of the Queensland Industry Development Corporation. In his reply, the Treasurer said that this was to do with the Hilmer inquiry. I question whether the Treasurer has actually read the Hilmer report. If he had, he would note that it is to do with industry competition, not to do with financial deregulation. What he will remember is that in 1986 his Federal colleagues, shortly after deregulating the currency, deregulated the financial institutions and we had the entry of all the different banks into the country. The result was deregulated financial institutions. On that basis, we have been in a free market situation for many years, if the Treasurer was not aware of that. That is why the Brady report—and I might add the particular confidential document that his own Premier released to justify the debate on the potential privatisation of Suncorp and QIDC—was released. The Treasurer might remember that the Brady report stated—

"If State involvement is to be justified, it would be necessary not only to identify a monopoly situation but also to establish that competition could not be provided by the private sector."

Nowhere in the debate today has the Treasurer justified that. Nowhere! I know that the Premier would love to privatise the QIDC. The Brady report further stated—

"In the absence of concrete evidence of market failure, there can be no

justification for the continuing subsidisation of a financial intermediary from the public purse."

Mr De Lacy: Why don't you talk about the clause?

Mr CONNOR: This is about the clause. If the Minister has not read clause 5, I point out that it is about the continuation of the QIDC. That is exactly what I am talking about. The Minister might like to answer my original question, and that is: what has the Hilmer report got to do with this clause? The Minister said this is about industry deregulation. Not at all—this is ancient history. But, in the absence of the member for Beaudesert, the Minister was prepared to crucify that member on the issue of Hilmer. It has nothing to do with it. Returning to the Brady report, it states—

"A widespread concern among private sector institutions is that government ownership of a competitor confers special advantages and status not available to the private sector."

The report is saying that the Government's being involved in the QIDC is going to affect the competition and reduce the amount of private sector involvement.

Mr De Lacy: Sit down, you mug.

Mr CONNOR: I take the interjection. That is the level of abuse. I have found in this Chamber that, whenever members of the Government find it difficult, they revert to personal abuse. They do not want to deal with the issues.

The TEMPORARY CHAIRMAN (Ms Power): Order! The member for Nerang will return to the clause. I ask him make his comments to the clause and direct his questions specifically to the Treasurer. I do not think it is appropriate for the member to now have another debate and read more into *Hansard*. The clause is quite specific. I have it here in front of me. I am asking the member to come back to the clause and specifically address those remarks. It is not a matter of continuing the debate.

Mr CONNOR: Thank you for your indulgence. I would also like to make note of the Brady report in relation to the continuation of the QIDC—that is what this clause is about specifically—

". . . there is substantial overlap in the services offered by QIDC and other State-owned intuitions."

That was from the Polichronis report that Brady was referring to. Brady continued—

"This suggests that there are potential economies from rationalisation. In particular: money market operations could be moved to Queensland Treasury Corporation; commercial lending could be transferred to Suncorp Finance; and the Government Schemes could be administered by a Government department or offered through the banking system in the form of subsidies. The rationale for Government involvement in venture capital is not clear. This function could be moved to a Government department or indeed privatised. If QIDC is to retain any or all of its functions, it should do so under competitive conditions."

Again, I ask the Treasurer: why is the QIDC remaining as a corporatised body and why is it not being privatised when the Polichronis report, the Brady report and the Hilmer report—if the Minister wants to bring that up, even though it has to do with industry—have all recommended, as has the Reserve Bank, that it should be privatised?

Clause 5, as read, agreed to.

Clauses 6 to 16, as read, agreed to.

Clause 17—

Mr CONNOR (11.50 p.m.): The Treasurer quite wrongly suggested earlier that I was referring to revenue when I talked about appropriations. Quite the contrary. I specifically referred to clause 17 when I made that comment, which has absolutely nothing to do with revenue. As the clause states—

"(2) The Treasurer may pay"—

that is not revenue—

"the amount from the Consolidated Fund without further appropriation."

I accept the fact that a similar provision was contained in the previous legislation.

Mr W. K. Goss: Is that subsection 2?

Mr CONNOR: Clause 17 (2).

Mr W. K. Goss: You have learnt to read.

Mr CONNOR: That particular clause was also contained in the previous legislation. The Premier has not placed on record his position on the privatisation of the QIDC. I will get back to clause 17. The point I make is: in this so-called era of accountability in Queensland and in Australia, should the Treasurer be in a position to appropriate these funds? If we have to bail out the QIDC, we could be talking billions of dollars. The Treasurer should not say that it will not happen, because it has happened in every other Labor State in Australia. If we have to bail out the QIDC at some time in the future, does the

Treasurer believe that he should not have to bring it before this place? Does the Treasurer not think that the absolute minimum level of accountability should be that, if the Government stuffs up, if the QIDC finally blows it like every other financial institution run by a Labor Government—and it is not a question of if, but when—the Treasurer should have to come in here and ask the Parliament for the money? That is what that legislation does. I accept that in the past under the previous legislation that was the case, but put with this the ability for the Treasurer to charge any sort of guarantee fee that he likes, the wide expansion of the activities of the QIDC in the future and the history of all the problems with the entrepreneurs in the 1980s, does the Treasurer believe that it is still appropriate today that he should have unfettered powers and the ability to pull any amount of money from consolidated revenue without reference to this Parliament to be able to pay off a debt?

Let us look at a potential scenario. It is six months before an election and the Treasurer has found out that the QIDC has had a major problem and that it has lost a couple of billion dollars. This scenario has happened in South Australia, Western Australia and Victoria. Instead of the Treasurer having to come in here and having to appropriate the money in this place, such as occurred in the past in the southern States, and make it clear to the public of Queensland through the Parliament that he has lost this money, is he going to be able to do it without any reference to this Parliament whatsoever? I ask the Treasurer his position on that.

Clause 17, as read agreed to.

Clause 18—

Mr CONNOR (11.54 p.m.): The Treasurer has not graced us with comments on my queries on the other two clauses, but I hope that the Treasurer would at least pay a minimum amount of courtesy to this place and to me. Clause 18 relates to the ability of the Treasurer to charge any amount of fees in relation to the guarantee fee.

Mr De Lacy: Go on, I just answered that. You know I have.

Mr CONNOR: Would the Treasurer be prepared to expand on it and just explain to the Committee—

Mr De Lacy: Does anybody want me to expand upon it?

Government members: No.

Mr CONNOR: Again, the Treasurer is not going to explain it to us. However, let us assume one way the Treasurer would go about it—although I doubt it—is that he would have a schedule of the basis upon which he is going to

charge this guarantee fee. The Treasurer might have a schedule on the basis of risk. He might have subordinated debt, and he might decide that he is going to have a scale of up to a 2 per cent or 3 per cent guarantee fee for subordinated debt. The Treasurer might then decide, as Mark Woodland suggested to the Treasurer in South Australia all those years ago, that normal debt should be about 0.4 per cent and that the guarantee fee should be that amount. So the Treasurer decides to have a graduated scale of somewhere between 0.4 per cent to 2 per cent or 3 per cent and a schedule on the basis of risk. There is no reason that that schedule could not be made a regulation so that it would be under the scrutiny of this place. It would give us a general idea of what amount the Treasurer is charging the QIDC for the benefit of that Government guarantee.

Obviously, we will have some indication—at least I hope that we will—from the Budget papers of the sort of money that this guarantee fee is bringing in. Let us say that in the meantime the Treasurer increases the rate. There is absolutely no way that the Opposition or the community can find out what the Treasurer has raised it to. What level of accountability is that? It is no accountability at all.

I submit that the Treasurer cannot go into the community and suggest in any way that he is accountable. He has refused to have FOI apply generally to the legislation. At the same time, in no way are we able to determine the guarantee fee. We do not even have some general policy. Would the Treasurer not think that in the 1990s, because of the track record of previous Labor Governments in southern States, he would have at least some indication of what he is going to be charging? Does not the Treasurer think that some level of accountability would be reasonable? I think that it would be.

Mr Casey: I think you had better finish soon. I think it is time for all good Liberals to go to bed.

Mr CONNOR: I will take that interjection. That is just another inane comment, because the Government will not deal with the issue. The more the Minister goes on with that rubbish, the more I know that I am on to something that is very important. The fact is that the Treasurer will not deal with it. The Premier will not go on record and state his position on the QIDC. The Government's accountability is being shot to pieces on this particular subject. As I said, nowhere in any of the reports—the Polychronis report, the Brady report or anywhere else—has there been anything written that can justify this situation.

Clause 18, as read, agreed to.

Clauses 19 and 20, as read, agreed to.

Clause 21—

Mr CONNOR (11.59 p.m.): This will be very brief. I ask the Treasurer to outline Mr Smerdon's position as Under Treasurer. Will he be on the board of the newly instituted QIDC? Will he occupy an ex officio position? Will he continue to serve on other boards? What is the Government's position on that? The Treasurer is not even prepared to talk about Mr Smerdon's position.

Clause 21, as read, agreed to.

Clauses 22 to 39, as read, agreed to.

Clause 40—

Mrs SHELDON (12.01 a.m.): It is a great pity that the Treasurer did not see fit to answer the various very legitimate points made by the member for Nerang, Mr Connor. If the Treasurer did not feel that those comments were valid, it was up to him to say so and to point out why not, instead of treating the Opposition with hypocrisy and showing himself up to be an extremely glib person who does not take any issue, it would appear, seriously.

As to clause 40—I wanted the Treasurer to clear up something for me which does not appear to be very clear. Clause 40 states—

" 'QIDC' includes a subsidiary of QIDC (within the meaning of the Corporations Law) and the QIDC under a changed name."

I refer the Treasurer to clause 36, which states—

"QIDC must not use a name other than its corporate name or the name QIDC."

So just what does this latter part of clause 40 mean "and the QIDC under a changed name"? The QIDC, the corporate entity, and subsidiaries thereof have already been referred to.

Mr De LACY: It is merely an expedience that drafters use when drafting legislation and definitions to ensure that the definition of QIDC is all-embracing. It means nothing more than that. It is just a definition.

Mrs Sheldon: Is there a conflict between clauses 40 and 36?

Mr De LACY: Not at all. It is just a full definition of what "QIDC" means. The other constraints on the operation and the naming of the QIDC are contained in other clauses in the Bill. So there is no conflict. I will address some of the member's earlier comments.

I will always answer questions if they are asked in the right spirit and if they are accessible. However, when somebody stands up here for no other reason than to prattle on and to use up the time of the Committee, not seeking information and not seeking clarification but merely to—

Mr CONNOR: I rise to a point of order. I find those comments offensive. I was seeking answers, and I ask that the Treasurer withdraw.

The TEMPORARY CHAIRMAN (Ms Power): Order! The honourable member for Nerang finds those comments offensive. I ask the Treasurer to withdraw them.

Mr De LACY: I will withdraw whatever the member found offensive. I will always respond to intelligent questions. I had better be careful how I say that; they were not intelligent. I did give a response, but sometimes we can give a response with body language. I would have thought that everybody in this Chamber understood what I said.

Clause 40, as read, agreed to.

Clauses 41 to 50, as read, agreed to.

Rural Adjustment Authority Bill—

Clauses 1 to 10, as read, agreed to.

Clause 11—

Mrs SHELDON (12.04 a.m.): When I was responding to the Treasurer's second-reading speech, I asked him a question which he did not answer, so I will ask him again. It is very important for approved assistance schemes and the creation of new schemes that, as it says here, a document explaining the scheme must be open to inspection at the authority's office. I did ask the Treasurer whether QIDC offices in regional Queensland would, firstly, stay open and, secondly, whether these offices would be accessed by this new Rural Adjustment Authority; otherwise, how will people in rural areas know of the schemes and how can they apply for them if they do not have this knowledge?

Mr De LACY: I think the honourable member referred earlier to clause 3, which states that they will be available for inspection at the office of QRAA. That is just a formal requirement. Every lending institution—that is, the banks and QIDC commercial—will be agents for Government schemes. Any new scheme, as well as all existing schemes, will be publicised through all of those agencies. People need to understand that QIDC commercial is not the only agent for Government schemes. That is one of the reasons why we are making this complete separation today.

People who were lending through other lenders did not access the Government schemes to anything like the same extent as those who were borrowing through QIDC. We deduced from that that the schemes of assistance were not being promoted properly through other commercial lenders. That is one of the reasons for this separation. But it obviously

will be the objective and a very important point part of the charter of the Queensland Rural Adjustment Authority, QRAA, to promote the schemes of assistance, and it will do that through all of its agencies.

The member asked whether QIDC branches will remain open. Of course they will remain open. Since I have been responsible for QIDC, I have opened about seven or eight brand new offices, five or six relocated offices and also two new regional offices of QIDC. So the network has expanded enormously in the past four or five years, as has the portfolio. Under this new more commercial, corporatised charter, it will continue to expand to meet the needs of Queenslanders.

Clause 11, as read, agreed to.

Clause 12—

Mrs SHELDON (12.08 a.m.): I seek a point of clarification. As to clause 12 (1) (b), which states "cancel provision of assistance", what sort of due notice or what criteria will that be based on? It is a fairly bald statement. I wonder what the Treasurer has in mind in cancelling that provision of assistance.

Mr De LACY: I have nothing in mind. Obviously, the administration of a scheme will be set out in a whole range of places and by agreement between the Commonwealth and State Governments and so on. This just provides the head of power that we would expect them to have—nothing more, nothing less.

Clause 12, as read, agreed to.

Clauses 13 to 16, as read, agreed to.

Clause 17—

Mrs SHELDON (12.09 a.m.): I would like to question the Treasurer about clause 17 (3), which states—

"The Governor in Council may, at any time, end the appointment of a director for any reason or none."

Because this Bill, as with the QIDC, is exempt from certain normal provisions under which the public could query decisions, what form of accountability is there for why a director may be sacked, and how can the public access that information?

Mr De LACY: The shareholders have the full and unfettered right to appoint or "dis-appoint" directors. That is the same with every Government owned corporation. That is the way it ought to be and that is the way it will always be.

Mrs SHELDON: With due respect, I think that does leave the way open for possible political interference and corruption. Why is the Treasurer allowing himself to be put in that position?

Mr De LACY: The point has been made. We have the full right to appoint them.

Mrs Sheldon: I am not debating that the Treasurer has the full right to appoint them, but when he can knock them off for no reason at all with no explanation at all—

Mr De LACY: That is the other side of the coin. We do not give an explanation when we appoint them and we do not give an explanation when we "dis-appoint" them.

Clause 17, as read, agreed to.

Clauses 18 to 50, as read, agreed to.

Clause 51—

Mrs SHELDON (12.11 a.m.): In my contribution to the second-reading debate, I raised with the Treasurer the question of Young Farmers Establishment Scheme loans. I drew his attention to the fact that this section will expire after 10 years, and it has effect from 1 July 1987, which means that it will expire in three years. I ask: what will the Treasurer put in place to replace that scheme? We must encourage young people to stay on the land and give them every assistance we can.

Mr De LACY: We are not terminating the scheme. This is just a transition provision which lasts for 10 years, but it does not say that the scheme will be terminated after 10 years. That will be a decision for Governments at that time. We have no intention of terminating the Young Farmers Establishment Scheme, and that is not what this means.

Mrs SHELDON: It actually says in (5)—

"This section expires 10 years after it commences."

Mr De LACY: That is the transition provision.

Clause 51, as read, agreed to.

Clauses 52 to 57, as read, agreed to.

Schedule, as read, agreed to.

Bills reported, without amendment.

Third Reading

Bills, on motion of Mr De Lacy, by leave, read a third time.

ADJOURNMENT

Hon. K. E. De LACY (Cairns—Treasurer) (12.14 a.m.): I move—

"That the House do now adjourn."

Willows Paceway

Mr VEIVERS (Southport) (12.14 a.m.): The neutering of north Queensland harness racing remains as a screaming testimony to the destructive power of a glory-seeking Minister for Sport and Racing. The empty shell that once was Willows Paceway in Townsville stands only as a relic to the commitment once shown to the industry by the National Party Government. There are some individuals who, by mere virtue of their commitment to promoting the industry in the north, have been trodden underfoot by ruthless Labor Government interference. This is the state of play for the greater part of harness racing in Queensland. Redcliffe, Cairns, Albion Park and others have suffered because of the direct interference by the Minister and his ministerial stooges, who have replaced experienced industry professionals in strategic positions of power within the industry.

Top racing executives in the Queensland Principal Club and the individual racing clubs have had their professional and personal lives ruined. Their families have also been caught by the glare of the adverse controversy and innuendo which inevitably stems from being sacked or unnecessarily shamed as such industry faithfuls have been over the years of Mr Gibbs' rule of the sport.

The Willows trustees and committee were sacked after unsubstantiated debt accusations by the Minister in Parliament that he refused to repeat outside the safe haven of the House, which was not surprising. Criminal and CJC investigations of some of Queensland's sacked top racing executives have been conducted with no findings against these victims. These men are victims of the Minister's vendetta against Queensland's racing industry.

Last week, we had the Government admitting that it shredded documents crucial to the Heiner inquiry because they exposed and implicated witnesses. No such luxury has been afforded the innocent members of racing's executives. They have had their names and reputations irretrievably dragged through the mud. Their children have been taunted at school with jibes about crooks and crimes of which their fathers were supposedly guilty.

Race fixing allegations added to the denigration of the Willows club, although no evidence was provided. On 23 October 1991, the Willows Harness Racing Club was put in recess, and the next day the North Queensland Cowboys were granted rental of the Willows site as their future Winfield Cup home ground. This was prior to their formal acceptance into the Winfield competition.

The North Queensland Harness Racing Association has the support of every harness

racing club in Queensland, along with the Townsville City Council and the Labor trio in and around Townsville, namely Messrs McElligott, Davies and Smith. Let me not forget "little Teddles"—Ted Lindsay, the Federal member. Still, the Townsville showground paceway lies abandoned, harness racing dormant and the industry stripped of credibility and capacity to expand in the north. This has been perpetuated by a Minister who has run a smear campaign against the institution of harness racing, and in particular the Willows Harness Racing Club, which is now the North Queensland Harness Racing Association.

The club has satisfied all the demands of the Queensland Harness Racing Board, including raising overdraft capital of \$100,000, a commercial only relationship with the local banks and an exhaustive submission on its future viability. The North Queensland Harness Racing Association had little to no satisfaction in return, with questions left unanswered and avoided by the Queensland Harness Racing Board. It has been refused further clarification of criteria that the association must comply with so as to obtain the board's approval to resume the operations of the club and harness racing in the north.

One of the reasons for their questions as it has been put to the Minister is the stacking of races in the south east at the expense of the north of the State. The north is continually being balloted out of race allocations. This unfair monopoly remains in addition to the fact that the Harness Racing Board refuses to provide any prospect of venue relocation. The harness racing industry is all too aware of what is going on. I ask: can the Minister do one positive thing to restore harness racing to north Queensland by reinstating harness racing in Townsville? It should be remembered that Townsville is the third-largest city in Queensland and deserves far, far better treatment than it is receiving from the Goss Labor Government and the Labor Party hacks.

Mr D. McKillop

Mr BUDD (Redlands) (12.19 a.m.): I should like to place on public record tonight the contribution made to the Australian Labor Party by Desmond McKillop. Born at the start of the Great Depression, Des was a typical example of the human waste of the working classes, in that he was forced to leave school at an early age because of economic circumstances. As a young man, he was very active in the union movement, which led to him being black-banned for his union activities and having to travel extensively in order to seek work. It was in these times that he

learned many of the skills that would help sustain him through his later life.

In 1975, just as he was managing to find economic stability, his wife Jenny was killed in an accident, leaving Des to bring up four children under the age of 15 years. If the mark of a man is how he performs in adversity, Des McKillop truly passed the test. A gifted musician, Des started giving music lessons under his house so that he could stay at home and look after his children. He fell back on the survival skills that he had learned during the depression—making soap, cobbling his own shoes and raising chickens.

Even in those hard times, Des practised the ideals of socialism in every aspect of his life. If Des heard of anybody in financial difficulty, he would make up one of his little boxes containing home-made marmalade, a few eggs, a block of soap and other odds and ends he had picked up around the place and leave it outside their door. However little he had, he was always prepared to share it with those worse off, and there was always an extra place at his table for some hungry child. Right until the end of his life, if he came to visit Des would always bring a couple of bottles of soft drink or a jar of coffee, remembering the days when visitors were sometimes a pleasure that people could not afford.

Des devoted the remaining years of his life to the two things he cared for most, his family and the Labor movement. He loved his family and the Labor Party dearly and he took enormous pride and pleasure in the achievements of them both. Des McKillop was one of the rank and file members who are the very heart of the Australian Labor Party. He never sought elected office outside of his own branch. Indeed, he saw his role as offering support and encouragement to other members so that they could grasp the opportunities that had been denied to him. Young people in particular gravitated towards Des. They recognised in him a kindred spirit, a rebel who was always prepared to stand up and fight for the things that he believed in.

Des, in turn, never forgot his traditional Labor values. He cared passionately about the rights of people to a complete education, full employment and dignity in retirement. He cared about the environment long before it became a trendy issue and he was a feminist from the beginning, always believing that the best man for the job was a woman. Despite his lack of education, he was well informed about Australian politics and he never missed a party meeting or the opportunity to contribute to the debate. I have many happy memories of Des McKillop—at the centenary Labor Day march in Barcaldine where Des was a picture of sartorial elegance in his stockman's coat and his leather hat or at a

party function tinkling away at the piano, captivating a bunch of cynical teenagers with his tales of when he was out west or holding up the Bowman FDE meeting when everyone else was ready to go home with his infectious laugh while he dug in his pocket for just one more motion to keep the politicians in line.

His warmth, generosity and sense of humour were legendary and he was that rarest of all men, one who was held in great affection by everyone who knew him. On behalf of all the elected members from the Redlands—Con Sciacca, Jim Elder, Darryl Briskey and myself—I acknowledge now the support, loyalty and encouragement that he always gave. He was a great example to us all and he never gave up his life long battle for economic equality and social justice. Des McKillop was truly one of the great although unknown icons of the Australian Labor Party, and the party is today much poorer for his passing.

Shredding of Heiner Documents

Mr SANTORO (Clayfield—Deputy Leader of the Liberal Party) (12.23 a.m.): I rise to speak on a matter of great public importance and interest commonly referred to these days as the great shredding affair. It began when the Goss Labor Cabinet ordered the destruction of public records known as the Heiner inquiry documents and tapes in early 1990, only weeks after it was elected to office on the platform of open and accountable Government. In doing so, I wish to focus on the role of Mr Trevor Walsh, the executive officer of Ms Matchett, and the State Archivist.

The record clearly detailed in this House seems to show that the State Archivist was misled into believing that those public records were not required. That is offence No. 1. But did the Cabinet deliberately and knowingly mislead her, or was the Cabinet itself misled? This is potential offence No. 2. The record shows that the Government had been duly and properly informed about foreshadowed litigation on 14 February and 15 February 1990. That record shows that Ms Matchett and her executive officer, Mr Trevor Walsh, were told in writing about the litigation. Mr Walsh was also told verbally by the solicitor on 14 February 1990. He unquestionably had the facts throughout. That same Mr Walsh was party to the Cabinet submission which possibly failed to inform Cabinet of Mr Coyne's notice of litigation. This is potential offence No. 3.

Did Mr Walsh fail to inform his chief executive of Mr Coyne's notice of litigation? This is potential offence No. 4. Did Ms Matchett, if she was informed, fail to tell the Minister who took the

submission to Cabinet? This is potential offence No. 5. Did Minister Warner fail to tell her Cabinet colleagues of the litigation? This is potential offence No. 6.

We now discover that Mr Walsh actually assisted in destroying these public records in the Family Services Building on 23 March 1990, when he had full knowledge of their legal value. In my view, this is an offence in itself. For the score card, this is potential offence No. 7. Call it the seventh deadly sin for this Government—and this is just the tip of the iceberg.

Did this senior departmental officer keep everyone in the dark about the litigation during the crucial period between 14 February to 23 February 1990 when the real offence occurred in misleading the State Archivist through to the further offence when those public records were destroyed on 23 March 1990? Did he act alone in obstructing justice by misleading his chief executive, Minister, Queensland Cabinet, the State Archivist and other senior departmental officers around him? Who knew what?

I call on the Premier to act to preserve the integrity of his Cabinet office. That is paramount. This public servant must be called to account and charged, if necessary, by law and questioned as to whom he told, and under whose instructions, if any, he was acting when he obstructed the course of justice. Is it little wonder that the Goss Cabinet has refused the all-party Senate whistleblowing committee recommendation that this great shredding affair be investigated?

I now wish to briefly turn to the role of the State Archivist and the timing of her activities. Timing is a crucial element in the whole Heiner affair. Why would the State Archivist work so uncharacteristically fast to destroy a volume of material on a matter which was "no longer required or pertinent"? It is interesting to note that there was some urgency in the matter, especially the reply given to Mr Tait's letter dated 23 February 1990 by the State Archivist, Lee McGregor. Public servants are not usually noted for such fast replies, especially on such serious matters as we have before us now, particularly when there appears to be a denial of justice.

The reply by the State Archivist was returned by fax at 13.44 on 23 February 1990, and her letter clearly indicates that "the records were only delivered" to her "on 23/2/90". This means "they were examined by herself and Kate McGuckin" in about five hours if they had been received at 8.30 a.m. Clearly, there was obviously no lunch break or morning tea, either.

Did the State Archivist rely on the information in Mr Tait's letter dated 23 February 1990 that the Government was of the view that

the material—including tape-recordings, computer disks and hand-written notes—was no longer required or pertinent to the public records? How could the State Archivist, with an assistant, act so fast on this quantity of material? The letter states that all the material was in the plural, that is, tapes, disks and notes.

The question that must be answered in relation to the State Archivist is: were the State Archivist and her assistant puppets for the Government? Was the State Archivist not aware of the seriousness of the matter and that Mr Coyne had a right to natural justice? The question remains: who was perverting the course of justice? We will keep on raising these questions. Does the Queensland public not have a democratic right to know the sequel to the "whodunit" story of the shredding of the documents?

These are questions of the utmost gravity. The people of Queensland must receive answers. A great suspicious cloud will hang over this Parliament until the full answers are given. I contend that Mr Walsh is a person who should be examined closely by the police. There is no doubt in my mind that he did not act alone. He would not have moved at the time without first seeking approval from Ms Matchett. I have little doubt that Cabinet knew all the pertinent facts but took the illegal punt to tell the State Archivist that the material was no longer required. The focus on Mr Walsh is inevitable and crucial, and I believe that the police must be called in to question him.

Time expired.

M. T. Sullivan; A Family Business

Mr T. B. SULLIVAN (Chermside) (12.28 a.m.): In 1924, Michael Thomas Sullivan started a family business in the hotel/catering industry which, for four generations, served the people of Queensland and provided work for thousands of Queenslanders. The most visible face of this truly family business was at the Royal National Association Agricultural and Industrial Show—the Ekka. For 70 years, until the RNA this year awarded the tender to a large national company, the name M. T. Sullivan was displayed on the bars and dining rooms at the Exhibition grounds.

Michael Thomas Sullivan, his wife Constance, and their children managed hotels in Brisbane, Ipswich and Toowoomba before settling at the Grand Hotel in Beaudesert in 1937. He ran temporary liquor and food booths at many country shows from Rockhampton to northern New South Wales and he operated bars at the Gabba for many years. In 1949, M. T.

Sullivan died, just six months after I was born, and he passed his estate on to his four children—Rita McLean and Vera Crowe, who also established and operated 29 Murray Street as a wedding reception venue; Keith Sullivan, my father, who was the day-to-day manager of the Exhibition grounds business; and Douglas Sullivan, who owned and operated Klumps Cordial Factory, now called Beaudesert Soft Drinks.

In the 1970s, the M. T. Sullivan estate passed to the third generation of Queensland managers, Keith McLean, my sister Margaret Collis, and Peter Sullivan. Last year, there were 20 fourth-generation family members working in bars at the Ekka.

Many other families have been loyal, trusted co-workers alongside the Sullivan family and they have become our friends. Among these are three generations of the Alvers (Arnold) and Robertson families—Mary Alvers, Trish Arnold, and Jack, Tom and Robyn Robertson were loyal, tireless workers alongside Ian Luchterhand, Mary and Jack Hanson, Isobel and Col Souter, Tom Browne—one of nature's gentlemen—Doreen Cameron, Tess and Eddie Carew and George Mason. The Collis, Tolhurst and Bartlett in-laws also became an integral part of this growing Queensland family business.

As well, in Queensland today there are many successful businessmen, professional workers and priests who worked at M. T. Sullivan bars when they were university students or seminarians, earning some extra money. The eight bars at the Exhibition served all patrons, but they derived their own particular character from the exhibitors and workers who used the bars as their temporary watering hole for the 10 days of the Ekka.

The Water Street Bar served exhibitors from the dog, poultry and horticultural pavilions. Petty's Bar was home to sales representatives from the automotive and home goods exhibits. The Pavilion Bar was built on the site of the old Temperance League Tea Rooms. As the former Baynes No. 1 Bar, it had a ladies lounge which, for many decades, was the only place where women could drink at the show. The Members Bar served RNA members, some of whom saw themselves as a cut above the rest of the crowd, but they could be as uncouth as the patrons at any bar. The McDonald Bar catered for a mixture of exhibitors, grandstand patrons and the passing tunnel traffic under the grandstand. The Cattleman's Bar or Machinery Hill bar served the cow cockies and station hands who looked after the beef and dairy cattle. In more recent years, the urban St Lucia cowboys tried to mix it with their country cousins—and generally failed.

The Beer Garden saw handlers of goats, pigs and dairy cattle having a quiet drink when not attending their animals. The sideshow bar has a special place in my heart, because my father managed it and my mother was the chief cashier for many years. As well, my sister Margaret, my brother Michael and I managed the bar at different times. The northern bays of the Sideshow Bar played host to the woodchoppers, the eastern side to some sharpies from sideshow alley, and the grass area beside the southern bays was a gathering place for members of the Aboriginal community.

M. T. Sullivan always gave patrons good value for money. In my 25 years of working at the Exhibition grounds, the beer was never watered down and the spirits were never diluted. The old Bureau of Weights and Measures checked the quality of drinks every year, and not once was the quality found wanting. As well, M. T. Sullivan always paid award wages under award conditions. No union ticket meant no start behind the counter.

In the early days, lack of freezers and cold rooms presented many problems, especially with food orders. We may have ordered 20 dozen pies, only to have the speedway cancelled after a couple of events because of rain. On many occasions, I helped my dad deliver the unsold food to the St Vincent de Paul Society, the Salvation Army or the Mercy Centre at Woolloowin.

For whatever reason, the RNA has awarded the Ekka liquor contract to a large national firm. The small Queensland family firm could not compete with the purchasing and infrastructure power of this large firm. M. T. Sullivan Holdings is just one more example of the small exhibitor, the small firm, the small community group being squeezed out by some members of the RNA council.

In conclusion, I know that, as a member of the Sullivan family, I am biased. But in all honesty, I can applaud the foresight and courage of Michael Thomas Sullivan for establishing his family business. We can all thank him for serving millions of patrons and providing part-time jobs at the Exhibition grounds over the past 70 years.

Maroochy River Fish Kill

Miss SIMPSON (Maroochydore) (12.33 a.m.): The devastating fish kill in the Maroochy River last week highlights just how precious is this beautiful waterway. It is the lifeblood of the Maroochy Shire. Initial tests are showing the chemical culprit is endosulfan, which becomes a deadly killer to fish life when released into the waterways. A teaspoon of

endosulfan in a swimming pool is lethal to fish. The community is outraged and shocked at the terrible devastation and, understandably, there is strong feeling that this spill is either an act of gross stupidity or has been deliberate.

I have also talked to some very distressed small businesspeople whose livelihoods depend upon being able to sell bait and tackle or hire boats. Their business has just dried up. There is very strong suspicion in the community that the chemical spill was really a deliberate dumping. Even farmers I have talked to who use this chemical responsibly against a fruit-spotting bug are absolutely furious and believe the amounts purported to be involved indicate a deliberate act.

The chemical is not commonly used along the Maroochy River and its tributaries as sugarcane is the major agricultural industry, and it does not use endosulfan. This chemical is used in Queensland on avocados, lychees, custard apples, macadamias and pawpaws against the fruit-spotting bug, and it was available until only about two years ago for the domestic market to be used in people's backyards. Generally, there is a disposal problem for unwanted chemical containers. There is no doubt that there need to be safe collection points for disposal of unwanted agricultural and domestic toxic chemical containers.

Also, farmers I have talked to have said they would gladly not use endosulfan as a treatment against fruit-spotting bug as the chemical is expensive; they would prefer to use a biological control if it was available. They are greatly worried that the irresponsibility of whoever it is who has taken this chemical and disposed of it in our river makes life very difficult for those who are doing the right thing. This is where the Government can get off its high horse and get serious about funding research into biological pest controls.

When last year's fish kill occurred in Paynter's Creek, I called on the Government to stop bleeding dry the research projects which are trying to introduce more environmentally friendly alternatives into agriculture. It is in the public interest for the State Government to provide funds to help research methods which would remove endosulfan from use in any crops in Queensland. My understanding is that it would cost \$135,000 per year over three years to fund one proposed project for biological controls for the fruit-spotting bug. However, if the project receives the nod, this money would come from growers' levies, some from the Federal Government and none, I believe, from the State Government. This is an issue that has to be addressed.

Under the previous coalition the State Government used to provide a lot of money from consolidated revenue for crucial integrated pest management programs using biological controls, but this Labor Government has cut that funding to shreds. It is damnable that much of this research has suffered because of the withering away of the Department of Primary Industries, which should be at the forefront of providing farmers with modern, cheaper pest control alternatives. Without the proper research into appropriate pheromones, biological controls and trap crops, there can be no suite of options for the responsible farmer to choose from.

I call on the State Government and the Environment Minister to provide research funds into environmentally friendly alternatives to chemical pest control. I also urge the Government to a funding commitment to new and faster means of testing of chemicals in waterways. It is horrific that last year's fish kill on the Sunshine Coast took months—I did hear an unconfirmed time of 10 months—for the tests to be completed and analysed. Clearly, that sort of delay—whether it is four months or ten months—is unacceptable in this day and age. We must always be looking for new and better ways of water testing. I would also urge the public to continue to assist Department of Environment and Heritage officers with information to help track down the perpetrator of this act of environmental vandalism.

Finally, I wish to acknowledge the hard work of many volunteers, department and council staff in the pursuit of that aim, as well as in the clean-up operations. We must bring our river back to health, and we must prevent such a disaster from happening again.

South-east Queensland Transport System

Mr ROBERTSON (Sunnybank) (12.38 a.m.): Tonight, I would like to talk about one of the things that really matters to the constituents of my electorate who live in the suburb of Underwood. Over the past couple of months, the Liberal and National Parties have been beside themselves with glee over this Government's struggle to put in place a modern, efficient transport system in south-east Queensland—a transport system that would not only make up for the neglect of previous coalition Governments in Queensland but also would also create a transport system that would serve this region well into the twenty-first century. While this obviously difficult process continues to be carried out, the Liberals and Nationals have been

trying to score cheap political points along the way.

In their desperate attempt to win votes from those affected by the Government's planning decisions, Opposition spokespersons have been coming up with quick-fix solutions designed purely to appease concerned communities. But it is about time that the Opposition was taken to task over some of its more outrageous and irresponsible comments, because the alternatives that it promotes have no substance and fall well short of representing realistic solutions to the problems that arise as a result of over 1 000 people moving to south-east Queensland every week.

Unfortunately for south-east Queensland, in many cases Opposition members have been nothing more than patently dishonest with local communities throughout the current transport infrastructure debate. But perhaps worst of all, the Opposition's stated solutions represent a potential nightmare for suburbs and neighbourhoods that already bear the burden of our increasingly over-stretched transport network. Take, for example, the Opposition Leader's alternative to the eastern tollway. If it was left up to Mr Borbidge, he would simply widen the South East Freeway to eight or more lanes as an immediate measure to relieve congestion.

I do not know whether Mr Borbidge has excessively dark windows in his chauffer-driven LTD, or whether he just closes his eyes when he makes the trip back to his Surfers Paradise electorate, but I would like to take this opportunity to remind Mr Borbidge that, along the South East Freeway, in suburbs such as Underwood, Springwood and Eight Mile Plains, live real families in real homes—people who really do matter. Unfortunately for these real people, ever since the South East Freeway was built by former National and Liberal Governments, it has been progressively widened, edging nearer and nearer to their homes; and as the capacity of the freeway has increased, so have the impacts, such as noise and pollution, on residents in these suburbs. Fortunately, at long last residents will receive at least some relief from these impacts with the installation of noise barriers in the next few months along this section of the freeway.

The National Party's proposal to further widen the South East Freeway to eight or more lanes represents a potential nightmare for the residents of Underwood, and it is one which I and local residents would find unacceptable. This alternative represents the worst form of NIMBYism.

I turn now to recent statements by the Liberal Party spokesperson for urban transport and member for Aspley, Mr John Goss—the blancmange of transport policy in Queensland. A little over 12 months ago, the member for Aspley tried to convince residents in my electorate that the Liberals had an alternative to the southern Brisbane bypass. It came as no surprise that this former Liberal Brisbane City Council alderman denied publicly any involvement in the Liberals' transport manifesto, the Brisbane Traffic Study, which recommended this road link some years ago.

At local public meetings the Opposition urban transport spokesman made all sorts of outrageous promises about how he and his party would save the community from the southern Brisbane bypass. But only 12 months later what do we read in the local paper—nothing less than a statement by the member for Aspley, Mr John Goss, that the Liberals' solution to the eastern tollway was the construction of a ring road system in Brisbane. In other words, despite their earlier public statements, the Liberals have maintained their commitment to the road building program recommended in the Brisbane Traffic Study, and have therefore endorsed the decision to build the southern Brisbane bypass.

As proof of this endorsement I will quote from the *Southern Star* dated 27 July 1994. In an article titled "Show Tollway Options" Mr John Goss is reported as saying—

"It is coalition policy to upgrade the existing Pacific Highway to six lanes and increase the speed limit to 110k/h where applicable."

The article continues—

"Mr (John) Goss said the Government's first priority should be to build a ring road around Brisbane to draw traffic away from the City."

I will table a copy of that article in order that all members of this House can read for themselves the first truthful words uttered by this policy blancmange.

The Liberal and National Parties stand condemned for their duplicity and their dishonesty. They have shown little real concern for the quality of life of my constituents in Underwood and they have deliberately and maliciously misled my constituents over the southern Brisbane bypass. I do not intend to allow my constituents to forget their gross dishonesty.

Motion agreed to.

The House adjourned at 12.43 a.m
(Wednesday).