# THURSDAY, 23 MARCH 1995

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

## PETITION

The Clerk announced the receipt of the following petition—

### Cannabis

From **Mr Springborg** (69 signatories) praying that the statutory prohibition on the production and usage of cannabis be continued.

Petition received.

## MINISTERIAL STATEMENT

### North Queensland Nickel Project

**Hon. K. E. De LACY** (Cairns—Treasurer) (10.01 a.m.), by leave: The State Government recently ended its direct involvement in the north Queensland nickel project, but not before ensuring the long-term future of this valuable contributor to the Queensland economy. The orderly exit by the State Government involved the sale of its 20 per cent share in the nickel joint venture to the other shareholder, QNI Ltd, for $144m. As well, the State recently sold its 38.33 million preference shares in QNI for $70.9m. On top of this, there were substantial retained earnings within the State Government's joint venture entity, bringing the Government's realisation to approximately $280m. Most of these funds have been paid into the QIFF, which has been established to spark strategically important economic infrastructure projects throughout the State.

As well as the sale proceeds and revenue gained as a direct shareholder in Queensland Nickel, the State Government, on behalf of the Queensland taxpayer, has received and will continue to receive royalties, rail and port charges and, of course, payroll tax. The people of the Townsville region will also continue to benefit directly through the provision of infrastructure, the 700 jobs at the Yabulu refinery, as well as jobs at the port and in the railways—and all the economic multiplier effects.

The success story could have been very much different. When the Goss Government was elected in December 1989, we inherited a stake in a partnership with Alan Bond whose bona fides were, to say the least, under question. The project was very heavily geared, the mine was running out of ore and no plan was in place to find an alternative source of ore. In summary, it appeared that we had inherited 12.5 per cent of four-fifths of three-eighths of nothing at all.

Since December 1989, the State Government has worked diligently to ensure that the project not only survived but also became a world market leader. This has been achieved by the consistent application of solid commercial principles and a determination to make the project succeed. We increased our equity to 28 per cent at Alan Bond's expense. As joint venture partner, we actively participated in the development and implementation of a long-term development strategy to replace local ore with imported ore and we actively facilitated and supported the public float of QNI Ltd. We have ultimately divested our holding, confident in the knowledge that the project is in the hands of a technically and financially competent owner, who will protect the hundreds of jobs and home-grown technology, and will ensure that the State and Townsville economies continue to benefit from the project.

No doubt, honourable members will remember that when the State Government was using its influence to ensure that the project remained in Australian hands by supporting the public float of QNI instead of selling out to a foreign buyer such as INCO, the Leader of the Opposition was very critical. One wonders how Yabulu would have faired under INCO's ownership in late 1993 when the price of nickel hit rock bottom and INCO had to cut production in its Canadian homeland. One wonders also whether the home-grown, leading-edge technology developed at Yabulu would still be exclusively available to this project, or whether it would now be giving an advantage to its overseas competitors. The Leader of the Opposition may have seen some short-term political advantage in springing to INCO's defence, but I can assure honourable members that the State Government always had the long-term best interests of the people of Queensland in mind. Today, I can say without fear of contradiction that we made the right decision.

Tonight I will attend a dinner function in Brisbane to formally mark the end of the State Government's 25-year involvement in the north Queensland nickel project and to celebrate this remarkable success story. In the meantime, I wish to express the Government's best wishes to the new sole owner of the

project, QNI Ltd, and express thanks to the hundreds of people working for the joint venture whose ingenuity and effort have made this project such a success.

For the benefit of honourable members, I seek leave to table and have incorporated in *Hansard* a more detailed report on the history of the project.

Leave granted.

QUEENSLAND NICKEL JOINT VENTURE

The origin of the Government interest in the Queensland Nickel Joint Venture—Greenvale as it then was—was in the late 1960's when the then State Government offered a guarantee for some of the project's commercial debt. The Joint Venture owners at that time were subsidiaries of Freeport Minerals Company, a large American multi-national mining company, and Metals Exploration NL.

The 1970s saw a combination of factors that placed great strain on the project. Nickel prices fell into a long term slump and the OPEC oil price hikes drove up the operating costs of the plant at Yabulu, near Townsville. The pressure on both income and expenses led to the project being unable to meet its debt service obligations. The then State Government was forced to honour the guarantees it had provided. The Government paid out some $100 million and had little prospect of recovering this amount given the confused policy settings adopted at that time.

By the mid-1980s, the project was in danger of closure. the nickel reserves at the Greenvale mine, west of Townsville, were rapidly being exhausted and local alternatives were non-existent.

Mr Alan Bond then arrived on the scene. Mr Bond adopted a plan that had been hatched by management and set out in the 1978 Deed of Arrangement and had lain dormant until then. The plan to turn the project around included using imported ore to supplement and then replace Greenvale ore.

Mr Bond embellished the plan into a grander international nickel plan involving several mines and refineries. Mr Bond's family company, Dallhold Investments Pty Ltd, acquired the equity in the owner companies and negotiated the buy-out of the non-guaranteed debt at a very deep discount.

Mr Bond proposed, and the then State Government agreed, that the Government buy-out the remaining guaranteed debt and swap that debt for equity in the project so as to form a new joint venture.

The guaranteed loans were acquired when the Government paid lenders additional amounts totalling $38.6 million in lieu of future entitlements under the Debt Restructuring Deeds, and in December 1988 this creditor position was swapped for a 12.5 per cent joint venture interest.

The position when this Government came to office in December 1989 was, therefore, precarious.

A lot of money had been paid to various banks. To show for it, the State had only a 12.5 per cent joint venture interest with a joint venture partner who had questionable ability to pay for the capital investment necessary to revive the project.

Although there was a plan for transition to imported ore, the funds were not there for the large investment in infrastructure and plant modifications that were necessary for the transition to be accomplished. Time and money were being wasted pursuing the Halifax Bay port development proposal, which neither the project nor the environment, could sustain.

In late 1989 and early 1990, a chain of events unfolded that potentially increased the risks to the project, particularly as the majority owner was concerned. But this chain of events also enabled the State Government to improve its position and to add value to the project.

The catalyst for action was the appointment by Standard Chartered Bank of receivers to various Dallhold companies. This default by the Bond companies triggered a provision in a previous agreement that required Dallhold to transfer to the Government a further 15.5 per cent interest in the joint venture. This strengthened the Government's ability to influence the joint venture and the prospects for the project's success.

Although the Government's move was subject to legal challenge, the Government worked with successive management teams to maintain the value of the project while, at the same time, Dallhold's banks attempted to find a buyer for the remaining 72 per cent interest. This period saw the first real steps taken to implement the development plan through substantial ore importation contracts and Townsville harbour being deepened to cater for the importation of ore.

With the banks looking for a buyer, the Government was determined to see the project in the hands of a technically and financially competent owner who would protect the hundreds of jobs and the 'home grown' technology, and ensure that the State economy continued to benefit from this project.

After consideration of several trade sale options in 1992, the State Government supported the public share float of QNI Ltd, a new Queensland company formed expressly to take over the former Dallhold interest from the banks. The Government facilitated the success of this $275 million float by agreeing to sell an 8 per cent stake in the joint venture to the newly floated company for a consideration of 38.33 million preference

shares in QNI. This demonstration of Government support for QNI enhanced the prospects for the float's success. At the same time, the completion of the development program and several other key aspects of the corporate business plan necessary for the project's long term success were locked in through revised joint venture arrangements. The legal challenge to the Government's increased shareholding in the joint venture was terminated on applications by the Government to the Supreme Court and the Federal Court.

Since the successful float of QNI Ltd, the project has experienced stable management through the co-operation of the Government and QNI.

Tangible actions taken since the float include:

. negotiation and implementation of long-term ore supply contracts and the establishment of the Brolga mine to supply feedstock to the refinery;

. careful targeting of infrastructure spending to enable to provision of enhanced rail and port facilities;

. establishment of a range of premium products such as Hi Grade nickel rondelles that sell at a premium to the standard product;

. establishment of contacts in Asia that resulted in increased exports;

. investigation of expansion facilities for cobalt production and construction of a pilot plant that is now moving to feasibility stage; and

. preliminary work on an expansion plan that will increase production of nickel by 20 per cent.

The Goss Government has always stated that there was no reason for it to remain in the nickel project forever. In response to a Question in State Parliament on 15 June 1994, I restated that the Government would be a seller when the time was right.

In December last year, following initial overtures to me by the Chairman of QNI, the Government approached QNI with a comprehensive proposal. Following detailed negotiations, an accord was struck that would allow QNI to acquire the Government's interest at a price of $144.05 million. Additionally, the Government reached agreement with broking companies Ord Minnett and J.B. Were to underwrite the sale of the 38.33 million preference shares at $1.85 each, returning a further $70.9 million.

The Government is therefore able to leave the project with both a handsome dividend and the knowledge that it played a major role in the successful rehabilitation of a project that was once a very lame duck indeed.

## QUESTIONS WITHOUT NOTICE

### Blackwater Hospital

**Mr BORBIDGE** (10.11 a.m.)**:** I refer the Premier to his chronic mismanagement of the Queensland health system and the major problems detailed by the Opposition this week at hospitals in Brisbane, on the Gold Coast and in Maryborough. I refer also to the fact that mineworkers at Blackwater have stopped work today and will stop work again on Monday in an attempt to prevent the Government's downgrading of the Blackwater Hospital and that the Blackwater community is prepared to go on strike to save its hospital. I ask: what action does the Premier intend to take in regard to the condemnation by the United Mineworkers Union of his Government's failed health policies?

**Mr W. K. GOSS:** In reply to the Leader of the Opposition, I make two points. The record shows clearly a substantial increase in funding for the health system and for public hospitals. However, better and more important than that, the figures show a dramatic increase in the number of Queenslanders receiving treatment in a first-class hospital system under this Government than there were under the public hospital system that this Government inherited. That is the general point.

The specific point is that if the Leader of the Opposition had been paying attention in question time yesterday, he would have heard the Minister for Health scotch and reject the suggestion that the hospital at Blackwater would be closed. The industrial action is not necessary. It is an overreaction to a draft plan that was circulated for comment. No decision has been taken to close the hospital.

**Mr Littleproud** interjected.

**Mr SPEAKER:** Order! I warn the member for Western Downs under Standing Order 123A.

**Mr W. K. GOSS:** The Minister has made it quite plain that no such decision will be taken. It is a matter that he has made clear. The local member, the member for Fitzroy, Mr Pearce, has also taken up the issue and made it plain. It is as simple as that.

### Guidelines on Tree Clearing

**Mr BORBIDGE:** I refer the Minister for Rural Communities to new guidelines for land clearing announced yesterday by the Minister for Lands and the major financial implications for landholders that will arise as a result. I ask: in his capacity as Minister for Rural

Communities, was a rural impact statement presented by him to Cabinet to assess the cost to landholders of these proposals? Did the Minister canvass this major new Government policy during his ministerial visit to rural Queensland last week?

**Mr MACKENROTH:** In answer to the honourable member's question—firstly, the information that is provided to Cabinet on a specific issue is not something about which I will be advising the Leader of the Opposition.

I can inform the House that a rural impact statement accompanies every submission that comes before Cabinet. The tree-clearing measures that were announced yesterday by the Minister for Lands and the Minister for Environment and Heritage are measures that have been taken by this Government to ensure that country in the west is not degraded by land clearing. Some of those areas have been totally cleared and severe erosion has taken place. I have seen some of that country in the west; there is absolutely no grass, and there is no chance of grass growing in the region for a couple of years. Members would not believe the erosion that has taken place as a result of the clearing of some of that land and the way in which it has been cleared.

Cabinet certainly considered the total package in relation to this matter. The tree-clearing measures that have been put in place will ensure that country areas are looked after for the future.

## Gabba Redevelopment

**Mr LIVINGSTONE:** I refer the Premier to a statement made last night in this House by the member for Beaudesert to the effect that the Government has orchestrated the demolition of the grandstand at the Gabba so that the redevelopment would be completed by September—the time of a State election. I ask: are the claims by the honourable member accurate?

**Mr W. K. GOSS:** This is a serious charge. I would like to assure members of this House and the public that, to the best of my knowledge, it is not true. The $35m redevelopment has not been timed to coincide with a September State election.

I want to make it plain that the redevelopment work that is to be carried out at the Gabba is not according to a Government timetable but according to a cricket timetable. It is being carried out so that the substantial redevelopment will be completed in time for the first international cricket commitments in November. However, as I understand it, full capacity at the ground will not be restored until January for the one-day internationals. That is the timetable that has been set by the cricket authorities.

I give this undertaking to the Deputy Leader of the National Party and to this House: this is a serious claim, and if the member has any evidence, he should present it to me and I will have no hesitation in taking drastic action—even dismissal—against anybody, no matter how senior he or she may be in the Government, who is involved in any such conspiracy. The simple reason for this is that I do not want anybody working with me who is so stupid as to get the State's top cricket ground ready for the peak of the football season!

If one follows the logic of the member for Beaudesert to its conclusion, presumably we would be trying to get the cricket season brought back to September or the AFL final brought to the Gabba. Let me assure the member that I will take drastic action if he can produce any evidence of this claim.

However, given the pressure that is now on the Government to clear the air in regard to this matter, I should reveal the truth. The site of the old grandstand is where the Greiner documents are buried and we are building this $35m grandstand——

**Mr FitzGerald:** Heiner or Greiner?

**Mr W. K. GOSS:** Heiner.

**Mr Stoneman** interjected.

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

**Mr W. K. GOSS:** We are under so much pressure from the Deputy Leader of the National Party regarding the Heiner documents that we are prone to make these sorts of mistakes. However, we are confident that with this $35m grandstand on top of the documents, the honourable member will never get to them.

## Freedom of Information

**Mrs SHELDON:** I direct a question to the Attorney-General. Given the regressive new forbidden information rules rammed through the House last night, I refer the Attorney to the following issues of considerable cost and concern to Queensland taxpayers: the $13m Lang Park cost blow-out, the demolition of parts of the Gabba prior to the State election, the $40m cost overrun on the Brisbane Convention Centre and cost

overruns on the Cairns Convention Centre, the $73m loss on the Gold Coast Indy Car Grand Prix, the $3m Golden Casket Office losses and the $350,000 payout to a former executive of the Building Services Authority. I ask: is it possible that any one of these issues may not be discussed by Cabinet and therefore remain open to FOI scrutiny?

**Mr WELLS:** The matters that are discussed by Cabinet are matters that are determined by individual Ministers. As to the question that the honourable member has asked—it is a matter for each individual Minister as to whether a matter goes before Cabinet. However, the honourable member should be very well aware that the class of documents about which she is speaking, namely, documents that go before Cabinet, constitute a very, very small fraction—something like part of 1 per cent—of the kinds of documents that are available. The information that people want is all contained in other categories.

With respect to the types of matters about which the honourable member was just asking—there are a whole range of other categories and a whole range of other heads under the Freedom of Information Act that enable people to receive that kind of information. The question about the Cabinet exemption is one which simply goes to the basis of the Westminster system. I say to the honourable member opposite that if she wants to have Cabinets documents—

**Mrs Sheldon:** Who's "she"?

**Mr WELLS:** —then the honourable the Deputy Leader of the Coalition, as she likes to style herself—is going to have to win Government. She will never do that as long as she has the honourable member for Surfers Paradise leading her by the nose.

## Property Crime Squad

**Mr BUDD:** I ask the Minister for Police and Minister for Corrective Services: could he advise the House of the success of the Property Crime Squad since its formation in September 1994?

**Mr BRADDY:** The Property Crime Squad initiative has already brought about results even more successful than could have been anticipated in such a short time. The squad was formed after the last Budget, and will have a complete personnel of 32 people—28 officers and four civilians. The squad has already identified stolen property to the value of $1.6m and, of that amount, it has recovered in excess of $1m worth of property.

Two recent operations typify the success of the squad. Operation Ceramic in the Logan/Beenleigh area brought about the arrest of seven people on 60 charges and recovered stolen property to the value of nearly a quarter of a million dollars. Similarly, Operation Sext on the Gold Coast brought about 33 arrests on 291 charges and recovered stolen property valued at $209,000. These are the sorts of impacts that a specialist squad made available by increased police numbers and resources is having on break and enters and property crime generally. It is an initiative which I assure the House will continue, as I assured the members of the Property Crime Squad when I visited them recently at their West End headquarters. It has been an enormous success. That success reveals that we will need initiatives of this type in order to continue to win more battles in the fight against property crime.

## Gabba Redevelopment

**Mr LINGARD:** In directing a question to the Premier, I refer to his stated concerns about the demolition of the Gabba grandstand by Deen Brothers, which I might add also continued during last week's Brisbane cricket grand final. This demolition will mean that thousands of Queenslanders will miss out on attending the Sheffield Shield final. I ask: last Thursday, when the Premier saw what was about to happen, why did not he or the Treasurer intervene on behalf of the public of Queensland?

**Mr W. K. GOSS:** There were discussions between the Minister for Sport and the Treasurer, and the Treasurer did inquire of the cricket authorities. However, their timetable was set and it was too late to stop the proceedings. The facts are that about 13,000 to 14,000 places are available. The number of people who would have been wanting to see the final on the weekend would have exceeded the old capacity. Most of those people would have had to have seen it on television, anyway. And it is pleasing to see that it will be on television.

As honourable members are so interested in the work that is being done, I think they should understand the background to it. When we got into Government, we found that the average age of the major stands and buildings at the ground was 20 years. We found that the former Government left us with a set of stands that mostly did not meet current building code and fire safety standards. It was just fortunate that under the

former Government we did not have a major tragedy at the Gabba.

**Mr Lingard** interjected.

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

**Mr W. K. GOSS:** The capacity of the ground was just over 20,000, with people sitting on the dog track that rounded the perimeter of an egg-shaped oval.

**Mr Littleproud** interjected.

**Mr SPEAKER:** Order! I warn the member for Western Downs for the final time.

**Mr W. K. GOSS:** Corporate facilities were virtually non-existent, with 14 boxes in the Wilson Stand and, I think, four other suites. Catering facilities and other facilities were substandard. Do members opposite think that is a satisfactory state of affairs for the State's top cricket ground? No, it was not.

**Mr Cooper** interjected.

**Mr SPEAKER:** Order! I warn the member for Crows Nest under Standing Order 123A.

**Mr W. K. GOSS:** We were not prepared to tolerate the ramshackle state of affairs that members opposite left at the Gabba. And yet they claim some commitment to cricket. What a farce! What hypocrites! They claim an interest in cricket, but they left the Gabba in that state. The consequence of the serious neglect of the Gabba and cricket by members opposite was declining attendances for all activities—greyhound racing, the Cricketers Club and so on.

What did we do? To redress these inadequacies and to restore the ground to a truly international facility, which members opposite would not do, we announced a three-stage redevelopment. The first two stages included the removal of the dog track and the enlargement and reshaping of the oval, the refurbishment of the Clem Jones and Sir Gordon Chalk stands, the construction of the western stand, the provision of outdoor turf practice wickets for cricket, the provision of an additional 40 corporate suites and 50 boxes, and so on. It will rapidly be transformed into a first-class and international-standard facility, especially for cricket but also for other activities, such as Australian Rules football.

If the cricket authorities—and I stress again that this is a cricket authorities' timetable, that is, the Gabba Trust and the Queensland Cricket Association—had not started work, we would have seen a situation where Queensland would have lost two one-day internationals next season and possibly a test. We would have heard the mob of very recent cricket converts opposite squealing about that when they came back in Opposition after the election in December.

## Collinsville Power Station

**Mrs BIRD:** I ask——

**Mr Lingard** interjected.

**Mr SPEAKER:** Order! I now warn the member for Beaudesert under Standing Order 123A.

**Mrs BIRD:** In directing a question to the Minister for Minerals and Energy, I refer to the Opposition's release of its so-called energy policy. In that policy, it made a commitment to recommissioning the Collinsville Power Station, yet in July last year Opposition spokesman Tom Gilmore wrote to the Government's Future Supply Task Force criticising the move towards recommissioning the Collinsville Power Station, saying, "There appears to be little justification towards the re-establishment of an industry dependent on widely scattered, small and inherently inefficient power stations." I ask: is it not a fact that the Goss Government has already signed an agreement to proceed with Collinsville?

**Mr McGRADY:** I wish to thank the member for Whitsunday for the question and also place on record in this Parliament the tremendous work she has done in ensuring that the Collinsville Power Station will reopen. It is amazing how letters come back to haunt people. What the member for Whitsunday said is absolutely correct. The other thing that members of this Parliament should realise is that it was the National Party in this State which closed down the power station and threw hundreds of people on the unemployment scrap heap. And now in a year in which we will see an election in this State the National Party is saying that, if it is re-elected, it will reopen the Collinsville Power Station.

I think it is important for the history of this State to place on record exactly what is happening in relation to the Collinsville Power Station. Since the Goss Labor Government took office, we have sought to reopen Collinsville, and in doing so to give the people of that town a guarantee of employment. We have done all we can to ensure that the Collinsville Power Station will be reopened. In September 1993, a report was provided to the Government by the former QEC that indicated that the recommissioning of Collinsville could be feasible. We immediately called for the preparation of tenders, and in April of 1994

tenders were issued and three bids were received by the closing date in June. Since then, evaluation of the tenders has proceeded, and it has been determined that the reopening of Collinsville would be commercially viable. A few weeks ago, an interim agreement was signed with Transfield and NRG. That was a very significant step.

The Opposition has been claiming in the Collinsville area that the interim agreement means nothing at all and that it is merely a step to pacify the people of Collinsville. I point out that we followed exactly the same process with the Gladstone Power Station. We signed the interim agreement and then, after the election, the full agreement was signed, and today the Gladstone Power Station has been sold. I simply ask the people of Collinsville to stand by us and our record.

In this case, members of the National Party have been seen for the frauds that they are. In the local newspapers in the Collinsville area, there has been letter after letter after letter praising Mrs Bird and the Labor Government. One letter in particular sums up the feeling of the miners in that particular town. It states—

> "Finally, the Collinsville Lodge of the United Mine Workers congratulate all who supported and worked for this just result.
>
> Special mention must go to the Member for Whitsunday, Lorraine Bird"—

and to yours truly—

> "for their efforts and our appreciation will be shown where it counts at the ballot box in the coming State elections."

I rest my case.

## Access to Police Stations and Watch-houses

**Mr COOPER:** I ask the Minister for Police: is he aware that the Chairman of the CJC, Mr Rob O'Regan, has written to me in regard to visits to police establishments by me in particular and by MLAs in general? I will table that correspondence. Mr O'Regan has also written to the Police Commissioner, Mr O'Sullivan, requesting that in the interests of a fully informed public debate on police matters I be granted extended access to police establishments and not be constrained by a recently reissued directive——

**Government members** interjected.

**Mr SPEAKER:** Order! The Minister for Health and the Deputy Premier! Members will not be allowed to interject while a question is being asked. I warn both members under Standing Order 123A.

**Mr COOPER:** Mr O'Regan has requested that I be granted extended access to police establishments and not be constrained by the recently reissued directive to officers in charge of police establishments, which requires me to obtain the Minister's prior approval to visit such establishments. I ask: will the Minister ensure that the current directive is withdrawn and reissued to reflect the request of the CJC Chairman?

**Mr BRADDY:** Before we discuss this matter, which is particularly sensitive for Mr Cooper, we should look at its history. When Mr Cooper was the Minister for Police, he prevented by directive members of the then Opposition from attending watch-houses.

**Mr COOPER:** I rise to a point of order. I have all the documentation here. That charge is untrue, and I ask that it be withdrawn.

**Mr SPEAKER:** Order! I ask the Minister to withdraw.

**Mr BRADDY:** I will withdraw on your direction, Mr Speaker. However, I also have documentation on that matter.

It is widely acknowledged that watch-houses are places of high security and that people should not be able to go in and out of them whenever they choose. As a Government, we have made it very clear—and this is something that the Opposition did not do when it was in Government—that the privilege of visiting police stations and watch-houses should be made available to all MLAs when they are in their geographical area. They need to seek permission to visit such establishments so that appropriate arrangements can be made. Members cannot just roll up unannounced and expect to be allowed access.

The recent incident occurred because Mr Cooper, in staging one of his farces, turned up at the Holland Park Police Station with a reporter. Mr Cooper did not disclose that he was bringing a reporter to the police station, and that reporter was turned away. The facts relating to visiting watch-houses are these: Mr Cooper has never been refused admission to police stations or watch-houses. He need only have the courtesy of making contact in advance and the appropriate arrangements will be made—provided that in future he behaves with propriety.

There is one aspect of this matter of which Mr O'Regan may not be aware. When Mr Cooper visited the Holland Park watch-house, he was given full access. While

visiting that establishment, he distributed a press release and other propaganda material to people in the watch-house. He was in there——

**Mr COOPER:** I rise to a point of order. The remark that I distributed propaganda material is false and offensive, and I ask that it be withdrawn.

**Mr SPEAKER:** Order! I ask the Minister to withdraw.

**Mr BRADDY:** I will withdraw the word "propaganda". Mr Cooper distributed material prepared by himself. Some people might have thought that it was propaganda; the member probably thought that it was accurate. The point is that Mr Cooper was engaging in political activities at the Holland Park watch-house. He was not carrying out his duties; he was in there politicking, as he continues to do in an attempt——

**Mr Cooper:** It's hopelessly overcrowded.

**Mr BRADDY:** Is the member debating the issue or am I answering the question?

**Mr SPEAKER:** Order! I suggest that the member for Crows Nest allow the Minister to answer the question.

**Mr BRADDY:** Mr Cooper has my assurance that, on making advance contact so that proper arrangements can be made, he can visit watch-houses and police stations at all times. I reiterate that Mr Cooper has never been refused access to any such establishment. However, he will not be allowed to carry on a political campaign while visiting such places.

## Publication of OP Results

**Mr BEATTIE:** I refer the Minister for Education——

**Mr Borbidge** interjected.

**Mr SPEAKER:** Order! I warn the Leader of the Opposition under Standing Order 123A. I want to hear the questions.

**Mr BEATTIE:** I refer the Minister for Education to the release by the Board of Senior Secondary School Studies of Queensland schools' OP results on student performance and their subsequent publication in the media. I ask: does the Minister believe that OP results are an appropriate measurement of a school's academic performance, and does he support their public release?

**Mr HAMILL:** I note the honourable member's concerns. Indeed, the concerns that he is expressing in his question are concerns that are shared by the whole of the education community in Queensland. I have received correspondence from the Association of Independent Schools in Queensland and a comment from the Queensland Teachers Union regarding the publication of material which purports to give some sort of league table of Queensland's secondary schools, as published in the *Courier-Mail* yesterday. Although that sort of table may lend itself to the Sheffield Shield competition, it is certainly not appropriate for the purposes for which the *Courier-Mail* purports to use it; that is, to try to rank order the performance of schools based on the results allocated to students for the purposes of tertiary entry.

I make this point: OP scores are given to students based on their performance.

**Mr Johnson:** It reflects on the school.

**Mr HAMILL:** They are not awarded to schools, and to make such an inane comment as the member for Gregory just did merely demonstrates the lack of understanding——

**Mr Johnson** interjected.

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

**Mr HAMILL:**—of members of the Opposition of this very important issue.

We have talked a lot about the need for improvements in literacy and numeracy. I draw the attention of the *Courier-Mail* to the open letter which the Board of Senior Secondary School Studies issued with that material. In the letter, under the signature of Mr John Pitman, the Director of the Board of Senior Secondary School Studies, the following comments are made—

> "It is plainly wrong to make a judgment about any particular school's worth or success by comparing QCS results, the number of OP1s or some other measure across schools. The Board strongly warns against the misuse of such measures. Such a use would be a misinterpretation and misrepresentation of the Student Education Profile results."

That is what Mr Pitman said, but it did not stop the *Courier-Mail* from going right against the expressed advice of the Board of Senior Secondary School Studies and extrapolating from the data some sort of purported rank ordering of schools around the State.

Just to exacerbate the situation, not only did it totally distort the data that it obtained from the Board of Senior Secondary School Studies, it could not even transcribe it

accurately, because today the crime is repeated in the *Courier-Mail*. It is purporting to try to fix it up in the case of St Rita's and schools in the Toowoomba area. Twice in the one week it has gone out, against the express advice of the Board of Senior Secondary School Studies, and distorted the information and used it in a way in which it was never intended and in a way which is inappropriate.

Yesterday, I had a swipe at some of the low achievers opposite, such as the member for Western Downs, who continues to show his ignorance by his bleatings in the House today. At a time when I thought the *Courier-Mail* was doing a good job in highlighting a series of important issues in education, it really went out and blotted its copybook badly. I think that what is being peddled in the newspaper about OPs and trying to rank order schools is an absolute disgrace. Let us give the credit where the credit is due. Credit for OPs goes to students, not to schools.

I will be discussing this matter in some detail with the Board of Senior Secondary School Studies next week. If this is how some elements of the media want to misrepresent data, then maybe the data should not be available to them in the first place. It does nothing for schools; it does nothing for education. Maybe the authors of this material ought to go back to basic numeracy themselves and revisit their statistical text books.

## Guidelines on Tree Clearing

**Mr HOBBS:** In asking a question of the Minister for Lands, I refer to the draft guidelines on tree clearing released yesterday which will adversely impact on the livelihoods of rural land-holders. I ask: what scientific data, if any, was utilised to justify such guidelines, and will the Minister table such data today, or is it a case that the guidelines stipulating the high percentage of trees to be retained are based on his Government's political priorities rather than the viability of grazing operations?

**Mr SMITH:** In response to the honourable member, perhaps I should ask the Federal member, Mr Ian McLachlan, to come up and give him a bit of a lesson in tree management. If we acted on his advice, the member would have much more to complain about.

The fact is that it is scientific data collected across the whole of Government. Quite frankly, it is not in a form that is suitable for presentation to lay people, including the honourable member.

**Mr Borbidge** interjected.

**Mr SMITH:** The Opposition spokesman asked a question; the member should shut up and let him hear my answer to it.

**Mr SPEAKER:** Order! I ask the Leader of the Opposition to stop interjecting.

**Mr SMITH:** It is a facetious question. The member knows quite well that I have said that the information would be available in about three weeks' time. He talked about this last night in the Adjournment debate, and now he asks me a mickey mouse question like this. The fact is that the data is indisputable, as the member will come to see.

Competent land-holders are already practising retention rates of the order of what is being suggested. In many cases, it will make little difference. The member is trying to make a great deal out of this. By the same rule, there is ample evidence that excessive tree clearing has occurred, and this Government is determined that that excessive clearing will cease.

**Mr Hobbs:** Why didn't you take some notice of your groups?

**Mr SMITH:** The advisory groups which have been set up have been playing a useful role. I believe that, given the opportunity, they will continue to provide the sort of feedback and information that we need to finalise what are draft guidelines. The member chooses to ignore the fact that these are draft guidelines and he chooses to highlight the minimum retention rates. Some of those areas in fact vary quite considerably. He chooses to ignore the fact that there are something like seven zones in Queensland and something like 14 pasture types in Queensland, which gives us an overall number of 19 areas to examine, and the member focuses in on seven. I am not sure about his knowledge, but he chooses to misrepresent the situation.

**Mr SPEAKER:** Order! I suggest that the Minister is starting to debate the question.

**Mr SMITH:** As the member well knows, the information will be available in three weeks' time.

## Hospital Laundry Services, Wide Bay Region

**Mr NUNN:** I ask the Minister for Health to explain how laundry services for hospitals in the Wide Bay region will be undertaken in future?

**Mr ELDER:** That is a good question; it is an important subject to the people of Wide

Bay. In the Wide Bay region, the current means of doing laundry is straight out of the industrial revolution. I visited the hospitals of Maryborough and Bundaberg and, while there, looked at both laundries. I would have to say that they are the most disgraceful pieces of infrastructure that I have seen in a long time.

The reason for the need for this New Group Linen Service is simply that the current service should have been replaced decades ago. People are working under some of the most appalling conditions and work practices that I have seen. The New Group Linen Service will actually enhance the service right throughout the Wide Bay area. It will be built on the industrial estate and it will provide a state-of-the-art facility. Tenders will be called in May, contracts awarded in June, and construction will commence shortly after that.

This is a $3.7m infrastructure project for Maryborough which will provide jobs for the Maryborough area. I know that members opposite laugh about this, but for all of those years they were prepared to let people work under those shameful conditions, not just in laundries, but also in hospitals. The member for Hervey Bay, and particularly the member for Maryborough, have been extremely active in pushing for this facility.

This week, the National Party candidate in Maryborough said that—and I do not know from where he would get this information—it would cost several hundreds of thousands of taxpayers' dollars to provide water for the linen facility. Those facts are untrue. It will not cost ratepayers in that city one cent. The facility will be built on the industrial estate. Two header tanks will be filled up at night-time to provide the pressure for the laundry; it will be state-of-the-art.

The knocking continues. The member for Burnett was saying that the facility should be built in Childers, as if the Childers Hospital was the National Party Government's achievement. That was the achievement of the member for Hervey Bay. While in Maryborough and speaking on Wide Bay facilities, the chief knocker, the member for Toowoomba South, said that the Government should not build a $38m new hospital in Hervey Bay because it will impact on the Maryborough facility. In doing so didn't he catch out the National Party candidate in Hervey Bay? He was caught on the trot and he was hoisted. He is out there saying that he wants it and the member for Toowoomba South is saying that it should not be built in Hervey Bay. That candidate is stuck; he is finished. The Opposition spokesman took him straight out of the equation in the seat of Hervey Bay.

In the Wide Bay region—a region that the National Party ignored for years—$10m is going into Maryborough, $18m into Bundaberg for redevelopment and $38m into Hervey Bay. We are rebuilding the Wide Bay hospital system. I have been in some of those buildings. What about the sterilising unit in Bundaberg Hospital? That building was built in 1915 and, for all those years, the National Party was quite happy to see it remain as a sterilisation unit. Well, not any more. This Government is building a new facility worth $18m. That is what irks members opposite the most.

In conclusion, the standard of debate in Wide Bay has got to this: we are out there building new facilities and spending millions of dollars while National Party candidates are arguing about a four-inch water pipe into an industrial estate. That says it all when it comes to health issues in Wide Bay.

## Liquor Act, Under-age Bar Staff

**Mr VEIVERS:** I direct a question to the Minister for Tourism, Sport and Racing. Since the enactment of the Liquor Amendment Act 1994, Queenslanders are getting used to being served by very young girls behind the bar due to the inept drafting of section 155 of the Act. I ask: can the Minister say what steps he is taking to prevent minors as young as 13 years of age serving alcohol and requesting patrons across the other side of the counter proof of their age before serving them?

**Mr GIBBS:** What an absolutely disgraceful question from the Opposition member. If he has proof—any proof at all—what sort of a disgraceful person he is to sit over there and say——

**Mr Veivers** interjected.

**Mr SPEAKER:** Order! I warn the member for Southport under Standing Order 123A. He has asked his question.

**Mr GIBBS:** As a member of Parliament, the honourable member has a responsibility to the community. If he has the slightest proof that 13-year-old females are being exploited to the extent of working behind bars, I will take the most drastic action immediately to rectify it. If he has the proof, he should bring it to me.

**Mr Veivers** interjected.

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

**Mr GIBBS:** In the honourable member's electorate, during schoolies week, over the Christmas/New Year holiday break and recently during the Indy car race series, record numbers of inspectors from my department were on the Gold Coast strip. They carried out record numbers of inspections both in hotels and in nightclub establishments to ensure, firstly, that the Liquor Act is being fully complied with by patrons and, secondly, that staff who are employed on the premises are within the correct age bracket.

My licence inspectors have found no proof of the allegation made by the honourable member. As a responsible member of Parliament, who represents a seat in the jewel of the Queensland tourist industry, if he is even intimating or hinting that that sort of behaviour is taking place, he has a responsibility to say to me——

**Mr Veivers:** I did. I asked you the question today. You're the bloke who said I've got to ask you questions. I asked you and you can't answer.

**Mr GIBBS:** I am saying: no, I am not aware of it. If the honourable member has proof that it is going on, instead of coming in here and blowharding, trying to big-note himself and to pump up an issue, he should bring the proof to me, and the Government will take the action.

## Cairns Area Regional Plan

**Dr CLARK:** I ask the Minister for Housing, Local Government and Planning and Minister for Rural Communities: could he please advise of the progress of the Regional Planning Advisory Committee in the preparation of the regional plan for the Cairns area?

**Mr MACKENROTH:** For two years, the Regional Planning Advisory Committee has been working on a regional plan for far-north Queensland. I am pleased to say that the Premier will release the plan in early April. The plan has been developed in cooperation with the Commonwealth Government, the State Government and the local governments in that region and has involved community groups and representatives of primary industries, business and tourism. We have had a complete involvement of all of those people in bringing together a regional growth management framework for the Cairns region, which will set out the patterns of growth for that area for the next 20 years.

The residents of far-north Queensland will welcome that plan, because it has taken into consideration the very special nature of the Cairns region, for example, the hill slopes and the areas that have been set aside as World Heritage areas, and will ensure that we can conserve and preserve for the future the agricultural land. All of those considerations have gone into the preparation of the plan, which will allow for development in that area for the next 20 years.

## Green Levy

**Mr CONNOR:** In directing a question to the Minister for Business, Industry and Regional Development, I bring his attention to announcements made by the Environment Minister regarding $500 a year-plus licence fees—the green levy—for a number of traditional small businesses, namely, panel beaters, cabinet-makers, printers, etc., and I ask: has the Minister researched the impacts of those fees on industry and, if so, what are they?

**Mr PITT:** I can assure the member that those issues have been and will continue to be discussed with the industry and will be dealt with at the proper time.

## Central-western Queensland Remote Area Planning and Development Board

**Mr PEARCE:** I ask the Minister for Business, Industry and Regional Development: will he please explain to the House what will happen to the Central-western Queensland Remote Area Planning and Development Board when funding expires on 30 June this year?

**Mr PITT:** I thank the member for Fitzroy for that question. I acknowledge his genuine interest in regional and rural Queensland and also congratulate him on his recent appointment to the position of Chair of the Premier's Northern and Rural Task Force. I am sure that his usual efficiency and enthusiasm will carry the day there, too.

The question that he raised is very important for the people in the central west. The Government has a strong commitment to regional Queensland. That is evidenced by the fact that, over the past several years, a number of regional economic development boards have been set up right across the State. One of the problems with those boards is that they depend largely for their funding on the support of businesses and local governments. In some of the more remote areas in Queensland, such as the central

west, 13,000 residents are represented by 11 different shires, and that type of support is not easy to come by.

Three years ago, a rural Cabinet meeting put in place a system under which a special case was made to establish the Central-western Queensland Remote Area Planning and Development Board. Funding from my department to the tune of $325,000 for three years was provided to that board. That money is being spent wisely in the promotion of the central-western region. On 30 June this year, that program and that funding comes to an end. A review is being instigated to assess the program itself. At the appropriate time, advice will be given to me as to the future of that board.

Obviously, that board wants to continue its work right up until the last day. If that funding is not guaranteed, if there is no funding forthcoming, the work of the board will run down, which will have a negative impact on the central west. Accordingly, today, I have indicated that I will authorise $62,500 to carry that board through to the end of 1995.

## Queensland Health Employees, Pay Increase

**Mr HORAN:** In directing a question to the Minister for Health, I refer to the enterprise bargaining pay increase of 3 per cent plus $8 safety net granted to Queensland Health employees from 1 November 1994. I refer also to the thousands of employees still waiting, almost five months later, for their back pay, including staff in parts of the Wide Bay, Central and Darling Downs health authorities, as well as all staff in the two biggest regions of Brisbane North and Brisbane South, who have been told to wait until the end of April, six months after the raise was granted, for their back pay, and I ask: are those millions of dollars of workers' wages being withheld deliberately to cover up the Goss health crisis and prevent more cutbacks of basic services in our hospitals, and must those workers wait virtually for the State Budget to get their back pay?

**Mr ELDER:** Why did I know that question was coming? I knew because I have some pretty good contacts, as does the honourable member, within the various organisations, who informed me that he had asked about the matter a couple of days ago. Yes, I am aware that those back payments have not been made. I have informed Queensland Health that that is unacceptable, and I have asked that to be expedited immediately.

It is not a matter of the system being broke. How ironic that the National Party would have an interest in nurses' salaries. When the Labor Party came to Government, it led the way in wage justice for nurses in this State to the tune of $309m. How ironic that the member should ask that question.

**Mr Horan** interjected.

**Mr SPEAKER:** Order! I warn the member for Toowoomba South under Standing Order 123A.

**Mr ELDER:** He will whinge all the way to the election. Honourable members ask why that problem exists. I will tell honourable members what it is. It is related to a problem with the infrastructure of the Health Department. In fact, the Deputy Premier knows about a similar problem. Opposition members can talk about information systems in the Health Department. Prior to this Government coming to power, that major organisation had limited information systems. We have had to ramp up those information systems. The reason why the Health system can be so slow is that for years, the former Government had Health Department staff using card systems. Those people were working in the bowels of the Health Department without any support from information technology. It has taken this Government to drive that agenda. In this triennium we will be spending $50m to upgrade those information technology systems so that the health system is not slowed down. There is no lack of commitment by this Government. In fact, it has been the Government's commitment to nurses that has resulted in their being paid the reasonable salary that they deserve.

## Real Estating of Mining Leases

**Mr PYKE:** I ask the Minister for Minerals and Energy to advise the House of what is being done to curb what is called real estating of mining leases in Queensland?

**Mr McGRADY:** For the benefit of those members who are not familiar with the terminology, I point out that real estating occurs when mining leases are not being worked but simply sitting by idly. This is a problem, because real estating reduces opportunities for those with the capability of undertaking genuine mining activity in this State. This Government is promoting sensible mining activity in Queensland, and that is why we, as a Government, need to get tough on real estating. Promoting a responsible industry depends on making sure that mining leases

are working properly, do not sit idle and are not operated haphazardly.

In 1992-93, the combined minerals and energy sector in this State generated over $6.4 billion in export income for Queensland. Mining is certainly one of our most important industries. The combined minerals and energy sector directly provides 20,000 jobs for Queenslanders and, indirectly, a further 50,000. On these figures, the mining industry in Queensland is clearly the foundation stone of the State's robust economy. Given that sector's importance, we are committed to removing unnecessary impediments to sensible mining activity, and that is why curbing the real estating of mining leases is so important.

On top of existing measures to police real estating, I am pleased to announce to the House the development and implementation of four major, new measures to curb this practice. Firstly, shorter terms for mining leases are now being recommended so that leaseholders need to substantiate a bona fide reason for the removal of a lease. Secondly, regional environmental officers and mining registrars are developing better knowledge of local mining activities and operators, and this will provide better information when plans of operations are being assessed. Thirdly, the mining lease application form will now include additional questions on the definitions of a mining resource and proposals to dispose of the mineral production. Fourthly, there will be future incorporation of a photo database.

By getting tough on real estating, we can make sure that only those with the genuine capability of working and responsibly managing mining leases are granted such leases, because leases that sit idle are a waste of opportunity.

## Queensland Building Services Authority Amendment Bill

**Mr J. N. GOSS:** In directing a question to the Minister for Housing, Local Government and Planning and Minister for Rural Communities, I refer to the Queensland Building Services Authority Amendment Bill and the Minister's second-reading speech in which he indicated that the only notable difference between the Deloitte's report recommendations, which were approved by Cabinet, and the amendment Bill was the size of the board. I ask: was it the Minister's intention to dismiss Mr Wayne Cass from the authority using the legislation which denied Mr Cass natural justice, the right to compensation and access to the Industrial Commission? As a precedent has now been set, will the Minister assure this House that no more public sector employees will be sacked by legislation?

**Mr MACKENROTH:** The simple answer is: no, I did not sack Mr Cass. Mr Cass' job was made redundant. He was offered the opportunity to go through a process, which he chose not to take. He chose to take the Building Services Authority to the Industrial Commission, and he went to the Industrial Commission. So the information that the honourable member has been given is not right. When Mr Cass went there, he lost.

## Fitness Centres

**Mr PURCELL:** In directing a question to the Deputy Premier and Minister for Consumer Affairs, I refer to the closure of the Fitness for Women health centre in my electorate, which closed after the sale of long-term memberships, a great number of which had been sold in and around my electorate, and I ask: what action has the Department of Consumer Affairs taken to help those who paid for those memberships?

**Mr BURNS:** The Minister sitting next to me has just given me a terrible message to read, but I will not read it because the honourable member for Bulimba is far too big. The proprietors of Fitness for Women are being pursued for suspected contraventions of the Fair Trading Act. A director of Fitness for Women, Cameron Haag, was the proprietor of Kirwan Fitness and Leisure in Townsville, which closed its doors in early December 1993 leaving members stranded. Haag's business records, which remained at Fitness for Women, have been seized.

In late 1994, a telemarketing campaign was conducted by Creative Fitness Marketing—CFM—on Haag's behalf to target new memberships and secure initial deposits. Negotiations shortly to be concluded may significantly eliminate losses suffered by consumers as a result of the closure of Fitness for Women.

The honourable member for Bulimba has been pursuing this matter with my office, and agreement in principle has been reached between Fitness for Women, the marketing company and a Morningside gym. Former members of the failed Fitness for Women could be offered a no-cost transfer to the Morningside gym provided they continue to make the agreed monthly payment to CFM's collection agency. The Morningside gym, in

effect, will step into Fitness for Women's shoes. Alternatively, former members may be offered a partial refund. CFM will release the funds held in trust which, together with a share of the profits made, will total around $14,000. Haag has said he will contribute $5,000 to that sum, and all funds will be held in the trust account of the Brisbane solicitor, Barker, Gosling and Company.

The problems experienced by consumers in the fitness sector should concern all honourable members. There are only 700 fitness centres in the whole of Australia, and 450 of those are in Queensland. We have seven times more fitness centres than in Melbourne and four times more than in Sydney.

**Mr Gibbs:** I'm turning it into a sporting State.

**Mr BURNS:** The Minister is turning it into a sporting State. I am concerned that all those small groups are competing in a limited market. They are starting to cut prices and compete through big promotions. They are selling five-year and 10-year memberships, when some of them have only 10-month leases on their premises.

My department is looking at what is happening in other States, and we are starting to discuss a code of conduct with the industry. On 6 March, we met with the industry group Quality Health and Fitness Association concerning a proposed code. Unfortunately, that organisation does not represent a lot of the fitness centres in Queensland, but in the meantime it does give us a change to develop a code of conduct. Research reveals that mandatory codes are in place in South Australia and the Australian Capital Territory. In South Australia, agreements are limited to 12 months. In the ACT, memberships cannot exceed 12 months and, where a gym's premises has a lease of less than 12 months, membership cannot exceed the unexpired period of the lease.

I am told that Haag had not paid the rent, and he had leased the gym equipment. In other words, he made no investment at all, and he was selling many thousands of dollars worth of membership. I will be meeting personally with members of the industry shortly. We have to set up a code of conduct. It is too easy for those operations to set up. As Mr Gibbs said, everybody is fairly keen on the fitness industry; everybody likes to be fit and keep in nick. If the operators in the industry have no financial standing and no intention of staying in the business, they should not be allowed to sell five-year and 10-year memberships.

### Radio Communication, Russell Island

**Mr LITTLEPROUD:** I direct a question to the Deputy Premier. I am informed that, while at Russell Island in 1994, the Commissioner of the Queensland Ambulance Service gave a commitment that two consultants would be employed to resolve quickly the problem of black spots in radio communication in that area. I am informed also that the Capalaba LAC received written advice that the QAS had budgeted to do this work in 1994. I ask: were those assurances kept and the work done, or will the Minister investigate the matter and ensure that it is done?

**Mr BURNS:** I will investigate this matter for the member. There are a large number of black spots throughout the State. We have been concentrating on many black spots that are located north of Bundaberg through to Rockhampton and in the area from Rockhampton to Mackay.

**Mr Cooper:** Crows Nest.

**Mr BURNS:** Yes, there is a mile of them. I will have to check with Gerry Fitzgerald about the promises that he made. Certainly, there are many areas that have black spots. Just recently, we spent quite a bit of money in the Hervey Bay and Biggenden areas. We will continue upgrading to overcome the black spot problem. I will drop the member a note and give him the details in relation to what is happening in the bay.

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

## LOCAL GOVERNMENT REGULATIONS

### Disallowance of Statutory Instrument

Debate resumed from 22 March (see p. 11244).

**Mr FITZGERALD** (Lockyer) (11.11 a.m.): In joining this debate on the disallowance of the regulation—a motion that was moved by the member for Callide—I point out that the Opposition realises fully that the regulation has been put into effect and that a resolution of this House will not deamalgamate the three new city councils that have been formed as a result of that regulation. However, the Opposition wishes to place on record its views on the methodology that was used and to voice its concerns at the agenda that this Government has for local government in Queensland.

**A Government member:** Rubbish!

**Mr FITZGERALD:** Some member opposite said "rubbish". I would like to draw the attention of that member, whoever it was, to a speech in this debate last night by the honourable member for Brisbane Central, who said that local authorities were nothing but a training ground for the National Party. I would like to draw the attention of the House to the genesis of the setting up of this commission. At the first Labor caucus meeting after the change in Government in 1989, the member for Bundaberg raised the issue of the need for reform in local government matters. He railed that it was nothing but the training ground for conservative politicians. As a result, we know that the then Minister for Local Government, Mr Burns, got the House to agree to a resolution that EARC consider local government matters. EARC did not even have local government on its agenda. We then found out that EARC undertook a fact-finding tour of Queensland and delivered a massive report on the amalgamation of local governments, which did not even consider the economics of amalgamation. The parliamentary committee did the same and, of course, the minority report from Quinn, Stoneman and Fitzgerald stated that they did not believe that there was any credibility at all in the process that had taken place.

The position of Commissioner for Local Government was then created through the passing of legislation and the Minister then wrote to that commissioner and requested him to look at several matters. I believe that the member for Brisbane Central made the record quite plain: that the Government was out to get the conservative parties in local government. That is enough of that. It will not succeed.

I want to congratulate those people who have been elected to positions, particularly to the Ipswich City Council. I wish them well. I hope they succeed in giving better local government to the people. However, I criticise the methodology of the amalgamation. Firstly, EARC received a number of submissions from the general public. Virtually none of them were in favour of amalgamation. The commissioner himself said that he called for submissions and received over 602. We received a response to the preliminary report released in October 1994 on the amalgamation of Ipswich and the then Moreton Shire. The commissioner failed to say how many submissions were in favour of that proposed amalgamation. I can assure this House that very few were in favour of it. We know that the general public, particularly in the Moreton Shire, were hostile to a forced amalgamation. The commissioner made the recommendation that those councils be amalgamated and the Government implemented that recommendation.

It is fitting and proper that the Government should take all the odium for forced amalgamations. Now, the question is, "What other councils are going to be amalgamated?" What other shires is the Minister going to recommend to the commissioner that he consider? Is Boonah safe? Is Laidley safe? Is Gatton safe? Are any of the shires on the Darling Downs safe? Is the Government going to carry out its agenda to amalgamate and form regional governments?

**Mr T. B. Sullivan:** Will they benefit? Is that what you are saying?

**Mr FITZGERALD:** What I am saying is that EARC did not establish any benefits whatsoever—no financial benefits whatsoever. Commissioner Hoffman established very few benefits. There may be a benefit of about $2.5m a year over the total budget. In regard to the Moreton Shire, it once had one political representative for about 2,500 people. Now it has one representative for 6,500 people. The people tell me that they are not going to benefit from that type of representation. We are going to have government by bureaucracy. We are going to have councillors who will be looking after 6,500 constituents. People want local government. They want to know what savings will be made as a result of the amalgamations. They do not believe that an estimated saving of about $2.5m over the total budget will be achieved in a number of years, and certainly not in the first year. They want to see the benefits and they are honestly not convinced that there will be any. The people demanded the right to decide whether they wanted to have amalgamation or not, and they are extremely hostile.

Of course, what happened at the election? I picked the result of the election. I predicted that the people of the Moreton Shire were going to rebel against any proposed takeover by the Ipswich City Council. They were going to vote for the mayor who held that office at that time. The member for Ipswich and I attended a public meeting at Rosewood on the issue. He will verify that virtually no-one put up their hand to say that he or she was in favour of the amalgamation, and the hall was full of people. The member for Ipswich West said that he would consider any motion by this House that opposed the forced amalgamation. I would like to see how he is going to go on this.

**Mr LIVINGSTONE:** I rise to a point of order. At that particular meeting that night, the

honourable member for Lockyer did say that he was going to move that motion the very first day, and he did not.

**Mr DEPUTY SPEAKER** (Mr Palaszczuk): Order! There is no point of order

**Mr FITZGERALD:** We will put it to the test. I am opposed to the forced amalgamation of the Moreton and Ipswich local authority areas, and that is all there is to it. The people in the Rosewood area, the people in the Grandchester area and the people who live in areas that border my electorate will be reminded from now until the next State election that the Labor Party forced this amalgamation on them. They will have a chance to have their say on whether they approved of the forced amalgamation or not. That is what will be put to them, and that is what the National Party will be putting to them. How is the new council going to explain that Councillor John Harris, who happened to live in a part of what has been excised from the greater Ipswich area, is now left without any electorate? Mr Harris was elected 11 months ago and he has been left like a shag on a rock. He cannot even run for office. I hope that he finds some political future and that he is able to run for council somewhere else.

Every local authority in Queensland has to ask whether it will be on the list. Will the facts be presented to it and will it have a choice about whether it should be amalgamated? The people want to know the answers. The issues of representation and the extent of any savings have not been presented to the people, who are extremely hostile. They are not only worried about their jobs; they are worried about representation. They are very dirty on this Labor Government. Members opposite are trying to blame Commissioner Hoffman for this. He put forward his recommendations. He did not substantiate why there should be an amalgamation; he just recommended it.

The Government had to make the decision. The members of the ALP in this House will have to wear the odium. We want to know what members opposite did to stop the amalgamation. Did they go on record to say that they were opposed to it? How effective were they? Members opposite are in Government, and they must wear the consequences of the decisions of their Ministers. The Minister made the decision to amalgamate the Ipswich City Council with the Moreton Shire. That has taken place, and members opposite will have to wear the odium of that at the next election. This might not be of much interest to the member for Ipswich, the Honourable the Minister for Education. It might not worry him.

**Hon. D. J. HAMILL** (Ipswich—Minister for Education) (11.21 a.m.): I have pleasure in joining this debate because I wish to respond to the challenge being offered by the member for Lockyer. I have no problem whatsoever with the amalgamation of Ipswich City and Moreton Shire. I have no problem at all with the recommendations that were made by the Local Government Commissioner, nor do I have a problem with the Cabinet decision which endorsed those recommendations.

What I do have a problem with is the back-to-the-future attitude of the National Party and the cant and hypocrisy that we hear in this place from speakers such as the member for Lockyer. Members opposite just talk about turning back the clock. They talk about having de-amalgamation referendums and so on. What a lot of nonsense, bunkum and posturing! What a ridiculous waste of ratepayers' and taxpayers' funds if such a policy were to be pursued.

As I said, I want to place on record not only my support for the new Ipswich City but also for the new Ipswich City Council. I want to congratulate Mayor John Nugent and his 12 councillors on their election. They were elected by the whole community. We are talking about the views of the whole of the community, not some sort of artificial boundary drawn by an old National Party or coalition Government 40 years ago.

My electorate straddled the boundary of the old Ipswich City and Moreton Shire. Apart from me, I think that only the councillors who represented those areas would have been aware of where that boundary was. That would probably be with one exception—the residents of the street along the boundary. Their street was probably one of the worst maintained streets in the whole area. One council tended to take responsibility for one side, and the other one did not want to know about the other side. That is the sort of nonsense that occurs when we have local authority boundaries which are anachronistic and which do not reflect the pattern of the present population.

The honourable member for Lockyer talked about the extent of savings. As a ratepayer of the old and new City of Ipswich, I do not mind my council having an extra couple of million dollars to provide for decent services for my community. I would welcome those funds going into services such as local roads, council health services and so on.

**Dr Watson:** Are you going to guarantee that they are going to achieve savings?

**Mr HAMILL:** The member for Moggill asked me whether I will guarantee it. I am the State member for part of the area. Indeed, the Deputy Speaker is a member for the Ipswich City area as well.

**Mr DEPUTY SPEAKER** (Mr Palaszczuk): Order! Could I remind the Honourable the Minister that the Deputy Speaker is not involved in the council that he was referring to; but the member for Inala is.

**Mr HAMILL:** I am sorry. Wearing his other hat, my parliamentary colleague the member for Inala is a very proud member of this House who represents part of Ipswich City. I think that he would agree with me that his constituents, too, would welcome the improved services flowing to that part of the municipality through the savings that can be achieved through this merger. Whether the council delivers or not is a matter for the ratepayers to determine. In due course, they will have their opportunity to pass their verdict on the council.

Let us look at the issue of the boundaries and the public opinion that surrounds it. I know that my colleague the member for Ipswich West went to public meetings and addressed groups, some of which were perhaps being whipped up by people in the Opposition such as the member for Lockyer. There is hardly ever a public issue about which there is 100 per cent unanimity on one side or the other.

**Dr Watson:** Unanimity is 100 per cent.

**Mr HAMILL:** I know that; I was just testing the member for Moggill. The point is this: in my electorate, in total I received about six telephone calls expressing concern regarding the implications of amalgamation. That was hardly an overwhelming expression of public opposition to the Local Government Commissioner's report.

**Mr Nunn:** How many people in the member for Lockyer's family?

**Mr HAMILL:** It depends on whether we are dealing with his immediate or extended family—whether we are counting the quadrupeds as well.

Nothing better illustrates the problem that we experience with anachronistic local authority boundaries than that which occurred when the old Moreton Shire sought to undertake a transportation study in the eastern suburbs of the old Moreton Shire. It got together with advisers and consulted the State Department of Transport and drew up the plans. What happened then? When the report was produced, the Ipswich City Council said, "No, we won't have a bar of it. We are not going to have any of those roads linking up to any of the roads in our area." Who were the winners and losers in that? I cannot see that there were too many winners. The losers are the people in that community, a community that was caused to dysfunction because of a boundary that was drawn in the 1940s and which the National Party would seek to resurrect in the 1990s and into the twenty-first century.

In the Ipswich community—the broader community—for the vast majority of people the issue of the merger of the two councils was a non-issue. It was certainly an issue for sitting councillors. Obviously, they were concerned about their continuation on the council. However, it was not an issue for the vast majority of people. If the outcomes of the amalgamation produce improved services, planning and greater community cohesion, I would say that the amalgamation will be an outstanding success.

We heard the member for Lockyer ranting and raving—for example, "Are the communities safe? Is it the thin end of the edge? Is it Boonah's turn next or maybe Cambooya?" And he rattled off a list of local authorities. The important thing is not a set of local government boundaries. The important thing, I would have thought, is the sort of quality of service that is being provided to people and families living in those areas. I know that is an alien concept to the National Party Opposition. This is all about quality local government and services.

As to the sorts of claims that the member for Lockyer makes about community consultation—I do not remember such community consultation taking place when the National Party decided that it was beneficial to try to prop up the old Albert and Beaudesert Shires when it decided to create Logan City a few years ago. So much cant and so much hypocrisy! It is purely partisan political criticism. It does the honourable member and the Opposition no credit at all. But thankfully this Minister and this Government have achieved significant reforms in local government that will provide benefits to my constituents and to the communities that have voted to elect new councils—new councils committed to their future.

**Dr WATSON** (Moggill) (11.29 a.m.): I rise with a great deal of enthusiasm to speak in the debate on the disallowance motion relating to the proposed local government

amalgamations. In particular, I am concerned about the amalgamation of Ipswich City and Moreton Shire, to which the Minister just referred. Constituents in the section of my electorate which was formerly in Moreton Shire and has now become part of Ipswich City have conveyed to me that they do not believe that their concerns have been adequately addressed.

On 28 October last year, along with other members of the Opposition, I sat down with the Local Government Commissioner and his staff to discuss some of the concerns being conveyed to us in our job as representatives of various electorates. Many of our constituents were concerned about the draft amalgamation proposals. After that meeting, I took the opportunity to correspond with the Local Government Commissioner and to put in writing those concerns. I also wrote to the Minister in similar terms. In that correspondence, I stated—

> "The major concern of the people who have contacted me is that the amalgamation appears to be going to take place without any direct consultation . . . "

In addition, people had specific concerns that the amalgamation—at least for those in the Karana Downs/Mount Crosby/Lake Manchester areas of my electorate—would lead to inevitable rate increases. They were concerned that their property values would decrease dramatically. They were concerned about the loss of the semirural nature of the Karana Downs/Mount Crosby/Lake Manchester areas. They were also concerned that they had purchased properties in that area—not wishing to be part of Ipswich but part of Moreton Shire. In fact, some of those people had moved from Ipswich to that area for that particular reason. As the member for Lockyer said, people were concerned that their representation on the council would decrease from 1 in 2,500 to 1 in 6,500. I communicated those concerns to the Minister and the Local Government Commissioner.

More importantly, concern was expressed that the communication and consultation process was inadequate. That does not mean that nothing was done; but the fact is that the Local Government Commissioner and his staff failed to follow up on the issues that were identified early in the consultation process. That consultation process involved written submissions—and I will go through some of the points raised in those submissions—then consultation with the community in that local government area and, after that, a survey conducted by Market Facts. I refer to the first stage, namely, the written submissions.

To illustrate the level of concern that people held about the consultation process, I point out that when I wrote to the Minister and the Local Government Commissioner, 600 individual households out of 1,800 in the area had written to me, and by the time the process had concluded that number had increased to over 700. Members would appreciate that it represents a phenomenal expression of public concern when such a large percentage of people write to a member on any particular issue.

The issues that were identified early in the piece included financial issues, growth management issues, service provision, infrastructure, community of interest, representation and the boundary change options. On page 83 of Volume 1 of the Local Government Commissioner's preliminary report, published in August last year, the following specific concerns of the Karana Downs/Mount Crosby/Lake Manchester area were identified. The first was that the area north of the Brisbane River has no community of interest with Moreton or Ipswich but strong economic, educational and recreational links with Brisbane. The Brisbane River, which flows between my electorate and the electorate of the member for Ipswich West, is a physical and psychological boundary, particularly at times of flooding. The river is used for electoral boundary purposes. Currently, it represents the electoral boundary for Ryan, and it is also the boundary between my electorate and that of the member for Ipswich West.

Secondly, according to the individuals who made submissions, the area north of the Brisbane River—the Karana Downs/Forest Glade/Mount Crosby/Lake Manchester area—receives less than a fair share of consideration by the council, and it is likely to receive even less from the future council. The third issue identified was that there was opposition to including the Karana Downs/Mount Crosby area in Ipswich City, as many people would prefer to be part of Brisbane City. They identified financial disadvantages because of Ipswich's age and maintenance requirements and the fact that 25 per cent of its rates base comprises pensioners who require subsidising. It was contended that there was a stronger community of interest with Brisbane City and suburbs. There was also a concern that a transfer of the Karana Downs/Mount Crosby area would render ineffective any opposition to the proposed quarry at Kholo Creek. Those were the issues identified in the written submissions.

On 23 July 1994, the staff of the Local Government Commissioner attended a public meeting at Mount Crosby. Over 100 people attended that meeting, and responses to a particular questionnaire were collected. Of the 100 people who responded, 78 lived in the Karana Downs and Mount Crosby area, and 22 lived in the Karalee/Chuwar area, which is across the river in the electorate of the member for Ipswich West. In some respects, the responses that those people gave underestimate the strength of feeling on this issue. In response to the question, "Where do you feel more a part of?" the answers were as follows: Moreton, 80 per cent; Brisbane, 20 per cent; and Ipswich, 0 per cent.

**Mr FitzGerald:** Where did they put them?

**Dr WATSON:** Where were they put? They were put with Ipswich. When asked about the major shopping place for respondents, the responses were: Brisbane/Kenmore/Indooroopilly, 47 per cent; locally, 30 per cent; and Ipswich/Redbank Plaza, 23 per cent.

**Mr FitzGerald:** Where were they put?

**Dr WATSON:** They were put with Ipswich. On the issue of recreation and social pursuits, the Brisbane City area polled 49 per cent; the local area polled 32 per cent; and Ipswich/Moreton polled 19 per cent. On the issue of employment, the Brisbane City area polled 54 per cent; the Ipswich/Moreton area—and they did not split them up this time—polled 36 per cent; and other areas polled 10 per cent. The clear indication coming from the respondents at that meeting was that they did not consider themselves to be part of the Ipswich area. I raised that point with the Local Government Commissioner. In my view, that issue has to be specifically addressed, but it was not addressed by the Local Government Commissioner or the Minister.

Through Market Facts, the Local Government Commissioner conducted a survey of residents of the area. The survey identified 11 different areas, and 100—or about 8.7 per cent—of the 1,150 respondents came from the Karana Downs area. In coming to its conclusion, Market Facts assigned a weighting to the various areas and weighted Karana Downs at about 8.2 per cent. The problem is that, as a statistical sample, the conclusion was invalid. The question that needed to be asked was how the people of Karana Downs area felt about the issue; but instead the conclusions were based on a sample taken across the entire area.

That phenomenon is referred to as the fallacy of decomposition. Members would be familiar with it. It would be like trying to determine the outcome of voting in a particular electorate from a poll that was conducted across the entire State. Just because a particular party is polling at a particular percentage across the State does not say anything about the number of votes that an individual member will receive in his or her electorate. That is the fallacy of decomposition, and unfortunately that is the fallacy that Market Facts and the Local Government Commissioner acted upon. This is just another reason why people do not believe that they were given a reasonable go during the consultation process.

Time expired.

**Mr BARTON** (Waterford) (11.39 a.m.): I rise to speak against the disallowance motion moved by the member for Callide. It is not hard to rise to speak against a disallowance motion that is a piece of absolute nonsense. We are wasting this Parliament's time in having an absolutely irrelevant debate about something that is well and truly over. I do not mind joining such a debate, because I can have a little fun.

I want to talk about some of the important issues as they affect my electorate of Waterford. Half of my electorate was formerly located in the Albert Shire and is now proud to be part of the new Gold Coast City Council. We cannot unscramble eggs. The elections have already been held—the Saturday before last. The result of the election of the Gold Coast City Council was declared yesterday and reported in the *Gold Coast Bulletin* and the *Courier-Mail*. I have my invitation to attend the first meeting of the Gold Coast City Council, which takes place tomorrow. As well as that, as I understand it, a sensible decision has already been reached by the new Mayor of the Gold Coast and the councillors, who come in equal numbers from the old Gold Coast City and Albert Shire Councils, on how key committee positions are to be shared between them. That will be formalised tomorrow.

These elections have already occurred. The councillors have been elected and they are already there setting about doing the job that they were elected to do on the Saturday before last. Opposition members seem to want to ignore this process. They want to say, "We can knock this over with a disallowance motion in the House." What a ridiculous position that would be if they were to succeed, which of course they will not.

The Opposition wants to ignore the process that has taken place. Members opposite have got up, particularly the shadow Minister, the member for Callide, and told this Parliament that there was inadequate consultation and that people do not want these amalgamations. I would like to refer briefly to the amount of consultation that took place in my electorate, which contains part of the new Gold Coast City. Over the approximately two-year period while Local Government Commissioner, Greg Hoffman, was conducting his review, there was a very large amount of consultation with the public through the old northern area of Albert, including documentation that was mailed to every household. Every household was invited to present submissions, was provided with information about what was being proposed and had delivered to it information about the four options that the Local Government Commissioner was considering to assist them in considering their position. They could then state any concerns they had and put their position to him.

Public meetings were called around the entire area by the Local Government Commissioner. From my experience, those public meetings were not particularly well attended. In my experience, particularly when I was a union official before I came into the Parliament, if a meeting was called and hardly anyone attended then, typically, that was taken as meaning that people were pretty happy with and pretty okay about what was going on. However, believe me, when they were upset about an issue, they could not all be packed into the hall and they made life pretty fiery and pretty tough. The public meetings that were held were pretty quiet affairs. Certainly there were some concerns which were raised, but the process of consultation took place.

The Local Government Commissioner produced an interim report suggesting what he thought he would be doing and in fact then called for further submissions. Then he presented his final report, which is the report that was accepted by the Minister and put into place the week before last with the elections. The reality is that there is already a new mayor and 14 new councillors who are getting on with doing the job. That is what we should encourage them to do.

**Mrs Woodgate:** Without Kerry Smith.

**Mr BARTON:** I really like that interjection, because I think that getting rid of that fruit loop Kerry Smith out of the area was the greatest service that has been done to the Gold Coast City Council for some time.

**Mr T. B. Sullivan:** I hear she's going to challenge Yvonne Chapman for the Mayor of Pine Rivers.

**Mr BARTON:** That would be great. I return to the issue. The final report that was brought down by Commissioner Hoffman was quite a surprise to many people. I will acknowledge that it was quite a surprise to me. I was one of the people who had a different view, and in a brief submission to the commissioner I expressed my view that we needed to maintain two shires, one north from Nerang to Beenleigh, and one to the south of Nerang. However, the commissioner's report contains very good and cogent reasons as to why his view should prevail. That is the view that has prevailed and that is the view that is now accepted by the people in that region.

I will again acknowledge that there was a degree of sadness involved with this amalgamation. I attended the last meeting of the Albert Shire Council, where people were wearing black armbands and there was a man in an old-style undertaker's suit distributing the coffee and the cakes. There was a degree of sadness because that shire had existed since 1949. We should look at precisely why it was established in 1949. At that time there was a redistribution of councils and an amalgamation of a significant number of councils. So it is not the first time that amalgamations have occurred.

In 1949, the old Waterford Shire, after which my electorate is named, was done away with and merged into the new Albert Shire. The old Beenleigh Council was also merged into that shire at that time. Some 15 years ago, when Logan City was formed, areas were cut off and other changes were made to the boundaries of the Albert Shire. I would suggest that the formation of Logan City at that time by the then National Party Government is a complete contrast to what has occurred on this occasion with the good consultation and planning. In forming Logan City, the reality was that the Nats allowed a problem to develop. All of a sudden the new dormitory suburbs of Brisbane, which effectively were located in north Albert, had no services, or poor services. They were a problem to the National Party because, heaven forbid, they were filling up with Labor voters, which would upset the balance in the old Albert Shire. So those dormitory suburbs were cast adrift. We still wear some of the problems of services catching up in Logan City, which takes in half of my electorate, so I am very familiar with the problem there. So the difference between what happened with the

formation of Logan City is good planning and that the decision of this Government followed a long period of consultation.

I refer now to the deamalgamation attitude of the Opposition. The Opposition Leader is on record saying that a National Party Government would deamalgamate the councils. What a ridiculous proposition. I dare say that this little stunt of calling on this disallowance motion is part of that strategy by saying, "We will be good; we will deamalgamate those councils when we win Government." Gee, it will be a long time before that ever happens, if ever.

**Mr Mackenroth:** Some of the new mayors are going to start campaigning against forced deamalgamation.

**Mr BARTON:** I am very sure that there would be a campaign by some of the new mayors. The important point is that the new Mayor of the Gold Coast City Council, even though he was one of the people sad to see Albert Shire Council go, has the bit between his teeth and he is getting on with the job. Having been elected as the Mayor of the new Gold Coast City Council, I am very sure that he will not want to go back to being mayor of the old Albert Shire.

Implicit in Commissioner Hoffman's report is the fact that this is a huge growth area that simply needs the might, strength and resources to do the big job that needs to be done over the next 10 or so years. These councillors and the mayor have been elected for five years to do that job. Already it is starting to show that some of the issues that were of concern even in the election debates of several weeks ago can be resolved more effectively by the fact that those two councils have been amalgamated; there will be a big saving in resources. Even the member for Merrimac accepted in his contribution to this debate that there will not be the haggling of the past. We now have a single council that can work constructively with this Government in terms of providing the huge resources that will be needed in that area for the hundreds of thousands of extra people who will move there in the next 5 to 10 years. Those people do not need a sword hung over their heads by the Opposition saying, "If we win Government, we will deamalgamate." I would suggest that, if Opposition members were to carry on in that manner, all they would succeed in doing is to make sure that many of the people who did not support the Labor Party in the past would support it to get re-elected yet again to make sure that none of that nonsense occurs.

I will wind up my contribution to the debate. I congratulate the mayor and those councillors who were elected, particularly the ones in my electorate. It was a tight contest for both the councillors and the mayoralty. I think that one person lost because he declared Beenleigh to be a black hole that he did not want, and the people of Beenleigh remembered that and voted for the other contender.

Time expired.

**Mr GILMORE** (Tablelands) (11.49 a.m.): I join in the debate on the disallowance motion on the local government regulations to express my concerns and the concerns of my constituency about the possible future amalgamation of councils in the Tableland region. I understand that they are not currently on the list of councils being considered for amalgamation. However, I also understand the process that we have been going through, and I recognise all the symptoms of the likelihood that those councils will be included in the next round. I want to place on record the concerns of my constituents and, in particular, my concerns. In a few minutes, I will give the reasons why.

I begin by answering the scandalous proposition that was put by the member for Waterford in respect of the process that the Local Government Commissioner went through recently in amalgamating those councils and the process that he will go through in amalgamating other councils. The member said that extensive and broad consultation was undertaken. No-one would deny that there has been quite considerable consultation. However, it is not how one consults but what one does with the information and whether one takes any cognisance of the outcome of that consultation.

**Mr McElligott:** It's really whether you win or lose.

**Mr GILMORE:** That is the kind of arrogance that we have learned to expect from the Government. I am disappointed that that comment came from the member for Thuringowa. Usually, he has such a sunny disposition. This morning, he must feel unwell, so I will forgive him for that one aberration.

It is a grave disappointment to the people of Queensland that the Government puts up that facade of consultation, which they spread far and wide. The member for Waterford said that Government members even put things in letterboxes to let people know. Putting things in letterboxes is a waste of time, as is

expecting people to come to a public meeting when they are dismayed with the process. When they know that whatever views they express will be ignored, of course they will not go to the meeting.

**Mr Springborg:** Four years out our way, and we just gave up in the end.

**Mr GILMORE:** The member for Warwick said that after four years people stopped going to public meetings, because they knew that they were being dudded. People are not that dull. They go along to meetings for a while. Then they recognise the symptoms. They start to smell fish and decide that they would rather stay at home and watch the football because it is easier that way. They decide that they will not beat their gums any more; they will not be lied to any more. It is easier to let it happen. Unfortunately, that is the way it happens.

I will respond also to what the member for Brisbane Central said in his contribution to the debate last night. I was extremely disappointed to hear the vitriol from him. Usually, the member for Brisbane Central offers a very intellectual input into debates. He is held in high regard for that. However, he said that local councils have long been considered to be a training ground for National Party politicians and for National Party apparatchiks.

**Government members:** It's true!

**Mr GILMORE:** There it is again. That is a reflection of the attitude of the Government. "It is true", they said. Stand up all those on the Government side who have ever been on a council. Stand up. They will not because they do not want to be exposed for their own hypocrisy. The problem that I have with what the member for Brisbane Central said is that that bitter vitriol, that bitter, miserable outlook, is apparently justification to rush out and change the boundaries of local governments. I wonder whether that miserable reasoning will change the outcome in terms of whether National Party people or Labor Party people are members of councils.

The truth of the matter is that people from all aspects of the political spectrum who are politically ambitious are also socially conscious and want to serve their community, so they run for council. That is not an unreasonable expectation for people——

**Mr FitzGerald:** Did you run for council yourself?

**Mr GILMORE:** Yes, I ran for council because I had some expectation that I might be able to provide some service to the people of my community. Is Tom Pyne a Labor man? For how long has be been a member of a council—over 30 years. Nobody in this House would ever say that he did not have a deep and abiding commitment to his community. He does so and he has proven it over 30 years. He is not a National Party man. There has never been any pretext of that. The Government has allowed itself——

**Mr Springborg:** Mr Livingstone is the same; he was in council.

**Mr GILMORE:** Yes, of course he was in council. He is a good fellow, too. His local government experience was a great stepping stone for him to come into this place. Since he has been here, he has not shone. Nevertheless, he went through that process and it has not hurt him much.

The question that I raise is: why does the Government allow itself to be so taken over by that bitterness against National Party people who happen to have served on councils over the years that it goes through that whole process of amalgamation? That was exposed not only by the member for Brisbane Central but also by the galahs on the back bench.

**Mr Livingstone** interjected.

**Mr GILMORE:** Listen to them. They are enjoying themselves immensely.

I return to my original proposition, that is, that I am deeply concerned about the prospect of the amalgamation of Tableland shires in my electorate. I am deeply concerned because my electorate comprises a number of little communities. Those councils are not large. The region covered by the Eacham Shire Council has only several thousand people. However, the councillors do an immensely good job because they are local people. It is a local council. The best types of local government that one could find are the councils that reside in the electorate of Tablelands.

I do not subscribe to the theory to which the Government apparently subscribes that bigger is better. I subscribe to the view that local councillors ought to be the people who walk down the street fairly regularly, who know the potholes by name and who, because they live in their community on a daily basis, understand the needs and aspirations of the people in their community. They do not rush off to Brisbane and do other things for six months of the year. They are in the community. They are the people to whom the constituents go if they have local issue problems.

What if the Government were to amalgamate Atherton, Eacham and Herberton Shires? That is the likely outcome, from what we see of the profile of the other shires that are listed for amalgamation, including Emerald/Bauhinia and Esk/Kilcoy. Those are the same types of little communities, the same distinct little groups of people who have learnt to understand their local area. Those councillors understand very well the needs and aspirations of their local group and they provide an excellent service.

If the Government were to carry out that amalgamation, it would result in one shire with many little cores and many little towns. Probably, Atherton would be the centre of that shire because it is the largest town in that amalgamated area. Community of interest is one of the main criteria that ought to have been considered by the Local Government Commissioner. Under the guidelines, the commissioner refers to community of interest. What similarity of interest do the people at Topaz have with the people at Mount Garnet? None—absolutely none! They do not shop in the same place. They do not get their medical services from the same place. They do not care about each other terribly much because they go about their daily business without the need to communicate.

All of a sudden, what will we have? The larger, more populous areas will have all of the councillors and will have all of the say. Those people who are now being well served by local government—I emphasise "local" government—in my electorate will suddenly find themselves cast adrift because they will not have the say that they now have in the management of their own affairs.

I conclude by saying that I am gravely concerned that the Government also has not paid sufficient cognisance to the change in the efficiency and the change in the cost of amalgamated administrations. Apparently, the view is that if administrations are amalgamated across three or four shires, better outcomes are achieved. That is not necessarily the case and most certainly would not be the case if the shires of Atherton, Eacham and Herberton were amalgamated by the Minister after the next election. I will most certainly carry that message to my electorate.

**Mr CAMPBELL** (Bundaberg) (11.59 p.m.): I rise to speak after the member for Tablelands, having listened to the continuing hypocrisy from members of the National Party who continually imply that there should be no politics in local government and that there are no National Party politics. Members of both the Labor Party and the National Party have used local government to get a political life for themselves. Those members include people from the National Party, such as Berghofer, Akers, Chapman, Gunn, Harper, McCauley and Gilmore, and Warburton, Shaw, McElligott and Kruger from the Labor Party. The hypocrisy is that when Labor members stand for election to local government, they have the guts to stand under ALP endorsement. Members of the National Party try to hide themselves as Independents and some have even resigned from their party in order to enter local government.

There are two ways of changing local government boundaries. It can be carried out in the manner that the National Party did it, or it can be carried out in the democratic manner employed by this Government through the Parliament. Under the National Party Government, a Minister would get into a plane with a couple of National Party shonks, fly over an area and say, "No, we want to draw our boundaries here, there and everywhere else." That is how the National Party did it, and that is how Hinze did it. The City of Hervey Bay was established not by consultation—not by talking to the people—but by flying over the area with a few mates in a plane and saying, "We are going to change it." That is what the former Government did. How was the City of Logan established? Members of the National Party did not go to the people of that area and say, "We want you all to have a say in whether we are going to have a new city." No, they just did it. It does not matter what process is used, a decision has to be made. That process can include the appointment of an independent commissioner followed by consultation, or it can be done in the good-old-days-of-the-National-Party way, which does not give a damn about anyone.

Debating this disallowance motion is like debating the Year of Remembrance. It has been 50 years since the Second World War. Let us remember the good old days. Let us not change the Standing Orders, which is what Opposition members were suggesting the day before last. Changes have been made to question time, and I believe the system is better already. I believe that everybody would agree that question time is better. Members opposite did not want those changes; they wanted to go back to the good old days. I have come to realise that people who want a return to the good old days are people who lack vision for the future. People who lack vision for the future are always talking about the good old days.

Whenever members talk about the amalgamation of local authorities, the member for Lockyer says that, in a caucus meeting, the member for Bundaberg rose and spoke about the need for change in local government. I spoke strongly about that subject for one reason, namely, that there was a lack of democratic representation in local government. In the Kingaroy local authority area, the voting power of the townspeople was 27 times less than that of the rural residents. Those residents of Kingaroy were being disfranchised by the National Party. For some unknown reason, National Party members believed that the people who lived in Kingaroy were somehow not as good as those who lived outside Kingaroy. That is what we voted against.

The honourable member for Lockyer mentioned representation. In some local authorities, the elected representatives had 2,500 constituents, and that figure increased to 6,000. He said that that was wrong, because those representatives could not adequately serve those people. When the National Party was in Government, one representative in Caloundra served 7,000 people, and another served 2,000. Why was it good enough in those days for people to have 7,000, 8,000 or 10,000 constituents?

**Mr Nunn:** I look after 48,000 people.

**Mr CAMPBELL:** That is right, and the member does a very good job in Hervey Bay looking after 48,000 people.

In some ways, the independent commissioner has taken the easy way out by recommending amalgamations, because the representatives in local authorities were not prepared to work. Every time local authorities were asked to get together to do something as a joint arrangement, they could not do it. Honourable members should consider what happened when the boundaries of a particular area needed to be changed because a particular city had expanded. We could not get those local authorities and representatives to talk to each other. They were not interested in their ratepayers; they were interested only in themselves and their own power. When it was time to talk about valuing assets and moving debt from one local authority to another, they could never agree. Therefore, the solution was amalgamation, and that is what has happened.

**Mr Dollin:** Bill Gunn said there was 10 times as much brokering going on within local government as there was in the previous National Party Government; so that would have been quite bit.

**Mr CAMPBELL:** Yes, we are looking after that, too. We can be proud of what we have done through local government. I believe that once the changes are made to the boundaries, the people do not care; they are quite happy as long as they get good representation. We will make certain that that is provided to the people of Queensland.

**Hon. T. M. MACKENROTH** (Chatsworth—Minister for Housing, Local Government and Planning and Minister for Rural Communities) (12.06 p.m.): I urge all members to vote against the motion moved by Mrs McCauley. I do not believe that we should send the people of the Gold Coast, Ipswich and Cairns back to the polls. They are quite happy with what happened. Two weekends ago, elections were held in those areas, and they now have councils that will be in place for five years. The effect of supporting this motion would be to pull those councils apart. We would have to go back to square one and start again with new elections. I really do not believe that is what people want. So I urge all members—not just members on the Government side but also on the Opposition side—to vote against this motion.

I ask all members to think about the amalgamation of the Gympie and Widgee Shires to become the Cooloola Shire, which occurred approximately two years ago. At that time, people were saying that the whole world was going to fall apart. Now, that council talks about amalgamation as being the best thing that ever happened to it. The amalgamation in Mackay is also going really well. I understand from the member for Warwick that his area now has a very good council, and he thinks that it is doing a great job. That council, which was the first of the super-councils, serving approximately 20,000 people, is about three-quarters of the size of a Brisbane City Council ward.

I am sure that the new councils that have been elected on the Gold Coast and in Ipswich and Cairns will do a good job and that they will prove that amalgamation was the right decision to make. If members of the National Party ever get back into Government and start talking about deamalgamation, they will be roasted from one end of the State to the other.

Motion negatived.

## ASSOCIATIONS INCORPORATION AMENDMENT BILL

### Second Reading

Debate resumed from 25 November 1994 (see p. 10868).

**Mr ROWELL** (Hinchinbrook) (12.09 p.m.): The Opposition is not opposing this legislation, but it has some very real concerns about it. For that reason, I foreshadow a small amendment at the Committee stage which the Opposition believes is vital to the proper operation of this basically good legislation. The Associations Incorporation Act 1981 has assisted many organisations to reduce the liability to the assets of the incorporated body.

In the past, it has been necessary for a group seeking incorporation to submit an application to the director-general. That will still be the case, but the Opposition believes that there are some shortcomings in the provisions for considering that application. Basically, the fundamentals of the Act allow an incorporated association to go about the business of running the organisation without gain or liability to its individual members. For example, the members of many sporting organisations in Queensland work extremely hard to promote their club. Very often, considerable assets accrue over a period and the popularity of the sport and the patronage of its followers gives the incentive to the incorporated body to build clubhouses and grandstands and to provide other amenities. In some instances the club has become an institution by providing entertainment and family-type facilities for its members as an adjunct to the sporting activities.

Other organisations such as welfare groups work untiringly to assist the needy and disadvantaged people of our society. Many members of those organisations are volunteers who are dedicated to assisting a wide variety of people in our complex society to cope with the circumstances that require their resources. The incorporated bodies provide clothing, food and advice in a range of areas to enable those requiring help to once again lead a normal life.

The Associations Incorporation Act has allowed individuals with a common interest to get together to promote that interest without the concern of their personal assets being at risk through litigation, but with the benefits derived staying with the association.

Under the Act, there is a requirement that an annual audit is to take place except where an exemption is granted. The objectives of this amendment Bill are generally supported by the Opposition as they clarify the process of incorporation and give greater autonomy to associations to conduct their legal affairs. However, there are potential problems, which I would like to bring to the Minister's attention. Basically, they centre on the question of the rules that would govern the body after incorporation. An association that indicates it would adopt the model rules would have its incorporation approved as a formality. The difficulty arises when members of the proposed incorporated body decide that there may be a specific need for rules other than the model rules. I am not criticising such a decision because the purposes of the association may lead the members to see the need for some special rule. The Minister has indicated that 60 per cent of associations making application for incorporation will use the model rules. There is also recognition by the Minister that 40 per cent will not adopt the model rules.

The Minister has also indicated that, among that 40 per cent, there could be instances of incorrect rules being registered—rules that do not comply in all respects with the requirements of the Act. That can happen, because this amendment Bill provides that the application for incorporation may include a statutory declaration that the proposed rules comply with the Act. The chief executive may then go ahead and grant registration of a newly incorporated body. If the department later becomes aware of rules that do not meet the requirements of the Act, it can write to the association requesting a change.

Proposed new sections 11 and 12 state that the chief executive may require the applicant to give further information. There is no apparent requirement for the rules to be examined prior to incorporation, and there can be serious consequences of that. For example, consider the case of a small club with limited finances, but which wishes to incorporate. It might depart from the model rules and, without seeking legal advice, propose others. If in a future conflict it was found that the rules adopted at the time of incorporation did not comply with the Act, it is likely that a number of things could happen. The person signing that original statutory declaration on behalf of the whole membership could be held liable for not complying with the Act. If that were the case, irrespective of the association gaining incorporation status, it might be considered that the Act had not been complied with. Some doubt could then exist regarding the incorporation bona fides. Should this occur, in the event of a legal challenge every member of the association could be held liable.

Consider the situation well down the track from the time the approval for incorporation

was granted. The original members of the board may be long gone. The person who signed the original declaration may be long gone. A new generation of members may find that rules they had not written or submitted fall outside the Act. They may find that incorporation is ruled invalid and, as members, they may find themselves liable for things they had nothing to do with. It would be better that any departures from the model rules would have to be examined and approved by the chief executive prior to the application for incorporation being granted.

I now move to the question of the amendment of rules. If an incorporated association decides to amend its rules, it must apply to the chief executive for registration of the amended rules. Again, a statutory declaration must be made that the amended rules comply with the Act. The chief executive must grant or deny the application and, within 14 days of making the decision, must give written notice to the association. If the chief executive grants the application, then the amendment must be registered. There is a requirement that the chief executive must consider the application but, once again, there is no requirement obliging the chief executive to ensure that the rules fall within the Act. Scrutiny of the rules of an association by the chief executive may never occur.

The Opposition understands the reasoning behind this particular linked series of amendments. After all, they are very similar to those passed in 1989 by the previous Government, but never proclaimed. Those amendments were designed to speed up the process of incorporation and to also cut down the amount of work done by department officials. In 1989, those amendments were proposed by the National Party and supported by the Liberals under Angus Innes. I make no secret of the past support that the National and Liberal Parties gave for a more expeditious process of incorporation. Of course, the Opposition is in favour of whatever we can do to cut red tape and make things easier, and it supports the Government's revival of attempts to do that. However, the Opposition also makes the point that we elect Governments to get things right rather than to fall back on simple expediency.

It is almost seven years since similar proposals were put forward and the passage of time gives us the opportunity to refine our ideas. Many people have made representations to me because they believe this proposal will result inevitably in real trouble for association members who do not adopt the model rules. Like me, they believe that the chief executive should be obliged to consider carefully any departures from the model rules in terms of conformity with the Act. It might take longer, but in the long run the members of the associations would welcome the protection.

I would like to remind members of the House of what was said in the debate on similar measures in 1989. The Labor Party was so upset by the proposals that it forced the House to divide on the issue. The current Attorney-General even treated the House to a little fiction about an association of defeated National Party members and the trouble that they could get into under legislation providing for easier incorporation under non-standard rules. I hope he remembered that story when these amendments went through Cabinet. After all, plenty of his current colleagues might be missing the intense camaraderie of caucus by the end of this year and they might be seeking incorporation of a mutual support group. They may call themselves something like the "stuck with Wayne too long club". The membership could probably include the members for Mulgrave, Whitsunday, Barron River, Hervey Bay, Maryborough, Caboolture, Redlands, Albert, Mount Ommaney, Mansfield, Springwood and Sunnybank. Should I go on?

The point is that in 1989 the Attorney-General thought that amendments just like these ones would be a real burden on such a group if it decided to incorporate. I would like to read from the relevant section of *Hansard*, because it is important. During the debate which was resumed from 15 October 1988, and which took place on 8 March 1989, Mr Wells said—

> "The Opposition opposes this Bill, and the basis of that opposition is that nobody should be a judge in his own cause. The end result of the proposed amendment to the Associations Incorporation Act is that people who write regulations will in fact be judges in their own cause.
>
> The Associations Incorporation Act is an important Act because it gives very considerable powers and rights to people who enter into an incorporated association. In order to bring the matter more concretely and clearly to the minds of honourable members, let me illustrate the point by example."

He then goes on to discuss some defeated National Party members who formed an incorporated body. He continues—

"Many benefits of association would accrue to the members. For example, some of the benefits of incorporation are to be found in section 22 of the Act, and include: that the members could take or acquire shares or other securities; that they could invest and deal with money; that they could advance or lend money or give credit; that they could borrow or raise money; that they could pay wages; that they could draw promissory notes; and that they could hold mortgages. This group of defeated National Party members would then be in a position to actually enter into all those transactions; but more than that, they would not be personally liable beyond the value of the assets of their own incorporated association for any losses that might be incurred. Section 24 of the Act states—

'A secretary, member of a Management Committee or member of an incorporated association . . . is not personally liable, except as provided in the rules of the incorporated association, to contribute towards the payment of the debts and liabilities . . .'

In other words, many legal privileges of considerable significance attach to being incorporated under the Act.

Let us assume that this group of former National Party members decides to draw up the association's regulations. Under the Act as it stands now, they would have to submit the rules of the organisation to the Department of Justice, which would then go over those rules with a fine-tooth comb to determine that they were drawn up in accordance with the Act. As soon as that was done, the under secretary would certify that the rules were in accordance with the Act and the association would be allowed to go ahead and form itself into an incorporated association. That is fine, but what the Government is proposing to do with this amending legislation is change that procedure so that instead of the Justice Department determining that the provisions, rules and regulations are in accordance with the Act, the association itself would determine that the rules were in accordance with the Act."

**Mr Budd:** Do you know what you are talking about?

**Mr ROWELL:** This is Dean Wells. The speech continues—

"What if this little group of former National Party MPs drew up a set of rules and regulations to provide that the former Deputy Premier would always be president of the association, or that the member for Greenslopes would always be the secretary, notwithstanding the results of any proceedings at an annual general meeting? What if, for example, it was decided that the auditors of the association would be members of the management committee of the association and that this was done in ignorance of the fact that that would constitute a serious breach of this Bill? What if they did that honestly, but in ignorance of the fact that they were breaching the provisions of this legislation? What does this Bill state in respect of those circumstances?"

And this is what will happen under this legislation. The speech continues—

"In clause 4(b) the Bill states—

'(2) Where the person authorized to prepare the application is of the opinion, formed on reasonable grounds, that the proposed rules of the association . . . are in accordance with the provisions of this Act he may certify to that fact in the prescribed form and annex the certificate to the application.'

All that is necessary is that one of the former members certifies that in his opinion these provisions, rules and regulations drawn up for the association are in accordance with the Act, and the provisions, rules and regulations can be valid. What happens then? The appropriate official in the Department of Justice can take those rules and regulations and file them. Clause 6 provides that the application can be filed in the appropriate place, but if any query is raised about the validity of the rules, clause 7 would apply—

" 'Section 64 of the Principal Act is amended by, in subsection (2) . . . including the words . . . 'Under Secretary' and substituting the following words . . .' "

The next part is not relevant, so I will move on. It continues—

"That will be evidence of the fact that these are the rules of the association, and the rules become evidence by virtue of the fact that they exist. What type of evidence do they become?

> This is the nub, because this is where this little associated group suffers. They have relied on the fact that the rules, having been drawn up, shall be evidence that the rules are valid, but that will not be sufficient evidence. The legislation does not say that the existence of the rules will be regarded as conclusive evidence and it does not say that it would amount to conclusive evidence that would set aside any other evidence that might be offered. The fact is that when the members of the association get into court, they then discover that their rules are not in accordance with the Associations Incorporation Act. The consequence is that the settlement of any difference of opinion or disputes over their legality or conformity to the law as set out in the Associations Incorporation Act will be transferred from the Department of Justice. At present, such a settlement is not a costly exercise. Previously, the Department of Justice supervised the applications and said to people, 'No, you've made a mistake there. Go back. Have another look and do it again'. The supervision will be transferred from the department to the court and people will find out when they actually get into court that they have failed to adhere to the provisions of the Associations Incorporation Act. What appeared to be a benefit in the first place turns out to be a serious detriment to associations."

The Leader of the House also waded into that debate in 1989. He, too, was against essentially the same measures that we are debating today, the difference being that it is Labor putting them forward this time. I believe that if we amend the Bill to oblige the chief executive to scrutinise rules other than the model rules, given the delays that could cause, more groups would adopt the model rules. The 40 per cent about which the Minister spoke when he introduced the Bill would fall, and we might not take up so much of the time of the department, anyway. Later in this debate, I will move an amendment to make that possible.

A better mechanism needs to be evolved to cover the situation in which an intending affiliate of an umbrella organisation in the undesirable name category, such as a chamber of commerce, makes an application for incorporation. There may well be an association which would seek to use a variant of the name of a high-profile incorporated organisation to give itself credibility and prominence. Recent practice has been to reject any application for incorporation using the name of a prominent or respectable organisation such as the Queensland Chamber of Commerce. Applicants whose original application was rejected had to then reapply, and if they were legitimate, the name was accepted.

I have suggested previously that organisations such as the Queensland Chamber of Commerce could inform their auxiliary organisations that, if incorporation is intended, they should request a letter of recognition for lodgment with the application. This would circumvent the department's practice of initially refusing the application because the application may not be considered by a departmental officer with sufficient authority to make a positive recommendation. The Ingham Chamber of Commerce experienced that difficulty, but I understand that the term "chambers of commerce" has now been removed from the list of undesirable names. I just wanted to make that point.

**Mr Burns:** Universities are the same—and football clubs. Universities are exempt.

**Mr ROWELL:** I am well aware of that, but there may be other organisations that have sufficient status or that want to be incorporated whose parent bodies are not aware that they are seeking incorporation. I believe that the process could be expedited if parent bodies forwarded a letter on behalf of the bodies or associations that were seeking to be incorporated to indicate that they are being incorporated with their good grace.

**Mr Burns:** Some of those chambers of commerce have nothing to do with the Brisbane Chamber of Commerce.

**Mr ROWELL:** Yes, but many of them do have a parent body. The Minister has indicated that the term "chambers of commerce" has been removed from the list of undesirable names, and I have no problem with that. I welcome that decision. However, I again make the point that many such rejections could be avoided by the department. It should require only an accompanying letter from the parent body. Many voluntary organisations that work on a shoestring could fall within that category. It is necessary to reduce their workload and not tie them up with unnecessary paperwork. It should be in the best interests of the Office of Consumer Affairs to divert resources into more productive areas.

In his second-reading speech, the Minister also raised the matter of the growth of assets of many associations and the desirability for them to continue to be addressed under this legislation. That will be a challenging area for any Government in the future, as will those corporate organisations that see a future under the umbrella of this Act. That is one of the major reasons for ensuring that the rules for incorporation are precise in their making—to avoid any possible conflict in the future with associations that start from a humble beginning and in some instances build up a substantial asset base. An error in the rules could jeopardise their hard work and their future.

The Opposition supports the provision for the minimum number of seven members in an incorporated association. Many sporting associations have a significant component of junior members but, in the decision-making process, it is more appropriate that the members of the management committee should be adults. I can understand the need to nominate a registered office or a location address rather than a post office box address to enable officers of the Officer of Consumer Affairs to make contact with the association executive if required.

I hold only one major concern with this legislation, and it relates to organisations that depart from the model rules. Apart from that, the Opposition supports the intention of this Bill. It will provide protection to a number of organisations and will safeguard the hard work undertaken by their members. We do not want to see such organisations becoming involved in legal battles fought on a personal level. Most organisations cannot absorb the impact of the possible outcome of such action.

**Mrs WOODGATE** (Kurwongbah) (12.34 p.m.): Those of us who bothered to listen to the Minister's second-reading speech, as I am sure all Government members did, would remember that in the final paragraph the Minister told us that the amendment represented a significant step forward in the streamlining and modernisation of this piece of legislation, in that it allowed the associations to conduct their affairs without as much intrusion from Government. As a true believer in the school of thought that opposes the "Big Brother is watching you" concept, I welcome that change.

I am sure that honourable members will agree that these amendments will be a boon to those associations that wish their incorporation to take place quickly and with the minimum bureaucratic intervention. To borrow a line from British Airways, these changes will take place with a minimum of fuss. Rule changes will also be able to be made quickly and easily, and delays which have sometimes been experienced in the past will be overcome. A fast and efficient service will be provided to those persons wanting the benefits of incorporation or wanting rule changes.

The main feature of this Bill is a change from the system in which the association rules are checked by the department to one in which the rules are registered. The person preparing an application in relation to the new rules or rule changes will be required to sign a statutory declaration that the rules do comply with the Act. This change has been made because at present associations are facing long delays to incorporate because the department has to check all the rules, and the delays for rule changes occur for the same reason. With the new system, the incorporations will be speeded up because only the objects of the association will be checked. It does not take Einstein to realise that at present there is a greater workload on the department. In 1988, the year before we came to power, there were 4,000 incorporations and as at last year there were 14,000 incorporations. No other State or Territory requires a checking of the rules. The Bill is actually bringing Queensland into line with the rest of Australia.

The Bill is also assisting associations by enabling them to elect all of their office-bearers and the management committee before incorporation. Those of us who have had anything to do with the incorporation process and the election of office-bearers will welcome that change with open arms. It will now be compulsory to nominate the president and the treasurer, and it is optional to nominate the secretary of the management committee. The reason for the option of nominating the secretary is that some associations may wish to appoint a secretary after incorporation has occurred. For example, if an association is going to have a paid secretary, it may wish to wait until after the incorporation to appoint a secretary.

The association can have its rules registered with the application for incorporation, which removes the present post-incorporation requirement to hold a meeting adopting the rules and then submit them to the department. As we heard, it also removes any legal loopholes with the management committee by providing that management committee members must be adults, and that

is just good sense. If an association is adopting the model rules, there will no longer be a requirement for the association to lodge a copy of the rules with the department. The Bill will allow incorporation for the holding of property to meet medical costs of a person to alleviate a serious medical condition or injury, but this must be subject to the approval of the director-general.

We welcome the fact that the Bill also creates a right of appeal if a name is rejected on the basis that it is an undesirable one, and I can think of good reasons for that. The Bill also creates a formal system of internal review and it places a positive obligation on the secretary to transfer the property of the unincorporated association to the incorporated association within 30 days of incorporation. At present there is no such requirement under the Act, and that duty will also apply when associations amalgamate.

At present, before an association can commence a legal proceeding, it is required to obtain legal advice. The secretary is required to table that advice before a meeting of the management committee. On commencement of legal proceedings, the secretary must file an affidavit of compliance with the above matters, otherwise the proceedings could be struck out. This amendment means that associations will have more freedom in their legal affairs—for example, debt collecting—and I welcome that change. Not only will incorporation be streamlined in relation to the rules. Because associations will be able to elect office-bearers before incorporation, the necessity to elect those persons after incorporation can be removed, which speeds up the whole process.

One of the good-news parts of this amendment Bill is that there must be a minimum of seven members before an association can incorporate. That provision means that an association must be more than just a management committee. We have all had dealings with associations in the past where the executive runs the show, and that is not always to the best advantage of the associations.

The Bill also relaxes the definition of "pecuniary gain" in the Act so that, if one of the members of the association suffers some kind of bereavement or injury, members of the association can more or less pass the hat around in order to give that person some kind of financial assistance. Under the present Act, this kind of act could have been construed as giving pecuniary gain to the member and therefore it would have been prohibited. Once again, relaxing that is just good sense. An amendment following similar lines will allow incorporation for some benevolent purposes. This resulted from a case in which the department was asked to incorporate an association which was formed to provide financial assistance to a young lad who had suffered severe injuries in an accident. Once again, the present provisions of the Act prohibit incorporation when there will be a distribution of property or the income derived from that property to members. To overcome the harshness of that provision, an incorporation will be allowed if the incorporation is sought to hold property for the alleviation of the medical condition or injury.

I do not have too much to say on this Bill. It is fairly straightforward. Once again, I would like to congratulate the Minister. He is becoming known far and wide as the Minister for good sense. Most of the Bills we see coming forth from him do make good sense. I am more than happy to support the Bill.

**Mr BEATTIE** (Brisbane Central) (12.41 p.m.): As the member for Kurwongbah said, the objects of this legislation are to streamline the processes for incorporation of associations, to introduce administrative efficiencies and to update the drafting of the Act into the modern drafting style.

If we look at what has been happening over a period of time with the incorporation of voluntary associations, we will see why, in a very practical sense, these modernising provisions are not only necessary but good sense. There has been a significant upsurge in the number of associations incorporated. If we look at the following table for the period between June 1983 and June 1994, members will understand clearly what I mean—

| Year ending | |
|---|---|
| June 1983 | 125 |
| June 1984 | 397 |
| June 1985 | 998 |
| June 1986 | 1,677 |
| June 1987 | 2,876 |
| June 1988 | 4,455 |
| June 1989 | 5,885 |
| June 1990 | 7,376 |
| June 1991 | 8,975 |
| June 1992 | 10,439 |
| June 1993 | 12,105 |
| June 1994 | 13,917 |

As members would realise from that table, with 1,812 new associations incorporated in the year to June 1994, there is enormous pressure on the department to get the system right. Those figures are overwhelmingly an argument for streamlining the process,

modernising it and having a mechanism which is as automatic and as straightforward as we could possibly get.

According to the Explanatory Notes, the amendment Bill provides for—

> "The removal of the requirement for the sanctioning of rules by the Director-General;
>
> A requirement that there be a minimum number of members in incorporated associations;"—

and I will come back to that—

> "A requirement that the management committee members be adults;
>
> A requirement that unincorporated associations nominate the office bearers of President and Treasurer prior to incorporation;
>
> A requirement for incorporated associations to nominate a registered office; and
>
> Removal of most of the post-incorporation activity presently required by the Act."

Under the heading "Reasons for the Bill", the Explanatory Notes state—

> "The Associations Incorporation Amendment Bill is required in order to reduce time delays in the incorporation process and to introduce efficiencies in relation to the administration of the Act."

Madam Acting Speaker, you can understand why there would be some time delays not only in terms of the enormous number of associations incorporating, but also the fact that some would want their own rules and would have different approaches to incorporation, which lead to an administrative nightmare.

**Mr Rowell:** Do you support law by efficiency?

**Mr BEATTIE:** I support laws which work and laws which are in the best interests of incorporations and the people of Queensland.

On this aspect, the aim of the Bill is very clear. Clause 8 states—

> "An association may, by special resolution
>
> . . .
>
> (a) decide to incorporate under this Act; and
>
> (b) adopt proposed rules for the incorporated association."

This is what the member was talking about. It states further—

> "The proposed rules may be the model rules or its own rules."

Clearly, most associations can do with model rules. They do not need to have rules that are not model rules. Over the years, I have been involved in quite a number of voluntary associations and model rules more than adequately suffice.

**Mr Rowell:** Why was Dean Wells concerned about this very aspect in the Parliament when he was in Opposition?

**Mr BEATTIE:** I am not looking at history; I am only interested in the future. I can tell the member that the current situation, based on the statistics I have already given, has shown a major upsurge in the number of associations being incorporated. Most of those associations require model rules and model rules only. Let us use a bit of commonsense. Let us say to these associations, "If you follow the model rules, all you have to do is go through a very simple process", which is set out in clause 11, which states—

> "An application for incorporation of an association may be made to the chief executive in the approved form.
>
> . . .
>
> (3) The application must—
>
> (a) if the association's proposed rules are the model rules—state that fact and include a copy of the objects proposed for the incorporated association . . ."

That is it. It is very simple, straightforward and very workable.

I refer to Clause 11(3)(b), which is what the member is concerned about, which states—

> "if the association's proposed rules are not the model rules—be accompanied by a copy of the proposed rules and a statutory declaration by the appointed person stating that the rules comply with this Act."

That is putting the onus on the association that does not want to have model rules and saying to them, "You get your rules to comply with the Act, and you put in a statutory declaration to that effect." I think that is very practical and I think that it will work.

I have to say that, from the many years of experience I have had with voluntary associations, they will all pick up the model rules. This is good commonsense.

**Mr Rowell:** There will be very few that won't be picking them up.

**Mr BEATTIE:** The member is exactly right. I imagine there would be very few associations that will not pick up the model rules.

**Mr Rowell:** But if they decide to depart from the model rules?

**Mr BEATTIE:** It is simple. They have to certify in a statutory declaration that the rules comply with the Act. Again, it is very simple. Many of those associations will have some hardworking, diligent lawyer like I used to be who will assist them in making sure——

**Honourable members** interjected.

**Mr BEATTIE:** There should be no more attacks on hardworking, diligent lawyers who are the foundation of this State——

**Mr Burns:** Ornery lawyers.

**Mr BEATTIE:** I did not say what the Deputy Premier said, I would say that honorary lawyers will assist them. That is what happens. Members know that voluntary associations always have someone in that capacity, or someone knows someone who will be able to provide the assistance. These amendments are just commonsense. I will leave my colleague the honourable member for Chermside to deal with some of that detail, too, because I know that he intends to talk about the matter that the member for Hinchinbrook just raised.

Clause 7 provides that an association has to have a membership of no fewer than seven individuals. I think that is a sensible provision. According to Clause 7(1)(c), an association cannot be formed or carried on for the purpose of providing financial gain for its members. Again, they are very commonsense provisions.

I want to refer to a couple of other matters. The amendment Bill introduces the concept of a registered office. The primary reason for requiring associations to nominate a registered office is that, in the past, many associations have provided only a post office box as the point of contact for the department. This would make the conduct of an investigation difficult. The primary function of the registered office therefore would be to allow the department to contact the association in the event of an investigation. Again, that is very sensible.

The Bill does not contain any requirement for such things as inspection of documents to take place at the registered office, nor does it stipulate any opening times. The provision respects the privacy of association members and is not intended to import the provisions of the corporations law to the registered office. Again, that is fairly straightforward. As we all know, corporations law does put a very heavy onus on corporations for the location of their registered offices for the service of documents and other things.

Honourable members will note that associations which have already been incorporated will have a year in which to notify the department as to where their registered office will be. The department will most likely notify associations when their annual returns are due that they will be required to supply the office with details of the registered office. Associations will then be able to supply details of the registered office when they submit their annual returns. Again, that is very straightforward.

The Bill makes the legal position of management committee members clear by providing that the majority of members of the management committee must be adults. The amendment clears up any uncertainties that may arise in a case in which children are represented on management committees.

The Bill removes the onerous provision that, unless an association files an affidavit of compliance stating that it has obtained and tabled legal advice in relation to commencing legal proceedings, the legal action instituted by the association may be struck out. I will return to legal responsibilities in a minute. The deletion of that provision will mean that associations will have more autonomy in the conduct of their legal affairs because they will not incur the costs of complying with that provision in conducting routine legal matters, such as debt collecting—something that associations will be delighted about.

The Bill also removes legal uncertainties that can arise in relation to the property of associations. At the moment, there is no positive duty on the secretary of an unincorporated association to transfer property in the name of the association into the name of the incorporated association—an oversight, to say the least. The Bill puts it beyond doubt that the secretary is required—I repeat, is required—to transfer property into the name of the incorporated association within 30 days of incorporation. The same requirement applies following amalgamations of associations. As all members would know, that happens from time to time.

The Bill also introduces into the Act its own system of internal review. If the department has not already done so, a person

will be entitled to receive reasons for a decision made. If that person is not satisfied with the decision, the matter may be taken on internal review. An appeal will ultimately go to the District Court. The Bill also updates the language of the Act from references to the old companies law to the corporations law. Further, the Bill updates the drafting in the Act to a simple English style, which will make the Act easier to follow.

I was interested to read an article that appeared recently in the *Australian* of 5 January 1995, which referred to the possibility of prominent Federal and State politicians and trade unionists in New South Wales being responsible for the debt of the ALP in New South Wales. The only reason that I raise this is that, obviously, the Labor Party is in the position of an unincorporated association. Incorporation protects the individuals in an association from being personally responsible for legal action commenced against them, so that individuals are not personally destroyed financially because of their legitimate activities as members of a registered association. The only exemption to that would be if its rules provided for some sort of responsibility. I have serious doubts about the legal position of those party members in New South Wales; I doubt very much whether, even though it is unincorporated, they would be legally responsible. Under this legislation, that situation could certainly not arise in any manner, shape or form in Queensland. That point is important, and it must be made.

Provisions 12, 13 and 14 refer to objections and give people ample opportunity to make sure that, if they are unhappy with the possible registration of an association, they have appropriate objection mechanisms available to them in the Act. When voluntary associations and associations generally apply for incorporation, they will be delighted with these provisions. There will be enthusiasm for the amendments and the new provisions.

**Mrs McCAULEY** (Callide) (12.53 p.m.): It is rather ironic that the side seems to have changed ends. It is almost as though this is half-time. It is all very interesting. Life goes on.

The aim of the Bill is to allow unincorporated associations to become corporate entities. In terms of incorporation—the one thing that seems sure to me is that, over the years, associations that have become incorporated have paid the Government some hefty fees. This Bill is aimed at speeding up the incorporation by replacing the scrutiny and sanctioning by the Office of Consumers Affairs with a statutory declaration that states that the rules proposed by the association are in accordance with the Act. That simply follows other State legislation. As the member for Brisbane Central said, most associations use model rules. My statistics show that 60 per cent of associations use model rules, but 40 per cent do not. The member may care to disagree with that; however, that was the figure that my research showed. This legislation will push more of that 40 per cent that do not use model rules towards using model rules. My concern is that in an attempt to make the legislation more user friendly, the process may be oversimplified and that the pendulum has swung a bit too far. I hope that not too many of the necessary safeguards and checks have been removed.

The member for Brisbane Central spoke about having a registered office. Yes, I realise that a registered office is of use. However, the people in voluntary organisations in my electorate to whom I spoke about the Bill view the requirement for a registered office—as opposed to a box number—as a point of contact as causing difficulties. Many of those organisations, such as the Biloela Eisteddfod Society, the SANDS Group, which is a support group for parents who have lost children, and other support groups have a membership that is fluid and voluntary; it changes on a regular basis. The address of their registered office may change every six months or 12 months. That was a difficulty that they did not particularly like. As to an association comprising at least seven people—they felt that five would be better.

**Mr Burns:** You can make it too small.

**Mrs McCAULEY:** Yes, I know; but in rural areas that requirement could exclude some groups from receiving the benefits of incorporation.

**Mr Burns:** Go out and get a couple of relatives.

**Mrs McCAULEY:** We should find the middle ground to make allowances for small community groups so that everybody can access the benefits of incorporation.

I turn now to a matter about which I wrote to the Minister. I am not sure whether I wrote to the correct Minister, but I certainly wrote to this Minister about it. A constituent raised with me a concern about a group that set itself up as a drought assistance group. It put an ad in the newspaper telling people to send the group their money and goods and that it would distribute them. That group is now incorporated. It is a long way from where I live, and I have no personal knowledge of the

matter. However, the concern was raised with me that that group is not what it appears to be, yet it has been able to become incorporated.

**Mr Burns:** Incorporation only checks that they meet the rules. You should really check to see if they are registered as a charity. That is the area where they need checking.

**Mrs McCAULEY:** Certainly, I will do that. It concerns me greatly that it may be a group of people, such as unemployed "blockies", who are jumping on the drought bandwagon and having money and goods given to them in good faith by city people who think that the group is an organisation that distributes goods to people in need.

**Mr Burns:** I think you have written to me. If not, I have seen the press release they have put out.

**Mrs McCAULEY:** Yes, it is a concern, and I would like some feedback on that. Those are simply the matters that I wanted to raise.

Sitting suspended from 1 to 2.30 p.m.

**Mr T. B. SULLIVAN** (Chermside) (2.30 p.m.): I rise to support the amendments contained in the Bill. Incorporation of associations will protect individuals as well as allowing associations to hold property and enter into contractual agreements. The consultation process in which the Minister has been involved has resulted in all the major groups that have been consulted giving their consent and agreement to the legislation. The practical changes will stop the delays which have been the source of complaints to many members of Parliament. The complaints have largely been about the delay that results from the Office of Consumer Affairs having to verify the rules of an association.

One of the members opposite expressed a concern about the minimum number of seven members required to constitute an association. That was dealt with by my colleague Mrs Woodgate. If a group is smaller than seven, it does not qualify for association status and should not be incorporated. The registered office needs to be simply someone's home or the headquarters of a group, whether it be a sporting group or whatever. It is practical and right that a post-office box not be the only contact that the Office of Consumer Affairs has for that association.

With respect to the main concerns raised by the member for Hinchinbrook, Mr Rowell, concerning the rules of an association, it is true that the Office of Consumer Affairs no longer needs to give approval for those rules. As the Minister explained, about 60 per cent of groups will use the model rules. With respect to the other 40 per cent, most groups want only certain modifications to suit their local needs. The Office of Consumer Affairs is still able to offer advice on those few changes that a group may wish to make.

If a person is concerned that someone will try to present a set of rules that will go outside the objectives of the Act, a number of steps are available to rectify that. Any individual member of an association can contact the Office of Consumer Affairs and ask it to check the rules to see whether the custom-made rules are contrary to the provisions of the Act. As the Minister's second-reading speech indicated, the Office of Consumer Affairs itself has a number of steps that it can take to protect the public and the association. The director-general may act to deregister an association or to order changes if it considers that it is in the public interest to do so. Those are very practical steps.

An experience that I had with the Wavell Heights Neighbourhood Society when it was seeking approval for its rules fitted into that category. The model rules did not fit their needs. I thank the officials from Treasury and the Office of Consumer Affairs who rendered assistance to the Wavell Heights Neighbourhood Society by helping it to formulate a set of rules that was very practical. The openness of the rules to members and to the public is another feature of the legislation which will make the association very accountable.

I raise one point with the Minister and ask the Office of Consumer Affairs to consider that under the model rules the quorum that is needed to hold an AGM can sometimes cause difficulties for community groups such as creches and kindergartens. I think that the model rules state that the quorum of an AGM should be twice the number of people on the management committee plus one. I understand the reason for that is to avoid the possibility of an executive dominating an association. However, the problem arises in the case of creches and kindergartens which, in an effort to involve as many parents as possible, may have a president, two vice-presidents and often the office of secretary is being divided into a minute secretary and a correspondence secretary. They have a treasurer but they also have a fees treasurer who collects fees on a daily or weekly basis from the centre. They have also a maintenance officer and a promotions

officer. It is a very good idea to get as many people involved in the committee as possible, but if the number of people for a quorum must be double the membership of the committee plus one, the resulting number can be higher than the number of parents involved in the centre. That is a matter that the Office of Consumer Affairs can look at and advise groups about. We do not want to stop those groups being involved in the community, nor do we want them to have an executive that can override the general membership.

Under the legislation, greater flexibility exists for branches, groups of branches or other incorporated associations to incorporate into a new association. That flexibility is welcomed. The Bill also provides for a series of reviews and appeals so that if a person's interests are affected by a decision made under this legislation, or if a problem arises in the operation of this legislation, proper appeal mechanisms are in place.

Some of the good features of this legislation are the communications process in which there has to be notification by the Office of Consumer Affairs of all the various steps that need to be taken, and information has to come from an incorporated association to the Office of Consumer Affairs to keep the OCA informed. The Bill provides for objections to be considered if community members, or members of the association, believe there is a problem with incorporation. The register of incorporated associations will be open to the public and the information that is available will allow the general public to see whether the association is, in fact, a legitimate group that would warrant community support or simply a front for an individual for some purpose other than the community interest. I believe these are practical changes. They are based on commonsense and they will help community groups. I support the legislation.

**Hon. T. J. BURNS** (Lytton—Deputy Premier, Minister for Emergency Services and Consumer Affairs and Minister Assisting the Premier on Rural Affairs) (2.36 p.m.), in reply: I thank honourable members for their contributions. I thank the honourable member for Hinchinbrook for his general support of the Bill. I note that he has concerns regarding the removal of the requirements for sanctioning of the rules by the Office of Consumer Affairs. Honourable members will be aware that, when it was introduced, the Queensland Associations Incorporation Act was pioneering legislation. It was the first of the modern associations incorporations statutes in Australia. In 1982, the first year of operation, only 125 associations were incorporated under the Act and, at that time, because there was only a small number of associations incorporated under the Act, a system of checking every rule would have been appropriate given that the legislation was new. There are now over 14,000 associations and it would take a staff of hundreds to do the job of checking properly. To do that we would have to charge a lot of money. Mrs McCauley was complaining about the charges but, if the system is user pays, that checking would make the process more expensive for organisations. Due to the rapid population growth in Queensland and the fact that bodies such as Neighbourhood Watch are now moving to become incorporated, the number of associations is growing rapidly.

The resources must be allocated to cover all of the matters covered by the legislation. They include the aspect of financial accountability and policing matters required by the regulations. We can assign staff either to those tasks or to checking the rules of the associations. Resources cannot be confined to one labour-intensive and costly aspect of a statute. When associations apply to become incorporated, they are supplied with a kit by the department. I have a kit with me. If honourable members have never obtained a kit they should do so. The guide, application form and information are simple, clear and state exactly what is involved. One of the headings is "Why become incorporated?".

The Office of Consumer Affairs had the problem that most members of Parliament would write to my office—regularly we receive dozens of letters—complaining about fights among members who are arguing about the internal affairs of the organisation. We do not police that; it is not part of our duties. In fact, if honourable members read the pamphlet that associations are given, they will see that under the heading "What is an incorporation?" the pamphlet states that, when an association made up of individuals becomes incorporated, that association takes on it own separate legal identity. The main benefit is that it usually protects individual members of the association from being sued—not necessarily the officers, but all of the members of the association. The association can sue or be sued in its corporate name. The association can own property in its corporate name. The association can enter into contracts in its corporate name. The pamphlet explains what an association has to do before incorporating.

The two special points on the back of the pamphlet refer to the rules and other points. It

explains that members of associations who need help and advice can get help from the Office of Consumer Affairs. Staff cannot give legal advice on the operations of associations, disputes between members or whether an association should be incorporated. Members should get their own legal advice on these matters. We give associations that information right from the start, but we still get a flood of letters about football clubs or the RSL club, which has been a big issue lately. Football clubs and croquet clubs want us to intervene in their internal affairs about who elected whom and why. In fact, the honourable member for Keppel is asking us to intervene in a dispute about the Bush Children's Home. I have asked my office on a couple of occasions to look into that matter, and there is no way that our legislation allows us to intervene in that dispute. People say, "The Government should do something about this." That is always the argument but, unless the Government writes rules to provide for it to interfere in many of these matters, the Government does not have any role to play. It gives them a copy of the standard rules of an association and, if a club wants to make its own rules, it gives notice of what is required to be in the rules. The notice sets out very clearly the details for everybody. It is a fairly simple procedure.

Years ago, when this pioneering legislation was introduced, there was a small number of organisations—125. Now there are 14,000. Last year, 1,800 organisations were created. Neighbourhood Watch and other organisations all want to be incorporated. So we have to make up our minds whether we want to allocate resources towards checking the rules or whether we want to go through a process of looking at areas of concern.

As I said, the kit sets out the mandatory matters word for word; it sets out the matters that the Act requires to be in rules. The model rules are supplied to all applicants. Even if the associations decide not to adopt the model rules, they can use the model rules as a guide. Larger associations generally hire lawyers. As the honourable member for Brisbane Central said, many of the others generally receive free legal advice—someone in the community gives them some advice and assistance. The model rules are designed to overcome any problems that associations may have in incorporating. If they choose not to adopt the model rules, it is up to the associations to make their own arrangements. At present, the vetting of rules is not undertaken on the basis that it covers all legal eventualities. One cannot assume that the department will examine every point of potential liability of an association. The department just sees that an organisation has a set of rules which meet certain requirements. If members of an organisation want to write a set of rules to protect themselves from being sued by certain members or by other people, then they have to get legal advice. It is not up to the Government—and neither would anyone want it to be—to be writing that sort of legislation.

Even under the present system it would be wise for associations to seek their own legal advice if they are not following the model rules. Given that associations are given so much guidance prior to incorporation there would not appear to be great scope for error. However, if there is any doubt after reading the material, as I said, the association can obtain its own legal advice.

If it comes to the attention of the department at a later date that a rule is incorrect, the department will request the association to change the rule. If the rule is not in accordance with the Act, I believe that it would be invalid in law, anyway. However, if the department wanted the association to change the rule, it could rely on the provisions of section 48, which provide that in any case where the director-general has reasonable cause to believe that an incorporated association is by the nature of its operations or transactions doing anything that would have excluded it from incorporation under this Act and it is desirable that the incorporation of the association be cancelled, the director-general may commence strike-off action. Since rules are part of the operations of an association, the department would be able to rely on this section to persuade the association to change the rule. Of course, it is hoped that the department would not need to resort to such measures. In fact, I do not believe that the department has to do so. However, the ability is always there in case the department has to resort to such measures.

It must be remembered that this department is not the final arbiter on a question as to whether a rule is correct or not. Although the department can provide its opinion as to whether a rule is correct or not, the final say is always up to the court. Unfortunately, even in the smallest organisations, people can develop fixed ideas and have difficulties with other members. The honourable member for Hinchinbrook referred to personal issues. They do arise in these situations, and the parties end up in court. It is not for the department to make those

decisions; we have judges and courts to do that.

The Act provides already for the situation in which an association is operating under an invalid rule. That provision is contained in section 23 of the Act, which provides for ultra vires transactions. Although the wording of the section is complex, in essence it provides that even though the association may be acting without capacity or power, whether by its rules or otherwise, the Act will be held to be valid as against any third party. That means that an association is protected in its dealings with a third party even if it is acting without power, for example, because of an invalid rule. So we try to protect them in that way.

Because associations must wait for the department to check its rules—and this is the big reason for the change—the members of unincorporated associations are subject to the legal risks which result from not being incorporated. They ring up to complain fairly regularly to us about the long delays. However, the department is not going to assign its senior officers to, day after day, read sets of rules. That task is handled by the more junior staff and, of course, the delays build up. Under the new system, waiting times will be reduced significantly and the potential for individuals to be sued while they are waiting for incorporation is also reduced.

These amendments will mean that the Queensland Act will be brought into line with the legislative schemes in other States and Territories. I am unaware of any evidence to suggest that the approach used by other jurisdictions has caused any problems. In fact, we have done research into the problems that were raised by the honourable member for Hinchinbrook. We have checked to see that they have not occurred in the other jurisdictions, and there seems to be no reason to suggest that Queensland, under these amendments, will be in a more difficult position.

The member stated that a person preparing the rules may have inadvertently become liable under an incorrect rule. If that person has acted honestly, he or she need not fear any prosecution. In fact, a wrong rule would also not jeopardise the incorporation of the association.

In relation to the 1989 second-reading debate to which the member referred, at that time the Government was in Opposition and, of course, spoke out against the Bill because the volume of incorporated associations was not that great. However, circumstances have really changed since then. In those days, it was not unreasonable to have a system of checking the rules. Now, the number of associations has more than trebled. As I said, at present there are more than 14,000 incorporated associations. The question is: are resources to be ploughed into this one area at the expense of others, such as compliance? The system of checking contained in the Act is outdated and out of touch with the modern reality of incorporated associations. In my view, the benefit provided to associations by these reforms, that is, the speedy incorporation and quicker registration of rule changes, will outweigh greatly any perceived disadvantage which, to my mind, will be minimal.

In relation to the issue of smaller associations that could, in good faith, make errors—I point out that when smaller associations incorporate, most use the model rules. It is the little ones that use the model rules; the bigger ones hire lawyers and want their own specific set of rules. As was said, 60 per cent of organisations use the model rules. Of the 40 per cent of organisations that do not use the model rules, the majority of them use the model rules with only minor modifications.

The Opposition raised the matter of the undesirable names provision in the Bill in relation to chambers of commerce. As members would be aware, one of the reforms contained in the Bill is the insertion of an undesirable names provision, which is tailor-made for this statute. In the past, it has been a requirement to reject any association name as undesirable if it is a name of a kind that came within the name direction of the Business Names Act, or if it came within the unacceptable names regulation of the corporations law.

One of the names included in the business names direction in the corporations law regulation is "Chamber of Commerce". When these amendments come into force, one of the first matters that I have asked to be reviewed is what names should be on the undesirable names list. Those names that are currently on the business names and corporations law list will be reviewed to determine whether they are applicable under this Act and should be transferred. It has been determined already that the name "Chamber of Commerce" will not appear in the Associations Incorporation Act list as it has no relevance under this statute. It is part of the corporations law; it is contained elsewhere. We picked it up at that time because that was an easy way to do it—to pick up the corporations law undesirable names section. As the

member would know, it has caused problems in Ingham and in other places. The name of universities was another one. When people have wanted to use the University of Queensland name for a cricket club, or some other sporting club, they had to go through a convoluted process. So we will do something about that.

**Mrs Sheldon** interjected.

**Mr BURNS:** A lot of them were. We are incorporating them now. They have been in the past. For example, the honourable member raised the question of the Ingham Chamber of Commerce. It applied for incorporation.

**Mr Rowell:** That took over three months, though.

**Mr BURNS:** Yes, we knocked them back. That was the process, and that is why we are speeding it up. I will explain to the honourable member for Caloundra that "Chamber of Commerce" was an undesirable name to use because the department had to check that it was a chamber of commerce. If that did not occur, I could set myself up in business down on the Gold Coast as the Surfers Paradise Chamber of Commerce, the Narrowneck Chamber of Commerce or something like that. The department knocked that back as an undesirable name. People would then reapply to the department, and the department would have another look at them. We go through a process, then I grant exemption and the chamber receives permission. That is crazy. Sometimes that process takes longer than three months. The department had started to get that process down to a fine art, but it should not be like that at all. Chambers of commerce should not be on the undesirable names list. Chambers of commerce are registered under another——

**Mr Rowell:** If somebody decides they want to use "Chamber of Commerce" or something that is very similar to that, you would want to make sure that they are not just using it for the sake of getting whatever benefit.

**Mr BURNS:** That was the original reason for making them undesirable names. For example, all types of people want to use the name of the University of Queensland— the University of Queensland hock shop, or whatever it happens to be. We regard that as an undesirable name. We also have under the Business Names Act a provision when people want to register a business name. Business operators cannot have a name that is similar to that of another business. I think that process has been quite successful, but it has been a slow process. We have to try to find a faster process.

As I said, this has happened interstate and there have been no problems. There does not seem to be any reason why Queensland will be any more difficult than elsewhere. As I said, the term "chamber of commerce" will not appear on the Associations Incorporation Act list, as it has no relevance under the statute. It does have relevance under the Business Names Act and the regulation of corporations law because of the fact that chambers of commerce do not conduct business. Therefore, the member for Hinchinbrook can be assured that the problems relating to the chamber of commerce in his electorate will not recur after these amendments come into effect.

The member for Kurwongbah, Margaret Woodgate, who is the secretary of my committee, is always supportive of the Bills that we put before the Parliament. She is a very hardworking member of the committee. She raised the fact that the present system incurs significant delays with the incorporation of associations, and the amendments will be of significant benefit in reducing such delays. Margaret has raised this issue with me on a number of occasions. Very simply, the problem is that the delays cause concern to people who are seeking incorporation so that they can be a corporate body that can sue or be sued. The long delays sometimes worry the people who are making the applications.

The member for Brisbane Central, Peter Beattie, brought to the attention of honourable members the benefits that the Bill will provide in relation to the associations' registered offices and in relation to the transfer of the property of unincorporated associations to incorporated ones. Under the current Act, when a body becomes incorporated, the secretary does not have to bring the old unincorporated body's properties over with him. We have made certain that that will now happen. The honourable member supported the removal of the onerous requirement to obtain and table legal advice before commencing legal proceedings, which was very costly and slow, especially when one was using a debt collector to collect debts. The member for Brisbane Central rightly pointed out that the majority of associations will be using model rules and that the removal of the requirements of sanctioning will not prove to be a hardship for associations wishing to incorporate.

I thank the honourable member for Callide, Mrs McCauley, for her comments. The fees that the honourable member mentioned are not hefty and basically cover the cost of administering the Act. The onus of being required to have a registered office is not as great as the member would suggest. A post office box cannot be used as a registered office. Were it necessary to check on such an office, there is no address to which to go. If that post office box is surrendered, inspectors could find themselves in trouble. We are not going to harass people in their homes. People can use their home as an office, but we have to have an address. That is the simple way to do it. All that is needed is for the secretary of the association to write to the Office of Consumer Affairs and notify it of any change of address. This is a fairly simple matter and one which needs to be done anyway when the secretary of the association changes address. When we send out the notices next year, we will require details of the location of the office.

I thank the honourable member for Chermside, Terry Sullivan, for his two-minute speech. It was not the longest two-minute speech that I have heard in this place. I am waiting for an honourable member who says, "I will only be two minutes", to really go for two minutes. I thank the honourable member very much. I agree with a number of sentiments about the need for a registered office and residential address, rather than a post office address. I have just addressed that matter in relation to the comments of Peter Beattie. After all, if there are any problems with one of these associations, it would be very difficult for our Consumers Affairs investigating officers to visit the association at a post office box. It is as simple as that. I thank honourable members for their support for the Bill.

Motion agreed to.

## Committee

Hon. T. J. Burns (Lytton—Deputy Premier, Minister for Emergency Services and Consumer Affairs and Minister Assisting the Premier on Rural Affairs) in charge of the Bill.

Clauses 1 to 3, as read, agreed to.

Clause 4—

**Mr BURNS** (2.54 p.m.): I move the following amendment—

"At page 9, line 29, after 'incorporated association'—

*insert*—

', or an entity incorporated under the *Religious Educational and Charitable Institutions Act 1861*,'."

This amendment arises from a submission made by the Leukaemia Foundation of Queensland. In fact, the member for Yeronga, Mr Foley, raised it with me on its behalf. The body is incorporated under the Religious Education and Charitable Institutions Act of 1861. As honourable members would be aware, the Associations Incorporation Act of 1981, whilst repealing the former Act, provides that the letters patent issued under the former Act will continue to be of full force and effect. The Act also provides that those bodies will continue to be subject to the repealed Acts.

As a result, bodies incorporated under the Religious Education and Charitable Institutions Act are in a legal no-man's land, because any branches that may wish to incorporate with them do not have a formal mechanism to do so. The Leukaemia Foundation wishes to have branches of its organisation incorporated under the Associations Incorporation Act in order to ensure accountability for funding and to provide the benefits of incorporation to its members.

It fears that, if it were to incorporate under the Associations Incorporation Act, it may lose its status as a public benevolent institution with the Australian Taxation Office. This means that it could not claim tax deductions on donations. In the past there has been some uncertainty as to whether the Associations Incorporation Act provisions can be used to allow the incorporation of branches which would have their parent bodies incorporated under the Religious Education and Charitable Institutions Act. This amendment will put the matter beyond doubt, both with respect to existing incorporated branches and any further incorporation of such branches.

I put forward this amendment in order to assist the Leukaemia Foundation and bodies such as it to continue its work without suffering any disadvantage. I do not think that anyone will oppose an amendment of that type. It is to overcome a difficulty experienced by the Leukaemia Foundation and a number of other associations that are now setting up branches. The Leukaemia Foundation has done a remarkable job. It has set up branches in a lot of provincial cities and in suburbs around Brisbane. These are really fundraising branches. The amendment is worthy of support.

Amendment agreed to.

Clause, 4, as amended, agreed to.

Clause 5, as read, agreed to.

Clause 6—

**Mr ROWELL** (2.57 p.m.): I move the following amendment—

"At page 16, lines 26 and 27 and page 17, lines 1 to 3—

*omit, insert*—

'Chief executive to make decision about application

'14. The chief executive must grant or refuse the application after considering—

(a) the association's application for incorporation; and

(b) any objections properly made to the application; and

(c) proposed rules of the association, other than model rules.'."

The amendment circulated refers to a matter that I raised during the second-reading debate, that is, the model rules. Even though I have heard what the Deputy Premier has had to say, I am still concerned, because two wrongs do not make a right. Back in 1989, the Opposition was concerned about the fact that anybody who departed from the model rules may have some troubles somewhere down the track. It was just coincidental that I had much the same opinion. It had nothing to do with the fact that we were trying to be difficult on this issue.

My concerns probably stem from the fact that there are probably some battling groups that are trying to do things as cheaply as they can. They probably do not always have the services of such eminent people as the member for Brisbane Central to assist them in their endeavours when they are going about making changes to the model rules. In the event that they do make an error, I do not want to see any future repercussions on those sorts of institutions. That is why I have moved the amendment. Any departure from the model rules should be vetted by the department.

As the Deputy Premier has said, probably only about 40 per cent of the bodies that apply for incorporation will depart from the model rules. If the model rules go through very quickly, as is intended with this legislation, we will probably find that people will move away from the model rules less and less. In the future, it may be the case that only very controversial circumstances will cause bodies to want to depart from those rules. That is primarily the reason that I am concerned about those organisations.

In the future, an incorporated association may see some administrative changes to its executive. It may be the case that the signatories to the statutory declaration may no longer be members of the organisation. The members of the executive who were administering the body at the time may pass on. I ask the Minister to take that into account. That issue is of concern to me. The ultra vires section validates agreements with which incorporated bodies are involved, but a serious doubt exists in the event of a court challenge. The Attorney-General and Minister for Justice raised those concerns back in 1989.

I take cognisance of the fact that there has been a massive increase in the number of associations that have applied for incorporation. I do not agree that the existence of a large volume of work makes it any less important that the rules must comply with the Act. That is why I have moved this amendment.

**Mr BURNS:** The amendment to clause 6 of the Bill proposed by the member for Hinchinbrook will amount to a return to the present system of sanctioning the rules. If that occurs, there is no reason to pass this legislation. The amendment is in complete opposition to the whole proposition that I have put before the House today.

It gets down to this: we have to decide what the Government's role in this will be. As we distribute this pamphlet, we say to people, "You have to make up your mind whether you want to be incorporated. You are not being forced to. You do not have to be incorporated." The main benefit of incorporation is that it protects an individual member from being sued, it allows for the association to sue someone and for someone to sue the association, but the individual members are protected. It is in their interests that they introduce good rules. If associations want to depart from the model rules, we give them a form that tells them what they should include in the rules for their own protection. If they do not include the suggested items, there is not much that we can do about it.

At present, the vetting of the rules is not undertaken on the basis that it covers all legal eventualities. We advise associations now to obtain some legal advice.

**Mr Rowell:** They've got to comply with the Act.

**Mr BURNS:** They have to comply with the Act. The Act states that, even if associations do a deal with someone that departs from the rule, they will be still be

protected. We do all of that for them. I cannot support any suggestion that we return to the system of vetting and sanctioning that currently occurs. That process merely wastes time. It does nothing for the associations.

The people involved in various associations have actually requested that this amendment Bill be introduced. They say that the process is too slow, and they have asked us time and time again, "Why don't you trust us to look after our own affairs?" Those people are putting their own case forward, but at present we are saying to them that we do not trust them to draw up the rules that will protect them; we want to check them. I do not think that is necessary. The associations say that it is not necessary, and I agree with them. This procedure has operated in other States and it has not created any furore. I cannot support the member's amendment.

**Mr ROWELL:** I am concerned about the time factor. This could go on for six years, seven years, eight years or even longer.

**Mr Burns:** What could?

**Mr ROWELL:** I am referring to departures from the model rules. The Minister said that this system has had no adverse effects in other States to date, but for how long have they had this type of legislation? That is the point that I am trying to make. Perhaps the Minister's staff could assist.

**Mr Burns:** They've had it for 10 years, I've just been told. You'd think that by now they ought to have worked it out, wouldn't you?

**Mr ROWELL:** One would think so, but a problem could arise, and that is the point that I am making. The rules may have applied for 10 years, but in how many States—one or two?

Amendment negatived.

Clause 6, as read, agreed to.

Clauses 7 to 17, as read, agreed to.

Clause 18—

**Mr BURNS** (3.04 p.m.): I move the following amendment—

"At page 51, line 12, '40'—

*omit, insert*—

'4'."

Amendment agreed to.

Clause 18, as amended, agreed to.

Clause 19—

**Mr BURNS** (3.05 p.m.): I move the following amendment—

"At page 53, after line 4—

*insert*—

'Validation of incorporation of certain branches

'74A. If a branch of an entity incorporated under the *Religious Educational and Charitable Institutions Act 1861* was incorporated under this Act before the commencement of this section, the branch is taken to have been validly incorporated under this Act.'."

Amendment agreed to.

Clause 19, as amended, agreed to.

Schedule, as read, agreed to.

Bill reported, with amendments.

### Third Reading

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

## CLASSIFICATION OF COMPUTER GAMES AND IMAGES (INTERIM) BILL

**Hon. T. J. BURNS** (Lytton—Deputy Premier, Minister for Emergency Services and Consumer Affairs and Minister Assisting the Premier on Rural Affairs) (3.07 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill for an Act to provide for the classification of computer games and images, and for other purposes."

Motion agreed to.

### First Reading

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

### Second Reading

**Hon. T. J. BURNS** (Lytton—Deputy Premier, Minister for Emergency Services and Consumer Affairs and Minister Assisting the Premier on Rural Affairs) (3.08 p.m.): I move—

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

It gives me great pleasure to introduce into this House the Classification of Computer Games and Images (Interim) Bill. Presently, computer and video games are not subject to comprehensive classification control and supervision as are films, videos and publications. Although computer images are subject to the general criminal law and certain arcade games to the public amusement provisions of the Art Unions and Public

Amusements Act 1992, the images are not classified and consumer information is not provided to parents, guardians, school authorities or other care providers.

Over the past five years, the number and range of computer and video games has increased dramatically. Not only can consumers purchase games for personal computers and cartridge video machines but also new technologies are constantly being developed, for example, CD-ROM games, bulletin boards, virtual reality, etc. Also, with rapidly increasing public demand, the prices of computers, games machines and the software used to play on such machines has dropped dramatically. This, in turn, has fuelled consumer demand and, consequently, facilitated the access that members of the community have to these types of images.

Throughout the Western World, Parliaments are attempting to deal with this issue. Unlike many other forms of censorship, one of the major problems facing Governments is that the technology underlying the computer and video games industry is still developing in a rapid, even revolutionary way. At an Australian level, the Senate select committee on community standards relevant to the supply of services utilising electronic technologies has been investigating video and computer games and classification issues for the last few years. In its October 1993 report, the Senate select committee specifically recommended the introduction of some form of classification legislation designed to provide consumer education and to protect the community from exploitative and indecent obscene material.

The committee said that it was—

> ". . . extremely concerned about the proliferation of such types of video and computer games with few, if any, controls on their sale or accessibility. The graphically violent and sexual material available on video games undermines the community's efforts to regulate the flow of such material to minors on film and video, in publications, or over telephone lines."

The other segment of the games industry concerns arcade games which are played in public places, particularly fun parlours. Arcade coin-operated games machines have been around slightly longer than video games machines or personal computers. Most honourable members would be aware of the growth in the number of arcade parlours in Australia over the last decade. The Senate select committee was informed that in 1993 Timezone arcade parlours alone employed 500 people and claimed that in excess of 1.5 million Australians visit their establishments each month. The committee was also informed that the arcade industry as a whole employs approximately 5,000 Australians and that there are presently 50,000 coin-operated arcade amusement games machines in operation throughout the country.

The problem facing Australian parents and guardians, and indeed many school authorities, is that children tend to be technologically more literate than their parents. Whilst this has tremendous advantages for the future development of the Australian economy, one downside is that, to a large extent, many Australian parents are unable to provide the type of supervision they would like. For these parents, Government assistance by means of consumer education and ensuring that exploitative, disturbing and grossly offensive material is not circulated or sold, is much needed.

Recently, concerns have been expressed about games which are being circulated and which have offended many people in the community. In 1993, for example, great concern was expressed about a CD video game called Night Trap. This game used live actors and required the player to defend a group of scantily dressed college students from being molested and mutilated by a group of zombies. This game was voluntarily withdrawn by the distributor, but there was no guarantee that it would not be distributed at a later time. Other games causing concern included Custer's Last Stand, where soldiers raped American Indian women, and a game known as Auschwitz, which had the objective of cramming as many Jewish people as possible into gas chambers.

More recently, other games have been circulated, which propriety prevents me from discussing in this House. Suffice it to say, the images portrayed and the themes explored would be such as to cause offence to any reasonable person, and certainly such games contain material which would be totally inappropriate to be viewed by minors or those with an impressionable mind. Of great concern is the growing trend to employ live action sequences involving actors rather than simply representations.

As I indicated, computer games are not presently subject to any form of classification in Queensland. Yet games are, in fact, potentially more dangerous than film, stage or books, because they are interactive. They offer the viewer a way to actually live out his or her fantasies rather than merely looking at

them in a passive way. Couple this with the potential that virtual reality offers, and the tendency of people to play games incessantly, and honourable members would appreciate the qualitative difference which computer games pose to players compared with persons watching films, reading books or going to the theatre.

This is not to say that the community should overreact or that governments should legislate to achieve goals which are either unrealistic or counterproductive. Indeed, Legislatures are presented with a particular dilemma. On the one hand, we have an industry growing rapidly and in ways which are impossible at the present time to foresee. This industry has the potential to achieve great things for the community, but the industry is utilising technologies which are beyond the capacity of individual States or even countries to properly supervise. Yet this technology poses dangers of both a moral and possibly a physiological kind which have not yet been determined.

The problem legislators both in Australia and overseas have to grapple with is how to find the right balance between protecting the community and focussing this technology in a productive way on the one hand, and passing legislation on the other, which will not impair the growth of a legitimate games industry yet not be meaningless because it is unenforceable.

In an endeavour to assist the community and to provide guidance to the computer and video games industry, Australian censorship Ministers have agreed to the introduction of classification legislation. The Bill before the House is intended to complement amendments which were made to the classification of publications ordinance by the Commonwealth Attorney-General in 1994. The provisions of this Bill are also intended to complement, as far as possible, those provisions which are currently contained in the Queensland classification legislation for films and publications and which have operated satisfactorily since 1992.

I wish to make it clear to members that the main elements of the Queensland Bill can be found in the legislation of the Australian Capital Territory, New South Wales and the Northern Territory. With the exception of these jurisdictions, and now Queensland, I am unaware of any other State which has introduced or passed legislation to ensure that classification decisions made by the Commonwealth Censor can be enforced.

It is important to point out that on 2 March 1995 the Senate passed a comprehensive Censorship Bill. This Bill will replace the Classification of Publications Ordinance and provides for the first time in Commonwealth legislation provisions dealing with the appointment and constitution of the Office of Film and Literature Classification as well as the basis on which classification decisions are made for films, publications and computer games.

Our Bill contains the following elements. Firstly, it provides for the compulsory classification of all computer games, including games played on public amusement machines, which are published after the commencement of the Bill. This means that in the future any new game coming onto the market will need to be classified by the Commonwealth Office of Film and Literature Classification. Any game which is presently in circulation will not have to be recalled and classified, but there are a number of provisions in the Bill designed to ensure that objectionable computer games currently in circulation can either be called in by the State Censor or can be seized by inspectors after a complaint has been received. Obviously, having regard to the number and variety of games presently in circulation, Australian censorship Ministers are of the view that it would be unrealistic and futile to retrospectively classify games which may have been in circulation for up to a decade.

Secondly, the classification guidelines are modelled on those already in place for films and videos, so that consumer education will be facilitated and public confusion minimised. Guidelines for the classification of computer games, however, will be tighter than those for films and videos, to reflect the interactive nature of computer games and the potential psychological risk the repetitive playing of violent games could have on young children and people with impressionable minds.

Extra restrictions will be placed on persons operating arcade parlours to ensure that young children are not subject to violent and exploitative material. Under the Bill, persons operating coin-operated public amusement machines will not be permitted to demonstrate in a public place an MA(15+) computer game if a child under 15 who is not accompanied by an adult is present.

The Bill specifically targets child abuse computer games and the procurement of minors to be in any way involved in the production of an objectionable computer game. Penalties for persons in any way

connected with this activity are suitably severe and, unlike all other offences in the Bill, these are punishable on indictment. In addition, the Bill specifically prohibits the mere possession of a child abuse computer game. To ensure that a pro-active prosecution policy is maintained, the legislation provides for the creation of the position of computer games classification officer. This is similar to the approach taken under the other classification statutes and will ensure that the State Censor can spearhead the enforcement of the law.

As with the Classification of Publications Act 1991, the State Censor will have the power to classify material which has not previously been classified by the Commonwealth Censor. In short, if there are computer games published after the commencement of the Bill which have not been submitted to the Commonwealth Censor for classification, or there are complaints about presently circulating games which are allegedly objectionable, the computer games classification officer will have the power to make a classification decision.

Australian Censorship Ministers were particularly concerned, as I have indicated, about the interactive nature of computer games and the psychological risk that this could pose for Australian children. The Australian censorship Ministers, like the Senate select committee, were also concerned that the level of technology involved meant that many parents did not have the knowledge and understanding to provide adequate parental guidance prior to exposure. Australian censorship Ministers therefore considered favourably the recommendation of the Senate select committee that material of an R equivalent category be refused classification and that X material also be refused classification. Accordingly, all Australian Governments have agreed that material that would otherwise have been classified R will be banned and there will not be any material of an X category sold or distributed. The Bill before the House reflects this decision and the upper limit allowable for material on computer and video games will be that falling within the MA(15+) category.

There are some who would say that this is an unwarranted restriction on the right of people to develop, sell or play computer games. To those people, Australian censorship Ministers have sent a clear message and that is that in a medium which is as new and untested as this, and one which has particular appeal to children, extra care needs to be taken.

Australian censorship Ministers are not unsympathetic to those who have genuine civil liberties concerns and, accordingly, in February 1995 adopted a recommendation of the Senate select committee that research be conducted into the effects of videos and computer games as an entertainment form as well as the impact on community standards. Censorship Ministers agreed to fund a research project which would investigate, amongst other things, the behavioural aspects of playing computer games, including the nature and extent of aggressive content and the impact of such content on young players. As such, while censorship Ministers believe that R rated products should be prohibited, they recognise that research is needed to ensure that any future decisions in this area are based on cold, hard evidence. Ongoing research will ensure that informed decisions can be made in the future should the decision to ban R games be reconsidered.

For my own part, as one of those censorship Ministers, I think that it is beholden on all Australian Governments, in an area as new and as important as this, to be conservative and to err on the side of families and young children, even if that means, as it does in this case, that the capacity of private enterprise to exploit market share may be impaired and there is some restriction on the capacity of people to buy products that they wish to buy and to view or play when and where they wish.

As the title of the Bill suggests, this legislation regulates images as well as games. It would be incorrect to assume that pornography is limited to interactive games. Indeed, some of the worst pornography in circulation on computers are images, whether as computer screen savers or photographs or obscene information.

Nevertheless, to ensure that the legislation does not attempt to regulate legitimate products of a non-game nature, the definition of "computer game" specifically excludes business, accounting, professional, scientific or educational computer programs or images provided that if such products were classified they would not fall within the MA(15+) or refused classification categories.

There may well be circumstances when medical, scientific or educational programs are developed which fall within the MA(15+) or refused classification category, but which are designed for a worthwhile social purpose and are not just exploitative. To deal with these situations, the Bill gives the State Censor an exemption power similar to that applying under

the other State classification legislation. Exemptions of this type will assist libraries, medical researchers and educationalists and represents a practical and sensible response to a difficult issue.

Likewise, the Bill contains another exemption power which is aimed at assisting bona fide computer games seminars and festivals. The Bill is designed to protect society, not harm it by inhibiting the legitimate exchange of ideas, the provision of proper medical or educational material, the undertaking of worthwhile research or the holding for posterity in public archives or libraries socially relevant material.

This is an important piece of legislation, not only because it ensures that Queensland is playing its part in a national legislative initiative designed to advance the computer games industry, but also because it will assist families and the community in maintaining certain standards and giving guidance to the young people of this State.

There are elements in this Bill which will be of particular assistance to the industry in that it will ensure that there is now certain guidance for them as to what they can or cannot sell or distribute, what they can and cannot advertise, what they can and cannot import, and what they can and cannot produce.

It is critical that this legislation be kept constantly under review. It is true that each time any Legislature passes a statute on the information technology industry, it becomes outdated often before it commences. There are elements of the computer and video games industry which are yet to be adequately addressed, including the use of bulletin boards, Internet, virtual reality and even pay TV.

To carry out this task will involve co-operation of all levels of Government in Australia, the telecommunications industry, and overseas regulators. These are not small tasks. In fact, they are enormous. It would be trite to suggest that this Bill provides all the answers which we seek, and that it represents a final solution to the problem with which we are now confronted. I am not suggesting that to any member of this House.

What I am proposing is that it is the first stage of an ongoing process that members will have to consider for years to come. Reaching some sort of acceptable solution to this problem will entail the cooperation of industry, the education of parents, individual self-control and the active cooperation of Governments. It will also involve repeated attempts by Governments to get the right policy mix by the introduction of legislation, the production of brochures, the introduction of voluntary or mandatory codes of conduct, and compliance and enforcement programs.

We are entering into uncharted territory. In going down this path, I believe that this Bill is a first and very important step. It contains measures which I believe are novel and good and respond to community needs, but it only represents part of the solution. I have pleasure in presenting the Bill to the House and I look forward to honourable members' contributions during the second-reading debate.

Debate, on motion of Mr Rowell, adjourned.

## PETROLEUM AMENDMENT BILL

**Hon. T. McGRADY** (Mount Isa—Minister for Minerals and Energy) (3.23 p.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act to amend the Petroleum Act 1923."

Motion agreed to.

### First Reading

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

### Second Reading

**Hon. T. McGRADY** (Mount Isa—Minister for Minerals and Energy) (3.24 p.m.): I move—

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

The Petroleum Amendment Bill 1995 is an important step in the realisation of Queensland's minerals and energy potential. It will facilitate the delivery of natural gas from the Eromanga oil and gas fields in the south west of Queensland to the population and industrial centres established on the east coast and to the exciting mineral-rich province centred on Mount Isa in the State's north west. The benefits of bringing a clean, economic and bountiful energy source to both these areas are immense. The expansion of existing export industries and the creation of new ones, and an acceleration of development in the Carpentaria/Mount Isa mineral province will mean jobs, export income and an assured future for a progressive, advanced community.

The wealth created will help provide the services that the modern, concerned community demands, including health and education facilities and social services. The need for new regulatory legislation covering pipelines stems from the development of new pipelines from petroleum-rich south-west Queensland to the east coast and north-west Queensland, and by national developments through national competition policy and COAG free and fair trade in gas developments.

The Government has signed a head of agreement with the US-based Tenneco to build the 760-kilometre pipeline from south-west Queensland's gas centre at Ballera to Wallumbilla, 440 kilometres west of Brisbane. At Wallumbilla, it will link with the existing pipeline to Brisbane, operated by AGL, and the State gas pipeline from Wallumbilla to Gladstone and Rockhampton on the central Queensland coast. A further head of agreement has been signed by the Government with AGL Ltd to build an 810-kilometre pipeline from the south west to the fast-developing Carpentaria/Mount Isa mineral province. These pipelines form an important part of the Government's plan for Queensland's economic infrastructure and help boost already impressive industrial activity and minerals production.

The agreements with Tenneco and AGL will be the start of a further surge in business investment. In the south east and central coastal region of the State, large and small industries alike, along with thousands of households, will benefit from the guaranteed future supply of a reliable energy supply. The central coast, Gladstone and the surrounding region is the centre of Queensland's light metals industrial development. The development has come about largely through the linking of the State's mineral and energy wealth with an established infrastructure and skilled work force. In addition, a major study into light metal industries by the Centre for Advanced Materials Processing Development in the minerals and energy field found that Gladstone is strategically placed to service the Asia/Pacific markets. It has the infrastructure, work force and natural advantages of minerals and energy resources and a fine harbour to fulfil its destiny as Queensland's light metals centre.

The region already boasts an impressive array of downstream processing industries, with its alumina refinery, aluminium smelter and a processing plant converting magnesite into high-quality magnesia for the world market. Much of the industrial development in the region has come about through the supply of gas through the State gas pipeline from Wallumbilla. Natural gas from south-west Queensland will sustain existing industries and provide an impetus for yet another investment in the region.

It is the dual bounty of minerals and energy that makes Queensland so exciting in terms of industry and mineral production. For instance, Weipa bauxite is processed at Gladstone, with electricity from the Gladstone Power Station, using coal from the coal-rich Bowen Basin. With the development of the pipeline from south-west Queensland to north-west Queensland, a similar situation will exist with the linking of an abundant source of natural gas with a mineral province of world importance. Ongoing exploration has revealed the area around Mount Isa to be one of the most highly prospective areas in the world for base metals.

The mining based at Mount Isa has long been the mainstay, but MIM Holdings Ltd, Queensland's biggest base metal producer, is being joined by other producers, most notably at Selwyn, Century, Cannington, Osborne, Gunpowder, Dugald, Lady Loretta and Ernest Henry. The prospects are incredible, opening up not just the base metal deposits for development, but making possible other projects, such as the $560m proposal linking a phosphate rock mine at Phosphate Hill with a phosphoric acid production facility at Mount Isa to provide the feedstock for a fertiliser plant near Mount Isa and a fertiliser storage and shipping facility at Townsville. The pipeline will supply energy for more than $2 billion worth of mining projects already in hand and be the catalyst for further development in this, the new frontier.

The primary objective of the legislation being introduced today is the establishment of a regulatory framework for gas and oil pipelines that facilitates competitive market development and results in the energy needs of the community being met reliably, safely and at minimum cost. The legislation established a regulatory framework which is as light-handed as possible, while at the same time ensuring that there are adequate controls to prevent anti-competitive arrangements and monopoly pricing practices from developing.

The legislation will require pipeline owners to gain Government agreement for their tariff schedules and pricing principles before being granted a licence. After that, Government involvement should be minimal. The legislation covers five main areas: pipeline access principles; dispute-settling procedures through

commercial arbitration; licence arrangements; pipeline ownership; and transitional arrangements. The legislation will apply to existing and new oil and gas pipelines, including the State gas pipeline. There is, however, provision for certain licensed pipelines to be exempted in certain circumstances, such as with small gathering systems or where competition exists. Pipeline owners and operators and the owners of associated facilities, such as plants processing raw gas before its introduction to the pipeline, are included in the access provisions, but a regulation is required before this takes effect.

It is the Government's intention that no action will be taken to declare an associated facility under the legislation unless and until similar arrangements had been implemented through national competition legislation or through COAG agreements on free and fair trade in gas. Holders of pipeline capacity which is not to be used can trade in that capacity.

In the current legislation, dispute resolution is through the Pipeline Tribunal, which can make recommendations to the Minister on a range of matters, including transportation charges. The Pipeline Tribunal will be abolished from 30 June 1995 subject to it being able to continue in operation to hear any disputes referred to it before that date. This provides a transition arrangement for existing contracted parties who currently have the ability to have a contract dispute referred to the Pipeline Tribunal by the Minister.

In the new legislation, access disputes prior to signing contracts will be resolved through arbitration. A list of arbitrators will be approved by the Minister for Minerals and Energy. After signing of contracts, however, the dispute resolution procedures in the contract will apply.

To combat any possibility of exploitation of a monopoly position by charging excessive tariffs or establishing uncompetitive arrangements, the potential licensee of a pipeline must gain Government approval for the tariff schedule, pricing principles and terms and conditions.

The legislation also provides that where a pipeline owner has other upstream or downstream petroleum interests, the pipeline business must be carried out in a separate company structure. The legislation will, however, allow a relaxation of this provision through a regulation. A single pipeline company can operate more than one pipeline, but would need to keep separate accounting records. Pipeline companies will not be allowed to trade in gas unless permitted through a regulation.

The legislation also requires the facility owner to provide contracts, financial and other information to Government to enable licence conditions and access arrangements to be monitored. When it comes to transition, specific provisions apply for existing pipelines. For contracts written or reviewed after the commencement of this legislation, the provision of the new regime will generally apply, including the requirement for the facility owner to agree pricing principles and a tariff schedule with Government.

Existing contracts will continue until expiry or 1 January 2002, after which the new regulatory regime will apply. Similarly, in the future, contracts will continue for five years from the date at which the legislation first applies to an existing facility.

Not only will this legislation provide for pipelines of immense benefit to Queensland's industrial and mineral production industries, but they will place Queensland in a position to benefit from national development through the national competition policy and free and fair trade in gas arrangements.

The Commonwealth has formally indicated that our proposed regulatory framework on which the Bill is based is generally consistent with the draft competition policy legislation and that it has commonality with regulations developed in other areas, including South Australia's access to gas transmission pipelines and the Commonwealth's Moomba to Sydney legislation.

This legislation will facilitate the delivery of natural gas from the south west of Queensland to the population and industrial centres established in south-east Queensland, and to the exciting mineral-rich province centred on Mount Isa in the State's north west. It will link a clean, economic and bountiful energy source to one area rich in mineral wealth and potential and one area already thriving through its combination of infrastructure, population and a skilled work force. This legislation will sustain existing export industries and create new ones. It will open up the north west of Queensland and bring jobs, export income and an assured future for a progressive, advanced community.

I commend the Bill to the House.

Debate, on motion of Mr Gilmore, adjourned.

## CASINO CONTROL AMENDMENT BILL

### Second Reading

Debate resumed from 23 February (see p. 11055).

**Mrs SHELDON** (Caloundra—Leader of the Liberal Party) (3.35 p.m.): The major objective of this amendment is to make minor changes to the machinery of the Casino Control Act, mostly in relation to changes in technology which should now be included in the operations of casinos in this State, and changes to ensure that Queensland casinos are not disadvantaged in comparison to those in other States. Consequently, the coalition will not oppose this amendment Bill.

However, before the Treasurer gets too excited, it must be said that not all of the changes within this Bill are welcomed by the coalition. However, I see no reason, for example, why new technology such as updated surveillance cameras cannot be made available to casino operators, and these should not be blocked by Government legislation. Shuffling machines are another area where technology has outstripped legislation.

However, one change in this Bill must be questioned, regardless of whether other States offer the service or not. The original legislation stipulated that those gambling in the common rooms of the casino could not be served alcoholic drinks while playing. This was introduced for good reason. There were, and still are, fears that people being served alcohol at the table could increase the advantage for the casino operator. Previously if someone wanted an alcoholic drink they had to go to the bar and get their own; under this amendment, staff will be able to provide alcohol for gamblers at the table.

Under the old system gamblers risked losing their spot at the table if they went for a drink—as the Minister for Tourism would know—so the consumption of alcohol was limited. Everyone knows that a drunk gambler is likely to be less circumspect about his or her losses than a sober gambler, and that this change increases the likelihood of gamblers getting drunk at the blackjack or roulette table. As they say, a fool and his money are soon parted, and someone who has had too much alcohol usually falls into the fool category.

I am not decrying the ability for Queenslanders and tourists to enjoy a drink, I am just wondering why this section of the Act is being amended to allow the serving of alcohol at the gaming tables. Perhaps the Treasurer could explain that in his reply or at the Committee stage. The Treasurer says that it is done in the other States, so it should be done here. That is not always the best reason, and by and large Queenslanders have usually done what they have wanted to do. I wonder whether this Government has made the right choice in this regard.

**Mr Gibbs:** I remember that night you spilt a drink over my shoulder.

**Mrs SHELDON:** I think it was the Minister spilling it over my shoulder. Queenslanders are noted for being different from people in other States, and it is a difference we have welcomed. we should not necessarily follow what the other States do for the sake of it.

Another area of concern, and one which arises often with this Government, is the continual erosion of responsibility from the Minister to senior public servants, or in this case the CEO. We have seen that sort of erosion and lack of accountability particularly in Corrective Services, where the Minister sits back and does and says nothing, trotting out Keith Hamburger to take the arrows while he hides in the wagon. We have seen it in the Health Department where the Government keeps setting up committees and boards to cover its own ineptitude. We have seen it in the Police Department and just about every other department. Now, through this Bill, we are seeing it in Treasury.

This Government, and it would seem that the Treasurer is no exception, always promotes these changes as if they are more efficient, or as if the Ministers are much too busy to carry out these possibly troublesome duties. The role of the Minister is constantly being handed over to the CEO. Sometimes that may well be for the sake of efficiency; I realise that. However, I am also concerned that it gives great responsibility to the CEOs. I wonder whether that is in the best interests of accountability in this State, particularly in relation to casinos and gambling because that is related to the movement of a great deal of money. I do not believe that the buck stops with a public servant, the CEO or a faceless committee. In many instances it must stop with the Treasurer, because as the Minister he is answerable to the House.

**Mr De Lacy:** The buck stops here.

**Mrs SHELDON:** Yes, the Treasurer is right. The buck does stop there and we must not let him forget it.

There are also changes in the Bill which remove some of the statutory and regulatory responsibilities of the Government and the

Treasury. I have some great concern about that, but I will discuss it further at the Committee stage**.** Does that mean that a regulation no longer will come into the House as a statutory instrument and hence, as a Parliament, we will have no form of scrutiny of that change? It may well be that the Treasurer can explain this in more detail during the Committee stage, but I am concerned about it.

The amendment brings in some much-needed improvements to the original legislation. They are needed not because there were flaws in the original Bill but because so much has changed in the technological areas regarding casino control and operation. Of course, the other major change is that there will be four casinos operating in Queensland by the end of the year. The opening of the Brisbane and Cairns casinos will be big occasions for Queensland. Despite many of the concerns that I have had with the approach of this Government in the lead-up to the opening of the casinos—and almost all of those concerns relate to accountability—there is no doubt that those casinos will bring money into Queensland. They will also bring more money into Treasury coffers—and I am sure that the Treasurer is very happy about that—and increase the tourism value of both Brisbane and Cairns.

The associated convention centres will also bring in more dollars for Queensland and create more jobs. However, I have a concern about the rate of increase in gambling. Although I am certainly no wowser, I am concerned about the amount of money that is spent in gambling. I think it was highlighted today that a lot of women in particular play poker machines. There is only so much money to go around out of every pay packet or every dole cheque. So the amount of money that is going into gambling must be of concern to us. I hope the Treasurer is taking note of that. I know it increases the revenue to his coffers, but it certainly is decreasing the revenue to a lot of householders. Often they are the people who can least afford it.

Of course, the Gaming Benefit Fund increases in volume with the amount of revenue coming in. I raised this point with the Treasurer some time ago. I believe that the areas that contribute most to this fund often may well need more money within their welfare crisis services to handle the adverse effects of gambling. I know that some of the money that came into that Gaming Benefit Fund—in fact, quite a bit of it—went to drought areas, and I agree totally with that. However, I have a concern that communities that are feeding gambling machines to this degree are usually going to place resultant stresses on all welfare activities, such as St Vinnie's, Lifeline, Salvation Army and Crisis Care. We can see this happening on the Sunshine Coast. I know that one of the big clubs in that area contributes quite a bit of money to the Gaming Benefit Fund. I would like to see some increases in the amount of welfare given to those regions that contribute large amounts of money.

Although all the associations that benefit from that Gaming Benefit Fund are very appreciative of it—and I know in my own area the Golden Beach State School benefited to the tune of $5,000 in the recent handout of money from the fund—I am concerned that it does not appear that the welfare groups within our communities—the ones I have mentioned, such as Lifeline, St Vincent de Paul, Salvation Army and Crisis Care—are getting this money. By and large, they are not. I ask the Treasurer to look at this and to help those organisations with the problems that are facing them as a result of the increased gambling.

**Mr CAMPBELL** (Bundaberg) (3.43 p.m.): I have much pleasure in supporting the Treasurer in this Casino Control Amendment Bill. One of the success stories of Queensland has been the introduction of casinos and poker machines. It is interesting to note that the member for Caloundra introduced the accountability aspect. One of the things about which this Government can be proud is that it has been probably the most accountable Government of any State in Australia.

We are now introducing our fourth casino into Queensland without the problems and hassles that have been experienced in other States. For example, in Victoria, which is governed by the Opposition's conservative brothers and sisters, the Sheraton group has said that it was not even in the running of getting a casino licence because the mates of mates made that decision. That has not occurred in Queensland. Several years ago Sydney tried to get its first casino, and it has ended up having to pay compensation to Harrods. It could not get a casino in the late 1980s.

**Mr De Lacy:** Sydney has been approving a casino now for more than 20 years.

**Mr CAMPBELL:** Yes, that is so. That is an example of the quick decisions that are made by the Liberals and other conservatives in that State. It is interesting to note that in

that State the Packer group has actually taken the commissioner to court over the Showboat consortium winning the casino licence. There is a question over whether it should be able to have a casino licence. I believe we have done it pretty well in Queensland in that we have been able to maintain a very clean operation.

Today, with these amendments, we are looking at improving the efficiencies of the casino industry. Under this legislation, we will have a one-stop-shop—the Queensland Office of Gaming Regulation—that will bring about even better efficiencies for this industry.

Casinos are now becoming an important part of the tourism infrastructure and are an acknowledged part of the infrastructure of our coastal areas. It is important to ensure that they play a continuing role in our tourism industry. This legislation liberalises the provision of alcohol. More flexibility is needed in these areas. It is no longer just a "Yes" or "No" case. It is important to realise that, especially when a casino has been developed in a pre-existing building, we really cannot expect all the facilities that one would normally expect in a casino that was designed as a casino from the floor up. We have to make allowances not only for new technologies but also for the fact that a casino is being put into the old Treasury building. Under the old provisions for casinos, catwalks were mandatory. In actual fact, catwalks could be designed for new, purpose-built buildings but they are not suitable for inclusion in a casino in the Treasury building. They do not blend in with the heritage style of that building. However, with modern technology—video cameras and television cameras—one does not need catwalks. We can achieve the same degree of surveillance—probably better surveillance—with cameras rather than from catwalks.

Another important aspect of this legislation has been to make the old Treasury building a public building. In other words, we are now allowing the public to be able to utilise and see the restoration of that building. In the past, children would not have been allowed to look at the restoration of that building because it contained a casino. So we have had to make regulations to allow that to happen.

Overall, as I said, it is with pleasure that I join to support the Treasurer in this Casino Control Amendment Bill. It has been much needed, and I believe that it will make the casino industry of Queensland even better.

**Mrs McCAULEY** (Callide) (3.48 p.m.): This Bill is, of course, primarily a machinery amendment to facilitate the enhancement of the operational arrangements of casinos and the administrative arrangements in the regulation of those casinos.

I just have a few points of concern, one of which is the relaxation of the current restriction on the serving of alcohol at gaming tables in line with the accepted practice in the industry. I think that that is probably not the way to go. At the risk of sounding like a wowser, I believe that alcohol and gambling do not mix. To be able to sit at a table and gamble all night is fine; to be able to sit at a table and drink all night is probably equally fine, but to do both together is probably asking for trouble. I think that, if alcohol was not so freely available to people at gambling tables, they would probably be better off.

The other problem that I have is the one referred to in an article in the *Courier-Mail* yesterday. It referred to Queenslanders who are losing almost $1m a day on poker machines. This was a State Government commissioned study by the Department of Family Services. The study found that the Break Even centres set up to help people who have a problem with gambling are in great demand. The study was designed to assess the positive and negative aspects of the machines. It found that 40 per cent of Brisbane's adult population had played a poker machine in the 12 months to last May. Statewide, the monthly financial throughput was close to $200m, which represented a per capita amount of up $60 and an all-up daily loss by players of $1m.

I was not in favour of the introduction of poker machines in this State, and I have not changed my mind. An enormous amount of money is being bet by compulsive gamblers. These people are only using the machines because they are there. Some 20 per cent of the problem gamblers are women, who spend an average of $323 and 13 hours per week playing poker machines. This is a social problem that has been imposed on our society by the Government. The playing of poker machines is very socially isolating. Gamblers do not interact with other people; they sit by themselves playing a machine that may or may not occasionally spit money back at them. This is a socially unacceptable activity. It does not enhance our society in any way, shape or form. It is most unfortunate.

This legislation talks about running gambling schools. Are we going to show people how to gamble and lose their money? Are we going to run gambling lessons in high schools so that we can show our kids what to do when they go to the casinos when they are

old enough. At the risk of sounding like a wowser, I point out that that is my objection. Every member of Parliament should read this article, because it is most important. The problem is real and it is horrendous. We introduced it, and we are responsible for it. That is something that we should always keep in mind when we are discussing this sort of legislation.

**Hon. K. E. De LACY** (Cairns—Treasurer) (3.52. p.m.), in reply: I thank honourable members for their contributions and support for this Bill. As all speakers have acknowledged, the primary purpose of the Bill is to make largely machinery and administrative changes to the Act. It is essential that these changes be made before we issue a licence to Jupiters to operate the Brisbane casino.

There is one material change, because the current Act requires that catwalks be installed above gaming floors. That has not been the case with the Treasury Casino. It is designed in a completely different way. But catwalks are now redundant; television surveillance is much more efficient. Nevertheless, that change needs to be made to the legislation before we issue the licence.

Members have raised a couple of issues. It seems that one of the two issues exciting the most concern is the change in respect of the serving of alcohol at gaming tables. I make the point that people can now drink at gaming tables. There is no prohibition on people drinking at gaming tables. The prohibition is on serving drinks at the tables. As was pointed out in my second-reading speech, this prohibition has not been included in the other States. We are not proposing to rush headlong into this. If members look at the legislation and read it carefully, they will see that it does allow for the serving of alcohol, but it does not approve it. The approval will come only from the chief executive officer of the administrating department, which is Treasury. We would not propose to approve it in the near future on the normal gaming floors. This prohibition has been found to be something of a competitive disadvantage in the high roller areas.

**Mrs Sheldon** interjected.

**Mr De LACY:** They have found ways of perhaps getting around it by serving drinks at a table behind and so on. But drinks cannot be served at the table. That prohibition does seem a bit anachronistic. In the early stages, I am advised that it will be approved only in those areas and even then with considerable restrictions. We certainly do not expect to reach the stage at which they are at in Victoria where drinks are being served across the table from behind the croupier. That will not be occurring in Queensland. I can assure honourable members of that. This is a modest change to the Act in line with accepted current usage. But there is no way that, as a consequence of this change, we will be allowing casinos to actively sell alcohol at gaming tables on the main floors.

In respect of the CEO approving a range of things, including regulations, as mentioned by the honourable member—regulations are still required to be tabled in Parliament. I think the only reference to regulations, or changes to them, is in respect of some of the forms. In the old days, Parliamentary Counsel used to design the forms and these would be tabled in Parliament—applications for gaming licences and so on. But Parliamentary Counsel no longer does that, because that is changed often. It serves no useful purpose. Those forms need be approved only by the chief executive officer. It is a fairly modest change.

**Dr Watson:** The information that is required is still in the regulations, though.

**Mr De LACY:** Exactly, and new regulations or any changes to regulations are required to be tabled in Parliament.

In respect of the diminution of ministerial accountability, I can assure members that that is not the case. As the Minister in charge of gaming, I have found it particularly onerous having to grant such a high number of approvals. For instance, I approve every single licence, and that includes gaming licences—in other words, every croupier and every person who has a licence to operate in a casino, of which there are now thousands. I have to approve them. Under this legislation, I am not absolved from doing that. The new legislation is in respect of a licence that is being changed, for example, from a two-up operator to a croupier. That change can be approved by the chief executive officer. I approve licences on the basis that applicants are fit and proper to hold a licence. I do not approve, and nor should I, exactly what an employee does at a casino. Again, it is a relatively modest change. I believe it is a necessary one, because it does occupy a lot of my time. I have to approve a whole range of things in respect of gaming. That is right and proper.

We always promised, as did the former Government, that we would have a clean gaming and casino industry in Queensland. We have proved that that can be done. But the flip side to that is that there is a considerable scrutiny process. I can assure

honourable members that we are not walking away from that.

There was some mention made of the Community Benefit Fund. I think the Community Benefit Fund to which the honourable the Leader of the Liberal Party was referring was the Gaming Machine Community Benefit Fund. We now have two types of community benefit funds. First, we have the Casino Community Benefit Fund. And one of the amendments will amalgamate the community benefit fund for the two Jupiters casinos, consequent upon the commencement of operations of the Treasury Casino, into a single fund. That makes sense. That fund will be operated by the same trustees.

There will actually be four community benefit funds in Queensland: the Jupiters Casino Community Benefit Fund for south Queensland; the Sheraton Breakwater Casino Community Benefit Fund; the Reef Casino Community Benefit Fund; and on top of that, the Gaming Machine Community Benefit Fund, which covers the whole of Queensland.

I listened to the member's comments about the distribution. I guess this is the sort of debate that will go on forever. People play gaming machines right throughout Queensland. Only the large clubs contribute to the Community Benefit Fund, but that does not mean that the individuals in those clubs contribute less of their own money. I believe that it is fair and equitable that people from right around Queensland should be entitled to make an application for distribution from that fund.

There has been some intervention in the last two distributions for a bias towards droughted areas. I believe that that had widespread support, and I acknowledge members' support for it. That bias now no longer applies and we are back to a general distribution throughout Queensland. There is a range of guidelines. One of the guidelines is not that the benefit should go into the area close to where the large clubs are located, and I do not believe that it should. The biases are that the benefit should go to those charities whose fundraising capacity was most affected by the introduction of gaming machines and certainly into those groups that were mentioned by the honourable member—those that are attempting to remedy some of the ill effects of addictive gambling and so forth. That is occurring.

I make the point that we do have an independent committee that operates in that regard. I do not interfere with that committee, except if I do it in a public way. I do have reserve powers, and I made public the request for a bias towards droughted areas. Apart from that, I do not interfere in any way, shape or form. The committee does make recommendations to me for approval, but I can assure the member that it would be highly unusual for me to interfere with those recommendations.

The member for Callide spoke about the gaming machine report in yesterday's press. I suggest to the member that she look at the report and not the media report on the report. The report itself was a great deal more balanced than the general newspaper summaries of it indicated. As is usually the case, the newspapers will jump on something which seems dramatic and publish it in such a way as to leave it out of context. The message of the report was not that gambling is out of hand or that there is a major problem. Something like 663 people are attending the Break Even centres, but in the context of a million people playing poker machines in Queensland, that is not a large percentage. However, it is something that we need to be concerned about.

I make the point that those people are not all addicted to machine gaming. In respect of men, 60 per cent of compulsive gamblers actually participate in betting and non-gaming machine gambling. However, the majority of addicted or compulsive female gamblers have problems related to gaming machines. That statistic probably indicates that in the past there were not as many female gamblers as there were male gamblers, and poker machines have made gambling available to more people.

We recognise the downside, but that report points to the fact that, on balance, the introduction of gaming machines has been good for Queensland. There are many positive aspects to it. Compulsive or addictive gambling is not out of hand in any way, shape or form. I know that the report referred to people losing a million dollars a day, and that sounds like a massive figure. It was amusing to see the "shock, horror" reaction of the media when they first discovered that $200m a month was going through gaming machines. The recent report pointed out that the people of Queensland were actually only spending $30m a month. The reason that $200m goes through is because of the multiplier effect. Most people go in with $20 and they go out with nothing—and I think that is usually the case—but they put $140 through the machines, even though they take only $20 in. So there is a big multiplier effect there.

The report effectively said that $30m a month was being spent by Queenslanders. But people spend a lot of money in general, and they can choose their own recreation. Most people handle it very well. Forty per cent of those people gaming in Brisbane play poker machines less than once every three months. Generally, most people see it as a recreation and they can handle their gambling. I can say that because I have a mother who likes very much to gamble, but I am sure that, on balance, it is good for her. She does not spend more than she can afford; she enjoys it; she meets with all her friends when she goes to the club; and she knows when she has spent enough. She reckons that she wins all the time, but I do not believe that she does. At the end of the day, she believes that she does win because it provides her with a great deal of entertainment. I do not know how my mother came into this debate! Mind you, she spends a bit on the racehorses, too.

**Mr Gibbs:** That's all right.

**Mr De LACY:** I knew that the Minister was behind me, so I thought that I ought to throw that in. I thank honourable members for their support for this legislation.

Motion agreed to.

## Committee

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

Clauses 1 to 3, as read, agreed to.

Clause 4—

**Mr De LACY** (4.07 p.m.): I move the following amendment—

"At page 6, line 11, 'chief inspector'—

*omit, insert*—

'chief executive'."

This amendment merely corrects a typographical error.

Amendment agreed to.

Clause 4, as amended, agreed to.

Clause 5, as read, agreed to.

Clause 6—

**Mrs SHELDON** (4.08 p.m.): I seek an explanation from the Treasurer. I note that proposed new section 43A(7) states—

> "The person does not commit an offence against this section if the information sought by the chief executive is not in fact relevant to the investigation."

Before that, the proposed new section outlines the way in which information can be collected and what can be collected. I ask: what happens to that information? Where does it stay? If it became available to others, it may well prejudice an employee. Obviously it is fairly comprehensive, considering the position that is sought to be achieved. I ask the Treasurer to clarify the obligation to keep that information confidential and on whom the obligation falls.

**Mr De LACY:** There is a secrecy provision in the original Act which ensures that any information gained by inspectors is protected and protected under law. I cannot say where it is kept, but it needs to be kept in a way which is consistent with that secrecy provision.

Clause 6, as read, agreed to.

Clauses 7 to 9, as read, agreed to.

Clause 10—

**Mrs SHELDON** (4.10 p.m.): I am a little concerned about proposed new section 62A(3), which provides for the promotion of casinos by exhibiting gaming equipment and teaching adults, and so on. It seems to me that this is just a sales pitch by the casino. Indeed, the more people it can show its product to, the greater will be the numbers that come through the door. I just wonder if that is necessary. People know what happens in casinos. I want to know where this promotion was intended to occur, because it can occur by video as well. How can we be sure that children do not see this sort of promotion? I thought the Treasurer might be able to enlighten us about that.

**Mr De LACY:** I think the member is probably misreading why these provisions are included. They provide controls over promotions. They are not there to encourage promotions. The controls we exercise over gaming in Queensland are very extensive. These provisions mean that, if a casino wants to promote its wears, it needs to get approval to do so, which can be granted by the chief executive officer. That does not mean to say that they always would be approved. In fact, they very often would not be. They would be approved only if the chief executive officer believed that those things the member is worried about would not occur.

These promotions will not occur in shopping centres or schools. It would be quite rare to allow a gaming promotion outside of the casino unless it was at some sort of trade show or something like that. It would be quite rare for something like that to be approved.

This proposed new section certainly does give a supervising inspector or the chief executive the capacity to approve a promotion, but the fact that it is included should be seen as controlling promotion, not allowing unlimited promotion.

Clause 10, as read, agreed to.

Clauses 11 and 12, as read, agreed to.

Clause 13—

**Mrs SHELDON** (4.13 p.m.): I refer to proposed new section 65C. This was raised during the debate this morning, and I am aware of what the Treasurer said about it. This morning, the question of minors selling alcohol was raised. I know that there may be some discussion about that, but it would appear that there is a possible loophole in the law in that regard. Is that the case? Is it possible that this could occur in a casino?

I would certainly like to endorse what the Treasurer said about not wanting the serving of alcohol at general tables to become open slather. In fact, I hope that does not occur. I do not think it is necessary. It certainly does not add to the ambience of the casino or the games that are played. This proposed new subsection raises the question of the serving of alcohol and the age of those who serve it.

**Mr De LACY:** I can assure the member that in casinos the regulations in relation to who can serve beer are no different from those under the Liquor Act. Thirteen-year-olds cannot serve liquor. I am just not sure of the minimum age for working in a bar, but I suspect it is 18.

**Mr Gibbs:** You shouldn't be on a licensed premises under 18 years.

**Mr De LACY:** One cannot be on a licensed premises and one cannot serve beer unless one is 18 years of age. It is not allowable. Nobody can say that it does not happen from time to time, but it is against the law. I have to say that it would be much less likely to happen in a casino than in some other licensed premises, because casinos are much easier to control and they are much more heavily monitored. There are gaming inspectors and police on the premises at all times. I could almost give an assurance that those sorts of things do not happen in casinos. I cannot give that assurance when talking about the wider community because it is so much more difficult to control, monitor and police out there. But that is not the case in a casino. Casino operators would have to be just plain crazy to be breaking the law in respect of something like that where there was no material benefit to them.

Clause 13, as read, agreed to.

Clauses 14 to 18, as read, agreed to.

Clause 19—

**Mr De LACY** (4.16 p.m.): I move the following amendment—

"At page 23, lines 8 to 21—

*omit, insert*—

' 'Existing approvals etc.

'131.(1) This section applies to—

(a) the exercise of a power by the Minister, the Director or the Deputy Director that continues to have effect immediately before the commencement; but

(b) the provision conferring the power provides that the power may be exercised by the chief executive.

'(2) The exercise of the power has effect as an exercise of the same power by the chief executive.

*Example*—

An approval of a person by the Minister under section 82(1)(b) (Audit provisions) that, at the commencement, has not expired or been revoked continues to have effect as an approval of the chief executive, and may be revoked or amended by the chief executive.

'(3) Subsections (1) and (2) are laws to which the *Acts Interpretation Act 1954*, section 20A applies.

'(4) This section expires 6 months after it commences.'."

Amendment agreed to.

Clause 19, as amended, agreed to.

Schedule—

**Mr De LACY** (4.17 p.m.): I move the following amendments—

Page 28, line 12—

"*omit, insert*—

'*omit, insert*—' "

Page 31, after line 14—

"*insert*—

'35A. Section 52—

*insert*—

'(10) A regulation may prescribe changes to the way this section applies in relation to a casino licence if a person is—

(a) for the casino licence—the casino licensee, the casino

operator or the lessee under the casino lease; and

(b) for another casino licence—the casino licensee, the casino operator or the lessee under the casino lease.

*Example of relevant changes—*

A regulation may provide for 1 trust deed for all the relevant casino licences and for 1 separate account to be kept for all levies for the relevant casino licences.'.'."

Page 37, line 16 "or other"—

"*omit, insert—*

'or any other'."

Page 42, line 11, "Section 127(c)"—

"*omit, insert—*

'Section 127(2)(c)'."

Amendments agreed to.

Schedule, as amended, agreed to.

Bill reported, with amendments.

### Third Reading

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

## GRAIN INDUSTRY (RESTRUCTURING) AMENDMENT BILL

### Second Reading

Debate resumed from 16 November 1994 (see p. 10409).

**Mr PERRETT** (Barambah) (4.19 p.m.): At the outset, it is with some regret that we note the absence from the House of the Minister for Primary Industries, Mr Casey, due to some fairly tragic circumstances. On behalf of the Opposition, I would like to wish him a speedy recovery and let him know that we are thinking of him and his family.

The Opposition is pleased to support the passage of the Grain Industry (Restructuring) Amendment Bill through the Parliament. We do so in the firm belief that the proposals from the industry that have led to the Bill are in the best long-term interests of the State's grain growers—effectively, in the interests of its owners, who are the grain farmers. At the time of the merger of a number of grain bodies to form Grainco, there were calls for the new body to be set up as a company under the corporations law. At that time, in 1991, the Government decided against a company structure. It apparently believed a cooperative was the way to go for a body that would exercise statutory powers.

It is fair to say that, in the period since its formation, Grainco has proved most responsible in its exercise of those statutory powers. The Government can feel very comfortable in allowing the new company, made possible by the legislation, to continue with statutory powers. In any case, the fairly limited statutory powers that Grainco now exercises will probably lapse on 30 June 1996. Most participants are confident that the industry can stand on its own without statutory powers, but I am pleased that the Bill continues them until the sunset date. It will allow for planning certainty within the industry.

I will spend a few moments on the review of statutory marketing being undertaken by the Grain Industry Review Committee. That body is looking not only at Grainco's statutory powers but also at the Wheat Marketing Facilitation Act 1989. The latter provides for the orderly export marketing of wheat. In essence, it provides the mechanism by which Queensland wheat is acquired by the Australian Wheat Board for export sale. It would be a mistake to believe that the grain industry has formed a unanimous view on the worth of total deregulation.

It is true to say that many growers can see little problem with deregulation as it has operated so far in the domestic market. Of course, the traders and merchants have no problem, and that is fair enough. However, it is equally true that many producers have very real concerns about the future of deregulation. In my contacts with producers, that is coming across loud and clear. They are particularly concerned about the future of single-desk selling of our wheat exports, and I do not know of a single producer who wants to see that system go.

Growers are aware of the Federal Minister's commitment to the single desk in 1993, but they are equally aware that that position could change suddenly. They know that Labor is leading the headlong rush to adopt the extreme economic rationalist views of Professor Hilmer. His report has bodies such as the Australian Wheat Board firmly in its sights. Growers are watching for the State Labor Government to come out strongly in favour of the export single desk and to tell Canberra that it is not negotiable. There is an opportunity here for the Minister—in this case, the acting Minister—to take a firm line with his Federal counterpart and to reassure growers.

They are also awaiting anxiously the report of the Grain Industry Review

Committee—a body on which they feel they are in the minority compared with other grain industry interests. If the Grain Industry Review Committee brings down a recommendation to end Grainco's statutory powers, it should hold a referendum of growers. Potentially, they have the most to lose by the change.

The company structure allowed for in the Bill will give Grainco abilities that it now lacks. For a start, it will allow the proposed merger of Grainco with the Queensland operations of the Australian Wheat Board. As a cooperative, Grainco could not have done that. Opposition members particularly will appreciate the efficiencies of operation that such a merger would enable. By such a merger, Grainco could only grow stronger. However, the AWB merger may not ultimately go ahead, depending on the view of the grain growers who control Grainco. It is important to remember that they will always be in the driver's seat in the new company, and they will always ensure that the interests of growers will be looked after.

Beyond the possibility of the AWB proposal, the new company will be able to enter shareholding and other commercial arrangements with a range of entities with grain industry interests. Examples could include traders, millers, or food-processing companies. It is vitally important that Australia, and Queensland in particular, move more and more to value adding in respect of our farm industries. As a company, Grainco will be able to enter into arrangements which should boost its ability to do just that.

That is vital, because the grain industry in Queensland has been going through some very hard times, not just because of drought. Across many of the major grain-growing regions of Queensland, many of the crops that looked in excellent shape two or three weeks ago are now feeling the effects of a lack of rain. The grain industry has been the victim of corrupt world markets, low commodity prices and ever-increasing costs of production. I would applaud any move that will allow value adding within the grain industry to maximise the return for growers. The Opposition supports the Bill.

**Mr J. H. SULLIVAN** (Caboolture) (4.26 p.m.): It is with pleasure that I rise to support the Bill. Before I do so, I will take a moment to publicly place on the record my best wishes for the Minister, Ed Casey—a man who has worked closely with his committee for the five years that I have been a member of it. He has demonstrated that he has at the very core of his being the interests of the primary industries of this State. This morning, I attended the Policy Council of the Horticultural Industry. The members expressed the desire that their best wishes be forwarded to Ed. Best wishes are coming from all sectors of the industry, and we all wish him well.

I am pleased that the Opposition supports the amending Bill, as it supported the legislation when it was first introduced. As usual, the member for Barambah gave us a Hanrahan performance. "We'll all be roon'd", said Hanrahan. I must admit that today's effort was milder than most. Clearly, the grain industry producers have some concern about the statutory compulsory acquisition powers of Grainco. Those powers are the subject of review by the Grain Industry Review Committee, which is due to report to the Minister by 30 June. As a consequence of that report, a decision will be made about any possible need to extend those powers. One of the provisions of the Bill is that, should a merged or a corporatised Grainco float on the market, those powers would be suspended immediately. Perhaps the growers who have that concern should consider that.

As I listened to the member for Barambah, I thought back to 1991 when the Bill was introduced to amend the Act covering the grain industry in Queensland. Although the industry had been well consulted and welcomed the changes, Opposition members expressed considerable opposition to the introduction of the Bill. The member for Barambah thought that the provisions of the Bill before the House should have been included in the Bill that was introduced in 1991. He indicated that there was some suggestion at the time that that be done.

The member for Barambah also acknowledged that Grainco—the merged organisation brought about by our Government and our Minister, Ed Casey—has been successful and has conducted itself in a very proper and appropriate way. There have, of course, been some little disagreements between Grainco and the Government. The provisions of the Bill make it very clear that a number of the fundamental Acts of this State, such as the Criminal Justice Act, the Freedom of Information Act and the Judicial Review Act, will apply to the new organisation, Grainco. Those Acts form the very basis of our legislative scheme and the accountability of public administration in this State. Those essentially housekeeping matters are being dealt with along with the Bill's principal function, that is, the ability to provide a basis from which the Queensland operations of

Grainco can be merged with the Queensland operations of the Australian Wheat Board. I am sure that everybody is aware that this will bring substantial benefits for the industry in Queensland. I am happy to have had this opportunity to express my support for the Bill.

**Mr HORAN** (Toowoomba South) (4.31 p.m.): It is with pleasure that I join this debate on the Grain Industry (Restructuring) Amendment Bill. I join our shadow Minister in wishing Mr Ed Casey and his family all the very best.

Considering its short history and the difficult time in which it has been operating since its formation two or three years ago, Grainco is quite an outstanding rural marketing and handling organisation. In 1991-92, Grainco was formed by the amalgamation of the State Wheat Board, the Barley Marketing Board, the Central Queensland Grain Sorghum Board and Bulk Grains (Queensland). To bring those four organisations together to form a cooperative was quite a difficult operation from the outset. I think the organisation has handled it in quite an outstanding fashion. At the time of the formation of Grainco, the net equity in those four organisations was delivered to the growers in the form of shares. Approximately 1,300 shares went to grain-growing shareholders and that represented about 6,000 business units.

The headquarters of Grainco is in Ruthven Street Toowoomba. It is one of many rural organisations based in the city that contribute much to its economic wellbeing. Today, 360 people are employed throughout the Statewide operations of Grainco. During an average grain harvesting time, that figure expands to 500. Approximately 80 people are employed at its head office in Toowoomba, another eight people are employed in the Southern Downs regional office and the seed business of Grainco employs 10 people. In Toowoomba, Grainco's infrastructure, maintenance and construction activities operate from a workshop within the boundaries of the city.

An interesting and exciting development has been Grainco's expansion into value-added products. That expansion occurred at a time when Grainco had to look at other ways of generating income for the organisation because of the terrible drought in which it had its genesis. It bought a feed milling organisation known as Farmstock Pty Ltd, which has eight different feed milling operations throughout southern Queensland and northern New South Wales. It is part of a joint venture with Sumitomo, which imports fertiliser and sells it in southern Queensland and northern New South Wales. It has purchased a 25 per cent investment in Day Dawn, which has enabled Grainco to value add in the area of breakfast biscuits and muesli bars. It has moved very substantially into bulk handling at Fisherman Islands and Pinkenba. It is considering expanding the Pinkenba operation. It is able to now use those facilities, which were previously used for grain handling, for softwood chips, silica and magnesite.

Since its inception, Grainco has operated in a completely drought-stricken environment. The base operation of Grainco revolves around the marketing of grain and the bulk handling of grain. In Queensland, an average wheat crop for a year is approximately 1.5 million tonnes. Last year the total estimated tonnage of wheat and barley combined was approximately 250,000 tonnes—perhaps even as low as 210,000 tonnes—and Grainco is expecting to handle approximately 135,000 tonnes of those grains. In effect, in this past season, in the handling of the winter crop, Grainco has been reduced to about one-tenth of the normal handling revenues that it would normally receive. So, Grainco has made an outstanding effort.

Two years ago, Grainco recorded a loss of $4.5m. Last year, under those difficult circumstances, it made a small profit of just over $200,000. At the same time it has been able to move into those four value-adding areas, as well as investigating the movement into intensive livestock production in order to value add even further.

Under the legislative controls, Grainco was formed as a co-op, because the Government felt that that was the way it should be. However, it has been found that, as a co-op, it is not possible to operate in the commercial environment in a simple and flexible way. Grainco needs to operate as a company so it can operate in a truly commercial manner in the commercial environment. This legislation facilitates that move to company status so Grainco can negotiate a possible amalgamation with the Queensland section of the Australian Wheat Board. Whether that merger goes ahead or not, it will still be necessary for Grainco to become a company so that it can operate its many and diverse operations in a truly commercial way. Grainco held an annual general meeting in December last year and passed a rule to allow this movement to company structure. In April, a series of growers

meetings will be held to discuss the conversion and it will be necessary for a general meeting to be held before the end of the financial year to pass any necessary changes. No doubt some of the necessary conditions will include growers' control of their organisation. That will have to be included in the various memorandums and articles of the company to ensure that that grower control is able to be maintained.

Grainco's debt is with the Queensland Treasury Corporation and Cabinet has allowed this move to company structure and at the same time has allowed Grainco to retain its position in the statutory marketing of wheat and barley, in particular. The legislation contains a sunset clause for Grainco that enables it to move away from that statutory marketing function in 1996. That move will have to be approached with caution. Our shadow Minister detailed some of the feelings of growers throughout the various growing districts.

During its time as a newly merged body of those four grain handling and marketing organisations, Grainco has been gradually deregulating and there has been recognition that Grainco has been doing that in a very satisfactory way. The future merger depends upon negotiations currently under way with the Trade Practices Commission and it will depend upon the corporate structure that is designed and arranged. Finally, it will depend upon growers' acceptance of the corporate structure and the necessary articles and memorandums. As I said earlier, irrespective of the outcome of the merger negotiations with the Australian Wheat Board, it is very necessary for Grainco to become a company so that it can operate and compete in the commercial environment.

The record of Grainco in the past three or four years in this most difficult of all droughted environments has really been quite outstanding. The way it has been able to move into value adding of its base product and to give its grower members the opportunity to share in that value adding and that diverse marketing and handling has been quite outstanding. It gives me great pleasure to join with the coalition Opposition in supporting this amendment Bill.

**Mr CAMPBELL** (Bundaberg) (4.39 p.m.): It gives me pleasure to join in the debate on the Grain Industry (Restructuring) Amendment Bill and to support the achievements of Ed Casey and his work through his close association with rural industry. Over the past five years that Ed Casey has been Minister, we have seen the restructuring and modernisation of many industries, as in this case.

The member for Toowoomba South highlighted the way that Grainco has been able to succeed and diversify in this time of harsh drought. Only because we have allowed Grainco that flexibility has it undertaken those activities. I believe that we must appreciate the role of the State Government in what is happening here today.

There are important aspects to the proposed merger of Grainco and the Australian Wheat Board. Firstly, we will be rationalising the number of grower owned and funded bodies, which will mean savings through the elimination of administrative and marketing duplication. In the past, the Australian Wheat Board and Grainco competed for the same grain—one to sell overseas and one to use for the domestic market. Grower funds have actually kept those two bodies in competition with each other. The merger also means that the Australian Wheat Board will have access to storage and handling facilities in Queensland. That will help the rationalisation of the grain industry.

Another aspect of the merger—and this is very important—is that, over the past three or four years, we have been through one of the harshest droughts—and I shall outline some figures later—but because Grainco has been able to value add and branch out into other areas, it has been able to survive. If the original merger of those four cooperatives had not occurred, most of them would have been bankrupt by now. I believe that only through the foresight of the Government and the Primary Industries Minister has a company such as Grainco been able to expand and survive during these very difficult times.

In 1992, when Grainco was established, it made a loss of $4.5m. Last year, it made a profit of $185,000. That is not a big profit, but when one considers how the drought has affected Grainco's basic activities one realises that it could have been in a disastrous situation. For example, in 1992-93, the wheat tonnage handled by Grainco was 780,000 tonnes; in 1993-1994, it was 610,000 tonnes; and in 1994-95—the last season—it dropped to 135,000 tonnes. The barley tonnage has been disastrous. The barley tonnage handled by Grainco has gone from 200,000 in 1992-93 and 180,000 in 1993-94 to 1,000 tonnes last year. Sorghum has defied the odds, and Grainco has actually handled from 20,000 tonnes in 1992-93 to 470,000 tonnes in 1994-95.

Members should appreciate that since Grainco came into operation, and because of the drought, we are now importing grain. In actual fact, the facilities of Grainco have facilitated the handling of imported grain and have provided grain for primary producers and other industries that use it for feed. For example, in 1992-93, Grainco handled 230,000 tonnes of imported grain; in 1993-94, that figure rose to 280,000 tonnes; and last year, 780,000 tonnes of grain were handled by Grainco. Traditionally, the facilities at Grainco handled wheat for export, but luckily they were also able to be utilised by industries for the import of grain.

If we did not have droughts, we would not have to import grain; but we must appreciate that, through the added versatility given to Grainco, it has been able to operate and succeed in the industry during these very harsh times. We should congratulate the Minister on being able to achieve a structure that has allowed that flexibility to occur. I have much pleasure in supporting these amendments to the Grain Industry (Restructuring) Bill.

**Mr LITTLEPROUD** (Western Downs) (4.45 p.m.): The grain industry is one of the major industries of the electorate of Western Downs, and my association with it goes back even further than my membership of this House. During my time as a member, I have always taken a keen interest in following the developments in the grain industry. Previous speakers in this debate have highlighted various aspects of what is going on in the industry. However, I summarise matters by saying that this legislation is yet another example of the pragmatic thinking of the grain industry and its leaders. It is all right to give credit to the Government of the day and previous Governments for legislation that is introduced, but very often that legislation is shaped by requests from the grain industry.

The member for Bundaberg, my honourable colleague from Toowoomba South and the shadow Minister have referred to what has gone wrong over the past three or four years and how the grain industry has been under great strain. They spoke also about the necessary rationalisation of the various boards that sell grain products. For sure, without the good, solid thinking of those people in the grain industry, the industry would have gone down the gurgler. I regard this legislation as yet another development of rationalisation. It has been acknowledged that if the grain industry is to survive and serve its members well, we have to unite the efforts of the Australian Wheat Board in Queensland with those of Grainco.

Grainco is led by Ross Bailey who, along with executive officer Ian White, has been very pragmatic and businesslike in the way in which Grainco has gone about its business. It was interesting to read in today's newspaper that Ross Bailey, the chairman, has spoken to growers. He is now in a rather difficult situation because he knows that he is heading an organisation that is a marketer and handler, yet he is looking after the interests of the growers themselves. He said to them that it was their interests he was looking after and that they have to vote on where they want to go in the future.

That discussion emanated from a meeting held recently at Miles by the Queensland Grain Growers Association. At present, the big issue on the minds of growers is deregulation and their fears of it. To the credit of the Government of the day and also what has occurred in previous years, most of the legislation relating to the grain industry in Queensland reflects the wishes of growers. However, the big problems for grain growers in Queensland occurred when John Kerin was the Federal Primary Industries Minister. He commissioned the McColl report, which was all about deregulation of the wheat industry. Unfortunately, the report disregarded completely the wishes of the grain industry and set it on a course that many people think is perilous.

In the mid 1980s, I was in attendance at a meeting of grain growers in Dalby when the McColl committee and its report and recommendations were made known and debated. Over 600 growers were at that meeting, and only two people in the hall voted in favour of those proposals. The resounding vote of no-confidence in that report should have been listened to by the Federal Government of the day, because it was taken by people involved in the industry. Following that meeting at Miles, the State council of the Grain Growers Council made the decision to try to safeguard many of the statutory powers that already exist within the Grainco Bill and State wheat boards. I hope that the acting Minister, Mr Gibbs, will not err as Mr Kerin did. I hope that he will realise that the grain industry has a good record of knowing in which direction to go in the best interests of the growers, the industry and the State and that, when we review the Grainco Bill in 1996, the acting Minister will bear in mind that many, many growers out there believe that we must retain single-desk selling for export wheat and

export barley—and most of that is malting barley.

Over the years, a lot of animated discussion has taken place about having more flexibility in the marketing system and that the board system and powers of acquisition were too tight. In retrospect, I believe that it would have been better if Mr McColl had kept right out of it because, at that time, the grain industry and the people running the Barley Board and the Wheat Board were allowing more flexibility in the marketing of grain. They were allowing off-grade grains to be sold direct from the grower to an end user rather than going through the board system. That eliminated handling charges and made them more efficient.

We should have allowed the process to go along in its own way. Following some torturous meetings around the flat where the growers meet, we felt as though we were eventually getting there. But the big fear now is that, with the threat of deregulation and the Hilmer report hanging over competition in Australia, we might do a great disservice to the grain industry at a time when it is very fragile.

Over the past couple of years, there have been enormous changes in our grain markets. Mostly, we used to grow grain, load it onto trucks and then onto ships and then sell it overseas. In more recent years, because the level of production is down and because of the growth of domestic end users—principally pigs and the beef cattle feedlot industries—the grain is now going to quite different places than it was four or five years ago. However, when a decent season returns and we see the sorts of crops that we are capable of growing, there will be enormous quantities of grain produced and it will be then that the real dangers of deregulation will come to the fore.

The small growers across the Western Downs and Darling Downs—the growers whom I represent—who grow 300 to 400 tonnes of grain per year do not have any marketing clout. The only way for growers to gain any marketing clout is through the formation of a cooperative. Hence we have Grainco. The big growers on the western plains and in the Central Highlands will have between 20,000 and 30,000 tonnes in their silos. They can ring up the end users and say, "I can provide so many hundred tonnes of protein wheat or grain." They can make deals. But the small growers really need help.

If we take away too many of the statutory powers, the small growers will be left to the mercy of the markets. If we see big crops and big tonnages, there is a good chance that a lot of that grain will be damaged by weather, creating off-grade grains that are hard to sell. The big advantage for Grainco and other cooperative bodies with statutory powers was that they could warehouse off-grade grain and blend it to make a marketable product. Alternatively, they could hold it in such quantities that it gave them some marketing clout. This produced a better result for the growers, who were part and parcel of these statutory organisations, or pools.

I am pleased to see the Minister taking a good hard look at this industry. I support this piece of legislation. It is a move towards something that has been pushed for by the industry. This is in stark contrast to the sort of forced deregulation following recommendations by the McColl report way back in the days of John Kerin. We have to be very careful, because the grain industry is in such a fragile state that it will need all of the help that it can get in marketing its products. That is where the dollars are made, not in growing. I have much pleasure in supporting this Bill. I hope that when it is reconsidered in 1996 the Government will take heed of what the grain industry is calling for.

**Mrs McCAULEY** (Callide) (4.53 p.m.): I would like to take this opportunity to remind members opposite that the drought is not over. Many parts of Queensland have had good rain, but the drought is certainly not over. Outside Biloela, where I live, I am surrounded by prime agricultural dry-land farming areas. In the past three weeks, all of the sorghum crops on the acres and acres surrounding my property have failed. They have all gone blue and turned up their toes.

The price of sorghum has mirrored what has happened to a lot of sorghum crops. At first, the price was predicted to be very high. Then it appeared that there would be a big sorghum crop, and prices dropped considerably. Those growers who forward-sold are probably cutting their throats, because the price has risen again. Only so many crops are being baled. Most crops have failed and have been turned over to cattle. Not as much sorghum will come from our area as we had thought.

Once upon a time, I could say proudly that the Callide and Dawson Valleys were major grain producers in Queensland. However, because of the drought in our area for the past three years at least, I cannot really say that any more. However, there are people who still have a leading role to play. I refer to people from my electorate such as Charles McDonald, from Bauhinia; Gil Schmidt, from

Jambin; and Geoff Johnson, from Theodore. These men are all intelligent and capable, and they have my full confidence. They are all involved in the grain-growing industry. I believe the industry is better for their representations.

The aim of this legislation is to facilitate the merger of Grainco and the Australian Wheat Board, with the AWB to own up to 49 per cent. That is subject to approval from grower shareholders and subject to corporations law. Grainco will convert from a cooperative to a corporation, so there is a need to amend the existing Act to allow its retention of statutory marketing powers. Under the existing Act, if Grainco converts to a company, the statutory marketing powers granted to the grain industry and Grainco's administration would cease. The extension of those statutory powers is under review. As one of the previous speakers said, it has been "sunsetted" to June 1996. In the next 12 months, I guess we will see whether those powers are extended or done away with.

As to the benefits of such a move—corporatisation and amalgamation will lessen administration costs and marketing duplication. That has to be a good thing. It will give the AWB a say in future infrastructure development and rationalisation. That will also be a good thing. The Australian Wheat Board will inject major funds into the industry and hence the rural economy. This will have to enhance Grainco's competitiveness. It will also spread the climatic risks nationally, and so influence the viability of the local industry.

I honestly do not know how some people in the grain industry have struggled on. The same growers who have just had failed sorghum crops did not plant a winter crop last year, nor the winter before. They are in areas that are not receiving enough rain to support a crop planting. I can almost pinpoint every area of good crops in the Callide electorate. There is a jolly good crop of sorghum at the Goovigen Fiveways. I know exactly where they are because there are so few of them. There are not many there. Those growers who have planted have done so because they were fortunate enough to have received isolated rainfall.

As to the drawbacks—Grainco was listed as the fastest growing unlisted company on the IBIS Business Information list. It was the most successful unlisted company in terms of revenue growth. Its revenue stream has surged an average of 27 per cent per year since 1992. That is regardless of the drought. Those are pretty impressive figures. It recovered from a $4.5m loss in 1992-93 to record a net profit of $185,000 in 1993-94. This success has been attributed to rising domestic demand and a program of integration with other grain related businesses—for example, Day Dawn Food Processing, which provides breakfast cereals, muesli bars and so on—and also a 50 per cent ownership in the Summit Fertiliser Company. It has diversified to quite a degree.

I guess we have to ask: are there more advantages to be gained by AWB than Grainco? The Australian Wheat Board is a good but expensive export marketer. I am one of those people who believe that single-desk selling should remain until tangible gap profits appear. That could be never, given the corruption of our world markets. Countries such as the United States are paying lip-service to free trade by subsidising their farmers through the backdoor, something that happens also in relation to Japan's rice growers and so on. It happens in many other countries. I am blowed if I know why we should be out there leading the way when bigger countries are simply paying lip-service and are not following through in tangible terms.

Recently, I have been reading a book on Doc Evatt. Interestingly, as the External Affairs Minister in the 1940s, he was very keen to conduct trade deals on a worldwide basis. He saw Australia as being a leader in marketing, trade, deregulation and in the promotion of free trade. Unfortunately, that never came to be, and it will not while ever the——

**An Opposition member:** He was a good Labor man, was he?

**Mrs McCAULEY:** Yes, he was a good Labor man. He went mad.

Although I am a great supporter of single-desk selling, I am aware that the beef, coal and a lot of other industries already have multiple-selling outlets, and that does not affect their markets in the slightest. As the member for Western Downs mentioned, the implications of the Hilmer report will probably knock single-desk selling clean on the head. We will have to wait and see how the Hilmer report will affect the grain industry. The beef and coal industries do not have single-desk selling and they are doing all right, although I imagine that those in the coal industry would sometimes say that single-desk selling would be quite advantageous to them.

We must ask ourselves whether this legislation is really necessary at this stage. The proposed merger with the AWB stalled while the Trade Practices Commission examined the likely effects on competition. A similar

proposed merger in New South Wales stopped due to the infringement of section 50 of the Trade Practices Act. The Trade Practices Commission was concerned that the merger would substantially lessen market competition for the storage and handling of grain and grain products. We must ask ourselves whether this legislation is necessary. I know that people such as Ian Macfarlane were absolutely floored when the proposal was opposed by the Trade Practices Commission, because that possibility had not even been contemplated; but those people had to grapple with it quick smart.

I turn to the issue of whether the AWB will be privatised and what effect that will have on funding through the Wheat Industry Fund. It was interesting to read the personal view of Clinton Condon, the Chairman of the AWB. He stated—

> "Controversial $200m grower-funded WIF could become a launching pad for a privatised AWB. It would become the growers' shareholdings and their ownership mechanism of the new organisation. Those growers unhappy with the WIF will be able to get out of their own accord. But until that time the WIF is the thing that keeps the Australian Wheat Board in position. Without the WIF, the AWB would not have survived the last five years since domestic deregulation."

In light of those comments, one has to ask: are there more advantages to the AWB than to Grainco, and could a successful Grainco be put at risk as more growers become disillusioned with the impact of deregulation and withdraw their support? Why change a successful formula?

Finally, I shall touch briefly on an issue that was raised by a previous speaker, namely, the amount of grain that Queensland is importing from overseas. I know that protocols are in place for the handling of that grain, and I hope that those protocols are foolproof, because otherwise we could find ourselves facing many problems. If we are not careful, the difficulties that we could encounter with noxious weeds such as parthenium could create problems that will last for many, many years. That is an issue of which the industry must be very aware. I am sure that all growers are aware of it, and it just remains for the Government to also give it top priority.

**Mr ELLIOTT** (Cunningham) (5.03 p.m.): I would like to touch on a number of subjects. This legislation will enable the merger of Grainco and the Australian Wheat Board. Last year, along with many of my colleagues, I attended a national meeting of National Party parliamentarians held in Western Australia. At that conference, we had the opportunity to talk to a number of grain growers from Western Australia. During some of those discussions, it became evident that those growers are most concerned about what is happening to their WIF funds in particular. As my colleague the member for Callide just pointed out, the wheat board has been able to utilise those funds. As someone who holds WIF funds—and admittedly they are very insignificant compared with those held by many of those large Western Australian growers—I would have liked to be able to access some of those funds during the drought. My wheat-growing colleagues share that view. Those funds have been tied up and have not been assisting growers to any degree. I am diametrically opposed to the concept of those funds being used to set up another privatised company that would then compete against Grainco.

Whatever one thought about Grainco when it was first established, one must be impressed with its performance through the worst seasons that we have ever seen. I have said many times in this Chamber that, in the past six years in my electorate, only two out of 12 summer and winter crops have been harvested successfully. We are just about to knock that statistic into a cocked hat, because it looks as though that figure will soon be two crops out of 13; it appears that the summer crop will also fail. Although some growers have experienced good rain and then some follow-up rain, as usual the growers in my region received enough rain to plant a crop but there was no follow-up rain—resulting in the likelihood of a failed crop. Let us hope that does not occur and that growers in the region receive some rain in the near future so that their crop can be saved. If rain does not come soon, the consequences will be absolutely devastating.

At present, the survival of a significant percentage of growers in the immediate Darling Downs area is in doubt. A number of people will pull off significant tonnages of sorghum; some of them were smart enough to forward sell their product on a hectare basis to some of the feedlots that wanted to ensure their continued operation this year. Those growers have obtained reasonable prices for that grain. However, a far larger number did not have the water resources or the financial ability to be able to withstand the loss in the event that the crop was not harvested. Those people were unable to forward sell, and they will probably receive $50 or $60 less per tonne for that grain than they normally would, which

will make a very significant difference to their bottom line income. I look forward with interest to a number of events. The first is the outcome of this season, because it will have great significance not only to growers but also to the future of Grainco.

Recently, it was announced that Grainco had achieved almost a $200,000 profit. Given the greatly increased throughput of grain, one would expect Grainco to once again turn a reasonable profit. Admittedly, Grainco started with a large asset base. However, it also had a quite substantial debt to service in respect of its port facilities. All in all, Grainco has achieved positive results. We should be working towards ensuring that growers' moneys are not used to pit one grower organisation against another. That would be the ultimate madness. If the Trade Practices Commission can see any logic in such a scenario, it certainly escapes me. The Minister might like to comment on that matter, because that certainly is one aspect of the aims of this legislation.

I am very pleased that Grainco has started to adopt value-adding practices. As my colleague the member for Toowoomba South mentioned the purchase by Grainco of the mills, I will not trample that same ground; I merely comment that I support that move. Another positive measure is the move towards the production of value-added goods such as those marketed under the Day Dawn label. If it is done well, that initiative has a very real potential to market products almost directly from the farmer to the breakfast tables of this nation. The Day Dawn range represents more than a good commercial proposition; it sends very positive messages to consumers. The average Australian wanders around the supermarket trying, where possible, to find Australian-made goods. What could be more Australian than the products marketed by Day Dawn, whereby the fruits of the labour of Australian farmers go directly onto the shelves of our supermarkets? By purchasing products from the Day Dawn range, consumers assist grain growers and those who supply other ingredients such as raisins. That initiative is certainly a step in the right direction.

I want to cover a number of other points. Although they are not covered directly by the Bill, they are clearly related to the reasons for facilitating the merger of Grainco and the Australian Wheat Board. The first problem that I wish to raise is the drought, which I mentioned before. It is very important that it is seen as an ongoing problem that this State faces. It is a phenomenon that obviously we will have to live with forever and a day. However, I see two important features of that problem. There is a desperate need for a large pool of funds from which farmers can borrow money and pay it back over a long term.

History shows that to some degree the Primary Industries Bank, before it was taken over, certainly carried out that role. It had fewer bank charges and lower on-costs. Before the Primary Industries Bank was the Agricultural Bank, as it was in this State, which played a very significant role in keeping farmers' costs down. It gave them realistic, long periods in which to be able to pay back loans. If the Government has any interest in seeing the family farm survive—and I would like to think that, with the Labor Party's philosophy, it might be more interested in that than seeing corporate farming take over the entire nation—that is the only answer that I can see.

If the Government is interested in solving this problem, it will try to do some real research into it. Government members can mark my words that, unless something is done, they will see a huge loss of family farms, particularly in areas such as the Darling Downs. Of course, areas all around the State are affected. Obviously, central Queensland is another area where large numbers of people are under immense pressure. This problem needs to be researched. A farm may be worth a million dollars, but over the last five years most farmers have run at a loss or made minute profits. Even if the figures are projected forward to what they would be in reasonable times, with the current grain prices, the only way we could really make a logical comparison is to compare how many tonnes of grain it cost to buy a Toyota Landcruiser in 1978 with how many tonnes of grain it costs to buy a Toyota Landcruiser now. That sort of exercise will show the immense and massive erosion of the buying power of those farmers. That is the only equation that means anything in real terms to those farmers.

Unless we can ensure that farmers have access to long-term, relatively low-interest loans, they have no chance whatsoever of surviving what they have been through already and what some predict they could well be going through again in the near future. I hope that the Minister in the Chamber takes that on board. I realise that he is the acting for the Minister, but in the absence of the Minister it is important that these issues be thought about and talked about in Cabinet. If we do not have support in Cabinet for some of these problems, then we really are going nowhere.

Another issue I would like to raise is of very real significance on the land. I made representations to the Treasurer and then was involved in a deputation of the contractors and essential service plant operators to talk with the officers of QRAA—a lot of whom were originally from QIDC—who can understand the problems many of the contractors are facing. We are not just talking about cotton-picking contractors or contract harvesters. A huge range of people are involved in rural industries every day, whether they be hay-baling contractors, people who do contract ploughing or planting, or other service providers. Those people are just as much part and parcel of the rural industries as are farmers such as myself and, as such, they have taken just as big a beating in this horrendous drought that we have been through. Many of them have suffered an income drop of 96 per cent. If that happens for a number of years, one does not need to be too smart to see where those people will end up. They have large commitments in the way of plant and equipment through lease, hire-purchase, banks and so on.

What they are asking for under RAS and the whole rural reconstruction program is that they be recognised in the same way as the farming community. That is the only way those people can get anywhere. If we want these people around when the seasons improve to take the crops off, bale the hay, etc., it is absolutely essential that we recognise that they are part and parcel of the rural industry, that they receive our support and are able to access interest subsidies to the same degree as farmers. Years ago, when we were in power, we extended our support to the stores and the small-business traders. I would ask the Minister to consider that.

Another issue which is obviously of concern when discussing a Bill such as this, which has such wide ramifications to everyone on the land, is the latest edict from the Minister for Lands on the clearing of land. As a former Minister involved with nature conservation, I obviously have a real concern about people who are silly enough to clear land that should not be cleared, particularly on watercourses. That is something about which we are all concerned, and have been for a long time. The Government should not adopt a big-stick approach and use a satellite to spy on people. That is not the right way to approach this problem. It should be attacked through Landcare, which has been immensely successful. It is a very successful operation when it is run properly. It has to be in the hands of the rural industries, with the involvement of the environmentalists. This is the first time in the history of this State that we have really seen the conservation movement get involved in an issue in a hands-on way. This allows them to get out and help plant trees and plan overall catchments—really getting their hands dirty for a change, rather than being seen to be negative and protesting.

This has had a very good effect on rural industries and rural communities as a whole because, for once, the environmentalists are seen to be doing something positive. They can now work with rural communities to try to circumvent soil erosion and ensure that trees are planted where they need to be and that trees are not being knocked down in places where they should not be. That will not occur by threatening people; that will only put them off side. That is what the Minister for Lands has done with his proposal. I make this plea today to look at that issue, using commonsense. If the Government is going to put $8m into this exercise of the Minister for Lands, for goodness' sake, put it into Landcare. That has the potential to do something. It has the potential to ensure the long-term viability of properties. This Bill will not achieve one single thing if we do not at the same time ensure the long-term productivity of farmers. Much of this land will face devastation if farmers are just so broke and so pushed to the wall. That is when bad management occurs.

I need refer only to the old leasehold situations and what happened with Vestey in the Kimberleys. We have seen what happened to land under that system of tenure. If the Government thinks that it will get better results and better land care from absentee land-holders, it is mad, because the best custodian of the land will always be a freehold landowner who lives on the property—the owner/operator who actually drives the tractor on his own property. He will want to keep the property in as good, or better, condition as possible so that he can pass it on to future generations of his family. There will always be a few madmen. There are idiots everywhere. They drive on the road, or they are into farming. One can always find someone who is an idiot, but that does not apply to the mainstream of this industry.

Most farmers have as much care for their farms as city people do for their homes. They feel the same way. They have a proprietary feeling about their property—their land—to ensure that it will continue to produce for the next 1,000 years in the same way that city

people feel about looking after their own home. City people do not knock their own homes around just for fun, because it costs money and they lose the utility of it. The feeling is the same for those people who own land. It is most essential that the Government take these points on board. With those remarks, I support the Bill.

**Hon. R. J. GIBBS** (Bundamba—Minister for Tourism, Sport and Racing) (5.20 p.m.), in reply: I appreciate the contributions made by all members and thank Opposition members for their support. The remarks made about my colleague the member for Mackay were certainly appreciated.

Broadly, Opposition members support the Bill. Before I attempt to answer some of their queries and address some of their concerns, I shall make one observation. Government members are more than aware that the drought continues throughout Queensland. The Brisbane metropolitan area and other parts of the State have been very fortunate to receive good rainfall. Cabinet is briefed on this issue very regularly, and there is a high appreciation amongst Cabinet members that the problems continue.

The Opposition spokesman, Mr Perrett, spoke about deregulation. The Act contains a sunset clause in relation to statutory powers, and I understand that was supported by the Opposition. The sunset clause is not subject to the usual review required under the Act. I am advised that the report will be available by 30 June this year. To maintain regulation of the grain industry after 1 July 1996 will require legislative action by the Government.

I am advised also that the Hilmer report advocates free competition in the market place. If the regulation of the grain industry were to continue, it would require authorisation by the State. On previous occasions, I have heard Mr Casey make the point that there is nothing that the State can do to protect or maintain single-desk selling by the Australian Wheat Board. The Government did not direct Grainco to be a cooperative but expressed its preference for that structure. The industry itself chose the cooperative structure.

Mr Perrett also suggested a referendum of growers. Section 53 of the Act provides for a poll of growers on whether a compulsory scheme should continue. Mr Casey has received from growers a petition for a referendum, and arrangements are being put in place for the ballot to be held in May this year. That provision of the Act allows growers to have a say in whether or not the scheme should continue. I am sure that that will be welcomed by the Opposition.

Mr Horan raised a number of concerns about the reason for the Bill. The change to the structure of Grainco was brought about because the Australian Wheat Board would not enter into negotiations unless Grainco was a company; otherwise, Grainco could convert at any time but would lose its statutory powers. The conversion to a company will provide capital-raising flexibility to Grainco but, most importantly, will change the voting from a shareholder basis of one per member, as in the past, to a share basis of one per share. That was not essential when Grainco was formed. The major tax advantage to Grainco as a cooperative relates to Queensland Treasury Corporation debt repayment, because principal plus interest are deductible. That was the driving force for the cooperative choice and the belief that growers were not ready for one vote per share when Grainco was formed.

In relation to a number of the concerns raised by Mr Littleproud—the legislation is a very good example of industry and the Government cooperating and working together. It is also a good example of pragmatic thinking by the Government in terms of the rural sector. In expressing a concern about deregulation, the member referred to the McColl report, which set deregulation in motion at a federal level. It has met resistance by growers, but so far that has been isolated and minimal. By and large, I am advised that changes are supported by the growers, particularly in the domestic marketplace.

The current review process represents an opportunity for growers to put forward their views. Whether Mr Casey or I am the responsible Minister, I assure honourable members that the views put forward by growers will certainly be taken into consideration. The Government knows that it must consider the total needs of the industry and the effect on our economy Statewide—from gate to plate. We must take into consideration the needs and desires of producers, marketers, handlers, millers, traders and end users, not only the needs of growers. I do not want to sound blase when I make that point, but this Government appreciates that there are more players in the industry than simply the growers themselves.

The member for Callide, Mrs McCauley, also made some points that I noted. She expressed concern about some of the possible drawbacks in the industry. Revenue

growth since 1991-92 has been from a very small base. As I said, single-desk selling is a federal issue and, therefore, remains a decision for the Federal Government. In relation to the AWB/Grainco merger—the talks stalled so that internal issues could be resolved; they were not stalled in any way by the Government.

Mr Elliott made a number of very salient points. He spoke about wheat industry funds—a compulsory levy imposed by the Commonwealth to fund value-added investments by the Australian Wheat Board. I am advised that Mr Casey wrote to the Trade Practices Commission along the lines that growers should not be forced to compete against themselves. That is a good indication that the Government shares some of Mr Elliott's concerns. I am pleased that the Opposition supports the legislation, and I commend the Bill to the House.

Motion agreed to.

### Committee

Clauses 1 to 15, as read, agreed to.

Schedules 1 and 2, as read, agreed to.

Bill reported, without amendment.

## WATER RESOURCES AMENDMENT BILL

### Second Reading

Debate resumed from 23 February (see p. 11056).

**Mr HOBBS** (Warrego) (5.29 p.m.): I express my sorrow for the Minister for Primary Industries who is presently hospitalised and I certainly wish him a very swift recovery and wish his family all the assistance that can be theirs at this time.

The Bill before the House covers several important areas. Firstly, it clears the way for the amalgamation of water supply and drainage boards in Queensland. It facilitates the implementation of the Sugar Industry Infrastructure Package. Of course, that will be facilitated in accordance with the agreement with the Commonwealth Government. I note the Commonwealth contribution of $19m that is to be spent by 30 June 1997, which will be matched by $19m from the State Government, with an additional $34m coming from the State Government for the Teemburra dam project.

Members will recall that the Teemburra dam project is west of Mackay. The dam is not actually under way, but it is well into the planning stages—the drilling has been done and it is hoped that construction will begin in the very near future. Members may recall also that that dam is the result of a previous proposal for a dam called the Finch Hatton Gorge dam that was to be constructed quite some time ago during the days of the National Party Government. That construction was deferred because the gastric brooding frog, which gives birth to its young out of its mouth, was found at that site.

**Mr J. H. Sullivan:** Tasty frog.

**Mr HOBBS:** Yes, the tasty frog. It is interesting that that frog has not been found at that site since. Some people have suggested—and, of course, I would not believe it—that some conservationists planted it there. It will be interesting to see whether that frog turns up again.

The industry is contributing $45m to this package, which is quite a substantial amount. I think that goes to show that industry is supporting itself and paying its way. I caution the Government that it can pursue the primary producers for only so long because, at the end of the day, if it kills the goose that lays the golden egg, there will be nothing left. The present level of funding that is coming from industry, considering the conditions of the past few years, is just about its limit.

Secondly, the Bill relates to the designated flood plain areas. In his second-reading speech, the Minister referred to land-holders in the lower Balonne region, the flood plain region of south-west Queensland, and their request for improvements in the process of designation. Those land-holders have told me that they appreciated the initial input; however, there was no follow-up consultation in that process. I can understand that. I know that it is always difficult to consult with people when one is involved in a difficult legislative process. However, those people were concerned that the structure of the final draft had some faults and they would have liked to have been involved in some discussions that may have eliminated some of those faults.

When we look back at what happened in the lower Balonne area, the Government handled the process very badly. I do not know whether that was the Minister's fault, but someone went at it like a bull at a gate. Lessons have been learned on all sides. We hope that that does not happen again, because the trauma that the people in that area experienced has resulted in neighbours, whose families have been living side by side for three, four and five generations, not talking

to one another, simply because of the depth of feeling that arose during the designation of that region. Some people wanted development; some did not. It had an ongoing and very disastrous effect on that small community. We have all learnt many lessons from that episode and we certainly hope that a similar problem does not arise in the future. The Government was taken to court on the issue and lost the case. This legislation should resolve some of those matters.

I foreshadowed moving some amendments during the Committee stage, but having read the amendments that have been circulated by the Minister, I presume that they cover the problems that relate to allowing works in those designated areas to continue if contracts for construction have already been let, pending the issue of a licence. The legislation did not really allow for proposed works. I believe that the amendments that the Minister has foreshadowed will do that.

**Mr Gibbs:** It shows what a very reasonable follow I am.

**Mr HOBBS:** I thank the Minister very much for that. I am very pleased that he has saved us the hassle of going through the amendments. We appreciate the Minister's interest in the matter.

Thirdly, water entitlements are covered in the legislation. This is the only part of the legislation with which we disagree. We will support the legislation; however, it must be pointed out that we do have some philosophical problems with the State Government's policy that land-holders should contribute in part to the cost of establishing water infrastructure. The Government can try to get a certain amount of money but, at the end of the day, there is a limit to how much it can get. We believe that it is important for the Government to contribute the capital cost and for the land-holders to pay for the reticulation and other costs associated with pumping, etc. If that happened, a defined line would be drawn that would allow future development, maintenance and any expansion to operate on a better footing. The Government should recognise the cost benefit of those large irrigation schemes to local communities. The St George, Emerald and Burdekin schemes have been mentioned. In those areas the benefit flow-on from the irrigation scheme is huge.

**Mr Elliott:** It's massive.

**Mr HOBBS:** It really is massive. Honourable members should consider the Burdekin scheme. I think $400m has been spent in that particular region. If one excludes the natural irrigated areas towards the coastal area, something like $200m per annum gross revenue comes out of the lower Burdekin irrigated area and the new work that has been constructed. It is a pretty good return. Although the Government will not receive that $200m in one year, it will receive a large slice of it that is returned to that community and, of course, the flow-on effects to the State are very beneficial. From those towns the Government is receiving increased stamp duty and revenue from the cars and other items that people are buying and selling because the economy is much more vibrant.

The Waters Services Program as shown in the Budget papers does not reveal a great deal. I am not sure how long the Minister will be acting in his position, but I am sure that with vision he will be able to provide more for water services. The Budget papers reveal that over the past few years the real spending on water services has remained static.

**Mr Elliott:** It has stalled totally.

**Mr HOBBS:** It has stalled totally. The money has stopped flowing. If it was not for contribution of the Sugar Industry Infrastructure Package there would not be any major projects. I understand the state of the economy, but more money must be directed into infrastructure.

Under the heading "Outlook 1994-95" the Budget papers for that program mention more efficient and effective use of existing water supplies. That is great; I have no argument with that. It states that dams must be maintained in a safe condition, that the water pricing policy review is to be finalised, that there will be total management planning and that there will be operation and maintenance support. They are all words that relate to pushing paper around—not to building.

We are not keeping up with the development that we need in this State. The money is not being spent. All we are doing is pushing paper around and, at the end of the day, that is not going to provide jobs; nor will it provide the income that this State needs to keep it going. We really have to look at where we are going and I am sure that the Minister, with his vision and entrepreneurial ability, will be able to do something with water. Even if we cannot irrigate with it, maybe we could ski on it? Maybe we could have an Indy? Anything the Minister could think of as a project would be welcome.

**Mr Gibbs:** Fluid Indy.

**Mr HOBBS:** Perhaps a fluid Indy. If that is going to build us a dam and if we irrigate as well——

**Mr Elliott:** We could build a few with $76m.

**Mr HOBBS:** We probably could build a few dams with that $76m. The Bill makes mention of referable dams and provides for the owners of referable dams to pay fees prescribed under regulation for periodical inspections and the assessment of documents about the dam. Non-compliance with any such requirement will lead to the imposition of a penalty of 200 penalty units.

A referable dam is quite a considerable dam built on private property. I do not doubt that we have to make sure that they are safe, but I caution the Government not to treat this as a revenue-raising method that will help support the department. We have to make sure that we have standards; we talk about quality assurance. I think that an onus could be placed on people to ensure that the dams are maintained in a reasonable and safe condition. I do not know whether we really need more and more licensing for referable dams.

This retrospective legislation will put in place the need to obtain a licence for referable dams. Quite frankly, it is going to be very difficult if, for various reasons, licences for those referable dams are refused. I certainly hope that will not be the case because, obviously, that will create great difficulties for those concerned.

Basically, with those concerns that it has raised, the Opposition supports the legislation. There is only one more point that I want to cover, and that relates to the licensing of bores. There could be some complications in relation to who is able to object. We need to watch very carefully and make sure that we do not create a more complicated, harsher and more expensive system for people. We have to try to cut the red tape to make this country a bit easier to live in. With those words, I support the legislation and look forward to its implementation being for the betterment of the people of Queensland.

**Mr CAMPBELL** (Bundaberg) (5.43 p.m.): It is with pleasure that I rise to speak to the Water Resources Amendment Bill and discuss some of the issues involved in the development and management of our water resources. It was interesting to listen to the member for Warrego and to hear some of the hypocrisy that we get from the Opposition. The Opposition believes that we should build dams and provide infrastructure for the primary producers but not expect primary producers to provide any funding in return. The Opposition believes that the funding for dams should be provided out of the funds contributed by the other ratepayers and taxpayers because the multiplier effect of that development adds stability to the region. The Opposition believes that we should provide this infrastructure because it not only benefits directly the primary producer but also everybody else.

However, when we come to spend some Government money on the Indy, Opposition members are our greatest critics. The multiplier effect also exists with that funding. The tourism industry receives the benefit of the staging of the Indy. However, Opposition members will not even acknowledge that fact. There was a gap in the tourist industry on the coast and the Government input into the Indy has provided not only a direct input into that area but also the multiplier effect of that funding assists the tourism industry as a whole. I have been one of the greatest advocates in this Parliament of irrigation, but I have to say to Opposition members that I will not accept their hypocrisy when they say that it is all right to provide the irrigation because their constituents can benefit but, when other people are to benefit from Government expenditure, they do not support that.

The other matter that concerns me a little is that the Opposition's answer to all our water problems is to build more dams. It is important to realise that the Government has made a significant contribution towards the more efficient use of water. Through the Waterwise program, people are investigating ways to make better use of their water. For example, in Bundaberg there have been positive developments in the use of trickle irrigation. That effects a much more efficient use of and a greater return from that scarce, natural resource—water. A great capital cost is involved when producers install drip irrigation. To ensure that they get a return on their capital input into trickle irrigation they need an even greater surety of water supply. So it is important not only to provide a sustainable amount of water but also to ensure its efficient use. The answer to our water supply problems is not only more dams but, more importantly, to use water properly.

Part of this Bill covers the input that this Government is making to the sugar industry package. It is important that I place on record the funds that are being provided to the sugar industry along the coast of Queensland and the effect that is having on the stability of the industry. The Russell/Mulgrave water

management project is a package into which the Government will contribute $1.07m and the industry will provide $0.53m. The provision of these funds also brings about the need for the formation of a water board. These amendments take into account not only the organisation of these water boards but also the amalgamation and merging of other water and drainage boards which, under the old legislation, had not been able, or were very difficult, to occur. For the Murray Valley infrastructure/Riversdale water management scheme, the Government's sugar package will provide $4.6m while the industry will provide $3.55m. Again, to allow this development to go to completion, there will be the formation of a water board. When we look at the sugar package——

**Mr Rowell** interjected.

**Mr CAMPBELL:** Yes, but a water board must also be created in that area. The Herbert water management and expansion program, which is two schemes, will mean that the sugar package will provide $3.8m with industry providing $1.94m. That area is covered by the four existing water boards for Ripple Creek, Foresthome, Mandam and Loder Creek. Under this legislation, those water boards will be amalgamated into one.

For the Klondyke-Lilliesmere irrigation project, the sugar package provides $0.62m and the industry provides $0.31m. In other words, the Government is providing $2 for every $1 spent. In that case, the North Burdekin Water Board has accepted responsibility for the project.

The Sandy Creek irrigation project sees the sugar industry package providing $170,000 and the industry providing $80,000. In that situation, the South Burdekin Water Board has accepted responsibility and, on signing the agreement, the funds will be given to that board to enable that project to take place.

The member for Warrego mentioned the Teemburra Creek irrigation scheme. Under the sugar package, $10.58m will be provided for that scheme, and the industry will provide $50.06m. A Pioneer Valley water board will be developed to manage that program. In the Bundaberg area, two programs are being provided under the sugar industry package. The package will provide $9.49m to the Walla Weir irrigation scheme, and the industry will provide $4.76m. There is a need to form a water board, which would also have to take on the existing Bundaberg irrigation scheme. The sugar package will also provide $1.35m to the Avondale scheme—a small irrigation scheme—and the industry will provide $1.68m. In this case, the Department of Primary Industries is exploring the possibility of taking on the role of constructing authority for the works before the formation of the water board in order to help expedite construction. The sugar package will also provide $1.04m to the Eli Creek effluent irrigation system, and the industry will contribute to that on a dollar-for-dollar basis. Interestingly, sewage effluent will be used for irrigation of sugar land.

These amendments provide for the sale and resale of water allocation entitlements by auction, tender or ballot in addition to the present method of sale at a fixed price by the Government. We have to make certain that the Government receives a fair return on those water allocations. It was of concern to me that the former Government provided allocations of river water to graziers. In some cases, those graziers did no irrigating at all. However, during dry spells, those allocations were sold to other graziers with crops further down the river. The Government was providing a commodity that was being sold by people who had no interest in irrigating or production; they were only out to make money by selling their allocation to other farmers further down the river. We must ensure that we do not set up a market in water that sees it being traded rather than used productively. We cannot allow individuals to benefit from the sale of water. In many cases, the total infrastructure costs of that water are provided by the Government, and we must be very careful not to allow people to profit by trading water, because they do not put up the initial capital to provide that water.

Importantly, we need to keep our feet on the ground and ensure that water is utilised by primary producers. We must not allow water to be bought and sold by people who might have no interest in primary industries. As a word of warning—in setting up a market for water we should ensure that controls are in place so that people are prevented from buying and selling it. If the Government has provided the bulk of the capital for the provision of that water, the returns should go back to the Government, and it is important to ensure that that happens.

Overall, I have much pleasure in supporting the Water Resources Amendment Bill. These provisions, which are greatly needed to modernise water resources management in Queensland, will be very beneficial to the industry as a whole.

Debate, on motion of Mrs McCauley, adjourned.

The House adjourned at 5.56 p.m.