WEDNESDAY, 10 JULY 1996

Mr SPEAKER (Hon. N. J. Turner, Nicklin) read prayers and took the chair at 9.30 a.m.

MOTION OF CONDOLENCE

Death of Mr D. J. Frawley

Hon. R. E. BORBIDGE (Surfers Paradise—Premier) (9.31 p.m.), by leave, without notice: I move—

"(a) That this House desires to place on record its appreciation of the services rendered to this State by the late Desmond John Frawley, a former member of the Parliament of Queensland.

(b) That Mr Speaker be requested to convey to the family of the deceased gentleman the above resolution, together with an expression of the sympathy and sorrow of the members of the Parliament of Queensland, in the loss they have sustained."

Desmond Frawley was born on 23 September 1924 in Brisbane, the son of Stanley, a builder, and Alice. Des was educated in Brisbane, at Virginia State School, St Columban's, and Brisbane Grammar School. He enlisted in the RAAF during World War II and served in various locations around Australia for almost four years, from 1942 until 1946.

During his time in the RAAF, while on a posting to Nowra, he met Laurel Orford. They married in December 1944 and together they had three sons, Bob, Ron and Michael.

Upon his discharge from the RAAF, he qualified as an electrical mechanic and worked for various periods as a lift mechanic with Otis Elevators and on the Snowy Mountains Scheme until 1967 when he opened his own business, Frawley Motors. From that time until 1972 he was concurrently an alderman in the Redcliffe City Council. In 1972 he was successful in gaining Country Party preselection for the seat of Murrumba, and on 27 May 1972 he was elected to this House.

Des Frawley was an effective and hardworking Government member and a colourful character. During his time in this place he demonstrated an in-depth understanding of issues that were important to his constituents, ranging from the transport infrastructure needs of the then fast-expanding City of Redcliffe to the concerns of his primary-producing constituents. In 1972, in what was Mr Frawley's very first speech in this House, he raised concerns about health effects from the aerial spraying of defoliants such as 2,4-D, and 2,4,5-T. Honourable members may recall that the concerns which Mr Frawley voiced back in 1972 have been borne out very recently in the very same area.

During his time in this House, Des Frawley served on a number of Government committees, and quickly gained a reputation as a knowledgeable and hardworking member who was passionate about causes that affected his electorate. Indeed, some members may recall his interest, involvement and enthusiasm when the Parliamentary Annexe was being planned, with his input being volunteered on many aspects such as the lifts and electrical engineering plans. I understand that he and a former member for Windsor, Bob Moore, became quite involved in such matters on behalf of members generally. While the question was sometimes raised as to whether the pair had taken over from the architects and the Works Department, there is no doubt that Des Frawley was able to contribute some of his expertise in this regard.

It was his love of sport, however, for which he will probably be most remembered. A legendary sportsman, he was especially interested in field athletic sports, particularly javelin events. He won many championships at State, Australian and international levels, and also coached each of his three sons to success in this field. However, it was not just upon athletic fields outside Parliament where his commitment to sport was evident; whilst in this House he fought extremely hard to secure funding for sporting facilities within Queensland generally and within his electorate specifically.

Des Frawley served the electorate of Murrumba for two full terms before moving to represent the electorate of Caboolture. He held Caboolture for a further two terms before retiring, after a total of 11 years, in October 1983. Des is survived by his wife and children and their families. On behalf of the Government and the Parliament, I extend to them my sympathy and that of this House.

Mr BEATTIE (Brisbane Central—Leader of the Opposition) (9.35 a.m.): I rise to second the condolence motion moved by the Premier and I join with him in passing on the condolences of the Parliament and, in particular, the Opposition and the Labor Party

to Mr Frawley's family. Des Frawley was well regarded by Labor members who served with him during his time in this Parliament. In their words, he was regarded as "a good bloke" and someone for whom they had a lot of time and respect. He was certainly a character in many ways.

As the Premier mentioned, when looking at his history, one sees that he did have a very keen interest in athletics. In fact, his interest in athletics started in 1937, when he won the Norman Graham trophy at the Virginia State High School. Mr Frawley went on to win field events at State, national and world level in his age group. He broke the age world record for the pentathlon championship in 1974 and won the age world javelin title in Christchurch, New Zealand in 1981. His brother Ray is presently a member of the Redcliffe City Council and Des was a former Redcliffe Mayor. Des won the Queensland teams pentathlon championship three times. Mr Frawley coached his three sons, all of whom won Australian championships and set junior world records. His wife Laurel shared his sporting interest, winning her share of trophies.

Des Frawley was not just committed to sport and other matters; he was ahead of his time. I noticed a report in the *North Coast News* on 12 November 1980 in which he signalled that he was ahead of his time. The article states—

> "Member for Caboolture Des Frawley has said that all State and Federal members of parliament should be compelled to declare their pecuniary interests."

That did not happen for some time, of course. Clearly, he was a man ahead of his time.

Obviously, he also participated in the rough and tumble of politics. I came across an article in the *Sydney Morning Herald* from a time when there were some heady days in the National Party. The article states—

> "Mr Des Frawley, Member for Caboolture, 50 km north or Brisbane, told the Herald: 'The only resemblance between the Queensland Parliament and the Westminster parliamentary system now is that the Opposition sits on the Speaker's left and the Government on the right.
>
> They could expel me for saying that, but I don't care. They can't stand over me. I wouldn't take it.'"

I pass on the condolences of the Opposition to Des Frawley's family.

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (9.38 a.m.): I wish to express my condolences and sympathy to the family and friends of the late Desmond John Frawley. He was a hardworking member of the Parliament of Queensland. Des Frawley was a tireless and effective Government member who during his time in this place showed that he had a deep understanding of a wide range of issues that affected his constituents. Mr Frawley gained a reputation as a wise and diligent member who served on Government committees. He was renowned as a member who was fervent about the causes that affected his electorate.

The competitive spirit that served Des Frawley so well on the athletics field, with his string of championships at State, Australian and international levels, was also very evident in his approach to Parliament. In this House he was also a champion for securing funding for sporting facilities not only for his own electorate but also for anywhere else throughout the State where he saw the need.

The dedication and passion of Des Frawley during his service to the people of Queensland should serve as an inspiration to all honourable members who have followed him in this place. To Mr Frawley's wife, his children and their families who survive him, I extend my deepest sympathy and that of the House.

Mr FITZGERALD (Lockyer—Leader of Government Business) (9.40 a.m.): I join in speaking to this condolence motion, which was moved by the Premier and seconded by the Leader of the Opposition. When I look around the Chamber—and I stand corrected—I see present 11 members who served with Des Frawley. He left this Chamber prior to the election in 1983.

Des Frawley will be remembered as a rather fearless fighter. I would call him a private member. He was a great example for those members who are willing to stand up for what they believe in. I can well remember—and, of course, I am not disclosing the confidence of what goes on in a joint party room—that Des Frawley would take on Ministers and Premiers without any problem at all if he thought that they were wrong and he wanted to put his point of view across.

He was a loyal member in this House but he enjoyed the Parliament itself. The Premier has said that, at one stage, Des was a mechanic and operated his own garage. I remember the interchanges, interjections and exchanges that occurred between Des and "Digger" Davis, who at one stage drove a taxi.

The allegations they made against each other! One fellow was accused of never paying his bills when he pulled up in the taxi at the petrol station and the other fellow was always accused of putting water in the petrol. Those allegations were light hearted. They used to take points of order on each other and sometimes annoy the Speaker, but often this exchange went on.

Des Frawley taught me how to interject. When I became a member, I sat beside Des in the temporary Chamber. Des and I were about the same size, but he was built a lot wider across the shoulders than I am. Des often had interjecting competitions with Norm Lee to see how many interjections would be taken by a speaker, such as Kev Hooper. Kev used to love receiving interjections. He would take them one after the other. However, the trick was to try to get a member, who usually would not take an interjection, to take an interjection. I will tell members what the trick is—ask "Why?", "When?", or "How?". Once one's voice is heard, one keeps going. Des taught me that trick. Des and Norm would have a score sheet and have one hit, two, or three. The competition was similar to boxing—it was the number of clean hits that one received with a knuckle on the hand. That counts as a point. It did not matter how big the point was, it was still a point. They would tick off the interjections and then later they would compare their notes and decide on who won the competition.

Des loved athletics, particularly track and field and, of course, javelin throwing. By the time he became a member, he was an older man and getting on a little bit. Sometimes he would go to the gym. Parliamentary staff also use the gym and a couple of those staff are well-built young fellows. Those boys used to do push-ups and lift weights. Des would ask them, "What did you do?" Those young lads were built like mountains. When they answered, Des would say, "That is good. Another 20 kilograms and you will get me." Des was extremely strong. He was a javelin thrower and had a lot of upper-body power.

He was once a lift mechanic and often told stories about that. He was a bit of a wag. I will never forget the story he told about the time he was working for Otis lifts. One day he was outside the brewery. He had to ring his base every half an hour to find out if someone was trapped in a lift. That was the only way he could do that. A chap who had recently been released from prison was working with him. Des sent this fellow out to make the call to base, but a lady was in the booth. The chap came back and said nervously, "I can't get through. She's still on the phone." Des told the chap to get her off the phone. The chap said, "No, I couldn't do that." He was worried about what might happen to him. So Des Frawley went out and abused the woman, she got out of the booth and Frawley made his phone call back to Otis to see if there were any problems with any other lifts. The ex-prisoner was awfully upset. He asked, "What will happen? She can report us to the police for that. That is terrible." Des had a simple solution. He said, "Who are they going to believe? A fine upstanding person like me who said it was you, or you?"

After Des came into Parliament, he never forgot his mates. He told me that, one day, Des invited this ex-prisoner to Parliament and they went to the Strangers Dining Room. Of course, a former member of this place was an ex-detective who happened to go on to become a Minister of the Crown and, since then, has passed away. I will not name the person, but if members travel down the lanes of life, they will sometimes come across him. The former member came into the Strangers Dining Room and the two lift mechanics were there—the offsider and Des, the former lift mechanic. In comes the big fellow who looks at the ex-prisoner and walks on. The ex-prisoner said to Des, "That fellow recognised me. He knows who I am." Obviously, the former member, being a damned good detective, recognised the man's face as once being on an identification sheet. Des said, "Don't you worry about. You're with me. You are my guest in this place and you have every right to be my guest." So Des and the ex-prisoner had a meal and a drink together. The big fellow came over to Des Frawley and said, "Did you know that that fellow is an ex-crim?" Frawley said, "I know that, but he was also my work mate. He served his time before he worked with me and I wanted to bring him to Parliament House." That was an indication of Des Frawley's compassion for his fellow worker.

Des was a staunch advocate of the Parliament. He stood up for his electorate very, very well. I would like to remember Des as one of the best parliamentarians. He was an independent, private member who not only served his party well, because he always challenged people who he thought were wrong, but also stood up for his electorate. I pass on my sympathies to his family and wish them all the best. I say we very fondly remember Des Frawley as a servant of this House and of the people of Queensland.

Hon. T. M. MACKENROTH (Chatsworth) (9.46 a.m.): I would also like to place on record my condolences to the family of the late Des Frawley. Des certainly was a character, and that has been alluded to already today in this Parliament. He was one of the people from whom I learned a lot when I first came into this Parliament. I can remember in early 1978 sitting at the back of this Chamber. All of a sudden, Des Frawley turned on me—and I had not said anything—and said, "The member for Chatsworth might interject and I might tell the House about the time I found him rotten drunk in a phone booth with vomit all over him." It just sat me right back in my chair. Afterwards I went to see him and I said, "I did not say anything." He said, "I thought it was you." However, it was Glen Milliner who interjected. Des said, "I am really sorry. I will fix it up." So the next day in Parliament he said, "What I said yesterday was untrue. It was not the member for Chatsworth who interjected. I am really sorry." I learned from Des that it never really mattered very much what one said in this place; if one wanted to say it, one said it and Des always did.

Over the next six years Des and I formed a friendship. When Des was going to make a speech that was a bit light on, he would come to me and say, "Give me plenty of interjections." So if a member gave him plenty of interjections, which he asked for, the member received a reasonable answer. It helped Des to fill in his 20 minutes or 30 minutes in which he has to make a speech. Towards the end when Des was getting on very well with the National Party management committee—as members who were members of Parliament at the time would remember—Des used to say to me, "When I am talking, just ask me what I think of Sir Robert Sparkes." So I would say, "What do you think of Sir Robert Sparkes?" He would say, "Well, if you have asked me, I have to tell you", and bang, there he would go. At the time, a member could get him on almost any management committee.

Des certainly was a character. I liked him very much. He was someone across the Chamber with whom I could form a friendship. I pass on my condolences to his family.

Mr J. H. SULLIVAN (Caboolture) (9.48 a.m.): I join in speaking to this condolence motion to express the sympathies of the Caboolture electorate to Des Frawley's wife, Laurel, his family and friends on his passing. As members have heard, Mr Frawley represented the area of Caboolture when it was contained within the Murrumba electorate and afterwards when the redistribution created the electorate of Caboolture.

I did not know Mr Frawley personally. By the time I had arrived in the area, Mr Frawley had handed over the seat of Caboolture in very good order to his successor. He scrupulously avoided treading on his successor's toes. He allowed Mr Newton to make his own way in the electorate. I think that, by doing that, Des was demonstrating one of his best traits. He was a member who was prepared to hand over an electorate in good order and not to interfere in the future.

Mr Frawley was highly regarded in the Caboolture electorate. He is warmly remembered by people for many of his traits and the way in which he represented the area, which has been expressed already by members today. On behalf of the people of Caboolture, I join in this condolence motion to express their sympathies on his passing.

Hon. M. J. FOLEY (Yeronga) (9.49 a.m.): I concur with the remarks of other members who have spoken and I wish to add, very briefly, a tribute to the late Des Frawley for his great contribution to athletics, and in particular to field events. I well remember his contribution, which dates back to the 1960s, from my experiences in schoolboy athletics. At that time the name Des Frawley—and indeed the Frawley family—was legend through his contribution to track and field, and in particular to putting javelin, shot-put and discus into the arena of highly regarded sports at a time when they were regarded as somewhat less glamorous than sprints and other track events. People like Des Frawley pioneered those sports in Queensland and gave them the respect and authority that they deserve within the athletics community. Through his own work and that of his family, Des has also made a very significant contribution to athletics among youth and Queensland is the richer for his contribution.

Mr STEPHAN (Gympie) (9.50 a.m.): I too would like to join the condolences for Des Frawley. I remember him very well from when I first came into this place. As has been said previously, he certainly was a character, but he was a character who worked very hard for his electorate. He knew his electorate very well and he knew the members of his electorate very well indeed.

He had the ability, of course, to remember some of the side effects of his operations as a mechanic. For example, he came across characters who had trucks that really did not meet the requirements of roadworthiness of

the time. He would try to argue with them that the truck should be off the road. They would argue with him, saying, "I cannot afford another vehicle, so you fix it." Apparently, Des would then repair the unrepairable.

An incident that comes to mind very vividly occurred in the 1980s when Australia decided not to send a team to the Olympic Games. Joh Bjelke-Petersen was very adamant that that was the right course of action to take, but Des stood up and said that he believed Australia should send a team to the Olympic Games. The reaction that he received from the Premier of the time certainly would not have met with his approval, but that was the nature of the man. If he believed in something, he got up and said so. He was recognised for that, and respected because of it.

I remember Des Frawley as a friend. When I first came to this place he showed me the ropes and I certainly have not been worse off because of the information and guidance that he gave me. I extend my sympathies to his family.

Motion agreed to, honourable members standing in silence

PETITIONS

The Clerk announced the receipt of the following petitions—

Gun Control Laws

From **Mr Briskey** (216 signatories) requesting that the House stand firm behind the Howard Government in their decision to ban all semi-automatic and military style firearms.

Development Application, Sunrise Beach

From **Mr Davidson** (130 signatories) requesting the House to direct the Governor in Council to refuse the application for development of 13 houses at 56 David Low Way, Sunrise Beach, Shire of Noosa which is to be made under S.45 of the Beach Protection Act.

Gun Control Laws

From **Mr Dollin** (413 signatories) requesting the House adopt a licensing system similar to that currently in place for concealable firearms, for the use of semi-automatic firearms by members of state controlled competitive shooting bodies.

Gun Control Laws

From **Mr Healy** (65 signatories) requesting the House to (a) pass legislation that will outlaw in our society the possession of automatic or semi-automatic firearms and ammunition (b) pass legislation that will outlaw in our society the use of automatic or semi-automatic firearm (c) pass legislation that will ensure that other firearms can be possessed and used only by those who have a legitimate reason for such possession or use (d) pass legislation requiring those who possess any firearm to ensure that while not in use any firearm is not armed and is stored in a safe and secure place and (e) commit itself to the proposals in the Federal Government's initiative on the restriction of firearms.

Services for Disabled Citizens

From **Mr Quinn** (255 signatories) praying that the House consider that people with disabilities have the same right as other members of Australian society to services which will support their attaining an acceptable quality of life.

Mother/Baby Residential Unit, Gold Coast

From **Mr Quinn** (1,957 signatories) requesting the House to establish and fund the daily operation of a mother baby residential unit on the Gold Coast.

Petitions received.

STATUTORY INSTRUMENTS

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

Associations Incorporation Act 1981—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Auctioneers and Agents Act 1971—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Bills of Sale and Other Instruments Act 1955—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Building Act 1975—

Building Amendment Regulation (No. 1) 1996, No. 158

Business Names Act 1962—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Community Services (Aborigines) Act 1984—

Community Services (Aborigines) Amendment Regulation (No. 1) 1996, No. 150

Community Services (Torres Strait) Act 1984—

Community Services (Torres Strait) Amendment Regulation (No. 1) 1996, No. 151

Consumer Credit (Queensland) Act 1994—

Proclamation—the provisions of the Act that are not in force commence 1 November 1996, No. 152

Cooperative and Other Societies Act 1967—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

District Courts Act 1967—

District Courts Amendment Rule (No. 3) 1996, No. 155

Environmental Protection Act 1994—

Environmental Protection (Interim) Amendment Regulation (No. 4) 1996, No. 175

Exotic Diseases in Animals Act 1981—

Exotic Diseases in Animals Amendment Regulation (No. 1) 1996, No. 186

Fruit Marketing Organisation Act 1923—

Fruit Marketing (Committee of Direction Levies) Amendment Regulation (No. 1) 1996, No. 157

Funeral Benefit Business Act 1982—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Hawkers Act 1984—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Invasion of Privacy Act 1971—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Justices Act 1886—

Transport Infrastructure (Rail) Regulation 1996, No. 173, Explanatory Notes and Regulatory Impact Statement for No. 173

Land Sales Act 1984—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Liquor Act 1992—

Liquor Amendment Regulation (No. 1) 1996, No. 156

Local Government Act 1993—

Local Government Amendment Regulation (No. 1) 1996, No. 159

Local Government Amendment Regulation (No. 2) 1996, No. 160

Nature Conservation Act 1992—

Nature Conservation (Duck and Quail Harvest Period) Amendment Notice (No. 1) 1996, No. 183

Parliamentary Members' Salaries Act 1988—

Parliamentary Members' Salaries Amendment Regulation (No. 1) 1996, No. 184

Partnership (Limited Liability) Act 1988—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Pawnbrokers Act 1984—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Primary Producers' Co-operative Associations Act 1923—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Primary Producers' Organisation and Marketing Act 1926—

Primary Producers' Organisation and Marketing (Dissolution of Navy Bean Marketing Board) Regulation 1996, No. 185

Queensland Treasury Corporation Act 1988—

Queensland Treasury Corporation Amendment Regulation (No. 1) 1996, No. 148

Registration of Births, Deaths and Marriages Act 1962—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Registration of Births, Deaths and Marriages Amendment Regulation (No. 1) 1996, No. 154

Retirement Villages Act 1988—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Second-hand Dealers and Collectors Act 1984—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Security Providers Act 1993—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Stamp Act 1894—

Stamp Duties Amendment Regulation (No. 1) 1996, No. 149

Suncorp Insurance and Finance Amendment Act 1996—

Proclamation—sections 8 to 10 of the Act commence 1 July 1996, No. 174

Superannuation (Government and Other Employees) Act 1988—

Superannuation (Government and Other Employees) Amendment Notice (No. 1) 1996, No. 182

Superannuation (State Public Sector) Act 1990—

Superannuation (State Public Sector) Amendment Notice (No. 3) 1996, No. 181

Trade Measurement Administration Act 1990—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Transport Infrastructure Act 1994—

Transport Infrastructure (Rail) Regulation 1996, No. 173, Explanatory Notes and Regulatory Impact Statement for No. 173

Transport Operations (Passenger Transport) Act 1994—

Transport Infrastructure (Rail) Regulation 1996, No. 173, Explanatory Notes and Regulatory Impact Statement for No. 173

Transport Operations (Marine Safety) Act 1994—

Transport Operations (Marine Safety—Commercial and Fishing Ships Miscellaneous Equipment) Interim Standard 1996, No. 170

Transport Operations (Marine Safety—Crewing for Commercial and Fishing Ships) Interim Standard 1996, No. 172

Transport Operations (Marine Safety—Designing and Building Commercial and Fishing Ships) Interim Standard 1996, No. 169

Transport Operations (Marine Safety—Qualifications for Accreditation for Ship Designers, Ship Builders and Marine Surveyors) Interim Standard 1996, No. 168

Transport Operations (Marine Safety—Recreational Ships Miscellaneous Equipment) Interim Standard 1996, No. 171

Travel Agents Act 1988—

Consumer Affairs (Fees and Charges) Amendment Regulation (No. 1) 1996, No. 153

Water Resources Act 1989—

Water Resources (Pioneer Valley Water Supply Area and Board) Regulation 1996, No. 166

Water Resources (Sugar Mill Assessments) Amendment Regulation (No. 1) 1996, No. 167

Workers' Compensation Act 1990—

Workers' Compensation Amendment Regulation (No. 1) 1996, No. 161

Workplace Health and Safety Act 1995—

Workplace Health and Safety (Advisory Standards) Amendment Notice (No. 4) 1996, No. 176

Workplace Health and Safety (Advisory Standards) Amendment Notice (No. 5) 1996, No. 177

Workplace Health and Safety (Advisory Standards) Amendment Notice (No. 6) 1996, No. 178

Workplace Health and Safety (Advisory Standards) Amendment Notice (No. 7) 1996, No. 179

Workplace Health and Safety (Advisory Standards) Amendment Notice (No. 8) 1996, No. 180

Workplace Health and Safety (Advisory Standards) Amendment Notice (No. 9) 1996, No. 187

Workplace Health and Safety Amendment Regulation (No. 2) 1996, No. 162, Explanatory Notes and Regulatory Impact Statement for No. 162

Workplace Health and Safety Amendment Regulation (No. 3) 1996, No. 165

Workplace Health and Safety (Asbestos Removal Work) Compliance Standard 1996, No. 163, Explanatory Notes and Regulatory Impact Statement for No. 163

Workplace Health and Safety (Underwater Diving Work) Compliance Standard 1996, No. 164, Explanatory Notes and Regulatory Impact Statement for No. 164.

PAPERS

The following papers were laid on the table—

(a) Minister for Education (Mr Quinn)—

Response to recommendations of the Parliamentary Travelsafe Committee Report No. 16 on Driver Training and Licensing

(b) Minister for Economic Development and Trade and Minister Assisting the Premier (Mr Slack)—

Report on Trade Mission to Malaysia from 9 to 16 June 1996

(c) Minister for Tourism, Small Business and Industry (Mr Davidson)—

Report on Trade Mission to Thailand and Singapore from 2 to 5 July 1996

(d) Minister for Transport and Main Roads (Mr Johnson)—

Agreement, dated 7 August 1995, between Queensland Motorways Limited

and the Minister for Transport and Minister Assisting the Premier on Economic and Trade Development

(e) Minister for Public Works and Housing (Mr Connor)—

Report on overseas trip to Singapore, Turkey, the United Kingdom and the United States from 28 May to 10 June 1996

Hon. V. G. JOHNSON (Gregory—Minister for Transport and Main Roads) (9.56 a.m.): I table an agreement between Queensland Motorways Limited and the honourable the Minister for Transport and Minister Assisting the Premier on Economic and Trade Development dated 7 August 1995. This agreement was entered into by the previous Government and, as the current Minister responsible for the relevant part of that Ministry, I now table the document.

MINISTERIAL STATEMENT

Inquiry into Workers Compensation and Related Matters in Queensland

Hon. S. SANTORO (Clayfield—Minister for Training and Industrial Relations) (9.58 a.m.), by leave**:** I wish to inform the House of the findings and recommendations of the Kennedy Inquiry into Workers Compensation and Related Matters in Queensland. As I previously stated in this place, this Government upon taking office immediately acted to address the ongoing and drastic financial problems of the Workers Compensation Fund which were inherited from the former Labor Government.

On Monday, 11 March 1996, the Government announced the establishment of the Inquiry into Workers Compensation and Related Matters in Queensland. The terms of reference provided for a wide-ranging review of workers' compensation funding in this State. The inquiry is the first of its type in Queensland and represents a concerted effort by the Government to address the legacy of Labor's neglect. It also shows the Government's commitment to reinstate a workers' compensation system which will meet Queensland's current and future needs.

The Government was fortunate in being able to secure the services of the highly respected businessman, Mr Jim Kennedy AO CBE, to conduct the inquiry. The process undertaken by Mr Kennedy has been extensive in terms of the groups and individuals who have been consulted. The inquiry received 229 written submissions as a result of open invitations, plus many other views obtained through 13 public hearings held across the State.

I should like to take this opportunity on behalf of the Government to thank all those who have actively participated in the consultation process and who have contributed so valuably to its outcomes. Without this input and the assistance offered by the staff of my own department, I am sure Mr Kennedy would agree that his report would not have been able to reach the balanced conclusions that it has.

The Government is also very appreciative of the commendable efforts of Mr Kennedy and his inquiry staff, the exacting way in which this inquiry was undertaken, and the exhaustive consultation process which has occurred. I should also like to take this opportunity to thank Mr Kennedy and his team for undertaking this review so competently against the financial background which prevails and the widely differing views among stakeholders on how the problems should be addressed.

There is no doubt that this inquiry, and the package of reforms resulting from it, represent the most comprehensive evaluation ever undertaken into Queensland's workers' compensation system. It is my intention now to table before the Parliament the full report, findings and recommendations of the Kennedy inquiry. The report is in two volumes and is nearly 400 pages long. On top of that, the full actuarial costings and other relevant documents are also provided in eight volumes of appendices of some 1,700 pages. The full submissions made to the inquiry will also be tabled in the House, together with a copy of the information papers provided to stakeholders by the inquiry.

Unlike our predecessors, this Government is committed to ensuring that honourable members on both sides, together with the Queensland public, have access to all relevant information regarding the problems surrounding workers' compensation in Queensland and the measures required to resolve those problems. When the Labor Government undertook its review of workers' compensation last year, the Government side of the House was very disappointed by the Labor Party's unwillingness to provide the information needed by this Parliament in order to reach an informed view about the decisions which needed to be taken. This closed-shop approach to the supply of information is one which the coalition Government will not be following.

On the question of the Workers Compensation Fund itself—the inquiry has established beyond all doubt that it is in serious financial trouble. In fact, one of Australia's best known actuaries told the inquiry that the fund is "out of control", mainly as a result of the deteriorating common law experience over quite a period. According to the inquiry's findings, the problems were "developing much earlier than has been acknowledged, were capable of recognition much earlier than has been publicly admitted and were capable of being resolved much sooner". It is a tragic shame that the Labor Party did not address the emerging issues earlier.

Mr Kennedy spent considerable time establishing the background to the financial position of the fund, because there are still groups which fancifully believe that the changes brought in by the former Labor Government in January this year will redress the serious underfunding. Mr Kennedy concludes that, clearly, this is not the case. The report indicates that changes made by the previous Government are "insufficient" and, under the heading "Political Influence", Mr Kennedy refers to evidence to the inquiry regarding "inappropriate decisions, made on at least three occasions in the early 1990s, with regard to premium levels and benefits setting", and finds that these decisions "account for much of today's current level of underfunding". He finds that political influence has had an impact "over many years", and says that if financial viability is to be restored, political considerations must take a "back seat".

As politically unpalatable as that may be, it is advice which the Government has accepted in the interests of Queensland's employees and employers. According to the Kennedy inquiry, Queensland now faces the prospect of an unfunded liability reaching potentially $290m at 30 June 1996, up from the estimated unfunded liability at 30 June 1995 of $114m. Mr Kennedy states that the legislative changes made by the Goss Government, which came into force on 1 January 1996, are "unlikely to make much difference to the critical financial situation" of the fund. The report indicates also that, if the unfunded liability is not resolved, it will be impossible—and I stress "impossible"—to resist pressures to end or drastically limit common law access, as has happened in virtually every other State in Australia. This is not a prospect that either the coalition Government or, I am sure, the people of Queensland would want to face in the future.

In order to return the fund to full funding, Mr Kennedy indicates that there will need to be "pain all round" and that there is no "quick fix". There must be compromise on behalf of all stakeholders. Mr Kennedy describes the recommended package as "politically and economically painful". The recommended package of reforms aims to return the fund to full funding by 30 June 1999, giving a general reserve of 15 per cent of outstanding claims liabilities, plus $40m in specific reserves—something which the previous Government usurped.

The workers' compensation scheme must find the appropriate balance between the level of benefits and the affordability of premiums. Currently, employers are carrying a significant part of the adjustment cost, given that there have been three successive years of premium rate rises with an average increase of 26 per cent from 1 January 1996. Employers are yet to feel the full impact of recent rises, since premium notices will not be received by most Queensland employers until August or September this year. This inquiry's recommendations are designed to correct the imbalance.

There are many recommendations proposed by Jim Kennedy—79 in all. The package offers a fair, humane and prudent approach to injured workers, who will have access to the most balanced and equitable system of statutory "no fault" benefits and common law rights in Australia. The benefit changes proposed will mean that injured and sick workers will obtain an enhanced range of statutory benefits. They will have the ability to remain on weekly benefits for up to five years after the date of their injury, without erosion of their statutory lump sum benefit. This will be a major benefit to more seriously injured workers. The statutory lump sum benefits across the range are recommended to rise by 30 per cent to a maximum of $130,000. The extra $100,000 maximum benefit available to seriously injured spinal cord and brain injured workers is recommended for extension to all seriously injured workers with a work-related impairment above 50 per cent. Further, there will be an additional statutory benefit of a maximum of $150,000 for the attendant care of a worker in lieu of obtaining gratuitous care awards under common law.

The inquiry has identified some other aspects of the statutory scheme which warrant amendment on the basis that current provisions do not provide an adequate balance in the way the legislation is applied. Accordingly, changes are proposed in relation

to eligibility for stress claims, industrial deafness claims, journey claims when a worker is travelling from his or her place of residence to work, and claims during meal breaks away from the workplace where the employer has not agreed to the recess activity.

In order to address properly the significant operational difficulties presented through the workers' compensation system being required to operate as an agency of a department of Government, the inquiry has recommended a complete restructuring of the board and the structure underlying the delivery of workers' compensation insurance in Queensland. Mr Kennedy has identified this as another major issue impacting on efficient service delivery. The new organisation, to be established as a Government owned corporation, will be known as WorkCover Queensland, and will have a nine-member, commercially experienced board.

On the vexed issue of common law access, the inquiry's recommendation is that workers with moderate to serious injuries above 15 per cent work-related impairment maintain their right to sue their employer in cases where negligence is established. Mr Kennedy has recommended that this change be effective for injuries suffered after today. Further, it has been recommended that strengthened contributory negligence provisions be introduced to ensure that the common law system operates in the way that was always intended. Streamlined procedural measures have been proposed to assist in the efficient conduct of common law actions once they are initiated.

This Government is not lightly setting aside the rights of injured workers to access common law. This is not a course which the coalition Government would normally wish to pursue, but given the extremely pressing and immediate financial issues facing the scheme, the inquiry's closely considered review of all options and the need to ensure balance in all aspects of the scheme, the Government has decided to support the full package of measures proposed by Commissioner Kennedy. As Mr Kennedy has said—

> "In my view, there is no option but to implement the recommendations of this Report in full. It would be unwise to 'pick and choose' amongst the recommendations, which have been developed as a balanced and coherent package."

An issue which has greatly worried employers has been the uncertainty surrounding premiums, the increasing costs involved with the employment of people and the consequent difficulties which are being faced in competing both nationally and internationally.

Mr Purcell: If they stopped injuring workers, they wouldn't have a problem, would they?

Mr SANTORO: Under the proposals, employers obtain the certainty they have long sought with regard to premium setting and other issues. The recommendations being proposed also will ensure a reasonable and equitable basis upon which employers can be held to account for negligence in the workplace. I hope that point answers the honourable member's previous interjection.

A number of submissions have raised concerns about the weekly benefits excess which was introduced by the former Labor Government from 1 January 1996. There were some submissions in favour of the excess on the basis that it provided incentive for employer involvement in claims management issues. The inquiry recommends that a buy-out option be available to employers to cover their liability for this excess. Other issues raised by employers involving weekly benefit and excess anomalies have been addressed also within the report.

From an employer perspective, difficulties with the current premium rating system and the option for eligible employers to self-insure their workers' compensation liability have also been analysed during the inquiry. The inquiry has recommended that larger employers be able to self-insure within their own system or within their own pool on the central system, provided adequate eligibility criteria are met. The restructured arrangements will ensure a more accountable, responsible and efficient approach to design and delivery of rehabilitation services, medical assessment of injury, insurance, benefits and other services.

At this stage, I would also like to point to Mr Kennedy's observation in his report that "if not for the dedication and commitment of its management and staff operating in a confused and rapidly changing environment, the situation may well have been worse." This statement refers to the people working within the Workers Compensation Board and the division within my department. Mr Kennedy also has expressed to me his appreciation for the openness and cooperation of the board staff in assisting with the conduct of his inquiry. I fully concur with his comments, and I wish to express my thanks to the staff of the board and the division for the very positive attitude

that they have displayed when dealing with this very difficult issue.

The debate on the workers' compensation issue has been a wide-ranging and intense debate for nearly four years. As a result of the actions of this Government, the debate over the past four months has been well researched and well informed, with the Government ensuring that adequate resources have been made available to Mr Kennedy in undertaking this comprehensive review. All information considered by the inquiry has been made available through the tabling of the inquiry report and appendices. The process adopted by the Government has fulfilled its commitment to ensuring full and open debate on the issues facing the scheme and consideration of the most appropriate measures for developing an enduring solution.

The time has now arrived to make the decisions, given the findings of the Kennedy inquiry which recommends urgent and decisive action to correct a problem created by the Labor Party. The Government of Queensland places this report in the Parliament with a view to asking the Parliament as soon as possible to support the recommendations of Mr Kennedy, including the recommendations relating to common law access. Legislation will be urgently prepared for an early introduction into the Parliament when all honourable members will be able to have their say and make their decision in relation to this very important issue. That this Parliament needs to make the decision that it now must make is the responsibility—and, this side of the House claims, the total responsibility—of honourable members opposite, the members of the Labor Party, the members of the now disgraced Goss Labor Government.

The Government's decision to agree with Commissioner Kennedy's 79 recommendations is not made lightly. It is a decision, however, that must be made if we are to fulfil our economic and social responsibilities to the people of Queensland. Those opposite may play politics about this issue, as they indeed did for the six years they were in Government, but it is time for that politicking to stop and for the responsibility for the woeful condition of the fund to be accepted by those opposite. It is time for everybody who has an interest in these matters to accept the principle that the pain must be shared by all stakeholders and by all those who in one way or another are dependent on the workers' compensation system of Queensland.

MINISTERIAL STATEMENT

Tourism and Public Land

Hon. B. G. LITTLEPROUD (Western Downs—Minister for Environment) (10.13 a.m.), by leave: State Cabinet in June endorsed a plan to prepare a proposal for development of nature-based tourism involving national parks and other public lands. When Cabinet endorsed this plan, I said that any proposed development and consequent increase in visitor use would need to be able to be managed consistently within the principles of management set out in the Nature Conservation Act. A small interdepartmental working group is making an assessment of issues involved in developing appropriate facilities in or near national parks and other reserved public lands.

Draft guidelines have been developed following limited consultation with stakeholder groups, but I have decided to make them public and invite constructive comment. Members opposite may care to take up the invitation, bearing in mind that the proposal is partly driven by their failure in Government to provide adequate infrastructure and ongoing upgrading in national parks. Of course, tourist facilities have been established in the past in or near national parks including Lamington, Undarra, Carnarvon, Bunya Mountains, Great Sandy, Eungella and several Great Barrier Reef islands. Before tabling the draft guidelines, I will summarise the main aspects of them for the benefit of members, bearing in mind that further consultation is planned before they are finalised and that when they are finalised they would need to be applied on a case-by-case basis.

Location—generally, we would seek to identify development sites for privately owned infrastructure near rather than inside national parks, but always would bear in mind the conservation priorities.

Operational services—private enterprise could be invited to provide park requirements such as waste collection and disposal, cleaning, camping ground and picnic area management and tour guiding services. These services could be offered as components of broader proposals.

Financial arrangements—clear agreements would be needed, but must recognise the public interest in obtaining a fair and equitable benefit from commercial arrangements on public land.

Effect on the park or other land—commercial activities should be ecologically, culturally and economically sustainable.

So-called privatisation of national parks is certainly not on the agenda. Ownership and control of the national park estate will remain in the hands of the Government on behalf of the public.

Commercial exclusivity—offer of opportunities must be in line with National Competition Policy and generally within normal tender processes.

Transferability—Commercial arrangements on public land other than those involving privately owned fixed structures should not be transferable, that is, intangibles such as goodwill and anticipated future earnings should generally be seen as a public asset.

Extensions—generally proposed extensions to infrastructure should be seen as new proposals.

Wind-up, clean-up arrangements—provision should be made to protect the public interest in the event that an operation is unable to continue.

Promotion—the status and purpose of the land must be emphasised in any advertising or promotion related to private facilities and include environmental education if appropriate.

Local communities—where possible commercial operations on public land should have benefits for local communities, especially rural, Aboriginal and Torres Strait Islander communities.

In closing, I emphasise two points—first, any growth in nature-based tourism on public land should be managed to contribute to the cost of park management and to increase the benefits flowing from national parks in particular to Queenslanders and to visitors; and, second, unrestrained tourism development may undermine the attractiveness of the protected area which created visitor appeal in the first place, so prudent management and high standards of performance are vital to meet public demand for access while protecting the conservation value of the land.

I seek leave of the House to table the draft guidelines.

Leave granted.

MINISTERIAL STATEMENT

Police Numbers

Hon. T. R. COOPER (Crows Nest—Minister for Police and Corrective Services and Minister for Racing) (10.16 a.m.), by leave: The Leader of the Opposition, Mr Beattie, and his ALP colleagues have attempted recently to accuse the Government of failing to deliver on its promises to increase police numbers. Of course, in making these cynical, desperate and self-serving attacks, the Opposition fails to mention its own appalling record of neglect while in office.

It is important that some basic statistics on police numbers be presented to give context to the current situation. In December 1989 when the ALP came to office there were a total of 5,282 police, and by June 1993 that total had risen to 6,377—an increase of 1,095 or an average increase of just over 25 a month during those 43 months. That is not a bad start, but it is after that that the rot really set in.

By June 1995, the total had actually fallen by an astounding 79 officers to a total of 6,298. This decline, at a time of a soaring State population, obviously meant a serious blow-out in the police to population ratio and a resultant decline in the standard of service provided. That observation is no criticism of the Queensland Police Service itself or of the professionalism, dedication and integrity of individual officers but, rather, a simple, plain and obvious fact. That translated to an increase since December 1989 of only 1,016 or an average increase of about 15 officers a month over 67 months.

I have been advised by the Queensland Police Service that the total sworn officer strength of the service was 6,365 in February of this year when the former Government left office. This means that in its entire term covering 75 months, the Labor Party managed to add a total of 1,083 police or an average of just over 14 officers a month. By any interpretation and by any calculation, this was a disgraceful result and nothing short of a gross betrayal of all Queenslanders generally and the Queensland Police Service in particular.

Prior to the 1995 election the former Government released its policy which predicted that, over the decade to June 2005, the Police Service would increase to a total estimated strength of 7,740. By comparison, the coalition's released policy for the same period committed to a strength by June 2005 of 9,100—a massive 1,360 more than Labor's total. Over that decade, Labor was content with a total increase of some 1,400. The coalition recognised the real need for an increase of some 2,800 based on the real June 1995 total, or almost double Labor's pathetic target.

Since coming to office, Cabinet has taken pro-active and effective action. The promised Townsville Police Academy is being prepared for its first intake of 40 recruits in October and, significantly, Cabinet has endorsed in principle our policy to achieve the June 2005 target. According to Queensland Police Service advice, the former Government, under its plan, proposed a total staged recruit intake in 1996-97 of 420. After retirements and resignations, this would have meant a total increase of 115 over the year. The coalition plan which, as I mentioned, has been endorsed in principle by Cabinet, originally required a total staged recruit intake of 560 over this financial year, which would have allowed for a bottom-line increase of 150 extra police officers by June next year.

On coming to office, we have been confronted with a huge black hole in the overall State Budget and serious cutbacks in Commonwealth Government funding. These are harsh realities which have had to be faced. The Queensland Police Service, in its initial submission to Treasury, properly sought full funding for the total spelt out in the coalition's plan to have a bottom-line increase of 150 officers this financial year. Preliminary Treasury advice to the QPS was that this may not be possible. Acting responsibly on that early advice, the QPS revised its target slightly downwards and cancelled the proposed July intake of 40 former police officers who were to be retrained at the Oxley Academy. And here enters the Leader of the Opposition, Mr Beattie.

He told Anna Reynolds on ABC radio on 25 June that the July intake of what he incorrectly called "cadets" had been cancelled and also claimed—again incorrectly—that the Government was planning to cancel the October intake as well. He waxed lyrical about how Queensland needed more police while ignoring the fact that while he and his colleagues were in Government they were planning an increase in 1996-97 of only 115 officers. In fact, even on the basis of this preliminary Treasury advice, the total October intake will be 120—20 more than his Government planned.

I cannot stress enough that Labor planned 420 recruits in 1996-97 and that the absolute bottom line recruit intake on the basis of this early Treasury advice to QPS is 460, or 40 more. The Queensland Police Service has informed me that under Labor it would have had an estimated total strength of 6,517 by June next year, while under this Government the total will be no less than an estimated 6,541, or 24 more. The final allocation for the Police Service is still subject to the normal budgetary process and is yet to be set in concrete but, obviously, the Queensland Police Service at this stage must plan within the provisional and preliminary figures provided by Treasury. In fact, had Treasury allowed full funding for the QPS target in its preliminary advice it would have meant a total Police Service strength of about 6,552 by June next year—only 11 more than the current QPS prediction using this preliminary Treasury advice.

The Government is very mindful of its commitment to an expanded Police Service and it is to its credit that even under preliminary Treasury advice to the QPS we will provide more police than Labor had intended in 1996-97. In fact, the QPS advises me that the estimated 30 June 1996 total of sworn officers was 6,406. The Leader of the Opposition might care to reflect on the fact that this is an increase of only 29 police officers in three years from June 1993 after the total expenditure on the QPS in that time of some $1.5 billion. That represents 10 police officers a year. Our minimum projected increase of 139 in 1995-96—one financial year—is five times the increase Labor managed in its Budgets covering three financial years. That is the bottom line. That is the reality, and the Leader of the Opposition and his colleagues are condemned by this reality.

We recognise that a lot of work remains to be done to boost police numbers, and I will be making further submissions to the Cabinet Budget Committee. The Government will deliver on its undertaking.

MINISTERIAL STATEMENT

Review of Local Government Boundaries, Bowen and Burdekin Shires

Hon. D. E. McCAULEY (Callide—Minister for Local Government and Planning) (10.23 a.m.), by leave: I lay upon the table of the House the report of the review of local government boundaries of the Bowen and Burdekin Shires prepared by the Local Government Commissioner in November 1995. I wish to inform the House that this report was received by the previous Minister on 7 December 1995.

As members would be aware, the Local Government Act 1993 requires the responsible Minister to table in the Legislative Assembly

within seven sitting days of their receipt a copy of all reports submitted by the Local Government Commissioner. The Bowen/Burdekin final report was not tabled in accordance with the Act's time frames due to an administrative oversight. However, I am now tabling the report to rectify this oversight and observe the spirit and intent of the Act. My department has been advised by the Crown Law division of the Department of Justice that this procedural oversight is not material to the standing of the report itself or to the subsequent consideration of its recommendations. For the information of Parliament, I point out that I recently recommended to Cabinet that the recommendations in this report not be accepted, and Cabinet has endorsed my recommendation in this regard.

PERSONAL EXPLANATION

Whites Hill/Pine Mountain Reserve

Mr RADKE (Greenslopes) (10.25 a.m.), by leave: On 17 April 1996, I made a speech to Parliament describing Whites Hill/Pine Mountain Reserve which subsequently has been proved to contain incorrect data. I stated—

> "Sadly, after Mr White's death, the family was unable to maintain the buildings or pay the rates on the land, and the Brisbane City Council acquired the property in lieu of those rates."

This information was sourced from a book edited by R. Fisher and B. Shaw titled *Brisbane People, Places and Progress*—Brisbane History Group Paper No. 14 1995. The White family contacted me and advised me that, from their oral family history, these facts were wrong and that Mr R. White never owed anything to anybody.

Historically, in order for the Brisbane City Council to acquire land in lieu of rates, a notice of intention to proceed with a warrant of execution needed to be inserted in the *Queensland Government Gazette* under the Local Authorities Act 1902. The *Gazette* of 7 October 1933 carried such a notice on page 804 in the family name of Sankey. The description of the land on the notice appears to match the land now called Sankeys Mountain within the Whites Hill/Pine Mountain Reserve. I therefore sincerely apologise to the descendants of Mr R. White for any adverse comments.

TRAVELSAFE COMMITTEE

Corrigendum to Report

Mr J. N. GOSS (Aspley) (10.26 a.m.): I seek leave to table a corrigendum to the Travelsafe report.

Leave granted.

Mr J. N. GOSS: I table a corrigendum to the report of the Travelsafe Committee on driver training and licensing tabled by the previous chairman, the member for Archerfield, on 3 April this year. The corrigendum corrects an inadvertent wording error in one of the report's recommendations.

NOTICE OF MOTION

State Budget

Mr BEATTIE (Brisbane Central—Leader of the Opposition) (10.27 a.m.): I give notice that I shall move—

> "That Parliament calls on the Treasurer to ensure that the promises the coalition made to the people of Queensland are fulfilled in the State Budget, and that the Treasurer ensures commitments the coalition gave to the people of Queensland—including 'no new or increased taxes'—are fulfilled in the State Budget."

PRIVATE MEMBER'S STATEMENT

Workers' Compensation Inquiry Report

Hon. P. J. BRADDY (Kedron) (10.27 a.m.): I rise in relation to the report relating to workers' compensation tabled today by the Minister. I note that the Minister stated that the Government intends to support the full package of measures recommended. This means that the Government is immediately reneging on serious solemn promises that it made immediately prior to being elected to Government and it has broken its contact with the Queensland people.

On 15 January 1996, the then Opposition Industrial Relations spokesperson, Santo Santoro, was reported in the *Courier-Mail* reaffirming the coalition's commitment not to change common law access to workers and vowed that the policy would stand if the Opposition formed the Government. On 16 January 1996, the *Courier-Mail* reported that the then Opposition Leader—

> "Mr Borbidge last night maintained the coalition would stand by its policies promised in the lead up to the State election last year, which included a firm

commitment to retaining common law access for workers to sue employers for negligence."

Further commitments were made.

In the executive summary of the report just tabled, I refer honourable members to page XXV, recommendations 29 and 30. There is a very significant recommendation there in addition to the one to which the Minister referred. He has already admitted——

Mr SPEAKER: Order! The time allotted for private members' statements has expired.

QUESTIONS WITHOUT NOTICE

Commission of Audit

Mr ELDER (10.29 a.m.): I refer the Treasurer to the table on page 105 of Volume 1 of the report of the FitzGerald Commission of Audit showing the consolidated operating statement for the entire Queensland public sector, which indicates that the net operating income of business enterprises was not available to the commission in 1994-95. I ask: why did she withhold the figure for the 1994-95 result from her Commission of Audit.

Mrs SHELDON: I thank the honourable member for his question. No figures whatsoever were withheld from the commission. Any information it wished was provided to it.

Workers' Compensation

Mr SPRINGBORG: I refer the Premier to the findings of an inquiry into workers' compensation tabled by the Minister for Training and Industrial Relations. I ask: could he outline to the House what the independent commissioner, Mr Kennedy, had to say about the way the Labor Party managed the Workers Compensation Fund when it was in Government?

Mr BORBIDGE: Yesterday, in this House, in respect of the Commission of Audit, we saw how, in the final stages—the last two years—of the Labor Government, we had a turnaround in the financial situation of this State of some $662m.

Mr Fouras: That's a fraud.

Mr BORBIDGE: That is not a fraud, as claimed by the member for Ashgrove; it is the result of an independent audit carried out by some of the most respected individuals in this State and country. If the honourable member wants to call that document a fraud, the honourable member is doing himself a grave disservice.

Unlike the previous Labor Government, we were prepared to open up the books of this State to an independent Commission of Audit. Similarly we were prepared to have an independent review of the state of workers' compensation in Queensland. Yesterday——

Mrs Edmond interjected.

Mr BORBIDGE: The guilty party interjects. If I were the member for Mount Coot-tha, I would go bushwalking. She should be hanging her head in shame, alongside the member for Yeronga, the person beside her, both of whom presided over the massive financial scandal that is the current state of the Workers Compensation Fund in Queensland.

Yesterday, the Parliament heard about the crisis in terms of the Commission of Audit and what needs to be done. Today, we have the crisis in respect of the Workers Compensation Fund. Let us see what the independent commissioner had to say about the performance of the Labor Party when it graced these Treasury benches. Under the heading in his report "Political Interference", Mr Kennedy observes that evidence presented to the inquiry indicates that inappropriate decisions made on at least three occasions in the early 1990s with regard to premium levels and benefit setting in themselves account for much of today's current level of underfunding. But that is not all. On the same page, Mr Kennedy observed that the Queensland Government—the then Labor Government, the people who now sit opposite—must bear some of the responsibility for not responding early enough to increasing claims and for increasing benefits and decreasing premiums in recent years when clearly it should have been at the very least increasing premiums, holding benefits and closely examining the claim trends.

Mr Kennedy also found that problems with the Workers Compensation Fund were developing much earlier than has been acknowledged. We know what the member for Yeronga told the Estimates committees. We know how he misled the Estimates committees last year.

Mr FOLEY: I rise to a point of order. That is untrue and offensive and I ask that the Premier withdraw it.

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

Mr BORBIDGE: I withdraw. When Minister, the honourable member denied the truth to the Estimates committees. Mr Kennedy found that problems with workers' compensation——

Mr FOLEY: I rise to a point of order. That is untrue and offensive and I ask the Premier to withdraw it.

Mr BORBIDGE: Touchy aren't they, Mr Speaker! I withdraw.

Mr Kennedy also found that problems with the Workers Compensation Fund were developing much earlier than has been acknowledged. Does the honourable member want me to withdraw that, too? Mr Kennedy found the problems were capable of recognition much earlier than has been admitted publicly. Does the member for Yeronga want me to withdraw that, too? Mr Kennedy found they were capable of being resolved much sooner. Does the honourable member for Yeronga want me to withdraw that, too? In terms of the unfunded liability, Mr Kennedy found that the situation now is probably much more serious than has been acknowledged and reported previously. Do honourable members opposite take exception to that? They are the words of Mr Kennedy in his report.

Mr Kennedy has also made some observations about the number of reviews undertaken by the previous Labor Government into the workers' compensation scheme. Those reviews include 1989, Future Rehabilitation Services Throughout Queensland; 1991, PSMC Review of the Department of Employment, Vocational Education and Training and Industrial Relations; 1991, Review of Workers' Compensation Act 1990; 1991, Operational Audit of the Common Law Claims Unit, Workers Compensation Board; 1992, Review of Common Law Working Committee; 1992, Workers' Compensation Regulation 1992; 1994, Workers' Compensation Amendment Act 1994; 1994, Review of the Merit Bonus Scheme Discussion Paper; 1994, Industry Commission Inquiry Into Workers' Compensation Arrangements in Australia; 1995, Industry Commission Inquiry Into Occupational Health and Safety; 1995, Workplace Health and Safety Act; 1995, Mr Brian Tregillis engaged to undertake an organisational review of the Workers Compensation Board and workplace health and safety; and 1995, the Minister for Employment, Vocational Education and Training accepted submissions in a review of the scheme that led to the Workers Compensation Amendment Act 1995.

So they were into reviews. They could not make decisions. They knew what was going on. They hid the truth. They were presiding over a financial scandal in the worst traditions of workers' compensation schemes in other States where there have been Labor Governments. In regard to those reviews, that incisive decision making that we saw by the previous Labor Government, Mr Kennedy said that the history of review after review may have led to the ad hoc nature of many aspects of the present scheme. He said—

> ". . . if anything, things have got worse. This is a common and much loved 'Yes Minister' approach by some Governments. When a problem emerges, swing into action with a review, then do nothing or very little."

Those are the words of Mr Kennedy in his report. When taken in conjunction with the tabling yesterday of the Commission of Audit, this report provides a damning indictment of the former Government and its management of the State economy. But do we see any remorse?

Mr SPEAKER: Order! There is too much noise in the Chamber.

Mr BORBIDGE: Do we see any remorse from honourable members opposite? What is the contribution of the people who lit the bushfire to putting it out? When we have independent advice of a blow-out of $290m, when we have in this report the words of one of Australia's most experienced workers' compensation accrual accountants that Queensland's Workers Compensation Fund is "out of control", what is the response of the Opposition spokesman, the member for Kedron? This morning, on ABC radio he said—

> "It's not a blow-out at all."

If it is not a blow-out, I would hate to see the previous Labor Government on a bad day. If this is a testimony to their economic management, heaven help us when we find what is left to uncover.

I make the point, and I make it very simply, that Cabinet has agreed to endorse the recommendations of Mr Kennedy. If it does not, the fund is not able to be salvaged; it cannot be rescued; it cannot be turned around. If the Government does not adopt and implement the recommendations—and if this Parliament does not endorse the Government's actions—we will have a Workers Compensation Fund, courtesy of Labor, to quote one of Australia's leading actuarial experts, that is "out of control". If the fund is out of control, at the end of the day who will be the big losers—the workers of Queensland, the people whom the fund is supposed to look after.

This document tabled by Mr Kennedy sheets home the blame to where it belongs. When Labor came to power in 1989, we had a workers' compensation scheme that was in credit; it was in surplus. Over six disgraceful years of mismanagement of this fund, Labor has taken it to the stage at which, according to one of the leading actuaries in Australia, the fund is now out of control.

Unlike the Labor Party, this Government is not afraid to make the tough decisions. Labor members have created the mess; they should be apologising to the people of Queensland. This Government will be bringing legislation to the Parliament as soon as possible to implement the recommendations of Mr Kennedy.

Commission of Audit

Mr HAMILL: I direct a question to the Treasurer. I table the figures which the Treasurer has claimed were not withheld from her Commission of Audit but mysteriously were not available to the Commission of Audit. These figures show that in 1994-95 net retained earnings in Queensland public enterprises totalled $350m. These figures were obtained from the relevant annual reports of enterprises—reports that have been available to this Parliament for more than six months. I ask the Treasurer: why did she not have Treasury supply information to allow her Commission of Audit to estimate retained earnings in 1995-96 in the same way that she has assisted the commission to make estimates of other income and expenditure for other parts of the public sector?

Mrs SHELDON: I thank the honourable member for his question. He supplied statistics and asked why they were not supplied to the Audit Commission. The answer is as follows: the statistics are not collected because no-one requires them.

Mr Elder: The annual report.

Mrs SHELDON: Members opposite should listen to the answer. It is a fact. They are the Opposition's rules. The statistics are not included in GFS—financial statistics—published by the ABS. So Treasury does not collect them.

Under accrual accounting, which this Government is bringing in and which the Labor Government played with but would not bring in, we will be collecting them. I refer both the Leader of the Opposition and the failed Minister for Transport to pages 105 to 117 of the report of the Commission of Audit.

Mr Beattie interjected.

Mrs SHELDON: I am sure that the honourable Leader of the Opposition has them, and one day he might get around to reading them. Those pages detail the profits of public finance enterprises.

Workers' Compensation

Mr CARROLL: I direct a question to the Honourable Deputy Premier and Treasurer. The former Government introduced changes to workers' compensation from 1 January 1996, which included the imposition of a 10 per cent net premium surcharge, and said that those charges would fix the problem for five years. I ask the Treasurer: what has Jim Kennedy had to say about this quick-fix remedy?

Mrs SHELDON: I thank the honourable member for his question.

Mr Livingstone: You have a written answer.

Mrs SHELDON: I will quote some passages from Mr Kennedy's report. I am sure that members opposite are interested in hearing them.

Mr LIvingstone: Somebody had to write it for you.

Mrs SHELDON: Not at all. I will refer to Mr Kennedy's own words contained in his report, which I guess the member will finally get around to reading himself. Indeed, that report is a blueprint of the disgusting behaviour of the Labor Party under its previous Ministers in its handling of workers' compensation. If that is ever an indictment, there it is. Chapter 1, page 1,of the report states—

> "Legislative changes which increased employer's premiums and imposed a 10% levy or surcharge from 1 January, 1996 were hopefully designed to bring the Fund into balance by the year 2000; whilst at the same time, despite the fact that the Fund was in deficit and sinking fast, the government increased benefits, and put in place a threshold of 20% requiring claimants to choose between statutory benefits and common law."

Also, on page 2 of his executive summary, Mr Kennedy states—

> "It is my clear view that changes to the Workers' Compensation Act made by the previous government, and which came into effect on 1 January, 1996, will have insufficient impact on the serious under funding situation."

Members should note that this conclusion is based on actuarial advice obtained by the independent inquiry. But that is not all. I would also like to inform the House that the actuaries used by the previous Government when it tried to fix the consequences of its mismanagement of the fund have advised that, if the 1 January 1996 changes are left as they are, there could still be a $250m deficit by 30 June 1999. Of course, that is the "do nothing" option, which the Labor Government and the failed Minister opposite favoured as their preferred response to the problems. Labor's own actuaries went on to say that, even if the levy was not removed after five years as promised by Labor, there would still be a deficit of $78m as at 30 June 1999.

In order for Labor's bag of tricks to have worked to achieve full funding by 30 June 1999, the Opposition's own actuaries have advised Mr Kennedy that the levy would need to be increased to as high as 32 per cent. Of course, that was a levy on employers who create the jobs. That is chapter 4, page 74.

The facts are that, because of Labor's mismanagement, by 30 June 1995 the estimated unfunded liability of the Workers Compensation Fund reached $114m. Because Labor's subsequent efforts to address the problems of the fund were so ill advised, incompetent and half-hearted, the estimated underfunded liability has, of course, continued to blow out. Certainly, Labor's bandaid repair was so bad that a year later, as at 30 June 1996, the estimated unfunded liability of the Queensland Workers Compensation Fund had risen to $290m. No wonder the former Minister has her eyes downcast.

This morning, the Minister for Training and Industrial Relations, Mr Santoro, outlined a comprehensive package that will finally do the job that Labor neglected for so long. I certainly compliment the Minister on the determined way in which he has addressed the problems of the fund. As a result, the workers' compensation scheme will be restored to being the best in Australia, which is what it was under the previous handling of conservative Governments.

Once again, this Government has made the important decisions that were too tough for Labor to make. This Government has made those decisions. Queenslanders will be well served by this scheme for many years to come. Labor certainly missed its chance. It could have bitten the bullet and put into place the options that were needed. It did not; this Government will.

Commission of Audit

Mr BEATTIE: I direct a question to the Treasurer. I note her continued efforts to discredit Queensland's overall financial position, and I refer to the operating statements presented in Volume 1 of the Commission of Audit report. I further note the absence of estimates for public enterprise retained earnings, the Treasurer's inability this morning to explain this absence and that Dr FitzGerald has this morning confirmed to my office that these figures are necessary to make a final estimate on the change in public sector net worth. I ask the Treasurer: is it not true that the retained earnings for 1994-95 of $350m, which she has hidden, would have wiped out her phoney deficit and shown a surplus of $13m for 1995-96? Will she now admit that she has wasted $1m of taxpayers' money in a political campaign to justify savage cuts and a fire sale of assets to pay for her unfunded election promises?

Mrs SHELDON: I thank the honourable member for his question. Indeed, I would very much like to have heard the conversation, because the honourable member told a major untruth when he said that the commissioner——

An Opposition member interjected.

Mrs SHELDON: Would the honourable member like me to answer his leader or not? The Leader of the Opposition said that he had spoken to Dr FitzGerald, who had confirmed with him the debt situation on the tollway. The honourable member's words were printed in one of the newspapers. I contacted and discussed that with Dr FitzGerald. The member lied.

Mr BEATTIE: I rise to a point of order. In the interests of preserving the dignity of the House, I ask for that offensive and untrue remark to be withdrawn.

Mrs SHELDON: I withdraw. He told untruths. Indeed, we have heard more untruths in the member's question this morning.

Mr BEATTIE: I rise to a point of order. The Treasurer may wish to denigrate Parliament; I do not. That is untrue and I seek that it be withdrawn.

Mr SPEAKER: She withdrew the previous remark.

Mr BEATTIE: She repeated it in a different form. It is untrue and I seek that it be withdrawn. I find it offensive under the Standing Orders.

Mr SPEAKER: The member finds it offensive and asks for it to be withdrawn.

Mrs SHELDON: Mr Speaker, if you request it to be withdrawn, of course I will do so. All figures were available to the Commission of Audit. Indeed, the credibility of that Audit Commission cannot be contested. The commission has comprehensively gone through the State's figures; everything was available to it. One thing it showed, and which the honourable Leader of the Opposition cannot deny, is that under his tutelage——

Mr Borbidge: Are these the people who looked after workers' compensation telling us what's wrong with the Commission of Audit?

Mrs SHELDON: That of course, as Mr Borbidge rightly said, is another $300m that this State has to find after the Opposition's incomparable mismanagement. The audit put out by Dr FitzGerald speaks for itself. However, let me clearly say that the indictment is on the people opposite in no uncertain form. We have found that the underlying deficit, which Treasury officials told me about on the day I became Treasurer, is in fact true. In 12 months, through the Labor Party's profligate spending and its lack of applying revenue adequately to that spending, the State has gone from the position of having a balance sheet of $330m-plus to being $660m in deficit. That is the Labor Party's legacy to the State.

Commission of Audit

Mr BEATTIE: I refer the Treasurer to the recommendations of the now discredited FitzGerald Commission of Audit which, at the weekend, the Premier and Treasurer said were all still on the table for consideration by the Government and to the statement made on Monday by the Tourism Minister officially ruling out one of Dr FitzGerald's recommendations, namely that Sunlover Holidays should be privatised. Is this correct? Is she now in a position to rule out a fuel levy for south-east Queensland; privatisation of the electricity industry; the sale of the Golden Casket and the TAB; the amalgamation of local authorities; the privatisation of Queensland ports, including Gladstone, Townsville and Mackay; and the sale of Cairns and Mackay airports?

Mrs SHELDON: I thank the honourable member for his question. I will endeavour to answer the question from the now discredited Leader of the Opposition. The fact of the matter is that the situation is as stated by the Premier. The Government, with the concurrence of Cabinet, will decide which of those recommendations will or will not be accepted. Our decisions will be revealed in the Budget.

Workers' Compensation

Mr HEALY: I ask the Minister for Training and Industrial Relations to compare the attitude of this Government to that of the previous State Government in terms of the information it is willing to provide to the Parliament on the workers' compensation issue?

Mr SANTORO: I thank the honourable member for Toowoomba North for his very insightful question. In doing so, I wish to compare very deliberately the record of this Government in terms of the information that it is prepared to provide not only to the Parliament but also to the people of Queensland to what those opposite did when they were on this side of the political fence.

First of all, what we have done in this Parliament, and what we as a Government have encouraged the Kennedy inquiry to do during the course of its inquiry, is to fulfil our commitment to total accountability and openness, a commitment which the previous Government was not prepared to fulfil. What happened in this Parliament makes very sad reading. Over the next few days honourable members will quote what I have said during this debate, and I will answer their queries, perhaps even during this question time, in a very straightforward and sincere manner.

I remember the night when we were debating the Labor Party's bogus amendments to the Workers' Compensation Act that were meant to get the fund out of trouble. In one of her rare moments of candour, the honourable member for Mount Coot-tha, then the Minister, in response to constant interjection from the Premier and myself, said, "I will give to this Parliament all of the actuarial information that underpins the validity of the reforms that we are putting into this Parliament." I remember that. What then happened was, in my view and in the view of other members on that side at that time, one of the most disgraceful episodes to occur within this Parliament, and it is recorded. The then Treasurer came in and said to the then Minister, "You cannot give it to them." It was absolutely clear: "You cannot give it to them." As soon as the then Treasurer came in and told her to sit down, the following statement was made in response to persistent interjections from our side of the Chamber. She said, "I have never said that I would table it, and I ask the member"——

Mrs EDMOND: I rise to a point of order. The Minister is misleading the House again. That is totally untrue and I ask him to withdraw it.

Mr SPEAKER: The honourable member claims it is totally untrue and asks that it be withdrawn.

Mr SANTORO: Whatever the honourable member finds offensive, of course I will withdraw according to the rules of this Parliament. However, I refer honourable members to the *Hansard* of last year and simply ask them to read the words of the honourable member.

Last year when the coalition opposed what the then Minister was doing, one of the major tenets of our argument was that there was no way that this Parliament and the people of Queensland could judge the validity or otherwise of what members opposite were doing as a Government in relation to workers' compensation because they withheld information, despite the fact that we asked—pleaded—with them for that information, because we wanted to be an informed Opposition. The parliamentary record stands as a disgraceful, shameful record of what the former Government was all about.

I did not issue many instructions to the Kennedy inquiry, but those instructions which I issued were good ones. I told the inquiry and the Workers Compensation Division within my department that whatever information any stakeholder, including the union movement, wanted, take it off the computers, take it out of documents and give it to them; give it to the unions, give it to the employers, give it to the lawyers, give it to the medicos, give it to everyone. We opened up the books totally.

Mr Davidson: And the Opposition?

Mr SANTORO: My officers came to me and said, "What do we do if the relevant shadow Minister, the Leader of the Opposition or anybody else wants it?" I said, "Give it to them all." That is something that those opposite were not prepared to do.

In fact, if honourable members opposite care to open those boxes—and they are not just members' packing cases, as the Honourable the Speaker suggested before—they will see that those documents are a testimony to the accountability and sense of openness that this Government wants to demonstrate firstly to the Parliament and secondly to the Opposition, a courtesy that members opposite never afforded to us.

Briefly, let me go through the process of the inquiry. Advertisements were placed in the regional and metropolitan press in the week ending 22 March 1996 calling for submissions before 30 April. For almost a month and a half all of the people who wanted to make submissions had an opportunity to consider all of the information available through my division before making their submissions. Public meetings were held—two in Brisbane and 11 in regional Queensland. We did not seek to disenfranchise anybody in the way that the former Government did. Initially, members opposite got together with the employers and the unions; however, as the problem became politically harder because the unions put the screws on members opposite, they decided to shut out the employers. Over one weekend, they decided to consummate a little deal. We excluded nobody. Employers, unions, regional Queensland, country Queensland, rural Queensland—everybody was able to have a go.

Some 229 submissions were received, all of which are contained in those boxes. Not only have we tabled the submissions, we have tabled the authoritative accounting, legal and medical advice which underpins the validity of Jim Kennedy. We have tabled absolutely everything. We have made everybody aware of why Kennedy has come up with his recommendations, and we have treated this Parliament with the respect it deserves.

I have had to rely on one of my honourable colleagues on this side of the House to ask me a question. He obviously has not had any trouble understanding the report. Members opposite have just sat there like stunned mullets. All we heard from a member opposite was a little piffling statement, "You reneged on common law." Let me talk a little about common law. Members opposite said they championed the principle of common law. Let me tell the House what they did to common law last year. All of the information I have is that the recommendation that went to the previous Ministers sought a 25 per cent cut in entitlements at common law. At that stage, the Honourable Minister who preceded me in this portfolio actually canvassed common law in the public arena, something which a Labor member just does not do.

I am prepared to accept that, just like members on this side of House, honourable members opposite, particularly as they are Labor members, held that the principle of maintaining access to common law was a principle which, as I said in the Parliament last year, could not lightly be set aside. In the context of the political debate last year and in spite of the total lack of any information being

made available to the Parliament and the people of Queensland, I made a statement in the Parliament that—and members opposite can be selective and quote what appears in the *Courier-Mail* or elsewhere; they should quote what I said in this place—access to common law could not lightly be set aside. That is what I said. I do not even have to refer to *Hansard*, because I remember very clearly what I said.

What did members opposite do after the lawyers in Cabinet and elsewhere said, "No, you can't touch common law", and it came down from 25 per cent? After the unions got onto them, what did they do? They tampered with common law. For the honourable members in this place who do not quite understand what the law is, let me tell them what honourable members opposite did when in Government. Prior to the former Government's amendment last year, common law in this State in respect of workers' compensation was unfettered. Members opposite accuse this Government of being hypocritical for looking at common law and putting it before this Parliament for consideration in relation to the Kennedy recommendations, but what did they do? They tampered with common law. It was the Government of members opposite, who claimed to have the interests of the employees of this State at heart, that first and foremost tampered with their common law access.

The existing provisions within the former Government's legislation state that a worker who sustains a permanent impairment of less than 20 per cent, the maximum statutory compensation being $100,000, must make a choice between accepting the lump sum offered or seeking common law damages and must meet his or her own costs. No longer was there unfettered access to common law. Members opposite are the disgraceful ones.

Mr SPEAKER: Order! The Honourable Minister will complete his answer.

Mr SANTORO: Mr Speaker, I am winding up. I could go on for hours about the hypocrisy of members opposite. I could go on about that forever. It was members opposite who tampered with common law, and they bear the shame for that.

Government Policies; Member for Gladstone

Mrs BIRD: In directing a question to the Treasurer, I refer to the article in today's *Australian* headed "Independent puts Borbidge budget in doubt", and I ask: does she accept that the majority of this House now has major objections to vast tracts of the Borbidge/Sheldon minority Government's policies, including the privatisation recommendations of the FitzGerald audit, the proposed increases in sin taxes and the impost of a fuel levy? Given the instability that the member for Gladstone's position now creates, how can the Treasurer guarantee supply without abandoning her privatisation agenda, tax increases and unfunded election promises?

Mrs SHELDON: As stated previously, the Government will go through the entire recommendations as presented by Dr FitzGerald and we will decide what is the best formula for our State. We would not have to be considering any of these difficult options if members opposite had not raided the cookie tin and used people's money ill-advisedly.

This morning we are debating in this House the fact that under the Labor Party the Workers Compensation Fund blew out to a $300m deficit. That is why members opposite are trying to put up smokescreens. If members opposite had not put this State and the people in it into penury, none of these difficult decisions would have to be taken. I draw the attention of members opposite, who have not bothered to read these documents, to the graph on the front cover of the report. It shows where Queensland was and where it is going: on a continual path down, with a growing deficit. If we wanted to follow, as it would seem the Labor Opposition wants us to, the blueprint put in place by the Opposition's eminent successors—Cain, Bannon and Burke—and allow our State to go broke, we would not make the tough decisions. Members opposite had six years to do something, and they did not do anything. Because members opposite knew they were going to be thrown out of Government they decided to try to buy the votes of the people to stay in power. The people saw through members opposite and threw them out. That is exactly why we are sitting on this side of the House at the moment.

This Government will make responsible decisions to make sure that Queensland stays a strong economic State. We will reverse the downward trend as shown on the front cover of the report of the Commission of Audit. All decisions will be based on fairness and equity and on what is very much in the best interests of the people of Queensland.

Workers' Compensation

Mr BAUMANN: I ask the Minister for Training and Industrial Relations: at the risk of information overload to our friends opposite, could he please tell the Parliament why Mr Kennedy has recommended exactly as he has in terms of common law access?

Mr SANTORO: As is clear, members on this side of the House are not afraid of talking about the issue of common law access. It seems that members opposite are, but we are not, and we will tackle the issue of common law. To answer the honourable member's question very simply—Mr Kennedy has recommended as he has in terms of access to common law because the fund is out of control. It is interesting to consider what members opposite said about how they proposed to get the fund under control when the former Government's amendments were debated last year. The honourable member for Mount Coot-tha, the then Minister, stated—

> "I have produced a clear plan outlining how we will return this fund to its fully funded position within five years."

The honourable member for Fitzroy, who had been interjecting quite vociferously, said during the debate—

> "The purpose of the Workers' Compensation Amendment Bill . . . is to address the unfunded liability of the Workers Compensation Fund."

He went on to say—

> "Reforms have been made with the intention of eliminating the current unfunded liability over the next four to five years."

He also went on to say—

> "Despite the reforms, premiums—including the 10 per cent surcharge— will be the second lowest of any State in Australia."

The honourable member for South Brisbane, Ms Bligh, stated—

> "It proposes changes which have the capacity to deliver the financial resources necessary to fund the current unfunded liability."

I could go on quoting ad nauseam from *Hansard*. However, because I have respect for this place and because I wish to give members opposite as much time as possible today to ask me questions about my attitude to common law access and workers' compensation issues generally, I will not take up much of the time of the House. My point is that members opposite said during that debate that the fund would be brought under control by those amendments.

In terms of common law, it is worth reiterating why Mr Kennedy recommended as he did. He said—

> "The fund is out of control. If urgent action is not taken now, the fund will quickly reach a situation where Queensland will lose its ability to provide a low cost workers' compensation scheme. The unfunded liability is now worse than previously advised by the Workers Compensation Board to the Government and may be higher than $290 million as at the end of the financial year. The Government needs to plan on an unfunded liability reaching $290 million by the end of the financial year."

Basically, Mr Kennedy said that the fund is out of control. In terms of access to common law, it is relevant that members opposite listen once more to Mr Kennedy's most damning finding. It was this—

> "If the unfunded liability is not resolved it will be impossible to resist pressures to end"—

and I stress to honourable members opposite "to end"—

> "or drastically limit common law access, as has happened in virtually every other State."

When a report like this is brought down, the Government of the day must examine all of its recommendations. We expect somebody of Mr Kennedy's stature, capabilities and sensitivities to come up with something that looks after the employees of this State far better than members opposite did with their so-called——

An Opposition member interjected.

Mr SANTORO: I said "employees".

An Opposition member: What did the employees have to say?

Mr SANTORO: I am sure that I know what employees will say about it, but let me say this to the honourable member——

Mr Purcell: I know what they say about you, Sunshine.

Mr SANTORO: I will cop it. Let me give the House a bit of an idea about what employees will say. I refer to some comments about a week ago by Mr John Thompson, the secretary of the ACTU, when there was speculation about the potential for common

law access to be restricted under the Kennedy package of reforms. Mr Thompson was practically conceding that something like that was happening. He said this—

> "However, it is my understanding that the Government will also have a report that will look at increasing benefits and a good deal for workers also."

These are the sorts of things that are happening: in relation to lump sums, the statutory lump sum benefits for work-related impairment will be increased by 30 per cent to a maximum of $130,000. I am sure that all honourable members would agree that that is a significant advancement in terms of lump sums. The additional lump sum payment of up to $100,000, which currently is available only for serious spinal cord and brain-damage injuries, will be extended to all those workers with serious injuries of 50 per cent work-related injury or above. A new statutory benefit—and I stress "a new statutory benefit"—of up to $150,000 will be introduced for ongoing special assistance and care to replace common law carer awards. Those are the sorts of things, amongst many other advancements for employees, that Mr Kennedy is recommending.

If honourable members take the time and the care to read the report, they will realise that the threshold that Mr Kennedy is advising in terms of the 15 per cent is lower than in any other State in Australia, with the exception of the ACT and Tasmania. If one considers the position of those funds, one finds that it is not a pretty picture in terms of the balance sheets, premiums and benefits. I ask all honourable members to make a fair appraisal of the report, particularly of the recommendation by Mr Kennedy that the pain needs to be shared. When in Government, honourable members opposite brought into this place a report that just did not share the pain. We need to come up with a system which secures the future of the Workers Compensation Fund in terms of its unfunded liability, which ensures that the continuing rights of injured employees to adequate statutory benefits on a no-fault basis and access to common law for moderately or seriously injured workers are maintained, which returns the fund to full funding and which protects the continuing rights of employers under a fair, equitable and affordable insurance scheme.

Mr Mackenroth: We've all got a copy.

Mr SANTORO: The honourable member does not have a copy of what I am saying. What I am trying to say——

Mr SPEAKER: Order! The Minister will conclude his answer.

Mr FOURAS: I rise to a point of order. Mr Speaker, I refer you to the Standing Orders relating to question time. The Minister promised that he would respect the House and give us a short answer. I would love to know what a long answer is!

Mr SPEAKER: Order! There is no point of order.

Mr FOURAS: There is a point of order. Mr Speaker, I ask you to rule on whether the Minister is debating the issue or not.

Mr SPEAKER: Order! I am ruling. The member will be seated.

Mr FOURAS: Is the Minister debating the issue or not?

Mr SPEAKER: Order! I have asked the Minister to complete his answer.

Mr SANTORO: I take the point that honourable members opposite are making. However, I find it very sad that they are not interested in listening to an explanation from the Government of the day about an issue which so fundamentally affects employees. If the honourable member considers an answer of seven minutes to be too long, he has something coming!

Sunshine Motorway

Mr BREDHAUER: I refer the Treasurer to her answer in the House yesterday that her abolition of the Sunshine Motorway toll added only $4m to the Budget deficit and that the remaining debt is $198.5m. As the Treasurer has consistently refused to advise where the money came from to pay for the toll removal, I ask: will she now inform the House on which Government account the debt has been placed?

Mrs SHELDON: I thank the honourable member for his question. Members may recall that the honourable Leader of the Opposition deliberately endeavoured to fudge the figures. He said that the Labor debt owing on the motorway was on budget and that the commissioner had said that this was a fact. In fact, what the commissioner said was that the effect on the Budget was $4m, and that is exactly right. Let me reiterate once and for all that the nearly $200m debt on the motorway belongs to members opposite. It was left by Labor. Indeed, as the figures show, the toll collection in no way was paying off that debt. Even the interest payments of $12.5m every year were coming out of Transport to bolster up that debt. It would be nice if, just for once,

the Labor Party admitted its fault, admitted that it was running this State very deeply into the red and quoted the facts as they really are.

Retained Earnings of Public Enterprises

Mr WOOLMER: I refer the Deputy Premier and Treasurer to the Opposition's claims that the retained earnings of public enterprises are available to cancel out the Budget deficit. Could the Treasurer inform the House of the true position?

Mrs SHELDON: I thank the member for his answer.

Opposition members: Question!

Mrs SHELDON: I thank the member for his question. I will give the answer. Opposition members were quoting Dr FitzGerald, so I will give them his answer. Opposition members have misquoted Dr FitzGerald in the House this morning. They have endeavoured to discredit him and his excellent audit report. They are really beneath contempt. The whole State knows their economic record.

Mr Elder interjected.

Mr SPEAKER: Order! The member for Capalaba!

Mrs SHELDON: If Opposition members really want the answer I will give it to them. As usual, the Opposition is wrong, and deliberately so. It is deliberately trying to mislead the House.

As members would be aware, the retained earnings of public financial enterprises are for capital expansion purposes of those enterprises. The enterprises are separate businesses. They are off budget. Therefore, the only impact that they have on the State Budget—general Government—is through dividends, tax equivalents and capital contributions. I refer Opposition members to the page that they should have been looking at if they were not trying to mislead the House. I refer to page 103 of Volume 1 of the report. These retained earnings are thus not available to the general——

Opposition members: Oh!

Mrs SHELDON: They are not, and they were not under the Labor Party's Budgets.

Mr HAMILL: I rise to a point of order. The Deputy Premier and Treasurer is misleading the House. I tabled the figures which were available together with profit and loss accounts of public sector enterprises, which should have been available to the Commission of Audit.

Mrs SHELDON: Those figures were available to the Commission of Audit through the annual reports. That is why I referred members opposite to the page in the book from which they should have been quoting.

Mr Elder: You deliberately left them out.

Mrs SHELDON: No, indeed not.

Mr SPEAKER: Order! I warn the member for Capalaba under Standing Order 123A for persistent interjections.

Mrs SHELDON: These retained earnings are thus not available to the general Government to cancel out the Budget deficit. As members opposite would be aware, should the Government take them into the Budget it would simply have to make larger capital contributions in the future to allow the enterprises to expand. The figures were available to the commission. It had the annual reports. It used the annual reports.

Mr Hamill interjected.

Mrs SHELDON: In fact, as the honourable member has obviously not read the relevant page, I will table the document for him.

Mr Hamill interjected.

Mr SPEAKER: Order! The member for Ipswich!

Mrs SHELDON: We delivered a copy of all of this to Opposition members. They have deliberately tried to mislead this House and to misquote Dr FitzGerald. This is yet another exercise in deceit by the shadow Treasurer, the Leader of the Opposition and the Deputy Leader of the Opposition.

Mr BEATTIE: I rise to a point of order. I find those remarks offensive and untrue. The Treasurer has clearly sought to hide these figures to deceive the people of Queensland. I refer her to page 117. I seek for that dishonest remark to be withdrawn.

Mr SPEAKER: Order! The honourable member finds some remarks offensive. The Treasurer will withdraw them.

Mrs SHELDON: Mr Speaker, at your direction I withdraw.

Police Service Recruits

Mr BARTON: I refer the Premier to the revelation that the July intake of police recruits is to be cut and the October intake reduced. Recently in the *Gold Coast Bulletin* the Premier laid blame for this decision on Police

Minister Russell Cooper. In turn, the Police Minister has, in the *Gladstone Observer*, laid the blame on the Police Commissioner, Mr O'Sullivan. However, the Police Minister also points out that, because of funding cuts imposed by the Treasurer, the commissioner had little choice. As Premier, does he accept responsibility for the decision to cut police recruitment? If not, just who in his Government is responsible for this decision?

Mr BORBIDGE: I draw the honourable member's attention to the ministerial statement made this morning by the Minister for Police. If he had been listening he would know that his questions were answered in that ministerial statement.

Commission of Audit

Mr J. N. GOSS: I ask the Premier: can he advise the House of the economic credentials of the Opposition and their credibility in relation to their criticism of the FitzGerald Commission of Audit?

Mr BREDHAUER: I rise to a point of order. I believe that the member's question seeks an opinion. That is out of order. Mr Speaker, I ask you to rule on the Standing Orders because the question seeks an opinion. It is out of order.

Mr SPEAKER: Order! I call on the Premier to answer the question.

Mr BORBIDGE: Touchy, aren't they? This morning members are witnessing an overdose of the shoot-the-messenger syndrome amongst the guilty party opposite. They did not like the Commission of Audit so they are denigrating it. They are criticising people such as Vince FitzGerald, Barry Thornton and all those other commissioners who have done this State a great service. No doubt tomorrow they will be criticising Mr Kennedy because they cannot cop the truth.

Let us have a look at the economic credentials of the vandals opposite. I refer to the $662m turnaround in two years which was identified in the Commission of Audit. The Leader of the Opposition does not know the difference between $200m and $400m on this year's impact in terms of the Budget deficit on the Sunshine Motorway toll removal. Between them, the Leader of the Opposition and the Deputy Leader of the Opposition presided over overruns in the Health Department of $70m.

Mr BEATTIE: I rise to a point of order. I am quite happy to accept the Premier's assurance that the abolition of the toll involved in fact $400m.

Mr BORBIDGE: I correct myself—$4m. As to the economic credentials of this man—when he was the Minister for Health, and when the Deputy Leader of the Opposition was the Minister for Health, they ran up $70m over budget in recurrent expenditure in the Department of Health. In terms of the Capital Works Program—when this Leader of the Opposition was the Minister for Health he promised $1.2 billion in Capital Works Programs which simply did not exist. It was not budgeted for. This is the political party—the guilty party—which, according to Jim Kennedy, left the finest workers' compensation scheme in this country $290m in the red. So what have we got? We have an alternative Government that does not know the difference between $200m and $4m. We have an economic track record whereby the leader and the deputy leader of the alternative Government racked up $70m in overruns in the Health Department. The leader of the alternative Government promised $1.2 billion in capital works for which there was no money. We have an alternative Government which, when in office on a previous occasion in Queensland, all but destroyed the viability of the workers' compensation scheme in this State. Yet members opposite claim that they have found a black hole in the Commission of Audit. Who would believe them?

This political party opposite is guilty of rampant economic vandalism, none more so in recent public administration than the Leader of the Opposition and the Deputy Leader of the Opposition in regard to their disgraceful overruns in the Health budget. The current Minister for Health is trying to pick up the pieces. Two days before he left office, the Leader of the Opposition went to Ipswich and promised an extra $60m that was unbudgeted——

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

MOTOR ACCIDENT INSURANCE LEGISLATION AMENDMENT BILL

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11.29 a.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act to amend the Motor Accident Insurance Act 1994 and the Transport Operations (Road Use Management) Act 1995."

Motion agreed to.

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

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mrs Sheldon, read a first time.

Second Reading

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11.30 a.m.): I move—

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

In 1994 the compulsory third-party (CTP) scheme underwent significant reform with the introduction of the Motor Accident Insurance Act. This legislation introduced a fairer system for the delivery of benefits to those persons injured in motor vehicle accidents as a result of negligence. Lengthy delays in the settlement of claims highlighted the need for reform in the scheme. Another identified concern with the former scheme was the lack of rehabilitation assistance. Under the new Act, the provision of necessary rehabilitation services has become the focus for personal injury management. This focus is of particular benefit to those severely injured and, in addition, successful rehabilitation has a positive effect on the economic and social cost to the community.

As the second anniversary of the new scheme approaches, it is apparent that many injured persons have benefited by the new scheme's operation, particularly with the opportunity for the provision of rehabilitation. Comments I receive are generally very favourable and that comment spans all stakeholder groups. Having mentioned in such positive terms the benefits that have flowed from the new scheme, nevertheless there are areas where amendment to the legislation is considered appropriate.

This Government is committed to ensuring this scheme remains viable and that the balance between benefits and community cost is fair. In this regard, the Motor Accident Insurance Legislation Amendment Bill 1996 has been framed. The primary aim of the Bill is to ensure appropriate coverage by the Nominal Defendant and, also, to introduce amendments that will address any ambiguity or omissions in the original legislation.

Firstly, the Nominal Defendant is a fund that operates to provide access to compensation where the negligent driver's vehicle is uninsured or cannot be identified. Under the current legislation, the Nominal Defendant provides an avenue of funds in respect of uninsured vehicles where the accident occurs on a road. By definition the term "road" is given broader application but there is some conjecture that the definition may exclude from the cover afforded by the Nominal Defendant places such as beaches, where motor vehicle use is common.

The Motor Accident Insurance Legislation Amendment Bill 1996 addresses this issue by including a "public place" in the scope of cover. This amendment will ensure much wider protection for those injured in such circumstances. It certainly extends the cover to our beaches. The definition of a "public place" is aligned to the Motor Vehicles Control Act 1975. Adopting this definition means that, if an uninsured motor vehicle is involved in an accident at a place where the vehicle, at the material time, would have required registration and therefore compulsory third-party insurance, the Nominal Defendant will be there to provide the avenue for compensation and, if needed, rehabilitation assistance.

However, despite the widening of cover, it is not intended that a person injured on private property as a result of the negligence of the driver of an uninsured motor vehicle can come within the scope of the Nominal Defendant scheme. There is another amendment to section 5 of the Act which is considered very important. The proposal is to amend subsection (1)(b) to accommodate the words "in respect of the motor vehicle". The purpose of this amendment is not to alter the application of the Act, but rather to make the intent clearer, and this action is further reinforced by amendment of the "policy of insurance wording", which specifies that cover is limited to the insured motor vehicle. Both amendments will have retrospective application concurrent with the commencement of the Act on 1 September 1994.

The need for these amendments stemmed from some views within the legal profession that a very wide interpretation could be applied to the scope of indemnity under the policy of insurance. Such interpretation could see tortfeasors with no real association to the motor vehicle being able to obtain indemnity. For example, if a tree was cut down by a tree lopping contractor resulting in injury to the occupants of a passing motor vehicle, the contractor could seek indemnity under the CTP policy of the motor vehicle. Such an

interpretation is far beyond the legislators' intent and beyond a level of reasonableness. However, to keep this issue in perspective, there are equally contra legal opinions which suggest such an interpretation is unfounded. Nonetheless, it would be remiss of this Parliament not to clarify the intent of the legislation.

I would now like to refer to the various amendments relevant to the change in name of the hospital and ambulance levy to the hospital and emergency services levy. The proposed amendment, by broadly referring to emergency services rather than specifying the Ambulance Service, allows greater flexibility in the allocation of the levy funds to the various public emergency services reflecting their involvement in the provision of assistance to motor vehicle accident victims.

A further amendment proposed in this Bill centres on the offence of driving an uninsured motor vehicle on a road but now includes the public place as defined in the Motor Vehicles Control Act 1975. In addition, the offence is expanded to encompass permitting the driving of an uninsured motor vehicle. This seeks to cover circumstances where an owner knowingly allows a vehicle to be driven by another person on a road or in a public place. Personal injury damage claims arising from the driving of uninsured motor vehicles represent about 50 per cent of the annual liabilities incurred against the Nominal Defendant Fund. This figure is now in the order of $7.5m per annum. Therefore, with that level of funds expended on injuries caused by negligent drivers of uninsured motor vehicles, it is essential we have appropriate penalties and mechanisms for detection of breaches.

This leads me to the final aspect of the amendment Bill, which is the proposed amendment to the Transport Operations (Road Use Management) Act 1995. The increasing presence of Department of Transport detection activities should be heeded by the owners and drivers of unregistered/uninsured motor vehicles. As well as requirements in respect of registration, there is a very clear separate obligation for motor vehicles to have compulsory third-party insurance. Officers of the Department of Transport are entitled to carry out necessary inquiries and to bring prosecutions in respect of compulsory third-party insurance, but again, by the adoption of the proposed amendment, it makes the intent and authority quite explicit.

Owners and drivers of unregistered/uninsured motor vehicles need to realise that they face financial penalties when caught by the department's activities, but more importantly these people may be exposed to severe financial impost if a person is injured and a claim is paid by the Nominal Defendant. The negligent driver and/or owner will be required to repay any damages and costs incurred by the Nominal Defendant. Many of these claims amount to several hundred thousand dollars.

In conclusion, this Bill continues the improvement of the compulsory third-party motor vehicle insurance scheme in Queensland and ensures that we are able to deliver a product at a reasonable price to the community. There was extensive consultation prior to the introduction of the Motor Accident Insurance Act and there has been ongoing dialogue with the various stakeholders subsequent to the commencement of the scheme. The system continues to provide unlimited common law opportunity and this is achieved through the goodwill of all parties associated with the scheme. I thank those parties for all their assistance. I commend the Bill to the House.

Debate, on motion of Mr Hamill, adjourned.

FINANCIAL INTERMEDIARIES BILL

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11:41 a.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act to provide for the regulation of cooperative housing societies, terminating building societies and The Cairns Cooperative Weekly Penny Savings Bank Limited, and for other purposes."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mrs Sheldon, read a first time.

Second Reading

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11:42 a.m.): I move—

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

Existing legislation affecting cooperative housing societies and terminating building

societies was transferred to the Queensland Office of Financial Supervision—QOFS—with effect from 1 July 1995, in advance of, and in preparation for, new legislation being developed to regulate cooperative housing societies in particular.

This Bill introduces that modern system of regulation and prudential supervision of cooperative housing societies in particular and certain other societies, including terminating building societies and a general cooperative society, The Cairns Cooperative Weekly Penny Savings Bank Limited, which operates as a financial intermediary. The Bill was originally introduced into Parliament on 20 October 1995 but lapsed with the change of Government.

Presently, cooperative housing societies are regulated by very prescriptive legislation which was enacted in 1958. That legislation is outdated and no longer relevant to the dynamic financial environment of the 1990s. Accordingly, the Co-operative Housing Societies Act 1958 will be repealed by this new legislation. Industry supports the shift away from prescriptive regulations in favour of a prudentially based form of supervision. Industry has sought more and broader powers in the proposed legislation than it presently enjoys and some new powers have been extended to industry as part of this proposed legislation. These powers broaden the scope of societies' operations by allowing voluntary amalgamations which in turn permits rationalisation of the industry. The amalgamation powers and process will reduce costs and benefit industry. Similarly, the simplification of the lending operations of societies, together with a limited extension of their lending powers, will combine to make cooperative housing societies both easier for consumers to understand and more relevant to their home purchase funding requirements.

Although these new powers do not encompass the wide spectrum of increased powers sought by industry, scope is provided in the legislation for industry to adopt new products through the promulgation of appropriate prudential and other standards so that over a period of time societies may be able to broaden their product range and better service their clients. In this regard, the board of QOFS is empowered under the provisions of the Bill to become the standard-setting body for all societies caught by the requirements of the Bill. Consultations have already been held with industry representatives in relation to the content of the prudential and other standards which will be implemented in the supervision of societies by QOFS on and from the commencement of this legislation.

Following passage of the Bill by the House, industry and other interested parties will continue to contribute to the development of the prudential and other standards which will shape the future of the cooperative housing society industry. I commend the Bill to the House.

Debate, on motion of Mr Hamill, adjourned.

FINANCIAL ADMINISTRATION AND AUDIT AMENDMENT BILL

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11:46 a.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act to amend the Financial Administration and Audit Act 1977, and for other purposes."

Motion agreed to.

First Reading

Bill and Explanatory Notes presented and Bill, on motion of Mrs Sheldon, read a first time.

Second Reading

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (11:47 a.m.): I move—

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

The major purpose of this Bill is to update the legislative framework for a number of recent financial management reforms. It is fundamental to a parliamentary democracy that Executive Government is accountable to Parliament. The adoption of accrual reporting by Government departments, in accordance with the Australian Accounting Standard Financial Reporting by Governments, will provide greater transparency of operations and better identification of the cost of services provided. In particular, departments will now be required to show the costs of depreciation and employee entitlements. They will also for the first time report all of their assets and liabilities. Until recently, many of these assets had neither been independently valued nor even recognised for departmental financial reporting purposes.

The proposed amendments also update the requirements relating to the Treasurer's annual statement to allow for the proposed move to comprehensive whole-of-Government financial reporting. An accounting standard on this matter is currently under development by the Australian accounting profession. The Treasurer's annual statement will continue in its present form until this standard is completed and adopted.

The Act currently provides for management certification of agency financial statements prior to audit and within two months of the end of the financial year. With the increasing complexity of agency accounting, particularly with large regional structures and higher standards of financial reporting, it is often impractical for many agencies to comply with this arrangement. The proposed amendments remove this requirement. Agencies will need to discuss with the Auditor-General and agree on a time frame in which the statements will be provided for audit. The financial statements still need to be certified by management and by the Auditor-General for inclusion in agency annual reports due to be provided to the Minister within four months of the end of the financial year. Thus there is no change to the overall requirement to report within four months.

Following a recommendation by the Public Accounts Committee, an amendment to the Act is proposed to require the responsible Minister to provide Parliament with an explanation for any late tabling of an agency's annual report. This will strengthen present reporting and accountability arrangements.

The Public Finance Standards, which are subordinate legislation to the Financial Administration and Audit Act, have recently been extensively reviewed to ensure they represent current best practice. The drafting of these new standards should be completed in late 1996. To more properly reflect their broader financial management perspective, the standards are being renamed as Financial Management Standards.

Several other aspects of arrangements for issuing the Financial Management Standards are to be amended. The new standards will be able to include commentary about their proper application, which will assist agencies in complying with the standards. In rare circumstances where a standard or part of a standard is not appropriate for a particular agency, the Treasurer may, after consultation with the Auditor-General, waive the standard. Where this occurs, the details and implications of the exemption must be disclosed in the notes to the agency's financial statements.

To keep the Financial Management Standards within manageable proportions, an amendment is proposed to allow the standards to adopt the provisions of subsidiary documents made by the Treasurer or published by the Treasury Department. Examples of such documents are reporting requirements for departmental financial statements, asset valuation policies, risk management guidelines and commercialisation policies. Although these documents will not be subordinate legislation in their own right, they will be tabled in Parliament. Furthermore, each time a new or updated subsidiary document is to be issued, the Financial Management Standards that adopt them will be remade as subordinate legislation, and thus subject to disallowance. This process will provide Parliament with exactly the same opportunity for scrutiny of the documents as would be available if each of them were subordinate legislation.

Several amendments are made to provide agencies with greater operational flexibility without a reduction in accountability. These are rationalisation of the reporting of losses, increased flexibility in banking arrangements and an extension of existing revenue retention arrangements. I commend the Bill to the House.

Debate, on motion of Mr Hamill, adjourned.

EDUCATION (TEACHER REGISTRATION) AMENDMENT BILL

Hon. R. J. QUINN (Merrimac—Minister for Education) (11.51 a.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act to amend the Education (Teacher Registration) Act 1988."

Motion agreed to.

First Reading

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

Second Reading

Hon. R. J. QUINN (Merrimac—Minister for Education) (11.51 a.m.): I move—

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

The purpose of this Bill is to introduce amendments to the legislation governing the registration of teachers in Queensland. Under the Education (Teacher Registration) Act 1988, the Board of Teacher Registration is responsible to the Minister for setting standards for the teaching profession in this State. Under the Act, only a registered teacher may be employed to perform the duties of a teacher in any State or non-State school.

To be granted registration, an applicant must first satisfy the board that he or she possesses acceptable qualifications and is of good character. Where a registered teacher has been convicted of an indictable offence, or where, after inquiry, the board is satisfied that a registered teacher has been guilty of misconduct, the board has the power to remove the teacher's name from the register, suspend registration, or caution the teacher.

The board has encountered a number of problems which will be addressed by the following amendments to the Education (Teacher Registration) Act 1988. Two provisions are of a minor and non-controversial nature. The first involves replacing an obsolete term with its current equivalent. The Act provides for one nominee of the Professional Officers Association to be a member of the board; this association is now known as the State Public Services Federation, Queensland. The second allows the board to accept paid advertisements in publications such as its newsletter, *The Registered Teacher,* copies of which are distributed to all registered teachers or to all schools in Queensland. Paid advertising is accepted in such publications as the *Queensland Government Gazette* and the Department of Education's newspaper, *Education Views*. With the board now fully self-funding, it is appropriate that it be able to offset the cost of producing and distributing its professional publications in this way. The remaining three amendments will significantly enhance the effectiveness of the Act.

The Bill provides for the board to conduct an inquiry into the fitness of an applicant to be granted registration. From time to time, the board receives applications from persons who have previously been convicted of a criminal offence, who have been dismissed from employment, or who are the subject of allegations of misconduct which have not yet come before any judicial or professional tribunal. The present Act does not authorise the board to conduct a formal inquiry in order to satisfy itself that the applicant is of good character, yet any refusal by the board to grant registration is subject to appeal to a District Court. The inquiry process will protect the rights of the board and the applicant by allowing the board to receive legal assistance in the conduct of the inquiry, and the applicant to appear with legal representation to make submissions. As a further safeguard of the applicant's rights, the Bill ensures that such an inquiry will be held only if requested by the applicant.

The Bill also provides the board with the authority to inquire into alleged misconduct by a person who was registered as a teacher but is no longer registered at the time of inquiry. The concept of this provision has been drawn from other items of legislation; namely, the Nursing Act 1992 and the Medical Act 1937. Under the existing Act, the board may inquire into an allegation of misconduct only if the teacher concerned is currently registered at the time of the inquiry. If the teacher has allowed his or her registration to lapse, or has requested the board in writing to remove his or her name from the register, the board is unable to proceed with an inquiry. The matter remains unresolved and the board's position in responding to inquiries from prospective employers or registration authorities in other jurisdictions is problematic.

In the public interest, and in the interests of natural justice, it is appropriate that the board be authorised to proceed to conduct a formal inquiry to resolve such cases. The teacher concerned would have the opportunity to respond to the matter and be legally represented. If the inquiry resulted in disciplinary action, the information would be formally recorded in the register and available for prospective employers in Queensland or interstate. The amendment limits such inquiries by providing that the event must have happened while the person was registered, and the inquiry must be conducted no more than one year after the person's registration ended.

Finally, the Bill provides that it is an offence against the Act for a person to give the board information or a document that is false or misleading. Cases have arisen where applicants have presented forged documents or have made false statements in their applications; however, the board has not had the authority under the Act to initiate proceedings against them. Although the board has referred a number of such cases to the police for investigation, no applicant has been charged with offences under the Criminal Code.

There has been extensive consultation on the amendments. This has involved

interdepartmental consultation, as well as consultation with members of the education community, including teacher employing authorities, teacher unions, higher education institutions and parent groups. I commend the Bill to the House.

Debate, on motion of Mr Bredhauer, adjourned.

TOBACCO INDUSTRY (RESTRUCTURING) BILL

Hon. T. J. PERRETT (Barambah—Minister for Primary Industries, Fisheries and Forestry) (11.56 a.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act about the Queensland tobacco industry, and for other purposes."

Motion agreed to.

First Reading

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

Second Reading

Hon. T. J. PERRETT (Barambah—Minister for Primary Industries, Fisheries and Forestry) (11.57 a.m.): I move—

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

The tobacco industry in Queensland is at its crossroads. Recent deregulation of the industry at the national level, through the removal of barriers to imported tobacco leaf and the dismantling of the minimum Australian leaf content in cigarettes manufactured in Australia, have impacted on all States' regulations. New South Wales and Victoria have deregulated their industries.

Over the last few years, tobacco growers in Queensland have faced a very difficult period. My department advises me that tobacco growers' terms of trade have declined significantly in real terms since 1990. At the same time they are facing a diminishing market for their product. According to industry estimates, consumption of tobacco products in Australia has declined by about 4.5 per cent per annum for the last five or six years. Manufacturers, naturally, are buying less domestic product.

This year alone, the Mareeba/Dimbulah tobacco growing area will suffer a 10 per cent cut in demand for its leaf. Over the last five years, demand for Queensland tobacco leaf has declined by a staggering 37.5 per cent from about 8 million kilograms in 1991 to about 5 million kilograms last year. These factors combined to threaten the long-term viability of tobacco growers whose production levels had been slashed way below their break-even point on farm. The restructuring scheme implemented in 1995, which saw as many as 126 quotas totalling 2.91 million kilograms surrendered at $4 per kilogram, released about 110 growers from the industry. The 240 or so who remain in the industry face an uphill battle.

In such circumstances, it is imperative that the industry infrastructure be as competitive as possible, that is, it should not add to the cost of running the industry. This legislation will not only bring Queensland's industry into line with its interstate competitors but also enable the industry to enhance its competitiveness. The legislation will restructure the Tobacco Leaf Marketing Board, constituted under the Primary Producers' Organisation and Marketing Act 1926 into a grower-owned cooperative, the Queensland Tobacco Marketing Cooperative Association Ltd, QTM. At the same time it will deregulate the industry by repealing the now defunct Tobacco Industry Stabilisation Act 1965.

On 1 September 1996, the legislation will transfer all of the tobacco board's assets, liabilities and obligations to QTM in return for shares in the association. Tobacco growers will receive those shares in QTM based on their quota immediately prior to that date. The shares will entitle those growers to sell their tobacco through QTM. Whilst, there is no compulsion on growers to take up the shares, if they do take them up they will do so at no cost to themselves. The shares will be gifted to the growers by the board.

The restructuring scheme proposed is based on the schemes used to restructure the egg and grain industries over recent years. The legislation also contains some consequential and other minor amendments to various Acts. This legislation will assist the industry to rationalise its operations and focus on being truly commercial in a deregulated marketplace. I commend the Bill to the House.

Debate, on motion of Mr Gibbs, adjourned.

EGG INDUSTRY (RESTRUCTURING) AMENDMENT BILL

Hon. T. J. PERRETT (Barambah—Minister for Primary Industries, Fisheries and Forestry) (12.01 p.m.), by leave, without notice: I move—

"That leave be granted to bring in a Bill for an Act to amend the Egg Industry (Restructuring) Act 1993, and for other purposes."

Motion agreed to.

First Reading

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

Second Reading

Hon. T. J. PERRETT (Barambah—Minister for Primary Industries, Fisheries and Forestry) (12.02 p.m.): I move—

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

This Bill is yet another example of this Government's responsive cooperation with primary industries in Queensland. In five short months since coming to Government, we have before this House proposed legislation to remove the statutory marketing scheme for eggs produced in Queensland. The egg industry has complained to me that they have been constantly pursuing these changes since February 1995, but to no avail until now.

This Bill amends the Egg Industry (Restructuring) Act 1993 by repealing those parts of the Act which refer to the marketing scheme. However, it does not affect the hen quota scheme which is also covered by that Act. The quota scheme will be retained until at least 1 July 1998 or, depending on National Competition Policy imperatives at the time, possibly as late as 31 December 1998 (which is the date it is due to expire under the Act).

The outcome of this legislation, as I alluded to earlier, will be to make Australian Quality Egg Farms Ltd (AQEF) (the company which is responsible under the Act to administer the statutory marketing scheme) more competitive in what is now effectively a deregulated domestic market throughout Australia.

AQEF was formed in 1992 from the amalgamation of the two former egg marketing boards in this State. It should be noted that AQEF shareholders voluntarily voted in February 1995 to legally suspend the scheme under the Act. However, despite that suspension, AQEF remains subject to the public accountability provisions of the Act. For instance, AQEF—

must be audited by the Auditor-General;

is subject to ministerial direction;

has two directors appointed to the board by the Government, including the chairperson; and

is subject to freedom of information legislation, the Public Finance Standards, judicial review of administrative decisions, and the list goes on.

AQEF estimates that such compliance costs it about $250,000 per annum, even though the scheme has not operated since February 1995! It also considers that it is somewhat restricted in the pursuit of otherwise legitimate commercial strategies due to its legal reporting requirements to and monitoring by Government. I commend the Bill to the House.

Debate, on motion of Mr Gibbs, adjourned.

COMPETITION POLICY REFORM (QUEENSLAND) BILL

Second Reading

Debate resumed from 1 May 1996 (see p. 800).

Hon. D. J. HAMILL (Ipswich) (12.05 p.m.): As indicated by the Treasurer in her second-reading speech, the Bill before the House mirrors the Bill introduced in this place last year by the then Treasurer, Mr Keith De Lacy. It is the embodiment of a set of agreements reached between States, Territories and the Commonwealth in April 1995 under which the Queensland Government, along with all of the other States and Territories, endorsed the Competition Code Agreement. In return for becoming a fully participating jurisdiction under National Competition Policy, the Commonwealth Government promised approximately $2.3 billion to Queensland over the next 10 years through increased financial assistance grants totalling some $1.5 billion and $756m as special competition payments that are payable on a three-year tranche basis.

Honourable members would be aware that National Competition Policy is based on the report of the Hilmer committee on competition policy brought down in 1994. However, it does depart from a number of Hilmer's recommendations and, as an intergovernmental agreement, it permits the States to exercise considerable flexibility in its implementation. I think it is important to understand the purpose of National Competition Policy, which was to produce a more efficient and competitive Australian economy that is better able to participate competitively in global trade.

The Commonwealth, States and Territories agreed that competition reforms would have been pursued on a national basis in accordance with agreed principles to break down barriers to competition across State boundaries and to ensure that the same competitive rules apply to all sectors of the economy regardless of ownership. As a result, National Competition Policy focuses on both the private and public sectors, in particular Government business enterprises and unincorporated businesses, such as partnerships, the professions and so on, which traditionally have been protected against competition.

The Competition Code Agreement has seen the Trade Practices Commission reconstituted as the Australian Competition and Consumer Commission, with responsibility for: enforcing the anti-competitive provisions of the Trade Practices Act, which will now extend to all sectors of the economy, including State business activities and unincorporated entities; enforcing the access provisions of the new Part IIIA of the Trade Practices Act; and overseeing prices charged by both private and public sector businesses.

As I said before, the States and Territories will receive from the Commonwealth increased financial assistance grants and also competition payments, if they adhere to the agreements which were set down back in April last year. In this context, there are some interesting provisions that must be met by the Queensland Government if we are to get our first $36m in financial assistance grants under the National Competition Policy in 1997-98 and the further $36m in competition payments—a total of $72m in that year. To be eligible for those payments, the State must have signed the Competition Principles Agreement and Conduct Code at the COAG meeting in April 1995, which it has done. It must enact the requiring legislation within 12 months of the Commonwealth's Competition Policy Reform Bill receiving royal assent.

At this rather late stage, the Parliament of Queensland is getting around to addressing this issue. The Bill would need to be passed through the Parliament prior to 21 July. That does not leave a lot of time in relation to this very important part of the agreement. If those things are done, the State becomes a fully participating jurisdiction under the legislation and a party to the agreement. However, in order to be still eligible for the competition payments and the additional financial assistance grants, the State must also meet its obligations. It is not good enough simply to enact legislation and to mouth competition principles. The State must also demonstrate by its actions and deeds that it is adhering to the code and framework of National Competition Policy.

Principally, in corporatising its major Government business enterprises, the State must ensure that those enterprises pay the full equivalents in terms of taxes and the existence of debt guarantees directed towards offsetting the competitive advantage provided by Government guarantees and those regulations to which the private sector businesses are normally subject on an equivalent basis to the enterprises' private sector competitors. That reflects the notion of competitive neutrality.

In order to have done that, the State was supposed to have published a policy statement on competitive neutrality by the end of last month and published the required annual reports on the implementation of competitive neutrality principles. It was also to have developed a timetable by the end of last month for the review and, where appropriate, the reform of all existing legislation which of its nature restricts competition by the year 2000, and to have published by June 1996 a statement specifying the application of the principles in the Competition Principles Agreement to local government activities and functions. Of course, that statement was to be prepared in consultation with local government.

Whilst I am very much aware that local government has been cooperating with the State Government department in endeavouring to tease out the application of those principles of the National Competition Policy to local government, we are yet to see published in this State the details of the local government involvement with National Competition Policy; we are yet to see the details of the State's timetable for the review of legislation; and we have yet to see the policy statement on competitive neutrality. I would hope that the Treasurer would be in a position in the context of this debate to table those documents. I think it is important, in order to be giving not only lip-service to the agreement but also to be signalling by act the Queensland Government's clear involvement in National Competition Policy, that we have all of that documentation before us.

Already the coalition Government has received some adverse comments under the National Competition Policy for its position in relation to the electricity industry and the way in which it has torn up the moves to establish

a national electricity market, which was also required under the competition agreements. Indeed, the decision that was taken to scrap the Eastlink project brought considerable criticism against the Queensland Government, both in terms of the financial basis for that decision and in terms of the Queensland Government's commitment to competition policy. I was interested to see that in the *Australian Financial Review* in March this year it was stated—

> "If Queensland can burn $200m a year in the name of pumpkin-scone economics, every other State will argue it should be allowed to do the same."

That was a comment in the context of the Queensland Government's fairly dismissive position as put at that time to the National Competition Policy and, in particular, the electricity reforms.

The Queensland Government does have very clear obligations in relation to the National Competition Policy, and unless it can do better than it has done thus far, then it places in jeopardy the $72m under the National Competition Policy which should be made payable to the State in 1997-98. We will be watching very closely the Government's overall performance here and whether it is living up to the pledges to which it claims it will adhere.

As to looking in a little more detail at the actual elements of the National Competition Policy—we can look at them in the context of the Trade Practices Act, the role of legislative review, the competitive neutrality issue and the issue of prices oversight and the question of third-party access. While business activities which have been undertaken by State Governments and unincorporated entities have not been subject to the competition conduct provisions in Part 4 of the Trade Practices Act—which has applied to private sector enterprises and corporations and also to Commonwealth businesses since 1974—it has been the view of all States and Territories that all of those activities, whether private or public, should indeed be subject to the same anti-competitive rules.

Certainly, those amendments which the Commonwealth put to the Trade Practices Act last year and which come into force on 21 July this year extend the Trade Practices Act accordingly. If we chose not to be a participating jurisdiction and if this legislation was not passed by the Queensland Government, not only would we forfeit the competition payments which I have already mentioned but we also probably would not have a great impact in terms of the consequences of the Commonwealth's amendments to the Trade Practices Act because the only area which would be outside the purview of the Commonwealth's Trade Practices Act amendments would be in relation to unincorporated entities in Queensland, and only so far as they do not trade or have any sort of commercial intercourse with other entities that have some sort of interstate trade involvement. So it would be a very, very tiny part of the economy which would be outside the purview of the Commonwealth's amended Trade Practices Act.

As I said, this is an important part of the National Competition Policy. The obligations of the State relate to the question of legislative review. It is a fact that there are many pieces of legislation that have been enacted by this Parliament and by other Parliaments which have within them anti-competitive provisions. They may be there for very good public and social purposes. It is certainly the contention of the Opposition that, where there are provisions which are anti-competitive and which are in the public interest, they should remain there. I said earlier that the State Government has an obligation to publish its list of legislation for review in relation to this element of the National Competition Policy by the end of June. But until the State actually fulfils that obligation there will remain considerable concern in the wider community as to just how far the National Competition Policy will go in changing what, in many cases, have been long-established practices, particularly in relation to a number of industries. I refer to the health professions, notably pharmacy and optometry. Certainly in the primary-producer sector the sugar industry springs to mind as one of those areas in which there has been considerable debate as to the extension of national competition principles.

As I said, the National Competition Policy does not require the repeal of all anti-competitive arrangements, but if they are going to be allowed to continue, then it requires that those arrangements are subjected to a public benefit test. I suggest very strongly—and I wish that the Treasurer were present to hear my suggestion—that that public benefit test is writ wide; that we look at the whole of not only the economic but also the social consequences of the application of the National Competition Policy in a range of those areas.

One matter that certainly concerns the Opposition is the issue of community service obligations and whether the Government will

be prepared to recognise that there are important community service obligations to be met and that it will provide the adequate funding to maintain them. The Opposition will be watching very closely this Government's performance in relation to those community service obligations.

I have mentioned the issue of competitive neutrality. Again, the Opposition would like to know for certain which significant business activities are earmarked for the extension of National Competition Policy. A number of sectors have been canvassed: schools and universities in the education sector, workers' compensation provisions, the health system, and so on. But until the State actually provides the Opposition with that documentation, which should have been made available by now, then the uncertainty in the wider community will not abate.

The other important issues that need to be mentioned in relation to National Competition Policy are prices oversight and access. In relation to prices oversight—the amendments by the Commonwealth to the Trade Practices Act gave the newly established Australian Competition and Consumer Commission the jurisdiction which had previously been exercised by the former Prices Surveillance Authority. That power has been extended to State monopoly business activities. That is certainly the position which prevails in Queensland. Of course, if it chooses, Queensland may also exercise the option to establish its own independent price monitoring agency. The Goss Government was committed to the establishment of a Queensland competition authority to undertake this prices oversight role and was intending to introduce appropriate legislation to fulfil that. I will be interested to see whether this Government similarly sees a role for a State-based entity.

I am particularly curious to know whether the Government wishes to pursue an independent State entity in the context of the Commission of Audit report, about which there has been a great deal of discussion in the House this morning. A number of sections within the Commission of Audit report refer to contracting out of Government services and so on. In particular, recommendation 3.13 of the report makes the point that, in the view of the Government's own Commission of Audit—

> "Competition regulation in Queensland should fall within the purview of the Australian Competition and Consumer Commission."

It goes on to state—

> "If the Australian Competition and Consumer Commission is inadequately resourced to meet the requirements of the reform phase of implementation of the National Competition Policy in Queensland, then there may be a transitional role for a Queensland Competition Authority, whose role is firmly sunsetted at the end of the reform phase (2001)."

That direct quote from the FitzGerald Commission of Audit leads me to conclude that, certainly in the view of the Queensland Government's own hired guns who produced the report, they did not see a role for a Queensland competition authority but were more than prepared to allow Queensland competition policy to be handled by default by the Australian Competition and Consumer Commission. The Opposition begs to differ. We believe that there is an important role to be played by a Queensland competition authority. We would certainly urge the Government to reject this among a number of other elements of the FitzGerald audit report. The Opposition certainly sees the role of a Queensland competition authority as being an ongoing one, not one that is simply there in default of the concern that the ACCC may not have adequate resources to undertake the task.

The Commission of Audit report highlights a number of issues which go to the very kernel of National Competition Policy. For example, the Commission of Audit report contains a call for the full privatisation of road construction and maintenance activity. The belief is that by fully privatising it and throwing it out to the private sector we would end up in a more competitive environment and therefore maximise our efficiency. As I said yesterday, I will be waiting with bated breath to see whether the Government is going to embrace the clear recommendation of its report in relation to that important element.

I can certainly say now that the Opposition does not embrace that principle. In fact, I hearken back to my time as Transport Minister, undertaking a very important reform of the road construction and maintenance function in this State. My officers and I recognised that many local authorities in the State relied very heavily indeed on the continued delivery of road construction and maintenance and that, in those local authority areas, there was no competitive market available in relation to the delivery of those services. Sure, one might find that some of the major private road contractors might

express some interest from time to time if there was no other work elsewhere in the State, but to subject those activities in a large number of local authorities to open competition would undermine the economic viability of those local authorities. This Opposition certainly has particular objections to that recommendation of the FitzGerald audit report.

The audit report also takes the notion of competitive neutrality to what I consider to be an illogical conclusion, going so far as to claim that the public sector has no role to play in the actual delivery of services but rather should simply pay for the provision of services to the community. Again, I will be very interested to see whether this coalition Government is prepared to embrace the recommendations for which it has paid so handsomely—some $1m—to have a recipe drawn up for the privatisation of a substantial part of public sector activity in this State, whether it be our ports, our electricity industry, our market trust, Sunlover Holidays—the list goes on. A full list is available in the Commission of Audit report.

In relation to third-party access—I have other concerns based on the clear recommendations of Commissioner FitzGerald and his audit team. I refer particularly to the issue of rail. In the State Government's million-dollar Commission of Audit report it is stated quite clearly at recommendation 11.9 that—

> "In order to drive efficiency through competition, Queensland Rail's track operations should be separated from rail service operations, which would then be provided by separate commercial providers. Consideration of the appropriate means of promoting competition in service delivery, whether by the private sector or incorporated entities (under the Government Owned Corporations Act) is also necessary. Private sector involvement in the industry would be enhanced through third party access across the entire network on a non-discriminatory basis, franchising (eg some rural and urban services), direct competition (eg in workshops), complementary investment, or the sale of assets."

I regard that sort of recommendation with alarm.

One of the things that our former Government insisted upon when we were involved in the negotiation of the National Competition Policy was that we would maintain Queensland Rail's position in the haulage of coal at least until the turn of the century. There is a very good reason why we did that. We had negotiated agreements with the mining industry to unravel the policy, which had been applied by the coalition when it was previously in Government, to levy as a part of coal rail freights a hidden royalty on coal. The hidden royalty on coal ensured that coal rail freights were able to support the rest of Queensland Rail's operations. I remember being criticised by the then Opposition for seeking to try to put Queensland Rail's financial position into a secure context for the future. It was my view, and it still is my view, that Queensland Rail would not be able to survive under National Competition Policy if the problem that it had with its general freight and passenger services was not rectified by making those services commercial. In doing that, it was necessary to break the nexus that existed in its financing whereby it needed the hidden taxes in coal rail freights to prop up the rest of the system.

In jobs terms it was even more critical because a third of the jobs in Queensland Rail were associated with two-thirds of the income; that is, a third of the jobs were involved with the generation of the massive revenues coming out of the coal business, but two-thirds of the jobs—and indeed most of the jobs across country Queensland—were associated with those elements of Queensland Rail's business which were non-competitive, which were inefficient and which had suffered severe neglect and chronic underinvestment under a succession of coalition Governments. If this coalition Government embraces the recommendations contained in its Commission of Audit report, not only will it throw away the goose that laid the golden egg for Queensland Rail—that is, the coal business—before the coal business has the opportunity to achieve world best practice, which was our policy prescription for the health of Queensland Rail, but, as it throws away that goose that laid the golden egg, so too will it throw away the rest of the rail network in the State, because the rest of the network will not survive under the prescriptions set down in Commissioner FitzGerald's Commission of Audit. Certainly, Queensland Rail will not survive if the Government accepted its commission's recommendations. It is my contention that it is absolutely vital that the agreements that were entered into by the former Labor Government to provide a sensible transition—in this case for Queensland Rail by denying third-party access to the coal haulage business—are critical to ensuring the long-term future of that very vital public enterprise.

However, where there are issues in relation to third-party access, National Competition Policy will provide a legislative basis for resolving such disputes. Taking away that example of the coal freight rates, if the Government determines to go the way of the FitzGerald audit and allows the whole of the rail network to be opened to third-party access and if we have a disagreement between prospective suppliers of services, Part 3A of the Commonwealth's Trade Practices Act, which was enacted last year, gives the ACCC the power to authorise the access arrangements for facilities of national significance and to resolve disputes. Again, however, that raises the question of whether the Queensland Government considers it prudent or not to establish a State-based authority to adjudicate in relation to important third-party access provisions.

As I said before, an important element of National Competition Policy and its application rests on the State Government itself, because it is the State Government that has to perform in relation to its own business activities. Certainly, it has to provide for transparency in the operation of its commercial activities. That transparency is particularly important in respect of the recognition of and, I suggest even more strongly, the adequate funding of community service obligations. At the end of day, it is up to the State whether competition will be introduced into a sector which is a matter for State Government discretion.

The National Competition Policy also embodies a number of important agreements and industry reforms that were endorsed by the Council of Australian Governments. Those areas of significant national reform include water, gas, electricity and road transport. Certainly, under the National Competition Policy each State is to advise the National Competition Council annually of its progress in implementing the reforms. As I have already mentioned, that is a process that is critical to the States and Territories and, given the track record of this Queensland Government to date, very critical to whether Queensland will receive its competition payments.

Competition policy overall has been endorsed by major business groups and the Commonwealth, State and Territory Governments. However, there remain very considerable concerns among trade unions, primary producer groups and local government regarding the impact of competition reforms on existing services. The very real fear exists, which is only exacerbated by the suggestions that have come out of this Commission of Audit report, that Governments will retreat from the area of service provision and certainly not adequately provide for community service obligations.

As an Opposition, we will not be voting against the legislation. I made that point clear already. This legislation, with a couple of very minor exceptions, is chapter and verse of the Bill introduced into this Parliament last year by the then Treasurer, Mr De Lacy. However, what we are asking is that the Queensland Government delivers us the information as it was supposed to do by the end of last month on applications in relation to local government, the details in relation to the legislative review process and the details as to which of the State's significant business enterprises may be subjected to the National Competition Policy. The sectors that we know are on the agenda are the Workers Compensation Fund, the areas that were previously the business units of the former Department of Administrative Services, those areas in relation to Government property management and property services. We know about the water boards, the TAB and the Golden Casket. There is Q-Build and Q-Fleet. There is the health system, corrective services, large parts of the Department of Main Roads and the Government Superannuation Office to name but a few.

When honourable members consider that list, they will see that a very significant part of the employment within the State Government sector is potentially threatened by the application of national competition principles, particularly if their introduction is not handled in a sensitive and sensible manner. It is little wonder that so much concern exists in the community when this Government has failed to provide the information that we have been seeking thus far. I hope that, when the Treasurer replies to the second-reading debate, those areas of information that to date have not been provided to us will be provided.

It runs parallel to the issue that I was trying to raise this morning in relation to the Commission of Audit report. In relation to those matters, the information ought to be provided in the same way as the information that the Opposition was seeking in respect of retained profits of public sector enterprises ought to have been provided to Commissioner FitzGerald and his audit team. In the absence of that information, we do not have the full picture of the state of public finances kept on an accrual basis. In the absence of those important figures in relation to retained profits

of public enterprises in the tables that appear on page 117 of the Commission of Audit report in terms of the State Government, local government and legislative review, we do not have the full picture of the National Competition Policy and its application in Queensland. That needs to be rectified and rectified urgently.

In conclusion, I urge the Queensland Government to put its house in order with respect to the electricity industry. This year, we have seen the farce of the scrapping of the Eastlink project. Eastlink was to provide the embodiment of the agreements reached in the electricity industry. It would have provided Queensland with the ability to interconnect its power industry with the other States. For a variety of reasons—and I think ill-founded reasons—the coalition Government claimed that somehow Queensland needed to be provincial in relation to power; in other words, Queensland should not buy power from any other State and be involved in interconnection only when Queensland had a power surplus that it could sell somewhere else. That is a nonsense of an argument. It flies in the face of national competition principles. It flies in the face of the fact that Queensland could be buying surplus power from New South Wales at a fraction of the cost of what it will cost Queensland taxpayers to embark upon a new thermal power station in Queensland. It makes a mockery of this Government's alleged commitment to National Competition Policy.

Subsequently, after the Government members had been prodded and probably beaten around the head somewhat by their Federal colleagues and members of other State Governments, they are now again talking about interconnections. However, is that interconnection not another Eastlink by a different name and possibly by a different route? I suggest that there is no other alternative for this Government than to adhere and implement the commitments that it claims to espouse under National Competition Policy. We should put aside some of the nonsense and posturing that has gone on in relation to this very important element.

Mr Elliott: If that is true, then why along the border are our people who are using North West County Council electricity paying a higher rate than those people who are using Queensland electricity?

Mr HAMILL: The point that the honourable member misses by way of his interjection is that if our electricity industry can purchase bulk power, then transmit that power across the State and buy that bulk power at a price that is less than the cost of additional generating capacity being provided in Queensland, then that is a good outcome for Queensland. It is a good outcome for Queensland in terms of the cost of power to industry, it is a good outcome for Queensland in terms of the cost of power to consumers and it is a good outcome for Queensland in terms of the environment. We hear so much about the greenhouse effect and the impact of burning fossil fuels. If it means that we do not need to make the public funds available for a longer period and we in Queensland do not need to burn more of our fossil fuels because we can obtain cheaper power than what we could otherwise produce in this State by taking the surplus that is available interstate, then I suggest that on all of those grounds—environmental, social and economic—it is a good outcome.

Mr FitzGerald: You've got to generate it.

Mr HAMILL: The honourable member for Lockyer says, "You've got to generate it." I would have thought that he would have understood the point that if there is excess capacity available interstate, then it makes good economic sense for Queensland to take advantage of that excess capacity if it can provide power more cheaply than we otherwise could. I am talking about 300 megawatts of power that, under the principles expounded under the National Competition Policy, can be purchased from New South Wales for around $60m a year; in other words, about 2 cents per kilowatt hour. How does that compare with the prospect of a new generating capacity being built in Queensland and then having to draw upon it? We would be flat out getting a better deal than that which was available to Queensland under the Eastlink policy, which was an embodiment of national competition principles. The facts speak for themselves. As I say, the Queensland Government needs to do better than give lip-service to National Competition Policy. In that regard, it should make sure that its deeds reflect its words.

Dr WATSON (Moggill) (12.46 p.m.): I rise to support the Bill, which was introduced by the Deputy Premier and Treasurer with respect to the competition policy reform of Queensland. In this speech I intend to do four things: firstly, to address the Bill in the context of the broader competition reform agenda under the National Competition Policy; secondly, to outline the objectives of the Bill; thirdly, to consider the short-term obligations of the State under the National Competition

Policy; and, fourthly, to consider the financial benefits that can flow to Queensland.

In April 1995, the Commonwealth and all State and Territory Governments signed a series of agreements to give effect to the implementation of a National Competition Policy. These agreements embodied the joint Government response to the recommendations in the report by the Independent Committee of Inquiry into a National Competition Policy—better known as the Hilmer report. As the Treasurer has noted in her second-reading speech to this Bill, the Queensland coalition Government has endorsed Queensland remaining as a fully participating jurisdiction in the National Competition Policy. The Government supports competition reform on the basis that a competitive economy is a prerequisite for sustainable economic growth, employment and higher living standards for Queenslanders. Increased competitive pressure within the Queensland economy, and particularly for those sectors previously protected from competition, will facilitate higher levels of productivity and a narrowing of the performance gap between Queensland industry and world best practice. Those gains will be reflected in lower prices and better service delivery for both consumers and industry.

Queensland needs to embrace enthusiastically this competition reform agenda. That has been recognised by the recent Queensland Commission of Audit, which has recommended that service provision within the State must be exposed to the constant stimulus of competition. In particular, with regard to the Government's own involvement in the provision of these services, the commission has recommended more exposure to competition as a means of continually improving productivity and overall performance. However, it is evident that competition reform in Queensland is regarded with varying degrees of scepticism. Apart from those who have a vested interest in maintaining the status quo because they derive—and some would argue unfairly derive—a competitive advantage from current arrangements, the major concern with competition reform is that it would compromise the ability of the State to deliver its social objectives.

In this respect, whilst I understand the concerns, I wish to make the point that there is no inconsistency between competition reform and efficient delivery of social obligations by the Government. Indeed, the Government's commitment to competition reforms through the National Competition Policy is based on the recognition that the policy is all about promoting efficient delivery of services within a broader social policy framework. In implementing the policy, therefore, the Government will be cautious to ensure that reform will not compromise, but rather enhance, both State and local government social and essential service obligations.

It is a proven fact that markets do fail and that where the operation of markets must be fashioned in some way to ensure a certain social delivery outcome, it is a legitimate role for Government to limit competition accordingly. Indeed, the National Competition Policy provides for consideration of broader social issues as part of the implementation process by the undertaking of public benefit tests prior to competition reform being implemented. The Government is particularly keen to ensure that there is no negative impact on smaller regional economies throughout the State where the distinction between commercial activity—which is the focus of competition reform—and social activities is often blurred.

Ultimately, however, it is the responsibility of Government to ensure that, regardless of whether it is itself providing a service or purchasing the provision of that service from another provider, the service will be delivered as efficiently as possible. Competition is fundamentally the best way of ensuring this result. It is competition which provides the best incentive for managers to improve productivity and to obtain best practice levels of efficiency. The latter is particularly important if we are to have a vibrant Queensland economy and industry which is able to compete on world markets.

The Hilmer committee recommended a series of reforms which are collectively aimed at breaking down barriers to competition across all sectors of national and State economies. Under the National Competition Policy, some of these reforms are legislatively based—as is the case in respect of this Bill—whereas others are policy initiatives to be implemented by each jurisdiction pursuant to a common set of principles but according to its own agenda. These various elements of the National Competition Policy are in themselves important reform initiatives. They are: the application of the same anti-competitive rules regardless of the form of ownership; review and abolition of legislative restrictions to competition where these are not in the public interest; to encourage the structural reform of public monopolies, certainly in cases where

Governments elect to open these markets to competition; to ensure that Government business activities operate on a level playing field with the private sector by removal of all advantages emanating from Government ownership; to facilitate access to essential infrastructure as a means of promoting competition in upstream or downstream markets—for example, to provide access, on reasonable commercial terms, to a new electricity generator to the electricity grid; and, finally, to oversight prices charged by public sector businesses which have monopoly or near monopoly power. The National Competition Policy establishes principles which must be followed by jurisdictions in implementing these various reforms. The purpose of this is to create a level of consistency across all States in the way in which competition reform is implemented.

The passage of this Bill is one of the requirements of the State pursuant to the Competition Principles Agreement, being one of the agreements of the National Competition Policy. In introducing the Bill the Deputy Premier and Treasurer outlined the overall objectives of the legislation. I wish to make only a few salient points.

Firstly, the purpose of this Bill is to apply the Part 4 anti-competitive conduct rules of the Trade Practices Act to all businesses regardless of their form of ownership. Competitive conduct rules are designed to ensure that the competitive market process is not undermined by anti-competitive behaviour. Typically, such rules prohibit agreements or arrangements that increase a firm's market power and prohibit firms that possess a substantial degree of market power from using it in an anti-competitive way. In Australia these rules are contained in Part 4 of the Trade Practices Act 1974.

Since its introduction in 1974, there have been two important exemptions from the Part 4 provisions: State business activities and activities undertaken by unincorporated entities. State business activities have been exempt by nature of their ownership by the Crown, whereas unincorporated entities have been exempt because they have been outside the constitutional competence of the Commonwealth. As Hilmer has argued, and as the National Competition Policy endorses, there is no reason why activities undertaken in either of these two forms should be exempted from the Trade Practices Act. The same market conduct rules should apply consistently across the economy and there should be no unfair competitive advantage gained by certain forms of business activity ownership.

The purpose of this Bill, as the Treasurer has indicated, is to apply Part 4 of the Trade Practices Act to all business activities within the State in the form of a competition code. Essentially, the code is Part 4 of the Trade Practices Act written so as to apply to persons rather than to corporations. This code is to be adopted by all jurisdictions so that there will be a seamless or consistent coverage of the Trade Practices Act on a national basis. Most, if not all, jurisdictions have already passed this legislation and it is a requirement under the National Competition Policy for Queensland to do likewise by 21 July 1996.

It is relevant for the House to recognise that this Bill is, however, really only a marginal extension of the status quo. Amendments to the Trade Practices Act last year by the Commonwealth have meant that all State business activities will already be caught by Part 4 of the Trade Practices Act from 21 July 1996. Moreover, whilst unincorporated activities have traditionally not been caught by the Trade Practices Act, the expansive interpretation of the Trade Practices Act by the High Court would, in the event that Queensland does not pass this legislation, result in only a small category of businesses not being caught.

Those businesses which might otherwise escape the application of the Trade Practices Act would be very small businesses which were not set up as corporations—such as suburban solicitors, hairdressers, GPs and so on—and only in so far as those businesses do not conduct business with corporations or get involved with interstate trade. This legislation will therefore capture this small subset of business activities not yet caught on the basis that it is equitable and logical for all competing in business to be subject to the same rules.

As I have said, this Bill is only one element of the overall National Competition Policy reform agenda. I note that in response to the State being caught by 21 July 1996, a major audit has been undertaken of all business activities within departments as a first step in the development of a Trade Practices Act compliance program across the whole of Government. The Government will shortly consider the results of this audit which will prepare all departments for exposure to the Trade Practices Act.

An important aspect of this Bill is that it retains for the State the ability to pass legislative authorisations for anti-competitive conduct under section 51 of the Trade Practices Act. As I have said before, it is a fact that markets do fail and do not always deliver

the social outcomes required by Government. In such cases, this legislation will enable the State to legislatively condone anti-competitive conduct where such conduct is demonstrably in the public interest. Whilst the spirit of competition reform requires that this power be used cautiously and selectively, this is an important power for the State to retain.

In the event that this legislation is not passed, any authorisations for anti-competitive conduct which would be in breach of Part 4 would be at the behest of the Australian Competition and Consumer Commission. I suggest to this House that the Queensland Parliament is a far more appropriate body to decide what is in the public interest for Queenslanders than the ACCC.

Sitting suspended from 1 to 2.30 p.m.

Dr WATSON: I wish to turn now to the short-term requirements of the State under the National Competition Policy. Apart from the passage of this Bill, the State has to fulfil three other short-term requirements under the National Competition Policy. As a means of putting the overall competition reform agenda into perspective, I wish briefly to make some comment on these initiatives.

The Hilmer report has recognised that the mere extension of the Trade Practices Act to all business activities would not of itself be sufficient to facilitate genuine competition; rather, competition is inhibited through a range of other measures which will not fall within the prerogative of Part 4 of the Trade Practices Act. Competition has been inhibited in a very major way through legislation. History is evidence of the fact that markets do not simply evolve; rather, they have been fashioned over time by way of Government intervention.

Accordingly, there is a preponderance of legislation within all States and the Commonwealth which, although considered to be in the public interest at the time in which it was enacted, nevertheless acts today to restrict competition across a whole series of markets. Examples include legislative monopolies for public utilities, barriers to entry to certain markets, restrictions on market conduct, such as price control, hours of operation, hours and locations of operation, quantitative entitlements and so on, and the conferring of benefits to certain particular persons or bodies. The National Competition Policy simply requires that all of these measures be audited pursuant to a competitive test to assess whether they are still in the public interest. If this is not the case, then these various legislative provisions should be repealed to facilitate competition in those markets concerned.

In response to this requirement, the Queensland Government has undertaken a major review of all State-based legislation and has identified some 170 Acts which are potentially anti-competitive in nature. A timetable listing these Acts, the nature of anti-competitive restrictions which they contain and a timetable for the review of the legislation over the period to end 1999 will shortly be released by the Government. This will fulfil the second requirement of the State under the policy and will be a major initiative in fostering a more competitive Queensland economy over the next four years. I make the point that the review process will provide for consultation with all affected stakeholders. Details of this process will be released by the Treasurer in the near future.

The third aspect of the National Competition Policy and requirement of the State which I wish to mention is the need to place significant business activities conducted by the State in the same competitive environment as their private sector counterparts. The way in which Government businesses produce and price their products has a major impact on resource allocation decisions. Government business activities have traditionally competed with the private sector on an unfair basis. Government businesses have traditionally been seen as enjoying a unique set of competitive advantages by virtue of Government ownership. They have had exemption from taxes and charges, they have been able to borrow funds on the back of the Government's credit rating, or guarantee, and they are sometimes not required to comply with certain regulations applying to private sector businesses. It is important that these advantages held by Government businesses be removed as much as possible.

In particular, it is of vital importance to the Queensland economy that State business activities, which provide major services and inputs to household and other sectors of the economy operate as efficiently as possible. There is a lower incentive for this to occur if these businesses have an unfair competitive advantage. Therefore, efficient resource allocation requires that these distortions be removed. On that basis, the Government has conducted a review of all of its significant business activities and will also shortly be releasing a statement outlining how these advantages are going to be removed by what is called competitive neutrality. The statement

will outline clearly those businesses to which competitive neutrality reforms are proposed to apply. Before applying these reforms there will first be a benefit cost test aimed at identifying the benefits and costs of the proposed reforms, which will only proceed where a net benefit is envisaged. Again, the Treasurer will be making an announcement on this important reform initiative in the near future.

The final competition policy reform element to which I wish to refer is the requirement for the reforms to apply to local government business activities. In this respect, the Competition Principles Agreement requires that the State release a statement outlining how the policy will apply at the local government level. A State Government/local government working group has been addressing this issue for some time and has released a draft statement for consultation with all key stakeholders, including local councils. The Government will shortly be considering a final version of the statement following feedback as a result of this process. This statement will be a major micro-economic reform initiative at the local government level and will map out a reform agenda for significant local government businesses over the next three years.

Essentially, National Competition Policy is a continuation of the commercialisation and corporatisation reforms implemented in Queensland over the past three years. However, the policy will go much further in promoting competition across the Queensland economy as a whole and will lead to higher levels of efficiency, lower prices and significant consumer benefits, including a greater choice for consumers and better levels of service. This will lead, in turn, to higher economic growth and improved living standards. For example, the Industry Commission has estimated that the National Competition Policy reforms will increase the efficiency of Australia's production of goods and services by $23 billion each year. The Business Council of Australia has estimated similar results.

I think the Industry Commission itself would recognise that the following estimate is only a broad-brush one; however, even if the estimate is only half right, the gains to Australia and Queensland will be significant indeed. Apart from improvements to efficiency generally, Queensland stands to gain $2.33 billion by financial assistance payments from the Commonwealth over the period from 1997-98 to 2005-06, provided that the Commonwealth—based on advice from the National Competition Council—considers that the State has implemented National Competition Policy in accordance with the agreements. In order to qualify for those payments the State has to implement the reforms outlined above as required by the policy. Additionally, the State has to report on an annual basis on the progress of implementation pursuant to the agreed timetable for reform. Additionally, the State is obliged to implement effectively the nationally agreed electricity, water and gas industries and to observe road transport reforms—all over a longer-term duration.

The significance of this Bill is that it is the first tangible output of this Government's response under the National Competition Policy Agreement. As I have indicated above, a number of other initiatives in the form of reform policy statements and timetables for the review of anti-competitive legislation will be forthcoming in the near future. I support the Bill.

Mr ROBERTS (Nudgee) (2.37 p.m.): I believe that Governments have a legitimate role to play in the economy. I believe that in the public interest Governments should regulate, own and control selected areas of economic activity. My definition of the "public interest" includes matters such as the fair and equitable distribution of the nation's wealth, ensuring access to and the provision of basic systems and services such as health, education, training, industrial relations, public transport and energy supplies and mechanisms to ensure public safety. I believe that Governments have a legitimate role in these areas, because of the historical failures of the market to ensure that the collective interests of communities are catered for. I note also the failure of totally regulated economies to deliver the outcomes I have referred to.

The Labor Party has long recognised the benefits of mixed economies. The basic platform of the party is based upon a recognition of the legitimate roles of both the private and public sectors. Therefore, there is no question that both sectors have an important role in delivering beneficial economic outcomes. The real debate arising from the National Competition Policy is the extent to which a Government should intervene in the economy in order to achieve its economic and social objectives. The philosophical divide between Labor and the coalition Government is highlighted in a recent speech that the Premier made to the Business Council of Australia, in which he said—

> "Competition Policy is sound in so far as it seeks to impose private sector

> disciplines on public sector entities, because again, what we are going to see, particularly over the medium to long term, is another reduction in public sector control of the economy in favour of the private sector."

To many, the Hilmer report represents a ringing endorsement of free market economics. Indeed, a key theme in the report appears to require Governments to justify their existence and role in the economy, whereas the benefits of private enterprise operating in a free market are taken as a given. However, whereas the report would sit comfortably as an appendix to the published works of Adam Smith or the more contemporary free market guru Milton Friedman much of its focus is on the need to ensure economic efficiency in all relevant sectors of the economy.

The Hilmer report suggests that there are three components of economic efficiency: technical or productive efficiency, which is achieved where goods and services are produced at least cost; allocative efficiency, which is achieved where resources used to produce goods and services are allocated to their highest valued uses; and dynamic efficiency, which is achieved when timely changes are made to technology and products in response to consumer tastes and needs. It proposes that competition policy is the most effective way of achieving these efficiencies. The rationale appears to be based on the premise that competition will enhance community welfare because—and I quote from the report—

> ". . . it increases the productive base of the economy, providing higher returns to producers in aggregate, and higher real wages. Economic efficiency also helps ensure that consumers are offered, over time, new and better products and existing products at lower cost. Because it spurs innovation and invention, competition helps create new jobs and new industries."

Few would argue against the need for a continuous effort on the part of Governments and the private sector towards achieving economic efficiency. Maximising the benefits from our finite resources and minimising the cost of essential services should be the goal of any Government or organisation worth its salt. The crucial questions are: what is the best means of achieving this goal, and to what extent should this goal prevail over the need to satisfy the social goals of Governments?

The goal of economic efficiency cannot be considered in isolation from social goals. Governments need to make decisions on the best means of achieving their objectives, and they will do so in the context of their political beliefs and aspirations. The debate about the application or, more importantly, the extent of the application of National Competition Policy is very much a political debate. It is a test of ideas about the role of Government and the extent of Government intervention in the economy. It is a debate which fits comfortably within the role of this and other Parliaments across our nation. It is a pity that the debate was not had prior to the signing of the competition policy agreements in April 1995.

Despite my reservations about certain aspects of the National Competition Policy reforms, I do draw minimal levels of comfort from the Hilmer report. The report clearly states that—

> "Competition policy is not about the pursuit of competition per se. Rather it seeks to facilitate effective competition to promote efficiency and economic growth while accommodating situations where competition does not achieve efficiency or conflicts with other social objectives."

Further comfort is derived from the fact that although there is a decidedly anti-public sector slant in the report, there is no clear position which says that public ownership is necessarily contrary to the achievement of economic efficiencies. The real impact of Hilmer will depend upon the philosophical beliefs and policies of the Government of the day.

With respect to the anti-public sector component of the report, I quote the following passage—

> "The greatest impediment to enhanced competition in many key sectors of the economy are restrictions imposed by government regulation or through government ownership."

Despite this, the report envisages that Governments would make their own decisions about where competition policy should apply and where it should not. Additionally, the Competition Principles Agreement reached between all Australian Governments promotes a neutral position with respect to the question of public versus private ownership of business enterprises. The comfort I derive from these provisions is lessened somewhat by the stringent requirements for implementation as outlined in the competition principles and the Conduct Code Agreements. States face severe penalties such as loss of competition payments from the Commonwealth and participation in future developments to competition policy.

The Industry Commission has projected the benefits of competition reforms to be a gain in gross domestic product of 5.5 per cent, or $23 billion per year. Other respected commentators have questioned the accuracy of these predictions. Dr John Quiggin of James Cook University has estimated that the gain in gross domestic product will be only 0.5 per cent and not 5.5 per cent. He claims that the difference is due to the failure of the Industry Commission to adequately account for the loss of employment associated with the Hilmer reforms and to exaggerated claims in other areas.

Despite this significant challenge to the validity of the claimed benefits, the Industry Commission figures are trumpeted as a sound reason for the implementation of the reforms. In Queensland, the issue of the projected benefits also needs more public disclosure. A study by Dr James Madden of the Centre for Regional Economic Analysis at the University of Tasmania predicted a 3.4 per cent increase in gross domestic product as opposed to the Industry Commission's 5.5 per cent. With respect to Queensland, he estimated that gross State product would increase by 2.73 per cent as opposed to 4.82 per cent for Victoria, 4.27 per cent for Western Australia and 6.79 per cent for the Northern Territory. The discrepancies in these figures raise significant questions about the actual benefits that will flow from the implementation of competition reforms. This issue deserves far greater attention than has been given to it so far. It is incumbent on the Government to release all estimates and analysis it has about the projected returns from the implementation of this policy.

One of the other criticisms I have of the Hilmer report is that it is presented as a given that competition will deliver the stated benefits. I cite one example in the report which highlights the paucity of evidence to support many of the contentions made. The report claims that the telecommunications market is a good illustration of the beneficial effects of competition. However, recent disclosures by industry representatives suggest that despite it being significantly cheaper to provide mobile phone services as opposed to the existing telecommunications network, all phone companies are making significant profits from excessive charges for mobile phone connections and call charges. An Austel representative was recently quoted as saying that whereas prices in the standard network are regulated, the prices set in the mobile market are set by competition. Is this an example of the benefits consumers can expect from the implementation of this policy?

The Hilmer report identifies six key elements of competition policy: (1) limiting the anti-competitive conduct of firms; (2) reforming regulation which unjustifiably restricts competition; (3) reforming the structure of public monopolies to facilitate competition; (4) providing third-party access to certain facilities that are essential for competition; (5) restraining monopoly pricing behaviour; and (6) fostering competitive neutrality between Government and private businesses when they compete.

The first element, limiting the anti-competitive conduct of firms, has been a feature of Australian law since the early 1900s. That law has evolved to its current state as encompassed in the Trade Practices Act. The object of the Bill before the House is to apply this law to all persons and businesses in Queensland. Previously, the Trade Practices Act provisions did not apply to non-corporate businesses that did not trade across State borders, nor to Government trading enterprises. After the passage of the Competition Reform Bill, the State can still pass legislation which exempts behaviour which would otherwise be in breach of competition rules. However, the Commonwealth has the power to override any State exemption.

This raises important questions about the sovereignty of the Queensland Parliament. On the one hand, the national competition agreements appear to give the States a reasonable amount of flexibility as to the timing and application of competition rules. On the other, if the Commonwealth does not like what is being done it can override the States. I am very concerned about this aspect of the competition agreements. One of the key debates we should be having in this country is the nature of our federation and the consequent delineation of powers and responsibilities between the various levels of government. The debate, however, should take place in an open forum. Council of Australian Government agreements can restrict the ability of sovereign Parliaments to fully determine their own destiny. This is an issue which should be of concern to citizens, and consequently deserves more attention and consideration by Parliaments across the nation.

The second element of competition policy involves reforming regulation which unjustifiably restricts competition. I support the implementation of processes which monitor

and review the adequacy and necessity of Government regulations. This should always have been an essential activity undertaken by Governments. However, the criteria upon which such an assessment is based need to be broader than just on economic grounds. Under National Competition Policy reforms, Governments are required to review all legislation, including Acts and regulations, to ensure that it does not restrict competition, unless it can be demonstrated that the benefits of the restriction to the community as a whole outweigh the costs and that the objectives of the legislation can be achieved only by restricting competition. The application of this particular aspect of competition reform will need to be closely monitored. How does one determine whether the benefits of regulation outweigh the costs? What factors are to be taken into account? Is the fact that a social objective of a Government is achieved irrespective of cost or at a cost which the community is prepared to bear a sufficient justification?

Once again, the Competition Principles Agreement provides some hope for those of us who believe in the legitimate role of government to intervene in the economy. The agreement clearly outlines the factors which are to be taken into account when matters such as the justification of regulations are concerned. These include factors such as policies relating to ecologically sustainable development, social welfare and equity considerations, occupational health and safety, industrial relations and access and equity policies. A fair application of these principles may allay many of the fears in the community about the impact that competition reforms will have on the ability of Governments to implement their social and political policy agendas. The great unknown factors, of course, are the residual powers of the Commonwealth to override any exemption granted by a State and the extent to which a Government's philosophical beliefs will hinder or encourage intervention in these areas.

The third element of competition policy relates to the reform of the structure of public monopolies to facilitate competition. Much of this activity has already been undertaken through the commercialisation and corporatisation of Government owned enterprises. One of the inherent conflicts in this process is that it tends to marginalise the social objectives and entitlements provided by Governments. These objectives are generally referred to as community service obligations. It is important that this process does not diminish the value and necessity to provide such services. One pressure which will arise as a result of this process will be to question the practice of cross-subsidisation of some services. An inherent feature of competition policy is that such obligations should be funded by alternative means. The notion of community services should not be marginalised in this way. Many community services are an inherent part of the legitimate role of Government, and cross-subsidisation is a legitimate means of ensuring the equitable distribution of such services in the community.

The fourth element of competition policy is the provision of third-party access to certain facilities that are essential for competition. Put simply, this means that private companies that wish to compete with Governments have to be provided with access to publicly funded infrastructure such as railways and electricity transmission networks at fair prices. I am not yet convinced that this aspect of competition policy is in the public interest.

One of the more difficult issues that will arise is the means of determining what is a fair price. Should the price be determined only on the costs associated with access to the small part of, say, a railway network that a company may wish to access, or should the costs reflect the general costs of the public sector in providing and maintaining an entire network? Will private railway companies be required to pick up some of the community service obligations provided by the Government sector or will they only seek access in the more profitable areas leaving the costs of providing the universal service to the taxpayers? And finally, on what grounds is third-party access justified? If a Government business entity is adequately and efficiently providing a service to the community, why should a third party be given access to its facilities?

As a general principle, it seems reasonable to me that a decision to allow or disallow third-party access to public infrastructure should be determined on a case-by-case basis by the Government owned businesses concerned. Given the current structure of the corporatised entities, where the Government is both a shareholder and a policy maker, this would allow significant community input to such decisions.

I am yet to be convinced that there is a public benefit in requiring the Government sector to be on equal footing with the private sector in all areas of activity. Situations will arise where it will be in the public interest for a Government to use its considerable economic power for the good of part or all sectors in the community. It is important, however, to retain

as much as possible of the decision making about issues such as third-party access within Queensland. An opportunity exists for the Government to establish its own access process as opposed to relying on a national body. The Government should do so and publicly state this position as soon as possible.

The fifth element of competition policy relates to restraining monopoly pricing behaviour. National Competition Policy requires independent scrutiny of the prices charged by the private sector and Government businesses. As with third-party access, the previous Government was committed to establishing its own prices oversight mechanism. The coalition should do likewise. The scrutiny of prices is essential to ensure that the interests of consumers are protected. I note, however, that it is not intended that there be any power to control prices.

The sixth and final element of competition policy involves fostering competitive neutrality between Government and private businesses when they compete. The principal means of achieving this will be via competitive tendering and contracting processes, or CTC. Academic studies have identified widely differing estimates of the benefits of CTC. A mid-1980s study estimated cost savings of around 20 per cent. However, a more recent study by the UK Audit Commission found savings in the vicinity of only 7 per cent. Given the wide variations in estimated benefits of competitive tendering and contracting, the Government has an obligation to release the results of its studies into this aspect of competition policy for public scrutiny.

There are other issues associated with competitive tendering and contracting that have not received the desired level of public debate or scrutiny. For instance, what impact will CTC have on the quality of service delivery or on the wages and conditions of workers? What are the transaction and monitoring costs associated with CTC and have these been taken into account when the estimated benefits have been calculated? And finally, what impact will CTC have on the standards of public administration and policy making? This last issue has important implications for Governments because, as argued by John Ernst, the Associate Professor in Public Administration at the Victoria University of Technology—

> ". . . policy development which is not closely attuned to on-the-ground service experience usually results in poor policy."

The effect of the Competition Policy Reform (Queensland) Bill is to apply the restrictive trade practice provisions of the Trade Practices Act to all persons and businesses in Queensland. Although it is a significant step towards the implementation of a National Competition Policy, it is still only one step of a major program of reform of business activity across our nation.

There are several pressing issues which need to be considered in the short term. Firstly, there is the issue of which Government business units will be subject to the full force of competition law. Inherent in this debate is the question of how the issue of competitive neutrality will be implemented. There is also a need to debate the issue of third-party access to public infrastructure such as our railway system. Finally, decisions need to be made about how competition policy reforms will apply to the local government arena. Decisions on these matters are required in the near future. It is therefore incumbent upon the Government to publicly release its position so the matters can be fully debated. These issues are far too important to be discussed behind closed doors.

In conclusion, the development of competition laws is not new to Australia. Our first competition laws were passed by the Commonwealth Parliament in 1906 and were designed to prohibit monopolisation and combinations which restrained trade or commerce or destroyed or injured Australian businesses by unfair competition. Traditionally, however, these laws have predominantly applied to the private sector. The significance of the current debate lies in the broadening of coverage to virtually all Government and private sector business activities and also the introduction of new elements of competition policy never before implemented in this country.

No doubt some competition reforms will deliver efficiency benefits to various sectors of our economy. However, I am not convinced that national competition reforms are the only way or the most equitable way to achieve the desired outcomes, particularly in respect of the public sector. In my view, effective management of our publicly owned assets, services and infrastructure can also deliver desirable outcomes in terms of efficiencies, quality and the range of services required in our communities.

Time expired.

Mr HARPER (Mount Ommaney) (2.57 p.m.): It is with pleasure that I rise to take part in this debate and to support the Bill. I believe that the National Competition Policy and its implementation is one of the most

profound issues for Queensland and, indeed, Australia to deal with. The way that business is conducted and the effect on the community in general is something that certainly will change the face of our country. It is something that needs to be done very carefully and with due consideration. I believe that Queensland needs to adopt the matters involved or we will be left out and left behind the rest of Australia. However, in adopting the various policies we need to ensure that, as a State, we manage that involvement to ensure that the outcomes that we achieve benefit the people of our State, the businesses within our State and the State in general—always remembering the public interest, because that is basically what we are aiming at. Throughout the thread of my speech I will touch on that public interest. Of course, as in many other sectors, we are also trying to achieve productivity and efficiency which will have beneficial outcomes for the State and the people within the State. We must keep in mind that, if this measure is to work for the whole of Australia and, indeed, for each of the States within Australia, we must have a consistent approach throughout Australia.

Before going into the detail of the policy reform, I would like to touch on an issue that the member for Ipswich raised in regard to electricity and Eastlink. I reiterate what I have said in this House previously, namely, that Queensland needed to go into any issue concerning linking up with other States on a basis of strength, not a basis of being the poor relation or the beggar. We needed to be able to negotiate and to be on top of the issue so that we came out on top and made sure that we maintained our position and the benefit to Queensland. That is a point that the Opposition fails to recognise.

As the Parliamentary Secretary to the Treasurer has intimated in his speech, National Competition Policy has two distinct components. The first is the extension of the anti-competitive conduct rules in Part 4 of the Trade Practices Act—which I will refer to as the TPA—to all persons. The rest of the National Competition Policy reforms are primarily directed at enhancing the competition of the Government sector. The Bill deals with the first of these. As the member for Moggill has said, the extension of Part 4 of the TPA will not have so great an impact as the TPA already has a wide coverage. The primary focus is to ensure that all those operating businesses are covered by the same conduct rules: in other words, ensuring that all competitors in business are subject to the same anti-competitive conduct rules.

The Commonwealth and State Governments agreed, prior to establishing the Hilmer committee, that there was a need to develop a National Competition Policy that would give effect to the principle that no participant in the market should be able to engage in anti-competitive conduct against the public interest. There are those words "public interest" again. They agreed also that, as far as possible, universal and uniformly applied rules of market conduct should apply to all market participants regardless of the form of business ownership. Further, they agreed that conduct that has anti-competitive potential said to be in the public interest should be assessed by an appropriate, transparent assessment process—and it certainly must be transparent and be seen to be accountable—with provision for review to demonstrate the nature and incidence of the public costs and benefits claimed.

As I said earlier, the benefits to the public generally and the public cost must always be kept in mind. Further, they agreed that any changes in the coverage or nature of competitive policy should be consistent with and support the general thrust of the reform. To do that, we need to develop an open, integrated domestic market for goods and services for removing unnecessary barriers to trade and competition. We need to clear those barriers away so that those businesses can get on with the job and the work that they need to do. Further, they agreed that recognition of the increasingly national operation of markets was needed to reduce conformity and duplication. Long gone are the days when we could draw a boundary at each Australian State border and say, "That's a different world. That's a different area. We don't have to take it into account." We have that rapidly increasing national recognition of overall business and that integrated market.

The Bill satisfies many of those principles. Indeed, they were previously endorsed by the former Government. It satisfies those principles by extending the coverage of anti-competitive conduct rules to all persons in the market and providing that the State can authorise anti-competitive conduct where it is seen to be in the public interest. That is a very important facet. It is important that the States—in our case Queensland—are able to look at matters and retain that authorisation where the anti-competitive conduct is in the interests of the public. The Bill also provides that any Government authorisation be subject to the overriding power of the Commonwealth where it is shown not to be in the public interest. We must have that safeguard. The

Bill provides for the anti-competitive conduct rules to be administered by one administration. We want to get away from duplication because we know the problems of duplication within many Government services and the overriding burden it casts onto the taxpayer. We certainly do not want that to be the case with this issue.

The Bill does not throw the Government, or businesses that were not otherwise subject to the TPA, to the wolves—far from it. By passing the Bill, Queensland will ensure that it maintains the ability to authorise anti-competitive conduct where there are good public interest reasons for doing so. The Government will have that ability. However, the Hilmer committee recognised that the extension of the TPA would not in itself achieve appropriate competition reform, particularly in the Government business sector. An examination of the Act would show why that is the case. However, other reforms are certainly needed and the committee identified those.

In terms of those NCP reforms other than the extension of Part 4 of the TPA, the Parliamentary Secretary to the Treasurer has briefly outlined these requirements. I would like to revisit those briefly for the purpose of making some salient points. These other aspects of NCP are access—designed to be access at "fair prices and conditions" to facilities that are essential for competition to a "third party"; prices oversight, which is designed to prevent the misuse of monopoly powers of government business activities; structural reform, which is necessary to reform the structure of Government-owned monopoly businesses to facilitate competition; and competitive neutrality, which is designed to remove benefits and costs which accrue to Government business activities as a result of their public ownership.

Much is said by ordinary business about the advantage that some Government departments have. If those departments are to enter the open market, they must achieve competitive neutrality. Another reform is legislative review, which is required to justify and/or reform Government regulation that restricts competition. That was commented on by the member for Nudgee earlier. That certainly is a far-reaching area to be looked at.

The important point that needs to be emphasised in relation to those aspects of the National Competition Policy is that, unlike the provision to extend Part 4 of the TPA, they do possess some in-built flexibility for the Government to take account of any particular Queensland characteristics. I am sure that the member for Nudgee—with whom I agree on a number of the points that he raised, which is good to see—has looked at that aspect and should be comforted by that fact. In that regard, the National Competition Policy agreements provide two important safeguards. Firstly, they provide a commitment in the National Competition Policy agreements that each element of the NCP is to be implemented only if the benefits outweigh the costs. It is important to assess what is happening and ensure that that is the case.

Secondly, the NCP agreements also provide that the following matters are to be taken into account when implementing NCP reforms: legislation and policies relating to ecologically sustainable development; social welfare and equity considerations including community service obligations, which is an aspect that all Governments should keep in mind; legislation and policies relating to matters such as occupational health and safety, industrial relations and access and equity; economic and regional development, including employment and investment growth; the interests of consumers generally or of a class of consumers; the competitiveness of Australian business—something that is very important; and finally, the efficient allocation of resources to ensure that our resources are put to best effect.

The Queensland Government will therefore consider the overall costs and benefits to the community of implementing many of these NCP reforms before they are introduced in earnest. As previous speakers have said, that is important. However, in relation to the Bill currently before the House, the policy has already been fully developed. That is, it merely extends the coverage of the restrictive trade practices provisions of the TPA. For this aspect of National Competition Policy, therefore, it is necessary to adopt legislation which mirrors that which is about to take effect in other jurisdictions. In conclusion, I reiterate that we need to manage properly the process to ensure the right outcomes. I commend the Bill to the House.

Mr BEATTIE (Brisbane Central—Leader of the Opposition) (3.09 p.m.): I rise to participate in this debate on the Competition Policy Reform (Queensland) Bill 1996. In doing so, in relation to National Competition Policy, I notice that the now discredited report of the Queensland Commission of Audit on page 34 at clause 3.13 states—

> "Competition regulation in Queensland should fall within the purview

of the Australian Competition and Consumer Commission. If the Australian Competition and Consumer Commission is inadequately resourced to meet the requirements of the reform phase of implementation of the national competition policy in Queensland, then there may be a transitional role for a Queensland Competition Authority, whose role is firmly sunsetted at the end of the reform phase (2001)."

Mr Hamill: Why would you want to sunset that?

Mr BEATTIE: It is an extraordinary recommendation. The Opposition does not agree with that recommendation because it casts real doubt on the role of a separate Queensland competition authority to undertake price monitoring and third-party access. The Opposition believes that there should be an ongoing role for such a body in Queensland. I look forward to an indication from the Treasurer as to whether she supports the recommendation out of the audit report in relation to this matter because I believe that most Queenslanders will support the Opposition on this point.

The audit itself canvasses major reforms in the competition area and recommends major privatisation of things such as electricity, gas, water and roads.

Mr Hamill: Ports.

Mr BEATTIE: Ports. The list goes on.

Mr Hamill: Airports.

Mr BEATTIE: Indeed, airports. This morning, in answer to a question that I asked the Treasurer, she refused to rule out any of those matters being privatised. She said that they are all on the table—a position confirmed previously by the Premier and herself. That means that this Government is prepared to look seriously at privatising ports, electricity, hospital services, rail services, the TAB, Sunlover Holidays——

Mr Hamill: Despite what the Minister for Tourism said?

Mr BEATTIE: Today, the Minister for Tourism was given a nice slap on the wrist by his leader because the Minister for Tourism sought to rule out the privatisation of Sunlover Holidays. Of course, the Deputy Premier has refused to do that. So while the Minister for Tourism was ruling out privatising Sunlover Holidays, the Deputy Premier did not.

I move on to other issues that are the subject of privatisation by this Government. I ask members to remember that all of these matters are on the table. Not only are Sunlover Holidays, which I have mentioned, on the table but also on the table are TAFE, the whole electricity industry, Crown law, State forests, public sector superannuation, the TAB, urban water providers and prison management. They have even talked about new taxes on petrol, a wider application of user pays for Government services, motorway tolls—except, of course, for the Sunshine Coast—amalgamation of local authorities, and the list goes on. That is the Government's agenda. It is a privatisation agenda very much in the mould of Mrs Thatcher. It is Thatcherism at its best except on this occasion it is called "Sheldonism". However, it amounts to the same thing.

I return to the issue of National Competition Policy and the recommendations of the audit. The audit in its work that it prepared recognised the important public utilities in this State. However, it did not include the full contribution of our public utilities. They were not recognised in the report. What an extraordinary flaw in the report! Mr FitzGerald wanted to determine the value of the assets in Queensland but he left out an important part of the retained profits. The extraordinary thing about that is that if one were to buy a restaurant or a business, one would look at the whole dealings of the business—the profit, the loss and the cash in the bank, which is a major contributor to the value of the asset—to judge its total worth. That is not the policy that Mr FitzGerald followed. To have left out in the figures for 1994-95 the sum of $350m, the net retained earnings or undistributed profits of our State's public enterprises, means that we have not been presented with the full picture. I am saying that very clearly. The audit report is flawed because we have not been presented with the full picture.

For the Commission of Audit to claim that this $350m figure was not available raises real questions about how thoroughly it did its report. Figures were available in the annual reports. In fact, this morning the shadow Treasurer, David Hamill, tabled them in the House. Of course, it is still more extraordinary that the audit made no attempt to estimate the level of retained earnings from public enterprises for 1995-96 when it had no trouble at all in making other estimates of income and expenditure.

If our public enterprises maintain the same level of retained earnings for 1995-96 as they did in 1994-1995, there would be a $13m surplus. The graph on the front of the audit commission's report is not worth the paper that

it is printed on. The Opposition has proved that $350m is missing from that audit report. If that $350m had been included, there would have been a $13m surplus. The Government and the Treasurer have tried to claim that they have a black hole. They do not have a black hole; they have a goldmine and "Sheldonomics" is not going to fool Queenslanders.

On page 38 of the report, Mr FitzGerald and his team state—

> "Maintenance of net worth is the overriding principle of fiscal responsibility."

Mr FitzGerald makes a determination of net worth, and what does he do? As I have pointed out, he leaves out a significant component.

Dr WATSON: I rise to a point of order. The relevance of this matter to the Bill that we are debating is of particular concern.

Mr Beattie: So you are going to restrict the debate now, are you? This is very relevant.

Dr WATSON: Can I just say that this is exactly what the Leader of the Opposition was doing previously. This matter is not even close to being relevant.

Mr BEATTIE: I rise to a point of order. Does the member have a point of order or is he simply stifling my debate?

Dr WATSON: The point of order is under Standing Order 70.

Mr DEPUTY SPEAKER (Mr Stephan): I think that the honourable member is drifting a bit.

Mr HAMILL: I rise to a point of order. One of the fundamental principles of the National Competition Policy is competitive neutrality, which means that enterprises, whether private or public, will be adjudged according to the same criteria.

Mr DEPUTY SPEAKER: There is no point of order.

Mr BEATTIE: I am happy to continue. I am disappointed. The honourable member for Moggill knows my view about open debate on these Bills in this House and I thought that he would have been the last member to seek to stifle my contribution. He knows my record on those things. I have never sought to stifle anybody's debate. In my whole time as a member, I have never taken an interjection or point of order in this place about the contribution that anyone has made on a Bill because I believe in free speech. I know that the member does as well. I understand the member's sensitivities; I have simply exposed a fraud in the audit report and I know how sensitive he feels about it.

Yesterday, the Treasurer—and this is very relevant to competition policy and I will get to the heart of the matter—threatened the people of Queensland that they would have to pay to help the coalition repair the Budget position, claiming a $337m deficit figure calculated by the FitzGerald Commission of Audit. I put it to the Treasurer that there is no deficit. There is nothing to repair. Until now, the cash accounting used in Budgets measures the net flow of money in and out of the Budget. The accrual accounting method used by the FitzGerald commission seeks to measure the change to the net worth of the State's public sector assets.

However, the $337m deficit figure does not represent an estimate of change to net worth of all public sector assets because it does not include a large and crucial contribution from public enterprises. That deficit figure that Treasury uses is drawn from the general Government operating statement on page 103 of Volume I of the audit report. It also produces a consolidated operating statement that is structured to include the missing contribution—the retained earnings, or profit of public enterprises. It is the operating result calculated on the consolidated statement that measures the total impact on the net worth of public sector assets. However, for some mysterious reason, the consolidated operating statement presented on page 105 of the report is only partially complete. The estimates for retained earnings are missing for both 1994 and 1995. They are listed as not available.

The annual reports for all the public enterprise for 1994-95 are available and they show that the total retained earnings across those enterprises in that year were $350m—a contribution to the State's assets of $350m. If that $350m is inserted in its proper place in the consolidated operating statement, the $325m general Government surplus becomes a consolidated surplus of $675m. If retained earnings in 1995-96 were at the same level of $350m——

Dr Watson interjected.

Mr BEATTIE: The honourable member should just be patient. If that is the case, the $337m general Government deficit becomes a $13m surplus. This is not a fiction dreamed up by the Opposition; this is how the calculations are laid out in the FitzGerald audit report. The report did not contain these results because the retained earnings estimate went missing, even though the information to make an

estimate for 1994-95 has been available since last year. The content of the FitzGerald audit report therefore confirms that by any measure—cash, accrual or underlying—the operating result for Queensland in 1995-96 is a surplus; there is no deficit.

The Treasurer and the Premier have made frantic claims about our Budget management—frantic claims now proved to be without foundation by the independent auditor they appointed. There is no deficit, so why the need for the harsh medicine, the savage cuts, the increased taxes, the threats that Queenslanders will have to pay? What will they have to pay for if there is no deficit to recoup? Could it be the $7 billion worth of unfunded promises that she is trying to squeeze into the September Budget?

As we have consistently and continually stated, Labor left the State Budget in good shape. While we have increased spending in recent years, we have done so without pushing the Budget into deficit by any measure. We make no apology for spending more on health, more on education, more on police, more on training, more on the environment, and maintaining a Budget surplus.

When we examine these issues, as the Opposition has done—and I have now conclusively demonstrated to the House the missing $350m—we need to look at the whole picture. There is no point looking at part of the picture. I refer to the document tabled by my colleague, the honourable member for Ipswich and the shadow Treasurer, sourced from the 1994-95 annual reports for each of the public enterprises. My colleague set out how much the retained earnings were for each one of these public enterprises for 1994-95. Let us look at them, because they are very significant. As I said, they amount to $350m or, to be specific, $349.7m. They are: AUSTA Electric $23.8m; QTSC, $34.5m; SEQ Water Board, $9m; the Port of Townsville, $3.2m; Brisbane Market Trust, $2.9m; the Port of Bundaberg, $0.7m; the Cairns Port Authority, $16m; Townsville Water Supply, $1.8m; the Mount Isa Water Board ran at a loss, -$0.3m; the Gladstone Water Board, $2.1m; Queensland Rail, $3.8m; the Ports Corporation, $0.1m; the Port of Brisbane, $14.3m; Queensland Rural AA, $23.2m; Queensland Treasury Corporation, $54.3m; Queensland Housing Commission, $183m; Queensland Housing Trust, $4.4m; Queensland Treasury Holdings, $102.7m; Suncorp, $61.1m; QIDC, $13.2m; and the Gladstone Port Authority, $8m.

Dr Watson: You forget the Workers Compensation Fund at $123m negative and growing.

Mr BEATTIE: I am quite happy; it is included in there.

Dr Watson: You did not read it out. There is a $123m deficit.

Mr BEATTIE: I am happy to read out the whole long list.

Mr Hamill: The net figure is $350m; we always said that.

Mr BEATTIE: We are talking about the net figure.

Dr Watson: A $123m deficit and growing.

Mr BEATTIE: I am happy to take that interjection. We are not playing with smokes and mirrors like the Treasurer is.

Dr Watson interjected.

Mr BEATTIE: The honourable member for Moggill is quite correct. I did not read out the figure, but it has been included in this document, and I am quite happy to read it out.

Mr Hamill: The figure is right.

Mr BEATTIE: The figure is right, and the document has been tabled for the information of the House.

Dr Watson: I read it.

Mr BEATTIE: I am delighted that the honourable member has read it.

Mr Hamill: I am delighted that he agrees with the figures.

Mr BEATTIE: I am delighted that he agrees with the figures.

This document shows that this information was available. If we could do our homework out of annual reports and produce this figure, why could not the Commission of Audit produce the figure? That is what everybody wants to know—the minuses and the pluses. If we could do it, what is wrong with the body that was paid $1m to do it? That brings into question the whole report, and I make absolutely no apology for saying that. It explodes the myths that we have been hearing. It explodes the need to pursue the mad privatisation agenda that the Government has been pursuing. Along with all the other matters that I raised yesterday, it explodes the need, supported by this Government, to pursue increases in taxes on petrol and the so-called "sin" taxes. It explodes the need for a tough Budget this year. It explodes the fraud of "Sheldonomics".

This document, which the honourable Opposition Treasury spokesman tabled, explodes the myths and explodes the fraud that is being perpetrated in an attempt to cover up the fact that this minority Government has $7 billion worth of unfunded election commitments. This is about trying to fund those commitments.

To return to the issue—I hope that every Queenslander understands and every media outlet in this State understands and runs an appropriate story on the agenda of this Government, which has a madcap scheme for unlimited privatisation of electricity, rail services, TAB, Sunlover Holidays, State forests, ports—you name it! What are we going to do about our great ports? I have read out some of the success stories of the ports. The Port of Townsville has made a $3.2m profit.

Mr Hamill: It is retained profits.

Mr BEATTIE: Exactly, these are the retained profits. It shows their success. It shows what a contribution they have made to this State. Under this Government, what are we going to do? We are going to sell them off. What do the people of Townsville think of that? What do the people of Mackay or Gladstone think about that? In Gladstone, what is not sold off is going to be transferred to Brisbane. In conjunction with this madcap privatisation scheme we are going to have the most centralised Government that this State has ever had in its history. Most of the port operations in Gladstone that are not sold off are going to end up being run from Brisbane. The same goes for Townsville and Mackay. This will enlarge the growing bureaucracy in Brisbane, and it will deprive the people in our major provincial cities of employment and services.

We have heard from a succession of Ministers who have been overseas. I have no criticism of that. That is their job and they should be doing more of it. We need to pursue trade. I indicated its importance on my recent visit to New Zealand. Shadow Ministers will be going on more trade trips in the future, and it is important that Ministers do so as well.

The Japanese know the performance of the Port of Gladstone, and they know the performance of the ports of Townsville, Mackay and Cairns and all the other ports. They want to see that edge. The corporatisation of ports under my colleague and other Transport Ministers has made a real difference. This Government wants to dismantle the ports; it wants to gut them and centralise what is left of them in Brisbane. That will be the agenda that the Government will pursue. National Party members who have sat by like wimps and allowed the Liberal Treasurer to run this privatisation agenda will experience a backlash in their electorates at the next State election. They are betraying the people who elected them to this place.

The QIDC and Suncorp sell-off will mean not only fewer branches across the State but also the closure of branches and the loss of up to 1,600 jobs, many outside Brisbane. Not only are National Party members supporting that; they are also supporting higher borrowing costs for people on the land. They are supporting the selling off of ports and, in regard to organisations that have not been sold off, the moving of management to Brisbane. In addition to that, they are destroying the QIDC and Suncorp. What a legacy!

It will be very interesting to see what happens when people start getting sacked in country towns and provincial cities as a result of the so-called superbank, the headquarters of which will no doubt end up in Melbourne or New York in the not-too-distant future. The coalition is supporting economic anarchy under this Treasurer, and the legacy that it will leave behind will be one for which it will be well remembered. The Government will go down in history like Western Australia, Victoria and South Australia have done. The Minister for Primary Industries is prepared to sell out country people and stop them from obtaining cheaper loans. He is leaving the graziers and farmers out in the cold. He does not care.

Time expired.

Mr CARROLL (Mansfield) (3.29 p.m.): The Parliamentary Secretary to the Treasurer has outlined why this Bill should be enacted, and I support him. Essentially, it forms one of the first "deliverables" that the Queensland Government has to meet under its National Competition Policy obligations. Even apart from the potential, sizeable and, I might add, highly desirable increase in Commonwealth funding which will result from the implementation of National Competition Policy, the policy is a good one for a lot of other commonsense reasons.

Basically, all Governments across Australia are faced with the same problem: how to encourage the better use of resources within their jurisdictions in a way that will lead to a higher standard of living for their constituents. The report of the learned members of the Commission of Audit gives us a valuable window to our economy. Contrary to the strained manipulations of some figures

by members opposite today, the report should be carefully considered and some recommendations adopted. The Opposition's focus on retained profits has nothing to do with the real deficit and is simply an attempt to discredit what is an excellent report.

Numerous and well-credentialled reports, including the recent Queensland Commission of Audit report, have shown that one of the major impediments to resolving this problem of underutilisation of resources is a lack of competition in key markets within the economy. In the absence of competition, industries are not encouraged to operate at their optimum level and wastage of resources occurs. I have received complaints about the anti-competition practices raised to protect favoured traders in important projects already in this State, such as the South Bank Corporation development, the Brisbane Cricket Ground redevelopment, and the Brisbane Entertainment Centre. We have seen how the outrageous and unfair dismissal laws have been used to browbeat private enterprise and cripple free competition. We have seen how the unions have constrained economic development in a similar way.

Nowadays, Australia is virtually a single national market. It is no longer a set of individual State or regional markets, as was the case in previous decades. This poses new challenges to our attempts to increase the level of competition throughout Australia and requires an unprecedented degree of cooperation among the various levels of Government, and that is why Queensland is playing its part by introducing this Bill. To fulfil this need, a National Competition Policy has been developed to increase competition so that society as a whole will be better off. Importantly, it has not been developed under a policy of competition for competition's sake. Rather, the underlying tenet is that competition is generally desirable, unless it can be demonstrated on a case-by-case basis that competition will not deliver socially beneficial results.

I emphasise that National Competition Policy is not a policy that is limited to Queensland; rather, it is a policy that originated through each State and Territory Government agreeing with the Commonwealth to implement competition policy in such a way that the respective jurisdictions would benefit. In this respect, the key starting point for a National Competition Policy was the 1992 Council of Australian Governments—COAG—decision to address the issue of how to generate more competition within the Australian economy. The Council of Australian Governments agreed to set up an independent committee of inquiry into this matter. That inquiry was headed by Professor Fred Hilmer, and hence the terms "NCP" and "Hilmer" are often used interchangeably. In April 1995, the Council of Australian Governments endorsed the package of legislative and administrative arrangements that underpin the establishment of the National Competition Policy. That package largely reflects the recommendations of the Hilmer report.

As to the Bill being considered at present—it is worth while going back to the five aims of the National Competition Policy developed initially by Hilmer and subsequently by the Council of Australian Governments. The first aim was to develop an open and integrated Australian market for goods and services by removing unnecessary barriers to trade and competition. The second aim was to ensure that no buyer or seller in the market is able to engage in anti-competitive conduct against the public interest. The third aim was to ensure that as far as possible the same rules of market conduct apply to all markets participants regardless of the form of business ownership. For example, Government business activities should not enjoy any special advantages. The fourth aim was to ensure that business activities that are potentially anti-competitive are subject to some form of assessment of the likely costs and benefits. The final aim was to reduce regulatory complexity and administrative duplication between various Governments.

Extending the coverage of Part 4 of the Trade Practices Act is essential to an effective National Competition Policy, particularly in terms of the third aim, that is, the necessity to ensure that the same rules of market conduct apply to all those entities operating in a market. Therefore, this Bill is an integral part of the overall National Competition Policy, and I commend it to the House.

Mr CAMPBELL (Bundaberg) (3.35 p.m.): I listened with interest to the comment of the member for Mansfield that this legislation was meeting the Government's obligations under the competition reform packages. Interestingly, one of the first decisions of the Government was to pull out of the national power grid by abolishing Eastlink. I would have thought that, if the Government were to meet its obligations, it would have ensured that Eastlink went ahead. In that case, the Government did the exact opposite.

The Government has always said that it would do away with the unfair dismissal laws. Does the Government want to make it easier to sack workers? Is that what the Government really wants? In this place, I have said many times that a lot of workers should not be put out of their job. It struck me how some employers show scant regard for workers. I cite the craft training allowance of $1,500 that was paid to employers for putting on and training first-year apprentices. Do honourable members realise that, at the end of the last financial year, over 2,300 employers no longer had a first-year apprentice working for them? In other words, that number of employers were paid $3.6m for putting on first-year apprentices, yet those apprentices were no longer employed by the end of their first year.

If honourable members wish to speak about something, let us speak about the responsibility of employers. I have heard members opposite saying that open competition will mean that we will let the market go forward which will lead to greater efficiency. Let me tell honourable members something about employers and what they do. I will tell honourable members how business works. In the market place, the first priority of businesses is to do everything to destroy their competition. I have seen that happen before. For example, if someone opens up a service station down the road from another business, what does the existing business do? It goes to the oil company and says, "I don't want them up the road. Give me a price as a loss leader." That is what they do. Businesses are prepared to sell fuel or goods and services at a loss so that the competition is eliminated. We see that happening again and again. Businesses attempt to wipe out any competition. That is common business practice. Honourable members should not say that that does not happen. It happens all the time. This so-called great competition policy has major concerns.

I am concerned that all we are doing is privatising a public monopoly and that it will not necessarily produce anything better for people. In effect, this aspect of open competition is really part of the globalisation of many of our markets. In many countries, we have witnessed the new capitalism, or globalisation. In the *Weekend Australian*, Ethan Kapstein examined that issue. It is important to look at where open competition is going. Mr Kapstein warns—

> "The failure of globalisation to keep spreading the wealth has forced governments in industrial countries to break a bargain with their workers. The consequences could be dire . . .
>
> The global economy is leaving millions of dissatisfied workers in its train. Inequality, unemployment and endemic poverty have become its handmaidens. Rapid technological change and heightening international competition are fraying the job markets of the major industrial countries. At the same time systematic pressures are curtailing every government's ability to respond with new spending. Just when working people most need the nation-State as a buffer from the world economy, it is abandoning them."

That is a concern that I hold. We must keep an eye on where the competition policy is taking us. I believe that a need exists not only to make Government-owned organisations more efficient but also to ensure that privately owned organisations are efficient. In certain instances the marketplace does not work perfectly, and that is where Governments get involved. Essentially, Governments compensate for market failure. In other words, Governments provide a form of social insurance, and our taxes are premiums against the risks of illness, injury, widowhood, desertion, unemployment and old age. Secondly, government provides various other forms of income support so as to guarantee the needy a minimum standard of living. Thirdly, government ensures the provision of those merit goods—such things as housing, health, legal aid and education— which if left to the market to supply would be beyond the reach of some people or otherwise unfairly distributed or inadequately supplied. Fourthly, government supplies those public goods—defence, law and order, economic and social infrastructure—which because of their collective nature cannot be marketed individually. It is important to appreciate why Governments do become involved in the delivery of certain services.

There is more to a nation's social equation than economic objectives and measures of financial income. There are many factors of which we as a nation should be proud which will not be taken into account in balancing the national accounts but about which we can stand up and say, "This is something great that Australia has achieved." For example, between 1964 and 1994, the infant mortality rate in Australia has fallen from 19.06 per thousand births to 5.9—in other words, less than one-third, which is a remarkable achievement—while life expectancy over that same period has increased by five years. In other words, there has been a large increase in the public

investment in health and education over that period which is not regarded as a financial return to the nation as a whole. Nevertheless, such matters are extremely important and are unlikely to be catered for by the free market.

I referred earlier to the business practice that sees operators go out of their way to destroy competitors. Although we supposedly open up the market, the market system can often lead to an oligopoly or a monopoly, and we may find that we are no better off.

One feature that can be forgotten in the real world is that there can be what is called lumpy investment. In other words, people do not just put in a little bit more when entering a certain market. What really happens is that an organisation decides to enter a certain market—in other words, it makes a major investment—but once it makes the decision to enter an industry, it will stay there regardless of the returns because it has made that commitment. So the optimum allocation of resources is dispensed with after an organisation has made such an investment.

In my view we should adhere to the old KISS formula—"keep it simple, stupid". Often when we decide to privatise a publicly owned body we end up with such a complicated organisation to oversee it that the expected benefits are not realised.

An honourable member: The people in the gallery believe you.

Mr CAMPBELL: I am glad that they do.

Competition often takes away the desirable requirements of life of security and stability. Many people would prefer to know that their jobs are fairly secure and that they have a stable lifestyle rather than see us head down the path of contracting out certain services, as will occur at the local government level under the competition policy. In the future many labouring-type jobs will be lost, contractors will come and go and the permanent jobs that once existed will never be replaced.

One document that will have quite an impact on the National Competition Policy is the FitzGerald Commission of Audit report. It has been mentioned regularly. The main issue is whether the Government intends to privatise certain Government organisations. I believe that there are some major flaws in the audit report. The first point is that Dr FitzGerald has decided that the Budget will move from a cash accounting basis—which has been the traditional means of presenting financial data—to an accrual accounting basis. It is marvellous how the entire basis of the Budget can be altered! It will be interesting to see whether the first Budget brought down by this Government is presented on an accrual accounting basis. I suggest that that has been done only to provide answers that suit the Government.

Some of the assumptions made in the report have no basis. The commission was asked to report on recent trends in State Budget sector recurrent outlays and revenues and their implications for the future. Every year, the Government looks at what those basic figures will be. It does not run on a straight line for 10 years, as Dr FitzGerald has assumed. In my view that is a flawed assumption and one which should not be given credence. One of the major policies of the former Labor Government was the accelerated Capital Works Program. That was designed as an anti-cyclic program in case of a downturn in the private sector. This Government is trying to use that program—which has existed for only a couple of years—as a basis for what is going to happen in 10 years' time. That is a false premise and one that has no basis when one considers the real State Budget position.

Many people have now questioned and hold concerns about the National Competition Policy. For example, Boswell in the *Australian Journal of Public Administration* looked into the pharmaceutical industry and also the proposed newsagents' licensing scheme. These are the points that he felt were of concern regarding the open competition policy—

> "There are three points that emerge from all this. The first is that uncertainty characterises National Competition Policy in that no one knows the effects, implications and outcomes that will be involved. The second is that I would question unerring application of the competition philosophy itself across the economy as it may have opposite and damaging effects in certain circumstances. The third is that a great deal depends on the players involved in the process in terms of issues such as who does what and gets what, how things get interpreted, what interests get represented and how responsibilities get manoeuvred. There is much to happen in the future under competition policy and its implementation process must be monitored very closely."

I believe that this Parliament has a duty to ensure that it monitors those changes. We should not destroy a service without having something to back it up.

Ted Kolsen from the Department of Economics at the University of Queensland went further and said—

> "Misconceptions about the meaning of economic efficiency frequently result in the belief that a higher level of competition is always 'good' for the achievement of that objective.
>
> While there are many features in the new competition policy which deserve the wide acceptance and support it has been given, there are also aspects of it which do not stand up to closer scrutiny."

That is an important point. The other point that he makes—and it is one which should concern the members of this Legislature—is that the new competition policy will severely constrain the use of State enterprises for State policies. In other words, under the National Competition Policy we will give away part of our decision-making role. Kolsen continues—

> "The basic model is one of universal perfect competition, with perfect knowledge about present and future, in the absence of unpaid externalities or government intervention, and without concern for the distribution of income."

It can be argued that we really do not have perfect competition and that therefore—

> "The 'model' is progressively enriched by removing some of the assumptions. When this is done, it becomes apparent that the guides to economic efficiency drawn from the perfect competition model not only need modification, but may have to be replaced entirely. This was formally shown by the so-called theory of second best."

In 1994, Maddock found—

> "The easiest criticism of the Hilmer Report comes through the theory of second best. The Report assumes quite glibly that welfare increases by partially removing a whole range of restrictions on competition. This is clearly false and simply wishful thinking."

There are concerns in many sectors about competition policy. The concern seems to be that a competition policy adopts a one-shoe-fits-all approach. We must question that. There is another very strong belief that we should be looking at industry specific regulators. We must ensure that we do not try to have one policy that fits all.

One of the first sectors in which this concern arises is the sugar industry. There are quite strong and widespread policy constraints on the sugar industry. Are we going to turn around and say that, under open competition, all that goes down the bore drain? Is that what is going to happen? Will the proposed amendments to the sugar legislation be a waste of time? Because according to Himmler and open competition, perhaps we should be——

Dr Watson: Hilmer, not "Himmler".

Mr CAMPBELL: I think it is Himmler.

Mr Hollis: You think it is "Himmler"?

Mr CAMPBELL: Yes, I do.

These questions have been raised time and time again. It is important to consider these issues.

Pat Ranald, in an article titled "National Competition Policy: Privatisation by Stealth", raises this very issue. He says—

> "Australia needs a balanced approach, which recognises that economic growth and efficient industries and services are important, but are not an end in themselves. Australians should have as their goals better living standards and the social development of the whole community. Markets have a role, but we need to place them in the 'real world' in the context of Australian history, geography and culture, and in the actual conditions of specific industries. The public sector has played, and must continue to play, a key role in addressing market failure, ensuring economic development and achieving social justice goals which cannot be achieved by market forces alone. This requires efficient and effective provision of essential services and regulation in the public interest."

In other words, it is important to ensure that, whether they are private or public, our industries are efficient. The open competition policy has little to say about the problem of private monopolies developing out of this process, or about community service obligations, equity issues, public accountability or the environment. Those concerns must be considered when looking at the overall implementation of an open competition policy.

In relation to telecommunications—the introduction of competition was associated with a 28 per cent reduction in international call charges over the period 1990-94. In the electricity supply industry, even before the introduction of competition, administrative reform and cost cutting had seen real electricity prices fall by an average of 9 per

cent in Australia over the five years to 1993-94, including an average real decline of 12.5 per cent for commercial customers. So we can obtain these efficiencies without necessarily having to take the open competition line, which would involve a lot of hurt, a lot of change and many problems for people.

As to the implications of open competition—I am concerned about country and regional Queensland, which would experience different increases in growth and employment levels. Competition would result in more pressure being put on those areas, so there would be even greater unemployment in regional areas. There would also be a downsizing of services in those areas. From a regional economic point of view, we must look closely at the impact of an open competition policy.

Overall, the future will be very interesting. Perhaps competition is not the best for Australia. I believe that cooperation would be just as good in the long term.

Mr GRICE (Broadwater) (3.55 p.m.): As the Treasurer in her second-reading speech, and, today, the Parliamentary Secretary to the Treasurer have highlighted increased competitive pressure within the Queensland economy, a result of the Competition Policy Reform (Queensland) Bill will be to facilitate higher levels of productivity by narrowing of the performance gap between Queensland industry and world best practice.

The Commission of Audit report set up to look at the State's financial position highlights one primary emphasis, that is, the need for action now. An analysis of the Commission of Audit reveals that the operating budget position deteriorated from a surplus of $325m in 1994-95 to an estimated $337m deficit in 1995-96. This is the shameful legacy of Labor: a turnaround of some $662m in just one financial year. The people of Queensland deserve to know how Labor managed to squander their dollars away. What is even more frightening is that the Three Stooges—as beautifully portrayed this morning in the newspaper—of economic mismanagement, namely, Beattie, Elder and Hamill, have failed to account for their actions by pleading economic stupidity.

The Commission of Audit report indicated that there is an in-built trend to progressive deterioration in the State's operating budget position of an incredible $200m to $250m a year. Had this trend been allowed to continue unchecked under Labor, this deterioration would have produced a $2.7 billion deficit by 2005 or 2006. Here we have direct evidence of Labor's financial mismanagement of Queensland's finances. The books have been reviewed and the truth is out. Labor is to blame. But the manner in which Labor in this State has failed should come as no surprise. Labor across the nation has proved that gross financial mismanagement and economic stupidity are not confined by State borders.

Let us revisit some of the more spectacular Labor disasters in recent years, because they provide a timely reminder that Labor cannot be trusted with money. Ask the Victorians what they thought of Labor the morning they woke to learn of a near $2 billion collapse of the Tricontinental venture compliments of comrades Cain and Kirner. Ask the South Australians what they thought of Labor the day they learned of the $3 billion collapse of the failed State Bank of South Australia while comrade Bannon was in office. Ask the voters of Western Australia what they thought of Labor following the disgraceful WA Inc. revelations during the comrade Burke era and the vast waste of taxpayers' money on failed Government business ventures.

The backlash that faced Labor at the recent Federal elections is yet another stark reminder that the people of Australia have no confidence in Labor's abilities to handle finances. It bears noting that each of these failed Labor administrations became embroiled in financial mismanagement scandals during the third consecutive term in office. Unfortunately, Queensland has not been immune to Labor's financial mismanagement. It was obvious in the minds of the voters in the lead-up to the Mundingburra by-election and since that time that Queenslanders simply do not trust Labor to properly administer the State's finances. In the light of the recent Labor failing in other States, the consequences of Labor having a third term in Queensland became clear to voters.

Additionally, the Commission of Audit indicated that one of the most important factors in the outlook for an ongoing fiscal trend is that grants from the Federal Government will not keep pace with the growing demand of the State for service provision. This is a direct result of Federal Labor's 13 years in office.

A reduction in Commonwealth grants has been brought about by Labor's financial incompetence. We are now reaping what Labor has sown. Those opposite must never be allowed to forget the hardship and suffering that has been brought about by Labor's incompetence. The Commission of Audit's

suggestion of privatisation goes beyond the realm of the National Competition Policy principles and are yet to be fully considered by this Government. However, the Commission of Audit and the National Competition Policy both highlight that the world is not standing still and there is a constant need to review the ways and means by which Governments provide goods and services. It is vital that Queensland recognises this to ensure that our economy remains internationally competitive.

The Hilmer report, on which National Competition Policy is to a large extent based, and many other reports over recent years have highlighted that Australia's performance in some key areas compares unfavourably by international standards. Hilmer targeted many of the business activities of Governments as falling into this category. The basic problem is that Government businesses in many cases have not been subject to the same sort of commercial incentives that apply in the private sector. In many cases, that problem is aggravated by those businesses enjoying special privileges that give them an advantage over the private sector.

Recently, on behalf of the Premier, I attended the official launch of the National Conference for the Institute of Internal Auditors, which was held on the Gold Coast at the ANA hotel. The theme was surprisingly similar. I am sure that no-one would be surprised if I were to say that traditionally there have been significant differences between the way that Governments have conducted business and the way that the private sector has gone about its business. The private sector is forced to get it right by providing the right manner and levels of service, otherwise they might not continue in their business.

Mr Hollis: Where is the bucket job?

Mr GRICE: Is the honourable member volunteering for a bucket? I have one, and I will get it out if the honourable member wishes.

Honourable members might ask: where is the link between the private sector approach of identifying and segmenting clients in striving for financial rewards, and any need for the Government sector to adopt this type of approach? Currently, the way of all Governments is to try to do more with less. So what is new? What is new is that new imperatives exist. At the Federal level—and we have seen this at the recent Premiers Conference in Canberra—the traditional direct taxation base has probably yielded its last incremental dollar. Not much more can be squeezed out. The Federal Government is also downsizing to overcome its sizeable Budget deficit. More responsibilities look like being handed over to the States, but without the full level of funding previously available for those activities. More of a financial crunch may be heading our way. In Queensland, the age structures of the population and the high interstate migration levels are such that we are facing a period of additional demands in the areas of health, education and the provision of infrastructure. We will need to ensure that we are providing the best possible value-for-money services that we can manage. Doing that will require some hard thinking and decision making in terms of priority setting.

I will repeat a comment made by a noted economic analyst who said that Governments in Britain, the United States, Canada and New Zealand as well as Australian States are undertaking these processes in recognition of the improved efficiency and effectiveness that results for the whole organisation through the provisions of well-targeted services to the public. The community's expectations of Government are being influenced by the ever-increasing performance levels in the private sector. The timing of the development of policy is most appropriate as the community is increasingly asking Government to be more responsive to their needs. The fact is that circumstances and people's needs have changed faster than the rules. If we want to continue in our jobs, we need to look at what we can do to manage the process whereby we deliver excellent service to meet the community expectations. That was the common theme throughout the conference that I mentioned earlier.

Private industry demands that Government becomes more accountable and implements programs to become more competitive. Much of the National Competition Policy targets removing those special advantages and ensuring that public and private sector businesses operate under similar sets of rules, that is, levelling out the playing field. One key aspect of making sure that that happens is providing under legislation that the same rules of market conduct apply right across the board. Hence, extending coverage of Part 4 of the Trade Practices Act to all businesses, irrespective of ownership or legal structure, is a fundamental first step in this process. In addition to the extension of the coverage of the Act being worth while on equity grounds alone, it also ensures that the business culture within publicly owned entities is of a similar standard as happened in the private sector in terms of minimising unfair market conduct. This is a principle that is

difficult to refute. This Bill is a crucial element of a program designed by this Government to improve ongoing competitiveness of the Queensland economy. I therefore commend the Bill to the House.

Hon. T. McGRADY (Mount Isa) (4.04 p.m.): I was not going to join this debate today, but sitting here listening to so much humbug from the Government members I decided I had to join in. For the past two and a half years, I have spent most of my time in this Parliament trying to promote the concept of Eastlink because I believed Eastlink meant so much to this State and the people who live here. However, the people who now sit on the Government benches stand condemned not just by Queenslanders but also by all Australians for the stand they took against Eastlink.

Politics being what it is, one can expect Oppositions to try to get a free kick when they can; however, to deliberately destroy a project and a concept that had so many financial benefits to our State purely to satisfy the needs of a number of property owners who were simply building up a case for larger compensation claims was despicable. Of all the mistakes that this Government has made, that surely is its worst. The whole issue grew out of control with young kids being used and the National Party activist Sue Gordon running a full-time campaign to destroy Eastlink. Those people, aided and abetted by the coalition, have now been exposed by all intelligent people—and even the Premier of Victoria—as economic vandals.

The Eastlink project had so many advantages for the people of this state. The first advantage, of course, was the massive compensation payments that we would have received from the Federal Government: in total about three-quarters of a billion dollars. This Government ran the risk of losing that payment simply to satisfy its own supporters. We also had the opportunity of having the headquarters of the national market based in Queensland with the possibility of over 100 high-tech jobs. Again, the actions of this Government have almost certainly thrown that opportunity out the window.

We have heard some of the members opposite rant and rave today and over the months preceding this debate. I think it is opportune to consider some of the benefits that our State would have secured had we continued with the Goss Labor Government's proposals to go into Eastlink. The first and probably the most important was the low-cost electricity that this State could have purchased from New South Wales. New South Wales, as we all know, had a large surplus of generating capacity and, therefore, it had the ability to provide low-cost peak and intermediate supply to Queensland. Interconnection would have allowed Queensland to take advantage of that low-cost supply. It would have also deferred the need for this State to spend approximately $400m in building generation plant and capacity. Again, that opportunity has probably been thrown out the window. It would have allowed trading between the various States in power—real competition would have entered the industry. Again, those so-called prophets of private enterprise rejected that concept. We would have seen Queensland participating in the proposed national electricity market. Again, we run the risk of being left out in the cold—all to satisfy the whims of a handful of National Party activists.

However, the greatest sin of all is the one that I mentioned a few moments ago. The members opposite were prepared to squander almost three quarters of a billion dollars in compensation payments. Of course, the first act of the new Minister for Mines and Energy was to stand up in this place and declare for the whole of the world to understand that they were going scrap Eastlink.

The Government then lied to the people of this State by saying that there were going to be blackouts. A few days later, the Premier and the Minister for Mines and Energy were running for cover and trying to shoot messenger for being given so-called wrong information. As we know, messengers hand the messages to people. Those people are given the information and it is up to them to decide whether or not to accept that information.

The Government of today has its energy policy all wrong. Following the Government's decision to pull out of Eastlink, almost every creditable journalist and almost every fair-thinking business person in Australia condemned this Government for that decision. As I mentioned, even that arch conservative from Victoria, Mr Kennett, condemned this Government for that decision, as did all of the other Premiers.

The Minister for Mines and Energy and the Premier of this State are starting to realise that they made a terrible mistake. They are now trying to recover some of the ground that they lost and they are now talking about an Eastlink by another name. I ask members opposite: where is all their opposition to the project now? The silence is deafening from those members opposite who day after day

rose in this place and criticised the Labor Government over Eastlink. We are going to see a web of pylons and transmission lines right across this State and constituents will be running to Government members about it. If it is good enough to abandon a scheme to satisfy a handful of people in a certain part of the State, why should people in other parts of this State have the transmission lines and the pylons in their areas?

Mr Fouras: They will have no choice, though.

Mr McGRADY: They will have no choice at all, because the decision has been made already. The Government will not call the project Eastlink. I do not give a damn what they call it. However, the facts are that this Government is going to have a system similar to the system proposed by the Labor Government. What will the Sue Gordons of this world do then? What will the Lawrence Springborgs of this world do then? What will the other National Party members do then?

Mr Hamill: It will be like, "As long as it is not in my backyard."

Mr McGRADY: "As long as it is not in my backyard." Of course, the people of Queensland know the Government for what it is. If the Premier or the Minister for Mines and Energy think that Eastlink is dead, they have another think coming. Those protesters who protested against the Labor Government would not have a clue; we will show them what real protests are all about. Where are those shire chairmen? Where are those people who spat in my face? Where are they today? The member for Lockyer knows whom I am talking about. When I visited his electorate, one person spat in my face. Where are those people today?

Mr FitzGerald: He certainly didn't do it in front of me. I would have defended you as a Minister of the Crown.

Mr McGRADY: I am sure the member would.

Mr FitzGerald: It certainly did not come to my attention.

Mr McGRADY: It was in the member's territory. Where are those National Party members today? As I said, where is Sir Joh? Where is he today? We on this side of Parliament will be watching and we will expose the National Party for what it is trying to do.

While I am talking about electricity—on Tuesday in this Parliament the Deputy Premier and the Treasurer of this State held up the new bible according to Dr FitzGerald. Of course, that bible preached the gospel of privatisation. The Government is talking about privatising the great Queensland electricity industry. Again, I challenge some of the National Party members in this place to stand up and speak for country Queensland. If the electricity industry is privatised—and this Opposition will fight it every inch of the way—a number of issues have to be addressed. The one that concerns me and my colleagues on this side of Parliament, and one that should concern all members of the National Party, is the abolition of tariff equalisation. I have stood in Parliament and been attacked by the member for Tablelands over this issue. He tried to imply that the Labor Government's electricity legislation would mean the death of tariff equalisation. Of course, under the new electricity legislation that was introduced by the Labor Government, tariff equalisation was stamped in concrete. Tariff equalisation would have remained if the Labor Government had stayed in power.

Of course, under privatisation, one would not expect any privately owned organisation to keep in place a subsidy system which, as I understand it, subsidises tariff equalisation close to $100m. Those people opposite are talking about trying to keep the headquarters of large organisations here in Queensland, yet if we go by the Victorian experience, the industry will be put on the market and the highest bidders will get it. Of course, in the Victorian situation, the highest bidders were the yanks—the Americans. So today the Americans own large slices of the Victorian electricity industry. Would the boardrooms of New York allow a new privately owned company to subsidise tariff equalisation to the tune of $100m? Do members believe that would be allowed to happen?

An Opposition member: Never.

Mr McGRADY: No way. Once again, this coalition Government is going to destroy the people who live in outback and regional centres.

Mr Palaszczuk: It's a Liberal dominated coalition Government.

Mr McGRADY: It is a Liberal dominated coalition.

Mr Hamill: When it comes to economic policy.

Mr McGRADY: When it comes to economic policy. I challenge the members of the National Party to stand up in their party room and say, "Enough is enough. You have done enough damage already to regional and country Queensland." Those members talk

about rural power, yet the member for Burdekin has been flitting around the State preaching the new gospel of FitzGerald. I say to him: as the Parliamentary Secretary to the Premier, how can he justify the acceptance of the FitzGerald report and everything that it stands for? What is he going to say to the graziers in Boulia who cannot get electricity unless they are prepared to pay almost $200,000?

Mr Stoneman interjected.

An Opposition member: He will say something to them and something else in here.

Mr McGRADY: That is right. I am glad the member said that because last Saturday I happened to be in Boulia and I happened to witness the fruits of my labour. The chairman of the shire switched to the RAP scheme at his property, Maxlands Station, as a result of the policies which the Labor Government introduced. For the first time ever, the homestead had airconditioning, refrigeration and freezers. Could members imagine people in the boardrooms in New York agreeing to pay for such a scheme? They know and I know that they simply would not, because the days of rural power——

Mr Stoneman: Calm down. Settle right down. It will be all right.

Mr McGRADY: Of course, because it is hitting him where it hurts.

Mr Fouras: Don't you worry about that.

Mr McGRADY: I will not worry about it. The facts are that the privatisation of the electricity industry will sound the death knell for regional and country Queensland.

Mr Stoneman: We keep promises. You've got a nice new office in Cloncurry that Wayne Goss would never give you.

Mr McGRADY: I am talking about the big picture. I have spent the last couple of years of my life advising the businesses in the regional centres of this State to sharpen their pencils, to get out there and compete—and they could compete with the businesses in the larger centres. However, this added impost, which the privatisation and the abolition of tariff equalisation will mean to country centres, will now mean that businesses in country centres will not be in a position to compete. They will not be able to compete with those places that are getting cheaper power.

This is not something on which we should try to score political points. The National Party should go into the party room and challenge the Liberals to answer some of these questions, because the people of Queensland are petrified of some of the proposals which the Government has before it. If people believe that this bible, this gospel according to Dr FitzGerald, is going to solve the problems of Queensland, they are mistaken. This document is a betrayal of everybody who lives in regional Queensland and, in particular, those people who live in the remote parts of this State.

As I have said, I did not intend to join this debate today, but because of some of the nonsense that has been spoken I felt I should. However, it is time to forget the party politics and consider what is best for the people of this State, which is to keep the electricity industry in the hands of public ownership. That is partly why we corporatised the industry, to make it efficient and to allow it to compete with other States.

Over the last couple of days Mrs McCauley's department has published some figures which show a continuation of the population drift from the country to the city. In almost every area, population numbers and the number of houses being built are dropping, dropping and dropping. This bible of Dr FitzGerald will simply accelerate that process.

My final appeal to members of the National Party is to stand up to the Liberals. Do not let them bring in this sort of a policy, because it sounds the death knell to regional and remote parts of this State.

Mr ROWELL (Hinchinbrook) (4.22 p.m.): I am staggered by the contribution just made by the former Minister for Energy, the member for Mount Isa, about power generation in this State. He should be aware of the considerable problems facing north Queensland at the present time. We are desperately looking for approximately 600 megawatts of additional base load generation in north Queensland. With Korea Zinc possibly coming on line, the additional capacity required with the copper refinery and certainly with Queensland Nickel and many other industries in the north, it is essential that a base load station be built in the very near future.

Mr Fouras: Who will build it?

Mr ROWELL: A number of options are available to the Government, but I am not going to go into those because the Minister for Mines and Energy certainly has a good handle on it. The honourable member should not worry too much about that. The situation will be addressed, and we are now on track with a

number of major projects in the north-western regions that are vitally important to the State.

If we were to implement what the former Minister wanted, the northern region of the State would have a massive transmission loss of about 10 per cent as a result of the Eastlink project. That is quite considerable. Somebody has to pay for that power loss and I think that it is incumbent upon industry to somehow absorb that amount; possibly that would go right across the State. Certainly there are a number of options for power generation in north Queensland. As time progresses, I am certain that the Minister will address that situation. Being a northerner, I know of the importance of the industry to the area.

Mr Grice: Mr Rowell, he's leaving!

Mr ROWELL: I notice the honourable member is leaving. He has not got a response. He will not interject on what I am saying. That is quite interesting.

The National Competition Policy will have some positive aspects, but, as some members have demonstrated today, it creates some concerns for rural areas. I will briefly outline those concerns, because I think this is an important issue for councils in remote and rural areas. Very often, these councils are the major employers of people in small country towns. For example, the shire of Cardwell has only a small population but it has a very active council. How the people of Cardwell shire will go about meeting competition on the construction of roads and so on is yet to be determined. Certainly the Johnstone Shire to the north has, to some degree, addressed the problem. They are now in open competition with private contractors for main roads work. Of course, in the early stages they found things quite difficult. Things to be considered include equipment and how councils go about organising the tendering and so on. Nothing is very straightforward about their future.

I am certain that, as we progress through this, the efficiencies that will come will be of major benefit. The councils must get their acts together, as the Johnstone Shire has done, and implement policies that will allow them to compete efficiently. Maybe in some cases they will have to combine their efforts in terms of equipment and tendering for jobs. If councils are only 40 or 50 kilometres apart, there are prospects of joint ownership of equipment, which would enable them to tender for jobs in a more competitive manner.

The sugar industry is the first cab off the rank for the National Competition Policy. The industry is currently reviewing its competitiveness. The sugar industry is very big by world standards. In fact, Australia is probably the largest exporter of sugar. Although that may vary from time to time, Australia remains one of the largest exporters in the world. Approximately 83 per cent of our product goes on to the world market, and that is a very commendable figure for any industry. I do not know of many industries throughout Australia that export over 80 per cent of their product. Therefore, the sugar industry is very open to competition of a most positive nature. Because it is competing on world markets it is competing against countries with very low costs and high tariffs. Of course, our industry has to be efficient in order to be able to compete against those countries. Over a period of time, the sugar industry has certainly grown both through mechanisation and a lot of hard work that has been put in to ensure that the industry is the best in the world in terms of technology. When one looks at milling capacities and how they are being derived, our sugar industry is certainly highly efficient.

Australia sells something like 800,000 tonnes of sugar to the domestic market. Of course, there is a tariff of $55 a tonne, although at present that is under question. We give preference to developing countries and that effectively reduces the tariff to approximately $40 a tonne. Therefore, the industry contributes to domestic product and it produces something like $2 billion worth of product annually to bolster exports from Australia and, of course, for Queensland.

The important thing about Government is that it provides public utilities and infrastructure in the form of roads, rail or whatever else. The telecommunications industry has done well under a competitive policy; there is no question of that. However, one cannot necessarily compare one industry to another. For example, when one looks at the rail system, if we permitted third-party access with somebody else competing using their own rolling stock, wagons and other components, we would probably find that they would take the most lucrative section of the market.

Mr Fouras: So you are worried about this?

Mr ROWELL: No. I am just bringing forward some interesting points that have to be addressed.

Mr Fouras: You are worried.

Mr ROWELL: The honourable member is worried, because he is going nowhere. That is dead right.

It is important that we address this situation. We must progress. We cannot go backwards. We have to take steps forward. Where it is demonstrated that there is a public interest and if there is a social benefit to be derived from a service, I am certain that the Government will do something about it. I am raising this issue, because I believe it is important.

This legislation has to be passed by 20 July in order for Queensland to benefit from the $230m to be derived from the Commonwealth annually. This issue is extremely challenging for the States, and certainly for Queensland. Queensland is quite different from Victoria or even New South Wales. In more confined areas services are easier to provide than, for example, in the country areas of Queensland. Although there is some concern at present about the effects of the policy, I believe that the adoption of this policy will increase the benefit to the State as a whole. As we work through this issue I am certain that we will be able to address the very sensitive areas that we will have to look at in the future. Turning a blind eye to competition policy and saying, "We don't want increased efficiencies in Government departments", would be unwise and certainly not in the spirit of the conservative side of politics.

Mr Palaszczuk: But what about selling them off?

Mr ROWELL: In this instance, we are not talking about selling them off. The member is trying to put forward a red herring. That does not necessarily come into this argument. We are just talking about how we can gain efficiencies in Government departments. I believe this policy, in essence, will do that, but there are issues that have to be addressed.

Mr McELLIGOTT (Thuringowa) (4.31 p.m.): In my contribution to this debate I wish to oppose the whole concept of a National Competition Policy, although I appreciate the futility of voting against this Bill. As the Treasurer said in presenting the Bill, it was introduced to this place by the previous Government in November 1995 and it is to give effect to one of the obligations of the State as a fully participating jurisdiction under the National Competition Policy. In other words, the National Competition Policy has bipartisan support at both State and Federal Government levels, and seems to be endorsed vigorously by most, if not all, economists and financial experts. I guess one could ask: who am I to question its value or to say that all of that expert opinion is wrong? However, it is the absence of what I would consider to be proper debate on the subject that causes me the most problems.

Because of the growing similarity between the policies of the major parties, particularly at the Federal level, these crucial economic issues are not debated, in my opinion, but are accepted as being the only way forward. The report of the FitzGerald Commission of Audit scares the hell out of me for the same reason. I do not know anything about Dr FitzGerald, but I presume he is a learned gentleman. What he has presented to the Government of Queensland is his opinion as to the way in which the economy of this State should be managed in the future. I believe that the opinions he has expressed represent a major turnaround of the traditional ways in which the Government of this State has been managed up to this time. I think the people of Queensland have become disillusioned with the whole political process because they are having changes thrust upon them that they do not understand.

Today, in answers to questions to the Treasurer and the Premier, it was made very clear to us that none of us is going to know the Government's intention with respect to this report until we read about it in the Budget papers later this year. The decision as to the implementation or otherwise of the far-reaching recommendations contained in the report will be determined by a coalition that holds only 44 seats in an 89-member Parliament. In other words, a report commissioned by the coalition representing the opinion of one person is going to determine the whole future of this State and the people who live in it.

As I said earlier, there is no point in my voting against this Bill or attempting to divide the House. However, I am coming to the end of my political career, and so I start to think about how history will judge my years as a member of the Legislative Assembly. I certainly would not want to leave this place with the impression that I support the competition policy that has been recommended to us. Obviously, I cannot forecast the future, but I make the prediction today that the National Competition Policy is going to do very little, if anything, to enhance the quality of life of Queenslanders and Australians generally.

I once said publicly that enterprise bargaining was the greatest con job ever perpetrated on the workers of Australia. As with the National Competition Policy, enterprise bargaining was created by the

Federal Government with the support of the ACTU, and the States were placed in a position of accepting it or else. In my opinion, enterprise bargaining has done the workers of this State no favours, and so it will be, I believe, with the National Competition Policy.

The Treasurer said—

> "It will provide an opportunity to provide a more competitive economy in Queensland which will lead to lower prices to the benefit of consumers and industry alike."

I do not believe it. The philosophy of competition says that by forcing industries and business to be competitive we force them to be efficient. I would suggest that, by making Australian heavy industry efficient, we have ended up with virtually no heavy industry sector in this country. By forcing our textile and clothing industries to be more efficient we have created a situation in which it is almost impossible to buy Australian-made garments. Only a few years ago, my wife attended the World Hockey Cup in Sydney as a member of the Australian Supporters Club. Can honourable members guess where the club's jackets were made that they wore in support of our national team? China! The Goss Labor caps worn by supporters at the last State election were made, yes, in China.

On 18 May, there appeared in the *Weekend Australian* an article by B. A. Santamaria headed "Economic Irrationalism". Although I have not previously placed much credence in the writings of Mr Santamaria, I have to say that what he wrote on that occasion was certainly in line with my views. He compared the economy of Australia during the era 1953 to 1972 and the era 1983 to 1993. Santamaria said—

> "During the Menzies era (1953 to 1972) unemployment was never permitted to rise above 2%; economic growth was 5%; inflation was kept under control at 2.5%; wages rose at an average of 3.6% per annum; interest rates were relatively low; there was no privatisation of State or Federal enterprises. Compared with today the foreign debt was almost non-existent."

Santamaria described the economic philosophy of that era as "controlled capitalism". I believe that it could just as responsibly be called "democratic socialism". Santamaria further states—

> "The second era (1983 to 1993) began when the first Hawke-Keating government applied the recommendations of the Campbell Committee of Inquiry into the Financial System. These centred on the complete removal of government controls over banks, interest rates, the import and export of currency. Added to this was an acceleration in the rate of reduction of tariff protection."

Santamaria described the system of the second era as "free market economics" or "economic rationalism". With respect to this era, he quotes economic growth at 3.3 per cent; unemployment at 8.6 per cent; inflation at 5.7 per cent; average real earnings as a percentage of change at minus 0.2 per cent; interest rates at 11.5 per cent, compared with 5 per cent; and the current account deficit as a percentage of GDP at 4.5 per cent, compared with 2.3 per cent. He continued—

> "The current orthodoxy is that 'free market economics' yield better outcomes than 'controlled capitalism' "—

for which I read "democratic socialism"—

> "How this can be reconciled with the actual figures over the two eras passes comprehension."

Incidentally, the figures which Santamaria used and which I have quoted are from *Dialogues on Australia's Future* by Professor Russell Matthews. Santamaria concludes—

> "What is most interesting—and depressing—concerning the impact of this systematic misinformation on the Australian and world economies is that, in this country, both government and opposition have the same economic philosophy.
>
> . . .
>
> "We have achieved that fabled political Utopia—a bipartisan consensus—in support of what is ultimately nonsensical."

That is exactly the point I am making.

Of course, comparison between the two eras is not as simple as Santamaria suggests. Technological change has had an enormous impact on employment, and people's expectations have created the two-income family as the norm rather than the exception. Nevertheless, the basic proposition is valid in my view. If we continue to pursue efficiency to the exclusion of social issues, the end result will truly be nonsensical.

I accept that I may well be one of the few socialists left in this Parliament. I sought public office, first in local government and then in State Parliament, because I thought that

government did things for people and on behalf of people. I understood that the role of government was to collect revenue to fund the basic services that the people needed—to build the roads, the dams and the railways and to provide services such as water, gas, sewerage treatment and electricity. Governments are responsible to the people, and if they fail to deliver or they charge too much then they get voted out of office.

Now we are told that Governments should not be involved in these functions and that private enterprise can do it more efficiently and more economically. I suggest that soon there will be no role for government—certainly not three tiers of government—in this country. I want to make the point that efficiency should result from good management, whether it is in private enterprise or a Government monopoly situation. If there is inefficiency and waste in a Government department, then we need to be less forgiving of management, whether it be the Minister, the director-general or some program manager.

My point is that competition does not of itself breed efficiency or lower prices. Look at the medical profession, for example, where we are told that people have a choice of specialists and it is market forces that ensure that the charges that doctors impose on the sick and injured are kept at reasonable levels. However, the number of specialists is controlled by the profession itself, and charges are well above what the Government and private health insurance funds cover. The retail food industry is not competitive because takeovers and conglomerates have resulted in the majority of products being sold by a very few major multinational corporations. Deregulation of Australia's banking industry has done precious little for customer relations, but it certainly has resulted in higher charges and massive profits for the banks.

So where is the evidence that this competition policy will work? I am told that there are currently 26 operators using Britain's rail network. How many will operate in Queensland? Will we see Queenslanders lose access to water and/or sewerage treatment services because they are unable to pay their accounts to the private supplier? Townsville City Council will next year, I understand, be forced to set up a private company to deliver water to the people of Townsville. Where is the competition in that? We are simply replacing a service that the Townsville council has provided for I guess 100 years with a service provided by some private operator. Apparently the Super League appeal is based on the argument that the Australian Rugby League currently has the monopoly right to conduct Rugby League matches in this country. What is wrong with that? Do we want a half-dozen operators organising separate and competing leagues? I think not. There are some things quite simply better done by the people for the people.

So I am a democratic socialist. I believe in regulation where it is for the common good, and I believe in government involvement where the people of Queensland and Australia clearly benefit. I guess I am a protectionist, too. Why should we not protect the jobs of Australians? It surely is not efficient or compassionate to have millions of Australians out of work, and it is not even clever to send our young people to university to obtain qualifications for jobs that do not exist. It is depressing that the unemployed ride the retraining merry-go-round, knowing that there are no jobs when it stops. The right to work is fundamental. Indeed, much of the blame for juvenile crime and antisocial behaviour rests with the fact that people who know that they will never find meaningful employment lose their self-esteem and their ambition. It is surely the role of Governments to create jobs and assist industry to create jobs. The National Competition Policy is about reducing job numbers and should be rejected. However, the Bill will pass through this House, and we socialists are left to wonder why.

I have made the point in the past that I am a very fervent Australian nationalist. I believe in this country. It amazes me that those of us who have had the benefits of travelling overseas and seen the situations that exist in those countries invariably come back to Australia and declare that we live in the best country and the best State in the world, but we seem intent on following the examples of those overseas countries. I believe that we have some sort of massive inferiority complex in this country where we are not prepared to stand up and lead; we are not prepared to protect the quality of life that Australians have traditionally enjoyed. If anyone can point me to a country in the world that enjoys a higher standard of living and can teach us things in that regard, then I am prepared to sit up and listen. But I believe that we have a great country. We have had a tradition of a high quality of life. To pursue the so-called world's best practice and all of these other buzzwords in pursuit of some economic rationalist's idea, in my view, is selling out the people of Queensland and the people of Australia.

As I started out by saying, my concern is that people at considerable expense produce reports and conduct inquiries about the way in which government in this country should operate, and they seek to impose upon Governments and upon the population of our State and our country changes to the way in which we operate that, in my view, bear little benefit to the people whom we represent. I believe that people are concerned about the rate of change and that they do not understand the reasons for those changes. Terms such as "economic rationalism" mean very little to the people out there in the suburbs. But what they do seek is Governments which are prepared to provide the services that they require, whether it be by way of roads, transport, health services, education and so on. I believe that they want the opportunity every three years to judge the performance of the Government of the day and, if they are dissatisfied in the way in which those services are produced, they want the right to change that Government. I believe that they will lose that right if the recommendations of the FitzGerald report are implemented in their entirety.

I was pleased that the Leader of the Opposition to some extent put the Opposition's case today when he argued about the privatisation of the electricity industry and the privatisation of our ports. I agree entirely with what he said. I do not think the people of Gladstone will be enamoured by the prospect of selling off what has been a very, very successful port operation in their city to private enterprise, with the balance of it coming to Brisbane for decision making and implementation.

As I said at the outset, I oppose the whole concept of the National Competition Policy. It is yet another example of economic rationalism imposed on the Government and the people of this country. Although the die has been cast—there is nothing that can be done now, as I presume the Bill will go through the House today—I repeat my prediction that the National Competition Policy will do nothing for the future of Australians and for Queenslanders.

Miss SIMPSON (Maroochydore) (4.47 p.m.): As a member of Parliament I have the right to question whether the full impact of this legislation is really understood by the community and whether the State, through an agreement that was signed by a previous Government, has once again ceded a degree of State rights to the Federal system and the federally run National Competition Council.

We have heard in today's debate that some 170 pieces of State legislation are potentially affected by this agreement and the enabling legislation. I am not bagging the competition policy and legislation in its entirety, as I can see potential benefits. There are benefits. Certainly the big $2.33 billion carrot of Federal funds is very attractive, and the old way of doing things is not always the best way of doing things for the future. However, my concern lies firstly in the broadness of the legislation where we just do not know exactly how this is going to impact upon existing businesses and, secondly, in the overriding of the State by a Federal entity where, for example, the State may in the future make an exemption to the competition principles by invoking the public interest test but find that the State test clashes with the Federal definition of public interest and is overturned.

The crux of the fairness and workability of this legislation is going to be the definition of "public interest". I believe that public interest must refer not only to a ledger sheet but also must acknowledge that factors such as regional development and the decentralised nature of the State cannot just be judged on economic values but must take non-economic benefits into account. It must also look at the problems of losing essential industries. The rationalists do not care if a Third World country produces food for this country using cheap labour while sending our own farmers broke, and the infrastructure—particularly the trained people—is not easily regained once destroyed.

I have grave concerns that, despite being able to strongly argue the public benefits of grower controlled marketing through appropriate legislation, there are many of our overseas competitors and large supermarket chains with the ability to dissect markets for their own profit who will lobby to counter these arrangements by using these laws. The powerful supermarket chains, which have one of the greatest market concentrations in the world here in Australia, will say that, when they promote the breakdown of orderly marketing, they are helping the consumers. They would follow that to the absurdity of sending the locals broke while bringing in cheaper products from overseas.

The sugar industry has used its single-desk marketing to garner a world edge which has benefited all of Australia. Yet there are many overseas interests that would love to see us remove our advantage in this area. Other orderly marketing schemes give a measure of stability across rural industries and

a measure of control by collective bargaining power that individual operators would not have in the face of very powerful market purchasing blocks. The sugar industry is grappling with these issues with the current review and consultation being undertaken. There are numerous other industries which are yet to understand that they may also be affected by the Federal and State laws. Yes, there will be benefits in this legislation, but it is going to depend on the definition of "public interest". I give my qualified support to the legislation.

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (4.51 p.m.), in reply: Mr Deputy Speaker——

An Opposition member interjected.

Mrs SHELDON: Does the member for Thuringowa warm the cockles of the honourable member's heart, too? How does he cope with the Socialist Left, or does he ignore—as he usually does—any faction that he does not particularly want to take any notice of?

I thank honourable members for their comments on the Bill. I thank also the Opposition for supporting this important Bill. In reply to the matters raised by honourable members, I would particularly like to comment on those issues raised regarding the Government's implementation of the National Competition Policy. In response to the query as to why the legislation review, local government and competitive neutrality NCP statements have not been finalised, I would like to make the following points. These documents are to be considered by the Government over the next two weeks. Following Government consideration they will be forwarded to the National Competition Council, thereby meeting the State's obligation under the Competition Code Agreement. At this time, the statements will become public documents.

Mr Hamill: They're late.

Mrs SHELDON: Why did the honourable member's party not put it through when it was in power? It had the Bill, but it decided that it could not be bothered to bite the bullet. Let us stop the hypocrisy right now. The Commonwealth body responsible for the oversighting of the NCP implementation, that is, the National Competition Council, has extended the 30 June 1996 deadline for submission of these——

Mr Hamill: Why didn't you say so?

Mrs SHELDON: I am saying right now to the honourable member that this is my summing-up of this Bill.

Mr Hamill: Really?

Mrs SHELDON: Yes; so the member should listen to it.

Mr Hamill: You've had a bad day, haven't you?

Mrs SHELDON: No, I have not. However, I can assure the member that he does not bring out the best instincts in me.

Mr Hamill: I think what we see is what we get.

Mrs SHELDON: No, it is the honourable member. Every time he speaks, I feel that I have been "mumphed" by a walrus.

Mr Hamill: How does it feel?

Mrs SHELDON: I would not recommend it to any other members in the House. "Mumphing" by a walrus is not something that I recommend on the highly desirable list.

Dr Watson: I think he is on the "in danger of extinction" list.

Mrs SHELDON: Yes, I think he is. As I said, the National Competition Council has extended the 30 June 1996 deadline for submission of these statements to the end of July 1996. This applies not only to Queensland but to all jurisdictions.

In relation to the local government statement, which the honourable member for Ipswich raised—I point out that the Government released a draft version of this statement for public comment last month. That document outlines detailed proposals for the application of NCP to Queensland local governments. In regard to all statements there has been considerable consultation with relevant stakeholders, particularly in the case of local government. When these three statements are released it will be noticeable that the extent of review and possible reforms proposed are extensive and in no way suggest that the Government is shirking its responsibilities under the NCP agreements.

The honourable member for Ipswich also raised the issue of consideration of factors other than economic matters when undertaking reviews of potentially anti-competitive legislation. I would like to emphasise that this is, in fact, a requirement of the Competition Code Agreement and will be spelled out in cost-benefit assessment guidelines to be used in the undertaking of these reviews. In particular, this agreement

requires that factors such as social equity, welfare, environmental matters and so on be taken into account. In this respect, any community service obligations which may be justifiable will also need to be addressed.

Specifically, in relation to the need to review sugar industry legislation, as raised by the honourable member for Ipswich—I would like to inform the House that an NCP review of State sugar industry legislation is already well progressed. This review is being conducted by a working group comprising all major relevant stakeholders, and an independent consultant's report on the key legislation review matters was made publicly available only last week.

The Opposition has also questioned whether this Government intends to establish a State-based prices oversight body. The Government's position is currently being finalised. Unlike the requirement to publish the three NCP policy statements mentioned earlier, the issue of whether the State establishes its own prices oversight regime is not subject to a mid-year deadline. That is, in the case of the prices oversight and, indeed, for third-party access, the State has the option to establish its own arrangements. But if it chooses not to do so, Commonwealth arrangements will apply. In other words, the State Government, by not having finally established such a body, has not in any way detracted from the obligations to implement these elements of the National Competition Policy.

The Opposition also raised the issue of Queensland's obligations under the COAG electricity agreements, specifically in relation to the joining of the national electricity grid. The Queensland Government is committed to the implementation of a national electricity market. The Government recently signed an interstate agreement for connection with power grids in other States. Queensland, New South Wales and the Commonwealth Government have also begun a feasibility study into an interconnection to replace Eastlink. The Minister for Mines and Energy has recently stated that it would probably run considerably to the west of the proposed Eastlink route.

Finally, a lot has been made today, particularly by the Leader of the Opposition, about the recommendations of the Commission of Audit. Even though we were discussing the National Competition Policy Bill, the Leader of the Opposition devoted his entire speech to the Commission of Audit, as did most members in the House.

Mr Hamill: That's not true.

Mrs SHELDON: The member should have listened to it.

Mr Hamill: I did. You weren't here.

Mrs SHELDON: I was listening to it. The Opposition basically concentrated on the Commission of Audit.

Mr Hamill: I was here. You were absent, as usual.

Mrs SHELDON: No, I was not. I was listening to what was said. It would have been nice if the member had kept to the Bill.

However, just as the previous Government took quite a considerable time to consider the National Competition Policy last year and the year before, it is also fair and appropriate that the current Government should at least be given some grace in terms of forming a view on the extent to which the commission's recommendations should be implemented. The key factor that the Opposition has ignored is that the extension of Part 4 of the Trade Practices Act is the decision for today. It is a legislative enactment which we need to give effect to now in order to give effect to our NCP obligations which, I might add, were previously agreed to by the current Opposition. The Commission of Audit recommendations, on the other hand, are an issue for the future. They will not impact on extending the coverage of the Trade Practices Act, which is what we are focusing on today.

I would like to thank particularly the Government members for their input. I know the work that they did on it, particularly the member for Moggill. I think members saw in their contributions an understanding of what the National Competition Policy Bill is all about. Unfortunately, all we heard from the Opposition was a large amount of grandstanding.

Motion agreed to.

Committee

Hon. J. M. Sheldon (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) in charge of the Bill.

Clauses 1 and 2, as read, agreed to.

Clause 3—

Mr HAMILL (4.59 p.m.): In noting the comments of the Treasurer in her reply, I am particularly appreciative of the revelation that, in the next couple of weeks, the Queensland Government will be considering the material in relation to local government and legislative reform that I was asking about in my speech at the second-reading stage. I am referring

particularly to the requirements of the Competition Code Agreement and the other agreements entered into in April 1995. I would like some assurance from the Treasurer that the material to which she has referred—those agreements relating to the regulatory reform and so on—will be tabled immediately following Cabinet's consideration of them.

Mrs SHELDON: My understanding is that Cabinet will study those. We will examine whether they are in the spirit of what the National Competition Council wants. We are constantly meeting with that council. If they do meet those requirements, they will, of course, be made public.

Mr HAMILL: Am I led to understand from the Treasurer's response that what she is saying is that she will not be providing that information to the Parliament before she actually forwards copies of those documents to the National Competition Council? If that is the case, that would be most unfortunate, because, whilst the National Competition Council has the responsibility of overview of the implementation of National Competition Policy, I think it is equally important that the members of the Parliament understand the Queensland Government's position in relation to the application of National Competition Policy. Certainly, if the decisions of the Queensland Cabinet must be subsequently altered because of negotiations with the National Competition Council, I do not believe that that should deny members of the Parliament the information arising out of Cabinet's original consideration of those very important matters.

Mrs SHELDON: I can assure the honourable member that, in due course, he and the Parliament will be given that information.

Mr Hamill: When?

Mrs SHELDON: I told the honourable member when. It is important that the National Competition Council sees that any exemptions or extensions that we may require are in the public interest. The honourable member knows that that is one of the major criteria. If they agree that what we are asking for is correct, then, of course, it will be brought to the Parliament. I think it is only right that we know that what we are putting forth for the State of Queensland is in agreement with the National Competition Council.

Clause 3, as read, agreed to.

Clauses 4 to 41, as read, agreed to.

Clause 42—

Mr HAMILL (5.03 p.m.): In relation to clause 42, which relates to the very important area of exemptions under section 51 of the Trade Practices Act, an issue with which the Opposition is vitally concerned is the application of those measures in Queensland and whether the Treasurer and the Government subscribe to the views of the Treasurer's Commission of Audit, that is, that there really is no need for a separate and distinct Queensland competition authority to oversee price monitoring and access questions, or whether the Treasurer and the Government believe that a role exists for a Queensland competition authority. If so, when will we see action by the Government along those lines?

Mrs SHELDON: The Queensland Government will, of course, be discussing that issue. We take note of what was mentioned by the Commission of Audit; however, we will make our decisions in Cabinet on what is in the best interests of Queensland.

Mr HAMILL: I take it from the Treasurer's response that the question of whether there should be a Queensland competition authority is in the same category as to whether the ports shall be privatised, the TAB shall be privatised, the electricity industry shall be privatised, the superannuation funds shall be thrown onto the open market, and whether—contrary to the assertions of the Minister for Tourism—the question of the privatisation of Sunlover is still on the table. In other words, all of these matters are still on the table and the Queensland Government has yet to come to a view with respect to those very important public utilities and public issues.

I think that that is quite regrettable because, certainly in the case of competition policy, I would have thought that the Queensland Government would have had ample time to consider its position in relation to whether it is desirable or not to have a Queensland competition authority. I do not share what would seem to be the faith that the Treasurer and the Government have in allowing Queensland industry and Queensland's affairs to be determined by the Australian Competition and Consumer Commission. I believe a widespread view exists in Queensland that a Queensland-based authority would be in a far better position to make determinations as to what is in the public interest of Queenslanders regarding the application of National Competition Policy. If the Treasurer is really stating that we should just butt out and allow

the free market to determine these things, then what we are really hearing is the hidden agenda. Contrary to the claims that have been made that, for example, the matters arising out of the Commission of Audit are still on the table, the agenda is, "Yes, that is truly our agenda. It is just that we don't have the intestinal fortitude to tell you at this stage."

I urge the Treasurer to adopt the position that was taken by the former Labor Government, that is, to have a Queensland competition authority in place as an ongoing feature of the administration of National Competition Policy in Queensland. Let us not simply place our faith in a Federal structure that will operate in default of our own competition authority.

Mrs SHELDON: Unfortunately, I think the member just likes to listen to his own misinformed rhetoric. As I said, the Queensland Cabinet will take all of those matters into consideration——

Mr Hamill: You haven't got a policy.

Mrs SHELDON: We are the Government. We will decide in our own time what is the best thing for the people of Queensland. Naturally, all these issues will be taken into consideration, discussed at Cabinet and decisions made. That will all be done in due course for the interest of Queensland, which is of supreme concern to us.

Mr HAMILL: I have heard that before: we are the Government; we will make decisions. "Trust me", the Treasurer says, "We are the Government." I wonder whether it is an attempt to use the royal "we" in that context. I find it quite extraordinary that the Treasurer can come before the Assembly today and deal with this very important legislation and reveal to the Assembly that the Queensland Government really does not have a policy. It really has not made a policy decision as to how National Competition Policy shall be administered in Queensland. With respect, the Treasurer has put the cart before the horse. She has failed in a very important test to demonstrate that she and her Government have what it takes to safeguard the interests of Queensland when it comes to National Competition Policy.

Her admission that she is yet to make a decision about how National Competition Policy will be overseen in Queensland causes considerable alarm to me and no doubt to other members in the Chamber—and not only those who sit on the Opposition side of the Assembly. It will be quite a revelation to the taxi industry in this State, quite a revelation to the sugar industry, quite a revelation to the whole range of primary producers, quite a revelation to sectors of the health industry and quite a revelation to the education industry in this State to learn that the Treasurer and the Government have yet to make a decision about how National Competition Policy will be administered in Queensland. Yet, she has come into the Chamber and put the legislation through.

It is not that the Treasurer has not had time to get her head around this legislation. As she has said, the Bill that is before the Chamber this afternoon is, in the vast majority of respects, identical to the Bill that was introduced by the Honourable Keith De Lacy last year. Were it not for a change of Government in the interim, this debate would have taken place several months ago. I would only presume that at that time the Treasurer, who was then the shadow Treasurer, might have had to declare some sort of policy position in relation to the administration of a National Competition Policy. Certainly, I have viewed some of the documents that were put together by the then shadow Minister for Mines and Energy, Mr Gilmore, and the then shadow Minister for Local Government, Mrs McCauley, expressing concern about the National Competition Policy. Mr Gilmore would remember the documents. Last year he took them along to a shadow Cabinet meeting in Caloundra wherein he expressed grave concerns about the National Competition Policy, particularly in relation to local government. Does the Minister recall those documents? If he wants to have his memory restored in relation to this matter I could table the documents.

Mr Stephan: You're making the speech.

Mr HAMILL: Yes, I am, and I am making a valid point. This exercise demonstrates that, in Opposition, the coalition had quite a lot to say about a National Competition Policy. It purported to have a policy position in relation to it. Now in July, five months after taking office in this State, on the day upon which the legislation is debated, the Treasurer comes into this place and cannot tell the Parliament how the National Competition Policy will be overseen in Queensland. She cannot do it. She says, "Trust us. We are the Government. We will make a decision in our own good time and then we might get around to telling you about it."

I believe that the people of Queensland and Queensland industry deserve better than that. Queenslanders should have expected

from this Treasurer and from this Government a clear statement on not only what they subscribe to in terms of National Competition Policy but also how it is going to be administered. The Opposition believes that it is in the best interests of Queensland to have a Queensland competition authority, not in the terms outlined by Dr FitzGerald in the Treasurer's Commission of Audit—a temporary body only if the Federal organ is not adequately resourced—but a properly resourced State-grown body to oversee competition policy in Queensland. That is not much to ask. I believe that that is the very least that the people of Queensland and Queensland industry would want. I think that the Treasurer, by her incapacity to answer on this policy issue, has again been found wanting.

Mrs SHELDON: What a load of rubbish. The fact is that the previous Government, of which Mr Hamill was one of its failed Ministers, had adequate time in which to bring in this Bill.

Mr Hamill: It was introduced.

Mrs SHELDON: No, the previous Government had adequate time. The Bill was introduced, but the previous Government did not have the gumption to debate it. It kept putting it off and putting it off. If the previous Government's commitment to the National Competition Policy was so great why was this Bill not passed when the Opposition was in Government and had adequate time? I remember that I had my speech written for weeks waiting to deliver it in this place, and the Treasurer never ever brought on the debate.

In point of fact, we see yet a little bit more of the Labor Party's rank hypocrisy. As a Government, we have introduced the previous Government's Bill. In fact, we have changed no words at all. This is the former Government's Bill. We have brought its Bill into this place in its entirety. We have presented it to the Chamber. Evidently, the Opposition is now having great difficulty in supporting much of the contents of its own Bill.

As I said, we on this side are committed to a National Competition Policy and to the reform entailed therein. We will in all respects look after the interests of Queenslanders and we will look after the public interest as well. We will put in place the bodies as we see fit to do this. We also are having discussions with the National Competition Policy committee on a regular basis on the issues that we see are of importance to Queensland. We are studying in detail the report brought down by Dr FitzGerald, which Mr Hamill, the Leader of the Opposition and the Deputy Leader of the Opposition have endeavoured to discredit. At the end of the day, and in very good time—and we have discussed our timing with the National Competition Policy committee—we will put in place the things that we think are needed to make sure that fairness and equity and public interest are looked after in the interests of this State of Queensland. We brought in this Bill. We have done our bit; Labor reneged.

Clause 42, as read, agreed to.

Clauses 43 to 46, as read, agreed to.

Bill reported, without amendment.

Third Reading

Bill, on motion of Mrs Sheldon, by leave, read a third time.

APPROPRIATION (PARLIAMENT) BILL
APPROPRIATION BILL

Second Reading (Cognate Debate)

Debate resumed from 9 July (see p. 1421).

Mr STEPHAN (Gympie) (5:16 p.m.), continuing: Today, we have been talking about the Commission of Audit report that has been placed before us. For those of us who have taken the time to read it, it makes for some interesting reading. It states—

> "We find that the State has a strong balance sheet.
>
> . . .
>
> For the most part, the State provides services and infrastructure of good quality efficiently, but it faces significant challenges in maintaining this, given that deteriorating financial trend."

Currently, it is that particular aspect that is worrying Government members. We have been left with a deficit from the previous Government. Labor is well known for doing the same thing in various other States. But I am talking about Queensland and I am talking about the fact that we do have a very broad economic base and, given good managerial practices, we will be able to ensure that we do not get ourselves into any more difficulty. However, the fact is that in the 1994-95 year there was a $325m surplus, yet at the close of the last financial year that surplus became a deficit of $337m. Over $600m has gone down the drain through the managerial programs and the lack of ability of the previous Government. I sound a warning note that we must address this problem, and I know that

Cabinet and the other members of the coalition will do just that.

We should look at some of the programs that we have in this State. One of those programs—and it relates to an area in which from time to time Queensland has had success—is forestry, whether it be plantations or native forests. Forests are a great asset and we have utilised a lot of what is available in them. Presently, there is a concern within the industry that the Federal Government is taking some time to decide whether or not to allow an increase in the woodchip export ceiling. The forestry industry says such a move would return $240m, and that would certainly help the economy of this nation. I am concerned that the decision has been delayed; indeed, a decision still has not been made. With the woodchipping program in place, the forestry industry is utilising wood that would otherwise go to waste, and that is a waste that Australia cannot afford. We must address this issue in a realistic manner. When one considers that Australia imports over $2 billion worth of timber from countries which cannot afford to utilise programs that minimise damage to their own ecologies, it makes me wonder why we are not giving this issue a shake and allowing more woodchipping to take place. This issue has flow-on effects and we must address it.

I am also concerned that, to a very large extent, the industry has been relying on the home market to sell timber products that are manufactured and processed in Australia. Presently, there is a threat of stand downs within the sawmilling industry and we cannot afford to allow that to happen. For a long time, as I have said, Australia has relied heavily on the timber industry and we must put more emphasis on developing the industry. We need to utilise renewable native resources, such as hardwood and cabinet timbers, so that we are not left with holes in the ground. I urge the industry to utilise native timbers, whether they be growing in forestry plantations or on private land, in which case the industry could work in conjunction with landowners. This area has a great deal of potential and we need to focus more attention upon it.

Many aspects of the Australian economy were mentioned in the report of the Commission of Audit, and one is water. We rely greatly on water in this country, yet it is something that is in very short supply. The report states—

> "Increased demand for water and severe drought in recent years have put substantial pressure on the States's water supplies and on the social, environmental and economic systems which they sustain. The drought emphasises that water, which is one of the State's scarcest resources, is critical to its industry and should be appropriately managed. Substantial reform is required in the management, investment and pricing policies essential to improve resource availability, enhance the economic performance of related industries and dependent communities and provide resources for further sustainable investment in water supply."

Often in drought periods my electorate has run very short of water. It was good luck rather than good management that it did not run dry on a couple of occasions. We must address this problem. For example, I believe greater emphasis should be placed on raising the level of water in the Borumba Dam, situated on the Mary River, by using the bag system to put another metre or two onto the present water level. This can be done as an interim measure while the Government decides whether to build another dam or to raise the height of the wall, which will make a big difference to the availability of water in the area. People from Caloundra to Maryborough rely on water from the Mary River and its catchment, and I cannot stress too strongly that we need to address this issue and address it very quickly.

The development of tourism in my region, and I am thinking particularly of Rainbow Beach and Tin Can Bay, has been a reasonably slow process. This is a beautiful part of the coastline which borders World Heritage listed Fraser Island and the Cooloola National Park. It is quite a distance from other tourist areas such as Hervey Bay, Noosa, Maroochydore and other parts of the Sunshine Coast. I believe that a bridge should be built across the Tin Can Bay inlet, as that would be of great advantage to the area. I suppose that is a somewhat different program, but it needs to be given a lot of thought. A very keen developer who wants to get on with the job has suggested that he build the bridge in return for the right to sell some of the land blocks that he would also be developing. That would cost the Government very little and it would mean a great deal to the area. The project would enable us to look after our State-run facilities, such as the police and fire services, and schools, more efficiently. By uniting the area we can utilise one service rather than having a duplication of services. This issue needs to be addressed and the people of my electorate are very vigorous in their desire to see action on this front. That

area is developing. In the very near future it will need a high school. At present, students have to travel for an hour from Rainbow Beach to Gympie to get to school. It makes for a long day to have to travel for an hour to and from school. Representatives from that area have been lobbying to make sure that they are not forgotten when the need arises for a high school in their area.

I sometimes wonder what the former Government did with education, given the amount of money it spent on it. The former Premier was in a little world of his own when he decided suddenly to give students a $50 uniform allowance. That allowance may have been of great assistance had it been handled in the right way. However, I am afraid that it was not handled in the right way. Much of the money that was supposed to go towards defraying the cost of uniforms was never spent in that way. The Government tried to give assistance to people without giving enough thought to the matter. As a consequence, no real benefit was gained by the people whom the Government was trying to look after.

As to the President of the Teachers Union, Ian Mackie—obviously an election is looming, because he is making statements about enormous reductions in teacher numbers in various areas of the State.

Mr Dollin: How many are going to go in Gympie?

Mr STEPHAN: He maintains that Gympie will lose about 20 teachers. That is Ian Mackie's figure, not anybody else's.

Mr Dollin: Sixteen in Maryborough and Hervey Bay. Two thousand across the State. It's good stuff, isn't it?

Mr STEPHAN: Again, Ian Mackie has suggested a figure of 2,000 teachers across the State. However, the Education Minister says that there is every possibility that more, not fewer, teachers will be put on. The comment of the honourable member for Maryborough is a stupid one and comes from a fellow who should know better. Ian Mackie is contesting an election. He has to try to justify his position, which he obviously wants to retain. He should not peddle stories lacking in substance and credibility. That does not do either him or the schools any good. The teachers need some support.

Time expired.

Mr D'ARCY (Woodridge) (5.32 p.m.): The Government of this State changed this year. One would believe that there had been an election and that the Government of this State had won it with a majority of about 20 seats. Unfortunately, that is not the case. A minority Government came to power bringing with it the promises it made before the election of July last year. The Government is now attempting to erode its promises by stealth. The contract with the Queensland public that the now Premier and the now Treasurer spoke about before the election has hardly been mentioned by the Government, because it is obviously not going to be fulfilled. Instead the Government is using the Commission of Audit to blame the former Government for the present Government's failure to meet its contract with the Queensland people and the commitment it made to the Parliament.

Even someone with a very simple understanding of economics would realise that Governments at a State level have a limited income. Their major income is via Commonwealth grants. What the Commonwealth hands the State is the largest portion of its income. There are other sources of income, such as payroll tax, stamp duty, fines and charges, land tax and so on. When this Government came to office, it promised to abolish land tax over 10 years. It said it would reduce stamp duty and payroll tax without imposing any new taxes. At the same time, the Government promised to increase and reorganise services in various areas. However, what do we find? That is not what has happened.

The independent Commission of Audit of the State's resources has been a farce. I have to agree with the speakers on this side of House who have said that it has been a blatant political attempt by a minority Government to raise taxation, break its voluntary agreement with the Queensland public, and to undertake a fire sale of State assets. Given the basic tax structure, the Government has either to find new taxes or to sell something to meet its commitments. There is no other way. That is what we are seeing. We are witnessing something abhorrent that will disadvantage Queensland in the long term. The policy is a short-sighted one.

Basically, the Government is painting a bleak and false picture of the economic position. To do that, the Government is using an inquiry which tendered a series of proposals based on false premises. I do not think that any senior political or financial commentator in Australia up to the period before the end of the Goss Government questioned the state of finances in Queensland. In fact, neither did the former Opposition. The Opposition at that time, the

present Government, accepted the fact that Queensland had a solid financial base. The Government talks about blow-outs; they are a fairly minor part of the overall economic scene.

What concerns me, and I think most Queenslanders, is that this Government, which supposedly started with so much promise and with a new Federal Government coming in, was supposed to give business in this State a great deal of confidence. Business was going to boom. I can tell honourable members exactly what has happened in the business field. After the initial change of Government at both the State and Federal levels, there was a period of introspection and quiet confidence, and then there was nothing. Since then there has been nothing. In fact, the business community in this State has gone nowhere in the past six months. In addition, it has been horrified by what it has seen of the actions of the Government.

There are several major areas at which we have to look and analyse with respect to long-term prospects. The original concept of a bank in Queensland, via the merger of Metway, Suncorp, the QIDC and the Bank of Queensland, probably had some merit on face value if the entity could have been acquired at the right and reasonable price and a deal could have been done to shift the product onto the market fairly quickly. However, what happened was quite remarkable. In fact, it was incredible. The real financial circles in this State have been horrified by what the Government has done. The Government has acted contrary to every established principle. The Government is interfering at a business level. People are horrified at the Government's interference. The Government is participating in business, but it does not know what it is doing.

When we look at the bottom line, we see that the Government is buying something at a price greater than that at which it can sell it. It is risking taxpayers' money and also the wellbeing of the State. I think the Government has sown the seeds of disaster. As some members may have read, it has been christened by the *Financial Review* as the "B Bank", or the "Banana Bank". The financial industry regards it as a high-risk project.

One of the points that many members do not appreciate is that, in both areas, we are running at odds with what the Federal Government is doing. The rationale behind the combined bank and the Government's involvement in it is to promote and capitalise on Queensland. Nobody has any objection to that objective, but the fact of life is that there will be no advantage in the marketplace when too much has been paid for it. The Government expects there to be an advantage to Queensland in the bank having its headquarters here. MIM is probably the only major company which has its headquarters in Queensland. That is of no real advantage to Queensland on a work force basis.

One point which has not been brought out is that this merger will bring together three entities which have three distinct specialisations. The QIDC has specialised in industry lending, Suncorp has specialised in insurance and Metway has specialised in housing lending and insurance. The issue of job losses has been raised. By putting this unit together, the specialisation of the various entities will be lost because the merged institution will be competing against the big banks.

The major point that has been overlooked is that the Federal Government expects that there will be more competition and fewer banks. One has only to consider how John Howard put his policies together to realise that fact. The Wallis inquiry commenced before the Government embarked on this activity. If the Government does not know what the outcome of the Wallace inquiry will be, it must be blind. The Queensland Government is currently acting on the false premise that the Trade Practices Act will prevent takeovers from occurring—for example, that the NAB cannot take over St George or St George cannot take over Metway—when the fact is that we will not be operating in a little glasshouse on our own. It is a big world out there. The Queensland Government is a very small operator in the banking industry. There are no loyalties left in the banking world, and we should not expect any favours.

Should we believe some of the things that we are being told—that this bank will promote Queensland industry and that it will promote Queensland projects? Consider the reason behind the establishment of the State banks which the coalition rubbished when in Opposition. Half of the losses incurred by the State Bank of South Australia related to properties that it held in Queensland. So that marvellous bank, which was started as a State bank to promote South Australia, owned the boardwalk and many buildings in Brisbane and lost money on them. There is no basis to the claims that this megabank will be loyal to Queensland.

I return to the Wallace inquiry and the direction of the Queensland Government.

When the Wallace inquiry brings down its findings, we will probably end up with three banking institutions and the takeovers will be monumental. No matter what the Queensland Government does, this new institution will be taken over in any event. It will be purchased for a lower price than that which the Government has paid for it.

Dr Watson: Why?

Mr D'ARCY: I heard someone say today that when the proxies went in on the St George offer, they were almost unanimously in acceptance of that lower cash offer and not the Government's offer. Any shareholder who understood the basis of the share market would be selling the shares at $4.80 for the simple reason——

Dr Watson: No, that's not what you said. What you said previously was that there was going to be more competition, more takeovers, and therefore there is going to be a loss in value. If in fact there is more competition and more takeovers, the chances are that the share price will go up.

Mr D'ARCY: That is great logic if you have a saleable——

Dr Watson interjected.

Mr D'ARCY: I agree.

Dr Watson: You can't have it both ways.

Mr D'ARCY: Yes, I can. The Government is creating a fairly small unit. It is not creating a massive unit. One has only to look at the holdings in billions of dollars. We will probably end up with three big banks—the Commonwealth, the NAB and either Westpac or ANZ. They will just stand on this new bank because it will not be large enough to compete with them.

Dr Watson interjected.

Mr D'ARCY: There is not a unit; that is the point that I am making. The member should have listened to the argument that I put up before. The Government is going to wipe out three specialist units operating respectively in insurance, industry and housing lending. The Government is going to merge those units, remove their speciality and make them compete with the big guy out there. He is already competing in all those areas against the new institution, which is smaller than the big guy and the big guy has a wider branch. There is no loyalty left in the market. The Government is kidding itself.

When the time comes to sell the new bank, the Government will not be able to sell at its price because it will be the poor cousin. It will be forced to sell because the new institution will not be able to compete. I do not know of anyone in Queensland at the present moment who would be prepared to put this entity together. The Government is kidding itself. It is doing the very thing that it said it would not do, that is, put a State bank together for all the wrong reasons—for all the reasons that State banks were put together in the sixties, seventies and eighties and for all the reasons that they failed. It is a tragedy for Queensland that the Government is taking this step.

The Government is causing Queensland a tremendous amount of chagrin. It has made the finance industry in Australia, and particularly that in Queensland, as nervous as hell. I do not know to whom the Government has been talking, but it must not have been talking to the senior people. If the Government had been talking to those people, they would have all been telling it the same thing. They are not out caning the Government in the papers, because they are mostly its supporters. But the fact of life is that they are doing it behind the scenes, and the Government has lost their support overnight.

Mrs Bird: They're nervous.

Mr D'ARCY: They are more than nervous! They just cannot believe what the Government has done. One senior person whom I will not name but who is probably one of the most respected people in the industry believes that the Government's actions are incredible. As much as he supports Queensland, he cannot believe that anybody would pay an above-market price for an entity when they do not understand the end result. It is frightening to realise that the Government has not analysed the depth of its actions.

The new bank is only one of the areas that I wanted to touch on. I am tremendously concerned about the RTZ CRA situation in Gladstone. The Premier said that RTZ CRA may play hard ball and walk offshore. As far as we were concerned, the deal in Gladstone for the new refinery was as good as done. The benefits of this project will not be fully felt during our lifetime but during that of our children and our grandchildren. We have often heard reference to the need to value-add our products. Queensland will supply the base material—bauxite—out of Weipa. We currently have the largest refinery in the world in Gladstone. If we lose this project to Malaysia, Japan or wherever, we have lost the compounding effect of the deal for probably the next 100 years.

I do not know why the arrangements broke down. I heard that the electricity

generation was one sticking point. That had been resolved to a large extent because they had come back to three centres where that was going to go. It was going to go to Weipa, to Bowen or to Gladstone. It had been decided, as I understood it, that it was going to go to Gladstone. CRA was supposed to have made the long-term announcement some time earlier this year. It was delayed and delayed, and then all of a sudden we find that it has reached the stage at which the company is now negotiating with Malaysia.

I can understand that these big guys play hard ball, particularly this particular company, which has an asset base larger than the State economy. But the fact of life is that we cannot afford to lose that facility from Gladstone under any circumstances. We have one thing that they have to deal with: we have the base resource. We have always talked about creating value-added products. We must take advantage of the benefits that would flow from securing this deal.

We have talked about the coalition's management of the economy since it came to Government. There are two projects which I thought were confirmed. One was the Century mine. That matter still has not resolved itself. Again, that involves CRA. The long-term Gladstone smelter is under a cloud. The actions of this minority Government thus far in its short time in office are frightening the public, the media, the Opposition and the people of Queensland.

The inability of this Government to deal with the complex financial issues that face the State is becoming clear to all Queenslanders, as is the fact that a minority Government is not up to the task. It has frightened Queenslanders. That is a bad thing for a Government. It has acted as if it has a majority of 20, instead of relying on the vote of an Independent from a traditional Labor seat. It is time that the Government began to act responsibly in financial matters and started to take account of the total Queensland economy. The Federal and State Governments have changed within a year. There were great expectations within the business community, but there has been no upturn. One could consider the actions of this Government to be those of a hillbilly.

I have outlined a couple of issues and would like to cover a couple more, but time will beat me. Mr McGrady spoke about Eastlink. However, one aspect of Eastlink was not mentioned. Not only did we miss the Commonwealth money, but we considered only one proposal, namely, that in the short term we were going to take cheap power from New South Wales. One member raised the issue of power losses. However, those losses would have occurred only in the south-east corner of the State. The northern centres would have maintained a constant power supply. One of the long-term advantages of Eastlink was that, a decade or so down the track, Queensland would have had cheaper power, which it would have been able to sell to the rest of Australia. That issue was not taken into consideration.

One of the issues that I believe has frightened most people about the change of Government in the short term is that it has not understood the difficult and complex financial situations that face the State. It made promises before coming into Government; however, to fulfil those promises it must find additional taxation. It is obviously blaming the previous Government and considering a fire sale and raising taxation. I think I said on day one that the only way to do that in the short term is by introducing a petrol tax, which would disadvantage and be tremendously dangerous to the country and the rural areas of Queensland.

Miss SIMPSON (Maroochydore) (5.52 p.m.): In this debate we have heard the most incredible statements from the Opposition, and few are so incredible as their bleatings on Health. It hurts the leadership of the Opposition, Messrs Beattie and Elder, that their activities when at 147 Charlotte Street have been unexpectedly exposed. It must hurt the member for Mount Coot-tha to be dumped with the mess and to have had her political future mortgaged by Mr Beattie's $1.2 billion leadership takeover bid and his bid to purchase the Premiership with the Hospital Rebuilding Program. He is the man who rose in this place yesterday to talk about Queensland Health's budget blow-out going through the roof!

Experienced as Mr Beattie might be at achieving Health blow-outs, let us look at the facts. On coming to office in February, Mike Horan inherited a current year blow-out of $47,944,000—more than $72m, if one includes the bankcard bill from previous years. Where did that blow-out end up? Through the roof? Through the floor, more likely! As at 30 June 1996, the overrun had fallen to $40,284,000—a fall of $7,660,000. Mr Beattie is keen on tagging this Government as "back to the future". However, in just 18 weeks the Health Minister has gone back to a future well worth having: fiscal responsibility, value for the health dollar and real service delivery. Real

service delivery is unknown to the Opposition. Mrs Edmond, whose $176m workers' compensation blow-out qualified her as a Labor Health spokesperson, is now jumping up and down and saying that the Health Minister should start allocating funds for service delivery and cutting waiting times.

Let us go back to those facts; they keep getting in the way of Labor's good story. Just to begin, let us look at the Princess Alexandra Hospital where, according to Mrs Edmond, the Minister has done nothing. Contrary to that, the Borbidge Government is implementing a plan designed to quickly alleviate the huge patient demand faced by the PA Hospital.

The PA Hospital is currently bursting at the seams, running at about 100 per cent occupancy—a situation that is clearly not acceptable. Mike Horan, as Health Minister, has moved quickly to achieve a final agreement on 765 beds for the PA Hospital redevelopment. A total of 555 of those beds will be acute; another 210 beds will include mental health, geriatric, spinal injuries and head injuries beds. This total of 765 beds has been agreed to by all involved parties, including the PA Hospital staff. The agreement on bed numbers was the final hurdle—a hurdle not leapt by Mr Beattie in his eight months at Health. It was the last hurdle to be overcome before final planning could be completed. The redevelopment can now move to project definition stage and then to the calling of construction tenders. A project director for this redevelopment has been appointed and is now on site.

Mike Horan, as Health Minister, has further allocated almost $1m in specialist theatre equipment to assist in the reduction of PA Hospital elective surgery waiting lists, including a new gamma camera for diagnostic radiology, and for specialist urology, orthopaedics, ear, nose and throat, and X-ray theatre equipment. And Mrs Edmond is still squawking about waiting times. However, when we go back to the facts we find that, during Mr Horan's Ministry, Category 1 long waits at the PA Hospital have fallen by 4 per cent, and Category 2 by 10 per cent. At the Prince Charles Hospital, Category 1 long waits have fallen by 5 per cent, and the number of long wait Category 2 patients has fallen from 77 to 42. Cardiac surgery long waits at the Prince Charles Hospital have fallen to zero—nil, none at all. No Category 1 patients are waiting longer than 30 days. The number of long wait Category 1 patients at the Gold Coast has fallen by a massive 17 per cent. At Ipswich, the total number of Category 1 patients has fallen by almost 50 per cent to 128. So it is action under the coalition while it was talk under Beattie. Now, with Mrs Edmond as the Health spokesperson, it is griping from the Opposition.

Mrs Edmond gripes about a capital works freeze. That is one of her many fictions. Mr Horan's capital works strategy is more accurately described as a thaw. Within days of taking office, the coalition reversed the transfer of $33.9m out of the already grossly overcommitted Hospital Rebuilding Program—a transfer which had threatened to quash projects such as those in Hervey Bay, Townsville and Proserpine. Yesterday, Mrs Edmond misled this Assembly by saying that "surveyors working on the redevelopment of the Royal Brisbane Hospital have been sent home". That was wrong. On the contrary, now, at last, the Hospital Rebuilding Program is under way with real funding of $1.2 billion—that is not monopoly money.

Mrs Edmond gripes about the proposals to establish hospitals at Noosa, Beaudesert, Robina and Caloundra. Perhaps she would like to tell the people of the Gold Coast that they do not need improved health facilities. Perhaps she would like to tell the 2,700 patients waiting for surgery at Southport to wait a bit longer. Not under this Government! The Health Minister has directed that Robina master planning commence. The $25m Stage 1 of the facility will include an ambulatory care centre, day surgery and community health facility. The day surgery alone will bring $3.1m per annum to the economy of Robina. Perhaps more importantly, the day surgery will entrench and continue the cuts to surgery waits achieved by this Government across the Gold Coast.

Mrs Edmond also gripes about the fate of the Consumer Health Advocacy group, which spent its days criticising the ALP's administration of Health. Let us look at what Mr Elder's consultants said about Consumer Health Advocacy.

Debate, on motion of Miss Simpson, adjourned.

STATE BUDGET

Mr BEATTIE (Brisbane Central—Leader of the Opposition) (5.58 p.m.): I move—

> "That Parliament calls on the Treasurer to ensure that the promises the coalition made to the people of Queensland are fulfilled in the State Budget, and that the Treasurer ensures commitments the coalition gave to the

people of Queensland—including 'no new or increased taxes'—are fulfilled in the State Budget."

It is very clear to the Opposition that there is grave concern that this Government is going to breach the electoral commitments that it gave and the contract that it has with the people of Queensland. Indeed, many Queenslanders hold the view, as does the Opposition, that the Queensland coalition Government was elected one day and was a shambles the next. The reality is that the Premier, Mr Borbidge, gave a very clear commitment to the people of Queensland. He said, "We have our contract with Queensland." He delivered it in a speech on 3 July last year. In it he said that he was doing more than making promises, that all these promises were contained in what he called "our contract with Queensland". He promised that if the coalition said that it was going to do something it would do it. He said—

"We will not promise what we know deep down we cannot deliver."

He vowed—

"If we fail—then throw us out."

The coalition promised no new or increased taxes. For the information of the House, I table that speech of 3 July with the relevant parts highlighted. The coalition promised no new or increased taxes. As we all know, this Government is planning to increase taxes and charges despite promising it would not do so. Let us look at the record. When one considers how the Treasurer sees herself, one can understand why this Government is in trouble. An article in the *Sunshine Coast Daily* of 4 June was headed "Govt's first 100 days of success, Sheldon says". I table that article.

Let us consider what the commentators have to say. I will table these comments. Does the *Weekend Australian* agree with Joan Sheldon? It certainly does not. Its headline on 30-31 March stated "Borbidge too slow off the mark for business leaders". The editorial in the *Australian* on 13 May was headed "Borbidge losing his way". On 27 May, the *Cairns Post* carried a headline "No corks popping in first 100 days". On 14 May, a headline in the *Canberra Times* stated "Borbidge stumbles seconds from the start". A headline in the *North Queensland Register* stated "Coalition slow to impress the bush". In the *Weekend Independent* we have the headline "Govt flounders from lack of coordination".

On 30 May, the *Australian* carried the headline "Shades of the past in Borbidge's style". The *Australian Financial Review* on 29 March stated "Jitters in Qld over new 'government by review' ". In the *Courier-Mail* on Saturday, 25 May, we saw the headline "The Borbidge team has sat like a rabbit caught in a spotlight". "Waiting for a state of action" was the headline in the *Courier-Mail* of 25 May. An editorial in the *North West Star* in Mount Isa was headed "Few reasons for honeymoon party". That is what it said about the Government. "Coalition's milestone no reason to celebrate" was a headline in the *Townsville Bulletin* of 25 May. "Inquiry an end to Borbidge's honeymoon" was a headline in the *Sydney Morning Herald* of 2 April. "Gridlock: Qld unplugged" was a headline in the *Australian Financial Review* of 28 March. In the Toowoomba *Chronicle* on 26 March was the headline "Disappointing political naivety". I table those articles because they are a sad indictment on this Government's performance and they show what the people of Queensland think about this Government.

Let us consider the election commitments that were made by this Government. It made a very clear commitment that there would be no new taxes. What happened? Within days of being elected, the Health Minister, Mike Horan, told a media conference that he supports increasing the tax on cigarettes. The Government has no mandate to do that. The Deputy Leader of the National Party, Kevin Lingard, blew the whistle on the fact that Ministers had been talking about the need for more taxes. The Government has no mandate to do that; yet the Treasurer has refused to rule out increases.

I turn to the great—now discredited—audit report. In that report a number of things were put on the agenda. The Treasurer and the Premier have made it absolutely clear that those matters are staying on the agenda. I will repeat them so that every Queenslander knows what is on the agenda. This Government is looking at privatising hospital services and ports and airports. What about Gladstone, Townsville, Mackay and Cairns? What about privatising rail services? That is on the agenda, as is privatising the TAB, Sunlover Holidays, TAFE, the electricity industry, Crown law, State forests, public sector superannuation——

Mr Hamill: Main roads.

Mr BEATTIE:—main roads, urban water providers, prison management and new taxes for petrol, as well as the sin taxes that I mentioned earlier. Also on the agenda are a wider application for user-pays for Government, motorway tolls except on the Sunshine Coast and amalgamation of local

government. On goes the list. What we have is privatisation by madness. It is Thatcherism gone crazy. Each of these items is on the agenda, and each one of them is a breach of the coalition's election commitments. They are clear breaches of the contract that Mr Borbidge said he had with the people of Queensland. No-one believes the Government any more.

Everyone in the community knows that not only is this Government turning back the clock but also it is not up to the task. Let us have an opportunity to put these things to the people of Lytton when the Premier decides to call a by-election. Let us say to the people of Lytton, "Here is an opportunity for a referendum. You can have the referendum. You can decide to send a message to this Government. Do you want a petrol tax? Do you want the sin taxes? Do you want to see the Queensland electricity industry privatised? Do you want to see the ports, such as Gladstone, sold? Do you want to see this State destroyed and the clock turned back to the Dark Ages? If that is what you want to see, then you vote for the coalition, the people who can't keep their word." No-one believes them any longer; no-one has any faith in them any longer.

For the benefit of the House, I table a list of some of the broken promises which show the little regard that the Premier has for the people of Queensland. When asked about why he had not appointed a stand-alone Minister for tourism, the Premier revealed his attitude. On ABC radio, Mr Borbidge was asked whether he had broken his election promise that tourism would be given a stand-alone, senior Ministry. He replied—

> "No. It hasn't been broken. It just hasn't been implemented at this stage."

That is typical of the coalition's approach to its election commitments. For the information of the House, I table that document.

We have a Premier who signs documents that he has not read and does not understand. We have proved today, with the identification of the missing $350m in the audit report, that we have a Treasurer who does not know what she is talking about and does not understand the audit documents that have been tabled in her name. She has not been prepared to explain the $200m deficit created by the abolition of the toll on the Sunshine Motorway—or the $400m, as the Premier tried to tell the House this morning. She does not demonstrate that sort of economic responsibility. Let us be very clear. The Treasurer, in common with all Liberals, has no beliefs, no commitment to a long-term strategy for Government, and is prepared to embrace Margaret Thatcherism if it sounds like a good idea at the time.

One of the reasons why politicians in this country are not regarded as well as they should be is that, over a period, they have broken their word. They have not stuck to their election commitments, and they have betrayed the faith with which they were entrusted by the people of Australia or the people of the State they represent. This Government has betrayed the confidence of the people who elected it. This Government has betrayed the people of Queensland; it has betrayed the people of Mundingburra—even down to the issues of law and order. This month, we heard that the new recruitment into the Police Academy has been cancelled. There has been a reduction in the intake in October and January. All along the line, this Government has breached its election commitments.

I appreciate some of the public comments of the honourable member for Gladstone, which I read in her local paper and in other places, such as this morning's *Australian* and the *Gladstone Observer*. I share her view on those matters. I share her view in opposition to the sin taxes. The Premier and Deputy Premier cannot say to the people, "We have a contract; trust us," then take office, and less than five months later break all those election commitments. They cannot say that there will be no new taxes and then say that a fuel tax is on the agenda. They cannot say that there will be no new taxes and have those so-called sin taxes on the agenda. People in the community have no faith in the Government. They feel betrayed. As I have said on a number of occasions, the word used by people in the community on every occasion in relation to the Government is "disappointment". They are disappointed because they expected better. They are disappointed because the Government, in common with a long list of previous Governments in the National/Liberal Party mould, has broken its commitments. People know they have been betrayed. The Government has not stuck to its commitments. The members opposite say that those matters are still on the agenda. If they want to rule them out in the debate tonight——

Time expired.

Hon. D. J. HAMILL (Ipswich) (6.08 p.m.): I rise to second the motion moved by the Leader of the Opposition. In seconding the motion, I draw the attention of the House

to words uttered by the now Premier when he launched his campaign at the last State election. He stated—

> "Our contract with Queensland in this campaign seeks to re establish and renew a political benchmark."

He went on to say—

> "We will not promise what we know, deep down, we cannot deliver."

He went on to say—

> "If we fail—as Labor has done—then throw us out."

That was the contract; that was the claim.

The Leader of the Opposition has outlined the failure of this Government to deliver on a number of the key elements of its election manifesto. I think it is also important to highlight the deliberate campaign being waged by this Government to try to muddy the waters and create an atmosphere in Queensland that will provide it with the alibi by which it will not have to deliver its campaign commitments, whether they be in terms of additional spending initiatives or whether they be in relation to concessions in relation to State taxes and charges that were so solemnly promised by the then Leader of the Opposition, who is now the Premier, only a few months ago.

I remember those promises in relation to taxation. They were very interesting. Remember the one about the abolition of land tax? Remember the additional payroll tax concessions? Those promises were made, and those promises have not been delivered. Yet at the time of the last election we also had the hired guns from the Institute of Public Affairs trotted out to provide some credibility to the coalition manifesto in relation to how it would be funded.

Mrs Sheldon interjected.

Mr HAMILL: I take the Treasurer's interjection. She was holding up the Institute of Public Affairs report from Mr Michael Nahan, who claimed that the 1 per cent productivity dividend across-the-board would fund the coalition's program. How does the 1 per cent cut to public finance gel with the 10 per cent cuts which this Treasurer has been meting out in correspondence with individual departments?

There has been a deliberate policy to try to discredit the economic management of the former Labor Government, to create an atmosphere in which this Government could renege on its manifesto, on its policies and on its commitments to the Queensland people. We first heard it from the Treasurer back in March when she started up this cult of the underlying deficit. She went along to the Conservative Club and said on the one hand, "There is a $185m hole in the Budget", yet on the other hand she had to concede that there would be a $2m to $3m surplus in the Consolidated Fund for 1995-96—a surplus! But still she and the Premier peddled the deficit line. So one can only assume that they were not referring to the consolidated account; they were referring to something larger.

Quite clearly, that was disproved at the recent Premiers Conference and Loan Council. Documentation published in the *National Fiscal Outlook* shows that Queensland does not have an underlying deficit but actually has an underlying surplus. The table on page 11 of the *National Fiscal Outlook* document shows clearly that for 1995-96 Queensland Treasury figures anticipate a negative deficit—a surplus. In fact, the report states quite clearly—

> "Victoria is projected to move from underlying deficit to underlying surplus while Queensland is projected to have smaller underlying surpluses than in 1994-95."

That smashes totally the credibility of the Treasurer. Of course, now we have the new element of this fabrication of economic mismanagement in the form of the failure of the Treasurer's own Commission of Audit to include the retained profits of public enterprises in the balance sheet to establish the worth of Queensland. How can the Government keep $350m off the balance sheet? Unless it is trying to get an outcome; unless the Government is trying to set up an alibi to justify reneging on election promises. The Opposition is a wake-up to the Government. It knows what the Government is about. When it comes to economic management, it is about time the Government had some decency and honesty about the state of the Budget. It should stop talking down Queensland and get on with the job and do the things that it promised to do when it came to Government. It should stop trying to set up the circumstances whereby it can increase taxes, increase sin taxes and break its election promises to the Queensland people.

Time expired.

Hon. R. E. BORBIDGE (Surfers Paradise—Premier) (6.13 p.m.): I think that it is more than passing strange that the mob that could not implement their election promises over six years expects the Government to

implement its election commitments in under six months. What a pathetic performance!

I move the following amendment—

> "At line 5, after the word 'are', omit the words 'fulfilled in the State Budget', and insert the words 'implemented subject to Budget constraints'."

The amendment moved by the Government will result in the amended motion reading as follows—

> "That Parliament calls on the Treasurer to ensure that the promises the coalition made to the people of Queensland are fulfilled in the State Budget and that the Treasurer ensures commitments the coalition gave to the people of Queensland, including no new or increased taxes, are implemented subject to Budget constraints."

In moving this amendment and in speaking to this motion, I again want to highlight the blatant hypocrisy of the Opposition in seeking to debate the issue of economic management. After two damning reports presented to this Parliament over the past two days, I am amazed that Opposition members would have the gall to put up their heads. They should be apologising to the people of Queensland.

In case members opposite have forgotten, I will again outline to the House the damning facts, which are a $662m one-year—actually, just over one year—turnaround in the budgetary position of this State, turning a healthy surplus into a $337m deficit. All in one year and all as a result of unsustainable increases in on-line budgets! I ask the Leader of the Opposition to remember the Budget increases: Education up 8.9 per cent, Training up 8.7 per cent, Family Services up 17 per cent, Police up 7.5 per cent and, of course, we had Health, presided over by the now Leader of the Opposition, up 11.2 per cent, or $300m.

Mr Fouras interjected.

Mr BORBIDGE: I say to the former Speaker that the only problem is that the Labor Government budgeted for only 5.8 per cent. It spent money that it did not have. The overruns in Health—more than $70m in recurrent spending and $1.2 billion in unfunded capital works promises. Does the Leader of the Opposition remember slipping up to Ipswich two days before he was kicked out of office and promising an extra $60m in health funding? There was no money there; there was no Cabinet approval; but, "Here you are, another $60m." Workers' compensation—a $300m blow-out, which threatens the long-term viability of the fund. The Labor Government failed to heed the warnings. It failed to do anything about the need to increase compulsory third-party insurance which, if the Labor Party had its way, would have gone the same way as workers' compensation.

That was the sorry state of affairs that this Government was confronted with when it came to office. That was the sorry legacy of Labor, the guilty party. Add to this the results of the Premiers Conference where in order to help the Federal Government fill another Labor black hole the people of Queensland will be forgoing $190m in Financial Assistance Grants.

This Government will be doing everything in its power to limit the pain that has been inflicted on the people of Queensland by the former Labor Government. It is committed to cutting the waste in Government departments—waste that was built up over six shabby years of public maladministration. The Government is also committed to identifying those many projects and programs that were fraudulently promised by the Labor Party in its dying days in office—promises that it knew it could not afford; promises that it knew it could not keep; promises that it knew it would never have to deliver.

This Government will continue to nail the economic performance of its predecessors to the mast. It will continually remind the people of Queensland of the economic record of Labor and the economic credentials of the Leader of the Opposition—the man who in Health alone has left our Minister for Health with $70m in overruns in terms of recurrent expenditure. I am amazed that the Leader of the Opposition had the audacity to raise this issue when two independent reports to this Parliament in two days tell the facts. I commend the amendment to the House.

Time expired.

Hon. J. M. SHELDON (Caloundra—Deputy Premier, Treasurer and Minister for The Arts) (6.18 p.m.): I welcome the opportunity to second the amendment to the motion moved by the Premier. I must admit that I am still amazed by the thick-skinned gall of those opposite—Curly, Mo and Larry. In the last week we have had two independent reports that highlight how appalling was the previous Labor Government's economic record. The Commission of Audit showed how the Labor Party had run down a $325m surplus in 1994-95 to a $337m deficit in 1995-96. The Kennedy report, released today, showed how Labor, through mismanagement

and political interference, ruled over a $300m blow-out in the Workers Compensation Fund.

Today the Opposition tried its hardest to discredit these two reports and Opposition members certainly ended up with egg on their faces. The Three Stooges were at it again—Beattie, Hamill and Elder—with unbelievable economic incompetence and ignorance. Today's little effort was to try to say that retained earnings for public financial enterprises should be used to balance up the $337m 1995-96 debt Labor clocked up. What rubbish! However, members should not just take my word for it. How about taking the word of the commission chairman, Dr FitzGerald, who has more credibility in his little finger than the entire Opposition combined. This afternoon Dr FitzGerald released a statement, in which he says——

> "The Commission stands by its presentation of the States's financial condition, as a true and fair picture on sound accounting and public finance principles."

True and fair—that is more than we can say for those opposite. Dr FitzGerald continues——

> "Comprehensive information on the assets, liabilities, profits, retained earnings and payments to the government of dividends and taxes, or tax equivalents, was indeed made available to the Commission for all of the States's public enterprises
>
> . . .
>
> Retained earnings for the enterprises are fully incorporated in the assets and net worth as at 30 June 1995 shown in Chapter 4 of the Commission's report—both for the enterprises themselves and for general government, which is the owner of the net worth of those enterprises on behalf of the people of Queensland."

Dr FitzGerald goes on to say——

> "As I stated this morning to a member of the staff of the Leader of the Opposition, the Commission and its expert advisers strongly believe that the way the results of the State's enterprises are shown in the accounts of the Government in the Commission's report is both correct and in keeping with the fundamental principles for responsible public sector management."

So there we have it! Dr FitzGerald told staff of the Leader of the Opposition this morning that the Commission had covered the retained earnings questions and, in fact, he explained why the retained earnings could not be used to pay off Labor's $337m deficit, yet the Leader of the Opposition ignored him. He intentionally and deliberately misrepresented Dr FitzGerald. This morning, the Opposition Leader set out to discredit the Commission of Audit and the highly respected financial experts——

Mr BEATTIE: I rise to a point of order. I find those comments not only untrue but also offensive. Under Standing Orders I seek for them to be withdrawn. I represented what Dr FitzGerald said to the staff in my office very accurately. I seek for those matters to be withdrawn.

Mrs SHELDON: I will further explain exactly what Dr FitzGerald said. It is in his report as released this afternoon.

Mr BEATTIE: I rise to a point of order.

An Opposition member: Withdraw.

Mrs SHELDON: I will not withdraw because it is in here and it is true.

Mr BEATTIE: Under the Standing Orders, I am entitled to have matters which I find offensive withdrawn. The Treasurer has referred to matters in an inflammatory and very unparliamentary manner in reference to me, and I demand that those remarks be withdrawn under Standing Orders.

Mr BORBIDGE: The Treasurer was referring to Dr FitzGerald and his discussion with a member of the staff of the Leader of the Opposition. It is my understanding that the Leader of the Opposition cannot take offence to comments made with respect to a member of staff.

Mr BEATTIE: I rise to a point of order. Mr Speaker, may I assist you? That is not the reference I was referring to.

Mrs SHELDON: Mr Beattie is trying to take up my time.

Mr SPEAKER: I will take the point of order.

Mr BEATTIE: The Treasurer made personal references to me, saying that I had misled the House and misrepresented Dr FitzGerald's comments. That is what she said in relation to me. The Premier obviously was not listening.

Mrs SHELDON: Dr FitzGerald said the honourable member misrepresented him.

Mr SPEAKER: The honourable Leader of the Opposition has found some remarks offensive to him. Would the Treasurer please withdraw those remarks?

Mrs SHELDON: I withdraw, but what I am saying is the truth as presented by Dr FitzGerald. The Opposition Leader said, "Dr FitzGerald has this morning confirmed to my office that these figures are necessary"——

Time expired.

Hon. J. P. ELDER (Capalaba—Deputy Leader of the Opposition) (6.25 p.m.): Of course Dr FitzGerald would qualify and endeavour to protect his own Commission of Audit. He is quite prepared to put those balances in the asset balance of the audit, but he is not prepared to put them in the consolidated operating account. If they are counted on one side of the ledger they must be counted on the other side of the ledger. That is straight accounting practice. Over the next few days the Treasurer will find that a number of economists will agree with us.

Mrs SHELDON: I rise to a point of order. I find the member's words offensive and untrue. He is personally denigrating Dr FitzGerald who is not here to defend himself. If he would like the defence, I will give it to the honourable member.

Mr SPEAKER: Order! You cannot take a point of order on behalf of Dr FitzGerald.

Mr ELDER: That is exactly the case, and she can stand up and take points of order for my entire five minutes. That does not worry me.

Mrs SHELDON: I rise to a point of order. I would like the member opposite to observe Standing Orders. I do not think he can refer to me as "she"; the proper title, thank you.

Mr ELDER: The Treasurer can take any point of order she wishes.

Mrs SHELDON: I rise to a point of order. I find the words personally offensive. I ask them to be withdrawn.

Mr SPEAKER: Order! The Treasurer has found some remarks offensive.

Mr ELDER: If she finds it offensive to be referred to as a woman, I withdraw.

Mrs SHELDON: I rise to a point of order.

An Opposition member interjected.

Mrs SHELDON: Members opposite took up my time; I will take up theirs. I find that the words that the member uttered were offensive and I ask for them to be withdrawn.

Mr SPEAKER: Will the member withdraw?

Mr ELDER: Mr Speaker, in your interests, I withdraw. The member for Caloundra has nothing else to say. Of course Dr FitzGerald will try to protect his audit, but, as I have said, the Government will find that our position will be endorsed by a number of leading economic commentators as we go on. A simple accountant will get this right. It will take time, but we will do you slowly. Government members talk about a $622m——

Mr SPEAKER: Order! The member will not refer to doing someone slowly. He will refer to whomever he is speaking of as "the honourable member".

Mr ELDER: We will do the Honourable Premier slowly. The Government talks about a $622m turnaround, but today we had a $355m hole blown in that argument. If we look at some of the decisions the Government made which gave a deficit of $337m-odd in the first year, we only have to consider the Minister for Transport. The decision to upgrade the Pacific Highway—half a highway—will cost $630m. That was the Government's decision; it was not a decision of the Labor Party. We were to spend $280m. Where is the $350m? It sits on the deficit side of that Commission of Audit, a decision of this Government's.

Mr Beattie: Do you think they should seek a refund of the million dollars?

Mr ELDER: I think that a refund will be in order by the time this week will be finished, particularly in relation to this exercise. The member for Caloundra, the honourable Treasurer, talks about Opposition members making misleading statements. Since the first day of being in Government, she has done nothing but mislead this Parliament. The Parliament has been misled in terms of the promises made in Mundingburra, not one of which has been kept. Today she walks away from workers' comp; she has walked away from CTP; she has walked away from taxes and charges increases.

Mrs Sheldon: Tell us about workers' comp.

Mr ELDER: No, the Treasurer has to get out and tell the people of Queensland about workers' compensation, because she was the one who said that common law will not be touched. She rolled through Mundingburra and said, "We will not touch common law. Trust us." Trust the Treasurer? It will be gone from midnight.

Mrs Edmond: It's gone for everyone.

Mr SPEAKER: Order! I warn the member for Mount Coot-tha under Standing

Order 123A that she is not interjecting from her usual place. I warn her now.

Mr ELDER: The Treasurer walked away from that promise, and she walked away from the promise of no new taxes, because we suspect there will be plenty of them in the Budget—fuel taxes being one of them. She walked away from her commitment not to privatise ports or any other such entities. What will the member for Gladstone say about privatising the port of Gladstone? I know what they are saying in Townsville and throughout the rest of the State. They do not accept it.

Time expired.

Hon. M. J. HORAN (Toowoomba South—Minister for Health) (6.29 p.m.): I join in this debate to support the Premier's amendment. After only about four months of a coalition Government, the Leader of the Opposition, who was famous for his 100 days of looking around and self-promotion, has the gall to ask the Government whether it will fulfil its promises in the next Budget. I inform the Leader of the Opposition that we have met most of them already. We have been in Government for only 120 days, we have not even brought down the Budget yet, and we have done just about everything.

Mrs Edmond interjected.

Mr SPEAKER: Order! I give the member for Mount Coot-tha her final warning.

Mr HORAN: When the Budget is brought down, we will do a few more things. There will be some nice little surprises for the Opposition.

Upon coming to Government, one of our major promises was that we would get the hospitals right. We were going to get the administration and management right, we were going to give some service, and we were going to get back to basics. What have we done? Firstly, I will tell honourable members opposite what we found when we took over. We found a budget overrun of some $70m for the past two years—one overrun during the time of the Deputy Opposition Leader and one during that of the Opposition Leader. There was $70m worth of lead in the saddlebags to start with. Honourable members might think that $70m in overruns would make the job tough.

As we have said, why would anyone ever let members opposite near a chequebook? I would not let them near a chequebook. How can honourable members opposite be expected to read the report; they cannot even operate a chequebook. In addition to the $70m overrun, we found a $1.2 billion blow-out in the Hospitals Rebuilding Program. Under the former Government, there was a banana republic, with hundreds of millions of dollars being promised every year for the next two years of work; yet the Government did not have the cash to pay for it. For example, this financial year there were scheduled some $340m worth of works, yet there was only $210m in cash to pay for them. In the following year, some $540m worth of works were programmed, yet there was only $215m in cash to pay for them. The Opposition has a gall to speak about balancing books and so on. What a blow-out—$1.2 billion!

Let us get back to some of the things that we have done in the 120 days of the coalition Government. We abolished regionalisation within two months. Doors were shut and money was saved. All of the staff were transferred into other jobs.

Mr Elder: How much did you save?

Mr HORAN: We saved at least $10m, and $10m has gone into opening wards and some other services that I will tell honourable members about now. Two wards at the Royal Brisbane Hospital were opened and extra staff were provided. Another ward of 30 beds was opened at the Gold Coast Hospital. Funding was put in place for a urology service in north Queensland—something we have never had before. The Prince Charles Hospital was given some $1.1m per year in additional money to undertake extra cardiac surgery. Category 1 elective surgery at the Prince Charles Hospital has been boosted to the extent that nobody is now waiting for more than 30 days. Up north in Cairns we have funded extra doctors. Funding has been given to the Cairns Hospital and extra doctors have been put in place. We are getting the hospitals right. We are reopening the wards already. We have not even come to the Budget, yet the election promises are flowing through already.

What is happening in mental health? Let us have a look at the mess that honourable members opposite left behind. What about the empty wards that members opposite opened? There were no staff; there was no money—nothing! What are we doing? We are advertising and we are recruiting staff for the adolescent ward at the Royal Brisbane Hospital. We are going to staff the two empty wards at Nambour that have sat empty for so long. We are going to staff the wards at Rockhampton, including a new psychiatric ward. We are opening wards all the time. Members opposite opened wards and did not even provide the money to staff them. Members opposite talk about economic

management! All they did was open the odd ward and leave it empty, with no money for staff. What a shambles!

As to rural health—we have already shifted the Rural Health Branch from Brisbane to Roma. We have established a Rural Health Advisory Council. We are doing things. This Government is action oriented. We have put a waiting list plan into place. We have enlisted nurse educators to train another 40 to 50 nurses. Today, we announced $1m worth of equipment for the 10 major hospitals. We are giving them the tools of the trade that they need to do their work. In the past few weeks, we have provided the PA Hospital with fluoroscopes, CAT scans and gamma cameras. We have made the hospital work. We have reduced the Category 1 waiting lists at the hospitals. On and on it goes. We have addressed bed numbers. We are about to start the $320m hospital project. We have addressed bed numbers at the Royal Brisbane Hospital. It is all happening. One promise after another is being fulfilled.

Time expired.

Mr CAMPBELL (Bundaberg) (6.34 p.m.): When I read the *Australian Financial Review* today, I could not help thinking that we were returning back to the Joh days. Do honourable members remember Milan Brych the cancer quack, hydrogen cars and the white-shoe brigade of Skase and Gore? Do honourable members remember the nice Christmas party hosted by Skase in the great big tent, attended by all of the former National Party Ministers? I am reminded of that scene. Now we are going back to being the laughing-stock. The Government is creating the "Banana Bank". The only thing that members opposite are addressing that was recommended in the FitzGerald audit is privatisation. However, they are privatising at a loss in order to create the "Banana Bank".

Recently, we saw the Lewis interview and the Callaghan appointment. We are going back to the Joh days. However, it is costing money. The only recommendation arising from the FitzGerald audit that the Government is pursuing is being pursued at a real cost. Both FitzGerald and the Government want privatisation. Let us look at what is happening. We are seeing the creation of the "Banana Bank" by the B1 and B2 of politics, that is, Mr Borbidge and Treasurer Joan Sheldon. An *Australian Financial Review* article states that we are seeing a "Deep North shotgun marriage: Metway Bank, Suncorp and the QIDC." It states further—

> "Borbidge's May 27 merger announcement warbled that the merged Metway-Suncorp-QIDC would be a 'top 30 company by market capitalisation'.
>
> As the cut-off point for the top 30 companies is $2.23 billion, and Metway is worth roughly $780 million on the market, Rob and Joan have publicly ascribed $1.45 billion as the value they expect to receive for Suncorp and QIDC."

Interestingly, the article states that when the experts—that is, the Baring Brothers/Burrows team—descend on Queensland this week, they will be "challenged to produce valuations that meet their expectations". The article further states—

> "Indeed it's hard to see many of Bob and Joan's optimistic assumptions about the new bank—let's call it Banana Bank until it gets a proper name—becoming reality.
>
> . . .
>
> In reality the only way Rob and Joan will be able to create a Brisbane-based mega-bank will be by legislation which prevents southerners from owning more than token shareholdings."

Interestingly, the only way privatisation can be achieved is through legislation. That is what the people who know about what is going on are saying. The article continues—

> "The problem for B-Bank is that it will remain a medium-sized player, with medium-sized revenues, but will require big-bank spending on technology and distribution systems to stay in the race."

Mr Hamill: For supersized egos.

Mr CAMPBELL: They might have supersized egos. As I say, I believe we are again seeing the return of the white-shoe brigade. The Government speaks about deficits and a lack of money. Last week, the Minister for Environment paid a six-figure sum for a fence on Rules Beach. What did the Government do? It paid off the white-shoe brigade yet again. Instead of asking someone else to do the right thing, what did the Government do? It bought a bit of water. There were many other ways in which that situation could have been handled. How much did the Government pay for it? Where did the money come from, and why is it prepared to pay for such things? We will have those details made public, because it is about time that we knew the answer. There is no reason why the Government, instead of paying a six-figure sum, could not have asked the concerned

party to fence off the property so that the cattle could not get out. Do honourable members know why the fence went up? It was supposedly erected to stop cattle from roaming on the beach. The whole thing stemmed from a brawl between two groups of fishermen. That is the way the Government is doing things. It is saying, "Let's just get back to paying off people."

The audit should have looked at that issue. It should have examined why the Government paid for a fence that leads into the ocean. The audit should have addressed the Government's creation of a "Banana Bank". In four months, the Government has reduced the economy of Queensland to the laughing-stock of Australia. It has taken the Government only four months to do that. That is a disgrace.

Mr Beattie: Did you know that when the members of the Audit Commission visited Rockhampton they met for 45 minutes and gave the port authority from Mackay two minutes to present its submission?

Mr CAMPBELL: I am concerned for those port authorities, most of which are doing a good job. I support them.

Mr Hamill: One minute to sell the airport; one minute to sell the port.

Mr CAMPBELL: That is right. The Government has spent millions of dollars to privatise at a loss and to buy a "Banana Bank".

Hon. D. J. SLACK (Burnett—Minister for Economic Development and Trade and Minister Assisting the Premier) (6.39 p.m.): This would be one of the most irresponsible motions ever put before this Parliament. However, that is not surprising, because the Opposition is looking only at the face value of this motion without considering the possible consequences of the motion if it were to be passed.

The first point is that members opposite cannot question Dr FitzGerald. He has done work for the Labor Party. He has an impeccable record. How can members opposite get up in this House and question Dr FitzGerald? He has pointed out the problems in terms of the recurrent account and the financing of the recurrent account. Dr FitzGerald is not the only one to highlight those problems. We knew of them, and the Treasury pointed them out some time ago. Those problems have been around for quite some time. To support Dr FitzGerald's position, one need only look at the overruns in the various departments which have been outlined.

The second factor that comes into the equation is the Commonwealth position. The Opposition's comrades in arms allowed us to reach the stage at which we have an $8 billion deficit that has to be addressed. The States were required to take some of the responsibility for addressing that deficit. This Government has the support of 53 per cent of the people. We inherited a problem which the former Government did not tell us about and which it tried to cover up. Let us consider the motion before the House bearing in mind that we have inherited a deficit of $600m-odd in the making and a further deficit of $200m from the Commonwealth. The motion states——

Mr Beattie interjected.

Mr SLACK: The honourable member should just listen and he might learn something. His addled brain does not seem to be able to take in the implications of the motion that he has moved in this House. It states—

> "That the Parliament calls on the Treasurer to ensure that the promises the coalition made to the people of Queensland are fulfilled in the State Budget and that the Treasurer ensures commitments the coalition gave to the people of Queensland, including no new or increased taxes, are fulfilled in the State Budget."

Let us reconsider the figures that I just outlined. This motion simply disregards the facts. To achieve the outcomes that this motion seeks, it may mean that public servants—the people whom members opposite claim to represent—may have to be put off en masse. Apparently, the Opposition is also advocating the possibility of a major Budget deficit, which would ruin Queensland's international reputation, remove its AAA rating and cost the taxpayers of Queensland millions of dollars in the long term. It would impound on the investment potential of this State and ruin the economic reputation which was built up by the previous Government when it was in power and which existed in the early stages of the Labor Government. But like every other Labor Government in every other State—as history has shown—the Goss Government raided the piggy bank.

Our position can be likened to a farmer going out to buy a block of land and putting in to his bank manager an estimate of all the inputs and the outputs and what he is going to make out of that land. At the end of the day,

he may not know that that land is contaminated, and that will affect all the figures that he put in good faith to his bank manager. That is what the coalition Government inherited from the Labor Party—the equivalent of some contaminated land which may make it impossible to achieve what we set out in good faith to achieve.

I can assure members opposite that when the Budget Review Committee addresses this matter—and, for that matter, when the Cabinet addresses it and when the coalition addresses it—it will be considerate of the social implications of any proposals. The Opposition will have to wait until the Budget comes down to see the results of its economic mismanagement. We have to come up with a Budget in the context of the financial legacy of those opposite. The economic strategy which is expected to be announced to this Parliament towards the end of this month will also——

Time expired.

Mr BARTON (Waterford) (6.44 p.m.): I rise to support the motion and to oppose the amendment. Firstly, I want to look at the portfolio area that I shadow at this point in time, because it is a great example of this Government's approach. It is very big on promises and very big on rhetoric, but there is absolutely no effective action being taken. We heard a pile of excuses from the Minister this morning in response to a dorothy dixer question. What he really did was simply say, "This is the rhetoric of what I have said I will do", but what is actually being delivered out there in the electorates, in the towns and the suburbs of this State is nothing but a pile of excuses.

Despite our questions, as yet no effective explanation has been given to this Parliament for cutting back this month's intake of 40 police recruits to the Oxley academy and the further 20 that have been cut out of the Oxley academy in October this year. We have the Premier saying publicly, "Well, it is not a Government decision." He is copping out. We have the Minister for Police saying, "Hey, not me." There are a lot of "not mes" out there. The Minister for Police said also, "Well, it is a decision that the Commissioner for Police made", but of course he had to make that decision because he is short of funds because the Treasurer will not give him any. So who is responsible? I could not get that answer this morning, but I think it is time that the Government produced that answer. We have the Premier saying, "I am not responsible", the Police Minister saying, "I am not responsible", presumably the Treasurer saying, "I am not responsible", and the Police Commissioner being the convenient whipping boy for a decision that this Government has taken. The commissioner cannot provide more police officers if he is not given the funding that he needs to train and employ those officers.

The other issue is that we have seen today an announcement of some $495,000 for the refurbishment of the old Bush Children's Centre at Rose Bay in Townsville so that it can be opened as a second police academy. But what a load of nonsense it is to open another police academy to meet an election promise if in fact the Government is not utilising to its fullest extent the existing police academy at Oxley. The Townsville academy, if opened, should be providing additional police, not just replacing police who could otherwise have been trained at Oxley. So we have the Minister not accepting responsibility, but before the election and certainly pre-Mundingburra, the Minister for Police tramped the State telling everybody who would listen that he personally would be responsible for delivering the additional police, and he quoted numbers everywhere on the shortage that he claimed existed that he would address should he become Minister and should the current Government come to office.

But now the Minister is advising ALP members all over the State who are raising this issue with him that he does not make that decision. I also understand—although I am relying on the Gladstone media—that he has provided a similar position to the member for Gladstone on her concerns about a shortage of police, which was certainly an issue in her mind before the change of Government in this State. The Minister has told me in terms of police shortages in my own electorate—where he has been very vocal, because that is the home ground of the president and secretary of the Police Union—that it is not his responsibility to make those allocations but it is the responsibility of the Police Commissioner.

Mr Beattie: Broken promises.

Mr BARTON: This is yet another broken promise. This Government delivers a lot of rhetoric, but it is very short on reality.

We need to examine the amendment that has been moved by the Premier tonight. What an absolute cop-out! It says it all about this Government's view to its Budget and this Government's view to its election promises. Basically it says, "We will honour our promises unless when we develop our Budget we find that we cannot." That also includes, in terms of the amendment, the contract with

Queensland for no new taxes. So much for that contract with Queensland; so much for the promises that were made to the community by this Government before it sneaked into office through the back door!

I want to talk briefly about what the Minister for Economic Development said. In his contribution tonight he was effectively saying, "We as a new Government cannot fund our $7 billion or $8 billion worth of election promises, so we have to find another way to do it." That is why this Government is reneging on promises; that is why it is cutting programs. The good workers in my electorate—because the Logan Motorway crosses four Labor electorates—are having to pay their tolls for much longer periods because the toll has been removed from the Sunshine Motorway, and the Treasurer refuses to tell this House where that debt has now been relocated to.

Time expired.

Dr WATSON (Moggill) (6.49 p.m.): It gives me pleasure to join this debate. I must admit that I was amazed when I heard the Leader of the Opposition start his speech by quoting headline after headline regarding how certain newspapers around the place view the performance of the Government. One of the interesting things that he did not mention was one of his own quotes in the paper, and I am pleased that the member for Mundingburra referred this to me, because I think it is worth repeating at this time.

In the *Courier-Mail* on 17 June this year, Mr Beattie, the Leader of the Opposition, stated—

> "Many Queenslanders are sick and tired of political games and continual bickering between politicians and political parties.
>
> They are looking for a fresh approach which embraces Government and Opposition working together, where possible, for the benefit of the people of Queensland and Australia."

If ever there was an example of political grandstanding in a debate which has absolutely no substance from the Opposition, this is it. The Leader of the Opposition says one thing for the public of Queensland and comes in here and delivers exactly the opposite. There was nothing substantive in what he said in the House today. The Leader of the Opposition stated further—

> "I have always believed that it is important to get out and talk to people about issues, listen to what they are saying about their hopes, aspirations and needs.
>
> This is why I embarked on my 100 days of listening and consultation when I was health minister."

He did more than go out and listen to people over those 100 days, as did the rest of his colleagues after the election in July 1995. One of the things that the former Government did was completely abrogate its responsibility for responsible financial management in the period following the July election last year.

The Minister for Health has outlined on a number of occasions in this place—and he did so again tonight—the position in which he found the Health Department. The former Government had overrun the Health budget and had deliberately used moneys to prop up recurrent expenditure. It deliberately tried to muddy the waters. This is part of the history of the Health Department. Not only did the Leader of the Opposition do it, but previous Health Ministers did it as far back as 1992, when they went to the election and decided to increase tobacco taxes supposedly to increase capital expenditure in the Health sector. But what did it do? It effectively used that money in other sectors.

Mr Nunn interjected.

Mr SPEAKER: Order! The member for Hervey Bay!

Dr WATSON: This is the kind of thing that the Commission of Audit was trying to say—that the former Government, by using the cash accounting system, deliberately mixed up capital and recurrent expenditure to such an extent that the recurrent expenditure was getting out of control. That is the kind of issue that must be brought into focus as we approach the next Budget.

The former Government did all kinds of things. It made a lot of commitments in the lead-up to the Mundingburra election because it was worried about losing it—and rightly so. It made a lot of promises, and it met them by implementing a number of one-off proposals that it could not repeat. It put more into recurrent expenditure, but it used a series of one-off payments to meet those requirements. It took money from the electricity industry and RAS and ran down the cash reserves. That is what it did to hide what it was doing. It did it elsewhere, too. It approved variations to the Budget in the mid-term, which ran into hundreds of millions of dollars.

Time expired.

Question—That the words proposed to be omitted stand part of the question—put; and the House divided—

AYES, 39—Barton, Beattie, Bird, Bligh, Braddy, Bredhauer, Briskey, Campbell, D'Arcy, De Lacy, Dollin, Edmond, Elder, Foley, Fouras, Gibbs, Hamill, Hayward, Hollis, McElligott, McGrady, Mackenroth, Milliner, Mulherin, Nunn, Nuttall, Palaszczuk, Pearce, Purcell, Roberts, Robertson, Rose, Schwarten, Spence, Sullivan J. H., Welford, Wells *Tellers:* Livingstone, Sullivan T. B.

NOES, 40—Baumann, Beanland, Borbidge, Connor, Cooper, Cunningham, Davidson, Elliott, FitzGerald, Gamin, Gilmore, Goss J. N., Grice, Harper, Healy, Hegarty, Hobbs, Horan, Johnson, Laming, Lingard, Littleproud, McCauley, Mitchell, Perrett, Quinn, Radke, Rowell, Santoro, Sheldon, Simpson, Slack, Stephan, Stoneman, Veivers, Warwick, Watson, Wilson *Tellers:* Springborg, Carroll

Pairs: W. K. Goss, Lester; Ardill, Tanti; Smith, Woolmer; Woodgate, Malone

Resolved in the **negative**.

Question—That the motion, as amended, be agreed to—put; and the House divided—

AYES, 40—Baumann, Beanland, Borbidge, Connor, Cooper, Cunningham, Davidson, Elliott, FitzGerald, Gamin, Gilmore, Goss J. N., Grice, Harper, Healy, Hegarty, Hobbs, Horan, Johnson, Laming, Lingard, Littleproud, McCauley, Mitchell, Perrett, Quinn, Radke, Rowell, Santoro, Sheldon, Simpson, Slack, Stephan, Stoneman, Veivers, Warwick, Watson, Wilson *Tellers:* Springborg, Carroll

NOES, 39—Barton, Beattie, Bird, Bligh, Braddy, Bredhauer, Briskey, Campbell, D'Arcy, De Lacy, Dollin, Edmond, Elder, Foley, Fouras, Gibbs, Hamill, Hayward, Hollis, McElligott, McGrady, Mackenroth, Milliner, Mulherin, Nunn, Nuttall, Palaszczuk, Pearce, Purcell, Roberts, Robertson, Rose, Schwarten, Spence, Sullivan J. H., Welford, Wells *Tellers:* Livingstone, Sullivan T. B.

Pairs: Goss W. K., Lester; Ardill, Tanti; Smith, Woolmer; Woodgate, Malone

Resolved in the **affirmative**.

ADJOURNMENT

Mr FITZGERALD (Lockyer—Leader of Government Business) (7:05 p.m.): I move—

"That the House do now adjourn."

Mr K. Martin and Mr D. Neish

Mr SCHWARTEN (Rockhampton) (7.05 p.m.): I rise tonight to set the record straight in relation to a matter concerning a dispute between a Mr Kerrod Martin, a plumbing contractor in Rockhampton of some 46 years' standing, and a Rockhampton City Councillor and architect, Mr David Neish. This dispute has its beginnings in 1990 when Mr Neish contracted Mr Martin to reroof his home in Talford Street, Rockhampton. That was a gentleman's agreement; no quote was required. Mr Martin was to be paid for his work and Mr Neish was to provide the materials. Mr Neish also undertook to offside to Mr Martin.

Following the removal of the old roof sheeting, the pine roof battens were found to be considerably deteriorated thus requiring replacement. New pine battens were ordered at a cost of $1,000. Mr Neish did assist for some of the work, but halfway through the project decided to head off to Germany. Unfortunately, he did not advise Martin, who learned of his departure from a tenant of the house. Mr Neish also made no arrangements to pay Martin, who went ahead and completed the work as agreed.

Following completion of the work Martin naturally expected to be paid, but nothing was forthcoming from Mr Neish. Martin then took steps to summons Neish for payment, but found that this could not be served in Germany. Neish returned to Rockhampton in January 1993, whereupon Martin again sought to summons him for the $8,000 he was owed for his labour and associated material costs. Neish disputed the claim and it went to mediation. This resolved nothing and the matter went before the court on two occasions. Neish lost on both occasions and the matter was referred to the Building Services Tribunal. I must point out that Neish did pay Martin $1,000 for the battens.

A report was compiled by the Building Services Authority under the hand of Mr Greg Newman. I believe that report was somewhat flawed, but in any case the tribunal considered it and made a ruling. Among the tribunal findings was that the roof screws provided by Neish were too short and that these would have to be replaced. Neish indicated at the tribunal that, had he known that the roof battens needed replacement, he would not have proceeded with the job. In fact, he stated he desired to not replace the rotten roof battens, preferring to place the new roof sheeting on top of the old battens. How he would have secured them is anyone's guess. Neish also produced several short lengths of roof batten which he claimed could have been reused, clearly adding to the ridiculousness of the situation.

Neish also produced a photograph of the house as part of his evidence. Mr Martin contends that the photograph was, in fact, not taken at the time Neish claimed and, therefore, believes that Neish wilfully misled the tribunal. The upshot of the tribunal hearing

was that Neish was to pay Martin directly the sum of $5,696 and that Martin had to replace the roof screws by 4 July 1995. I believe that that was a travesty of justice in that Neish supplied the roofing screws in the first place, but Martin was forced to spend around $300 in purchasing new screws to replace the substandard ones supplied by Neish. However, Martin complied and fixed the screws but again Neish did not honour the tribunal's direction. Instead of paying $5,696 directly to Martin as ordered, he paid $2,500 to Martin's solicitor and again pursued the matter through the tribunal and the courts.

The Building Services Authority's Mr Newman again provided a report, this time finding that some nails were protruding from the sides of the rafters. These had skewed out when the battens were being fixed. Martin, aware of this at the time of fixing, had ensured that where this happened he inserted another nail into the batten and rafter to properly fix the batten. In any case it was no big deal, there are scores of houses around which upon inspection would reveal this minor defect. Martin refused to attend to these matters, so it was back to court. Again Neish failed to convince the court that he was in the right and in early February this year Neish was ordered to pay Martin what he owed him and meet Martin's court costs of $302. Neish ignored this until about a month ago when, I am reliably informed, a court official read him the riot act and he paid the balance owing to Martin's solicitors. However, he did not pay the court costs of $302. I understand action is being taken to make him pay that.

Last week Neish managed again to get the matter before the Building Services Tribunal and the tribunal ordered Martin to remove the protruding nails I mentioned earlier. Martin did this last Friday and I, along with the Building Services Authority's regional manager, Graham Ives, attended at Martin's request. Martin completed the task to the satisfaction of the BSA. I would like to compliment Mr Ives on the professional way he conducted himself in ensuring that the tribunal's order was met.

The truth is Neish never intended to pay. He nitpicked and prolonged the issue for over six and a half years merely to put off paying. I would like to know also whether Neish has yet paid for the roofing iron, as he certainly did not in the first place. The same Neish has had longstanding problems meeting the requirements of the Rockhampton City Council. This same house has been subject to many repair or demolition orders which now seem to have mysteriously disappeared since he has become elected as a city councillor. Clearly, this man has no respect for courts, tribunals or any other form of authority. Martin, on the other hand, has an unblemished record of decent dealings. The injustice rendered upon this honest man has caused me to bring this matter before the House.

Family Support Program

Mrs WILSON (Mulgrave) (7.10 p.m.): I am very pleased that the Cairns region will be a recipient of a family support worker under the Government's new $1m Family Support Program, as will other north Queensland centres—Townsville/Thuringowa, Mount Isa, Bamaga and Innisfail. The Government is committed to the development of services that focus on family functioning and wellbeing, and I firmly believe this service will prove a huge benefit and a great community resource.

The Family Support Program is a key part of the Government's early intervention policy approach, and family support services will have the aim of strengthening families by providing assistance and support to people before problems become unsalvageable. Family support workers will have a hands-on role in coordinating parent education, conflict mediation, relationship counselling and community education services. These services will provide information and resources to family members, skilled counselling, practical assistance and referral to specialised services on an individual basis or through group sessions and seminars. They will also assist and guide people facing the difficult task of parenting today and will emphasise early intervention in alleviating family tension and breakdown.

Skilled counselling will be provided directly by support workers or through referrals to other specialist services as needed. Practical assistance can also be provided through linking family members with appropriate organisation and community networks such as after-school care, occasional care and play group. It is important that families have the types of supports that are responsive to their needs and which strengthen the capacity of families and communities to meet and move through crises in a positive manner. Support workers will have the flexibility of offering support in a variety of ways simply because not all families require the same type of help. The emphasis will be on individual family needs, not trying to fit square pegs into round holes.

Until now, there has been a yawning gap in the services for families experiencing early stages of development or conflict with resources primarily directed to a pound of cure rather than an ounce of prevention. The State Government acknowledges the need for services aimed at picking up the pieces after family breakdowns. However, there is a need to meet the call from families for early intervention and preventive support programs. This new service will provide a safety net whereby families can seek some counselling or other support services to address issues before they lead to breakdown or potential child abuse or neglect.

Referrals to family support services may be made by family members themselves, other organisations or protective services in juvenile justice area offices. A strong working partnership between family support services and the department will be developed and all child protection concerns will be referred to protective service divisions for appropriate action. Support workers will be highly visible in the Cairns community so all families will become aware of the service. Despite being located in the existing community organisation, support workers will not be centre based.

The family support concept is a mobile and pro-active one and is free. Networking through outreach and through positive publicity such as speaking at local service clubs, fetes and sporting associations will be an important element of family support workers' jobs—to ensure that they are known to the community and are readily accessible.

In areas such as the Cairns region where there is a high proportion of Aboriginal and Torres Strait Islander people, the family support workers must develop strong skills with local elders and the ATSI community. The service must also be sensitive to cultural issues. As the Minister for Families has outlined previously, the 22 family support workers will be located in existing community organisations to ensure a grassroots, practical approach and to maximise networking with other local services. Applications from interested community organisations to work with the family support workers have been called already and the service will be up and running in the next couple of months. I commend the Family Support Program to the House and to this State. It will be for the benefit of families who have been looking for support such as this over the last few years.

Nathan Road Wetlands

Hon. D. M. WELLS (Murrumba) (7.15 p.m.): Improbably nestled within a ring of heavily built-up urban areas and overlooking Deception Bay from the north coast of the Redcliffe peninsula there is an extensive area of wetlands which is home to 182 species of birds. That includes three exotic species, six rare species and one threatened species.

Mr Palaszczuk: Any endangered?

Mr WELLS: The threatened species are the endangered ones, and there is one of those. The birds concentrate around the large ephemeral lake, which is an important habitat for wader birds. There are many koalas and swamp wallabies as well as 11 species of frogs. In the adjacent waters of Deception Bay, the rare species of dolphin, the Pacific humpback dolphin, can be found. I know that the honourable member who just interjected is very interested in dolphin species. In the course of his duties as Opposition Natural Resources spokesman, I invite him to come down to the area to not only examine it but also to look for dolphins.

The former Labor Government provided the Redcliffe City Council with a grant of $72,000 for the upgrading of this wetlands area, the long-term plan being the establishment of boardwalks and bird hides that would enable visitors to this surprising oasis of wildlife to get closer to the nature that they were observing. These wetlands are unique in that they constitute an area of extraordinary biodiversity just minutes from a major city. The Nathan Road wetlands are not Kakadu, but after a big wet, if one stands a while and just looks at the bird life, one might very well feel as if that fact was not terribly important.

It is in this unique location that Transtate wants to build a canal estate. Some time ago, Transtate made application to the Redcliffe City Council for approval of its development plan to build its canal estate. Redcliffe City Council postponed the decision on the development application, the clear message being that the development application was inadequate. Council gave Transtate until September. That provided the opportunity for consultation between Transtate and the local environmental groups. Perhaps if the developers were prepared to make genuine concessions that would have allowed a buffer to be created between the canals and the wetlands area, an environmentally sustainable compromise could have been reached.

The possibility of that was terminated by the recent action of the Minister for Local Government. On 1 July, the Minister wrote to the Redcliffe City Council instructing the council, pursuant to section 5.1 of the Local Government Planning and Environment Act 1990, to decide the matter at council's general meeting, which was set down for 24 July 1996. That was the first that the council had heard of the Minister's concern in respect of this matter. There was no consultation; there were no friendly inquiries about the process; there was no offer of State assistance in addressing the issues before council. There was just a brutal directive that the matter was to be decided.

Yesterday, the Minister told Parliament that there will be no ministerial rezoning. She says that she gave the instruction because the application had been postponed three times. However, she stated frankly that that was in part necessitated by slow responses from the Government of which she is a member. What she has achieved by her interference is to remove the possibility of a community consensus on the issue of the development.

The one ray of hope is the Minister's undertaking that she will not be doing a ministerial rezoning. That leaves council free to make its own decision, even if not at a time of its own choosing. There are certainly many reasons for the council to reject the application. There are important town planning issues. The proposed canal estates will add considerably to ratepayers' costs for water and sewerage. The additional population will add to the traffic congestion that is starting to become serious at peak times on the Redcliffe peninsula as it is already a very closely settled area. Insufficient parkland has been set aside for the area. Also, the people of Redcliffe have not been told what the costs would be.

To fix up all of these things, I expect that it would cost in excess of $4m, which is more than one-quarter of the council's capital works budget. Now that the council has been assured by the Minister that there is going to be no ministerial rezoning if council rejects the Transtate application, it is up to the council to decide this issue on its merits. If councillors are inclined to support it, they should be up front with the people of Redcliffe about the costs. What will be the initial and the yearly costs of the additional public facilities and what will be the extent of environmental damage to the Nathan Road wetlands?

Time expired.

Pharmaceuticals Benefits

Mr RADKE (Greenslopes) (7.20 p.m.): I rise to bring to the attention of the House a very important matter of public interest. The matter I raise is the current access to pharmaceuticals, an issue for all of us. Constituents within my electorate of Greenslopes have brought this issue to my attention.

In one particular case, a constituent of mine requires immunosuppressive drugs after receiving a heart transplant in 1987. On 16 April 1996 he visited PA Hospital and was informed that they were not filling repeat scripts issued at another public hospital. He was advised that internal scripts would be filled and that he should make an appointment or visit a private pharmacist.

The normal funding support agency for outpatient pharmaceuticals is the Commonwealth Pharmaceuticals Benefits Scheme. The Princess Alexandra Hospital applies a policy of referring patients back to their general practitioner as soon as practical after discharge to maintain the familiarity of that practitioner with the patient's care and to ensure that hospital funding resources can be directed as much as possible to the care of acute inpatients. The general hospital policy with respect to outpatient prescriptions is for one month's supply of the drug to be dispensed, but not repeats except for drugs that the patient cannot access through the Pharmaceuticals Benefits Scheme. Prescriptions from other hospitals are honoured in the same way as if they were written at the PA—that is, one dispensing and advice of the need to see a private doctor for ongoing supplies. Special transplant drugs, such as Cyclosporin, are dispensed at the PA or other Queensland public hospitals as they are not available with subsidy through private pharmacies. With respect to drugs on the general Pharmaceuticals Benefits Scheme being supplied through a private pharmacy, where the usual dispensing quantity is too small for the patient's needs approval is given by the PBS for a larger quantity to be prescribed and dispensed.

Although my constituent may have suffered no net financial loss, this case highlights the need to address the issue of access to pharmaceuticals in an environment in which there are two systems of delivery. The Australian Health Ministers Advisory Council is reviewing access to pharmaceuticals and making recommendations on its findings. In June 1996 an interim report was available. I

understand that the report recognises the existence of broader issues being addressed under the COAG process and seeks to harmonise with these. I urge the Government to consider the report.

My constituent's case highlights that at present there are two systems which exist for the funding and supply of pharmaceuticals. Firstly, the Commonwealth Pharmaceuticals Benefits Scheme (PBS) primarily services the private outpatient sector at a cost of approximately $2 billion per annum. Alternatively, the State Public Hospitals Scheme is funded through routine hospital budgets and costs approximately $70m per annum. A fair and seamless interface between these systems should be our goal. An AHMAC working party has been established to review the supply of public sector funded pharmaceuticals to inpatients and outpatients in public hospitals and through the PBS, the Repatriation PBS and the highly specialised drugs arrangements. I believe that AHMAC should seek to improve the efficiency and fairness of access to pharmaceuticals to avoid the confusion faced by patients.

I stress that considerations for the delivery of pharmaceutical care should include: the positives and negatives of the options, the pharmaceutical standards, the current effectiveness and the potential effectiveness, the needs of patients, the efficiency and the budgetary requirements; quantification of listed and non-listed PBS/RPBS drug usages; pricing and cost implications associated with any changes; clinical issues associated with the options; possible gaps in any new arrangements and mechanisms to deal with these gaps; Commonwealth Grants Commission implications of changes to functional arrangements and associated funding adjustments; access issues for patients in isolated areas; and strategies for sharing the risk and responsibilities for growth in future financial outlays.

I understand that the working party is aiming to address the access issue to benefit many patients within our health system. This issue is a relevant issue which affects people daily. The review is looking at the very issue affecting my constituent—that is, the scope and limitations of the current access to pharmaceuticals. The problem my constituent experienced highlights opportunities for improving the relationship between outpatients and inpatients, private and public, as regards the distribution and administration of our access to pharmaceuticals.

Queenslanders' access to pharmaceuticals is a vital issue for many in our community. The review taking place has the potential to improve current methods of operation. Hopefully, the scenario my constituent faces will become simpler and its fairness will be ensured. Consequently, I look forward to the progress of the AHMAC review and its urgent consideration by the Government.

Performance of State Government

Mr DOLLIN (Maryborough) (7.24 p.m.): It is little wonder that many people are becoming more and more disenchanted with the State Government, considering that Premier Borbidge and Treasurer Sheldon are using the people's money to gamble on the stock market and are selling off the people's assets. Suncorp is a public asset and has been paying excellent returns to Treasury for many years. In the last year alone it returned $93m. If the Government is successful in this gamble, it will result in the loss of hundreds of jobs and the closure of the Maryborough Suncorp office and dozens of others throughout country Queensland.

Furthermore, the $66 extra third-party slug to battling families was a gift to the insurance companies by the Treasurer. As statistics clearly show that fatalities and accidents per 100,000 of population have halved over the last 20 years, this should have resulted in a decrease, not an increase, in third-party charges. In addition, ambulance charges rose sharply this month, adding further burdens to families battling to make ends meet. Mr Borbidge is now considering slugging the workers further with a beer, tobacco and perhaps a fuel tax—that is, if the member for Gladstone will allow him to do it. May I suggest that if Mr Borbidge and Mrs Sheldon are so hell-bent on raising extra funds to fill Mrs Sheldon's $200m toll black hole and for monopoly money to gamble on the stock market, they apply their tax to spirits and leave the working man's drink—beer—alone.

Ratepayers will be slugged to pay an extra $35 per annum fire levy—another burden imposed by this Government on the backs of hard-pressed families. Another cost for families is the removal of the $50 school uniform allowance, which was provided to ease the burden on parents sending children back to school. To add insult to injury, Premier Borbidge would now like to abolish award rates which will enable greedy employers to pay only the minimum wage—but, again, only if the member for Gladstone will allow him to do it.

I see a great similarity between Senator Kernot and the member for Gladstone. Mrs Kernot keeps Prime Minister Howard on the straight and narrow and does her best to protect working families from his excesses. Mrs Cunningham did a similar job in Queensland when she withdrew her support from the National Party's sin tax proposal and the abolition of the award wage, keeping Mr Borbidge and Mrs Sheldon out of the pockets of the workers. Well done, Mrs Cunningham! May I suggest that she opposes the privatisation of Gladstone's port, power, rail and water facilities, which would end up in foreign hands if privatised.

The citizens of my electorate see the callous sacking of nine rangers in our region as uncaring and unnecessary. On the one hand, the Minister, Mr Littleproud, said that World Heritage areas and national parks were under-resourced and, on the other hand, he sacked nine experienced rangers. I ask honourable members: what sort of double talk is this? I will enlighten them. This double talk is about the privatisation of national parks and World Heritage areas. This Government intends to hand over these public resources to private enterprise to manage. What will private enterprise do? It will make as much money as possible in the shortest possible time and at the expense of the general public and the environment, and many more rangers' jobs will go. They will all get the sack.

To date, all this Government has managed to do is to increase taxes and charges, sell off public assets, sack workers and slash the police cadet intake by hundreds—despite the promise that it made to increase police numbers across the State. Either this Government is mindless of the injury that it is causing to workers and their families, or it does not care. This is the Government which promised to support families and family values above all else, and reduce taxes and unemployment. What a joke!

What a shemozzle the Government has made of the gun issue. I have never seen so many true blue Nationals so disgusted with their leaders. The people expected great things—an upturn in business, a drop in unemployment, more police, lower taxes. What have they received? Just about the complete opposite. Honourable members should mark my words—unfortunately, come February next year we will see the percentage of unemployed in double figures. It is not just guns that people are worried about. They are worried about many other things, too. They thought they had an aurora—everything was going to be great with a Federal coalition Government and a State coalition Government. I walked past shops in Maryborough whose shopkeepers were predicting that their shops would be full under a coalition Government. Now I see the fellows in there by themselves. Some shopkeepers have even had to sack staff. They are bitterly disappointed.

Motion agreed to.

The House adjourned at 7.30 p.m.