FRIDAY, 29 OCTOBER 1999

Mr SPEAKER (Hon. R. K. Hollis, Redcliffe) read prayers and took the chair at 9.30 a.m.

INFORMATION COMMISSIONER

Report

Mr SPEAKER: Order! Honourable members, I have to report that today I received the annual report of the Queensland Information Commissioner for 1998-99. I table the said report.

OFFICE OF SPEAKER

Statement of Recurrent Expenditure

Mr SPEAKER: Order! Honourable members, I lay upon the table of the House the statement of recurrent expenditure for the Speaker of the Legislative Assembly for the period 28 July 1998 to 30 June 1999.

PETITIONS

The Clerk announced the receipt of the following petitions—

Drug Assessment Facility, Hervey Bay

From **Mr Dalgleish** (972 petitioners) requesting the House to cease all preparation for a drug assessment facility at the old Hervey Bay Hospital in Point Vernon, Hervey Bay, and that community consultation be carried out prior to the establishment of this type of facility in the Hervey Bay locality.

Traffic Hazard, Wamuran

From **Mr Feldman** (130 petitioners) requesting the House to take appropriate action to resolve the traffic hazard at the Franks Land exit from the D'Aguilar Highway, Wamuran, by providing appropriate turning lanes, islands and signage.

Unions

From **Mr Quinn** (68 petitioners) requesting the House to restrict the power of unions with regard to the interference of unions in private enterprise.

Petitions received.

PAPERS

MINISTERIAL PAPERS

The following papers were tabled—

Treasurer (Mr Hamill)—

Golden Casket Lottery Corporation Ltd—

Annual Report for 1998-99

Statement of Corporate Intent for 1998-99.

(See also p. 4651)

MINISTERIAL STATEMENT

Cairns Convention Centre Extension

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier) (9.34 a.m.), by leave: I wish to advise the House that tomorrow evening the Minister for Public Works, Robert Schwarten, and I will officially open the Cairns Convention Centre's new hall prior to the National Basketball League match between the Cairns Taipans and the Townsville Crocodiles.

An honourable member interjected.

Mr BEATTIE: That is right; the local derby.

The State Government's $28.5m extension is a sound investment in the future of far-north Queensland. The extension will allow the far north to attract major sporting and entertainment events as well as chase a bigger slice of the conventions market. Construction has enabled Cairns to field a team in the NBL—the first national sporting team to be based in the city. The new extension is an extremely flexible venue, capable of a number of configurations—up to 1,800 square metres of exhibition space or 5,500 seats for basketball matches, 5,000 seats for concerts or up to 6,000 seats for performances in the round. More major events and conventions in Cairns means more jobs in the tourism industry and all of the other industries that supply it. This is about jobs, jobs, jobs. That is why the money spent on the extension is a sensible investment by the State Government in the future of the region.

The construction project is estimated to have generated a total of more than 300 jobs, including 130 tradespeople and six apprentices on site. We were determined that far-north Queensland would have the best facility possible. That is why we looked at what was needed and earmarked about $7m more for the project than the previous Government had allowed—such is our commitment to Cairns and the far north. The members for Cairns, Barron River, Mulgrave and Cook strongly supported the project. I pay tribute also to the former Treasurer and member for Cairns, who backed the original convention

centre project as well as plans for the second stage. I thank the Cairns City Council for its contribution.

The construction was awarded to Abigroup Contractors in October last year. The project had to be ready by September this year in time for the first local NBL match of the season. The consultants, all of whom worked on Stage 1 of the centre, completed the design and documentation in eight weeks. That is roughly one third of the time that would be normally be needed for such a project. Abigroup's total construction time of 48 weeks was a highly creditable performance given the seven weeks of delay caused by Cyclone Rona, the protracted wet season and windy conditions.

Another highlight of the weekend will be the two-day Community Cabinet meeting in Cooktown, which is part of our policy of opening up Government decision making to the public. People from far-north Queensland will be able to come along and raise issues with the Ministers and directors-general. I will also be visiting Wujal Wujal for an important function there. And along with the Minister for Education I will also be opening the new Cooktown State School campus. This proves once again that we are a Government for all Queenslanders, regardless of where they live.

MINISTERIAL STATEMENT

Light Metals Industry; Teksid

Hon. J. P. ELDER (Capalaba—ALP) (Deputy Premier and Minister for State Development and Minister for Trade) (9.37 a.m.), by leave: The Beattie Government's efforts to develop the Smart State and smart industries and value adding enterprises is an ongoing campaign. That is why I wish to inform the House of my recent meeting in Italy with the executives of one of the world's leading light metal components manufacturers, Teksid. Teksid is owned by the European car manufacturers Fiat and Renault. The company is currently looking at a site for a plant somewhere in the Asian region.

As I have said, the company is a major player on the world stage. It has 12 aluminium foundries worldwide, including one in Nanjing, China. It has three magnesium foundries in the US, Canada and Italy. Today, Teksid accounts for 16% of all aluminium cylinder heads and 48% of the world's production of magnesium auto parts. Its global work force totals 15,000.

I visited the company's aluminium plant near Turin and met with the company's president, Mr Filmeni, and the honorary chairman, Professor Gallo. While Professor Gallo is well known in Queensland, having visited here on a number of occasions, the visit provided the opportunity to reinforce with Mr Filmeni the Government's long-term commitment to create a downstream light metals industry in this State. It was clear following the meeting that Teksid's interest in Queensland is genuine and I believe that the meeting provided the company's executives with an even greater degree of confidence and comfort that Queensland can be a base for its future in the Asian manufacturing sector.

Also present was Teksid's representative and founder of Australia's magnesium metals industry, Mr Ian Howard-Smith. Just like Ian Howard-Smith, this Government has faith in Queensland's magnesium industry growing into a world-class industry. The company he founded, Queensland Metals Corporation, in conjunction with the Australian Magnesium Corporation joint venture recently reported that the Gladstone demonstration plant had produced magnesium metal.

At the recent general meeting, QMC's managing director, Mr Creagh O'Connor, told shareholders that current forecasts suggest AMC will be in a position to commit to an $800m commercial magnesium plant by mid next year. Further, the shareholders were told that, apart from the existing supply arrangements with the giant motor vehicle group Ford, the company hoped to add further contracts as the year progresses.

Talks between AMC and Teksid remain ongoing and continue at a high level. Without pre-empting the outcome of these commercial negotiations, Teksid is certainly interested in Australia, and recent discussions can only reinforce this State's standing for aluminium and magnesium dye-casting investment by Teksid. The magnesium smelter project is important to this State, as is Comalco's aluminium smelter in Gladstone. But to make sure that the State gets maximum advantage from these projects, this Government will work vigorously to ensure bolt-on industries are also established to ensure Queensland becomes the light metals hub not just for the nation, but for the Asia-Pacific region.

MINISTERIAL STATEMENT

Y2K

Hon. T. M. MACKENROTH (Chatsworth—ALP) (Minister for Communication and Information and Minister for Local Government, Planning, Regional and Rural

Communities) (9.41 a.m.), by leave: This week I presented to Cabinet the 10th report on the progress of Queensland Government departments and agencies in addressing the Y2K risks, and the results are very encouraging. This report shows that, at the end of August, Government departments' Y2K assessment and rectification projects were on average 95% complete overall, compared with 93% complete as reported for July 1999. In fact, several departments and agencies have indicated that all their assessment rectification work is now complete.

In addition, it also indicates solid progress on contingency planning. Contingency plans describe how organisations intend to respond to events that disrupt normal operations of a particular piece of equipment, external supplier, IT system or other critical resource. Whilst we hope not to use these plans, the Government is taking every precaution to ensure that we are prepared for any scenario. The latest report shows that most departments have already completed contingency plans for all critical systems and resources, and contingency planning for non-critical systems and testing of plans is ongoing.

The progress of our statutory authorities is also very encouraging. The latest report shows that the majority of statutory authorities, which include organisations such as the port authorities, Golden Casket, the Residential Tenancies Authority and Queensland Rail, have completed at least 80% of their remediation work. In addition, the majority expect to have the contingency plans finalised by the end of this month. This latest report gives me confidence that Queensland is well placed to enter the new millennium without major disruption to key community services.

MINISTERIAL STATEMENT

National Road Rules

Hon. S. D. BREDHAUER (Cook—ALP) (Minister for Transport and Minister for Main Roads) (9.43 a.m.), by leave: Queensland Transport has been working with States and Territories to develop a set of consistent road rules for Australia. In addition to reducing confusion for drivers who travel from State to State, these rules will help to improve road safety. I announced earlier this year that all Transport Ministers had approved the adoption of the Australian road rules from 1 December 1999. This process was guided by the National Road Transport Commission.

Extensive public consultation has been conducted in the development of this project, with significant work undertaken since that time to ensure all infrastructure, legislative and implementation issues have been resolved prior to implementation. A substantial stakeholder consultation period, a series of meetings and representation on working committees ensured that the voice of local governments and other Government departments was heard and considered.

Members in regional areas will be aware that information sessions for the public, industry and interest groups are currently being delivered throughout the State. The response to these sessions has been very positive. An enormous legislative drafting process has now been successfully completed. The infrastructure funding subsidy scheme will ensure local governments receive financial support in implementing the changes.

Later this morning I will be launching the public education campaign for the project in conjunction with my ministerial colleague the Minister for Police and Corrective Services. Queenslanders will be pleased to note that, while there will be some rule changes, much of Queensland driving practice will now become the national standard. Key changes for Queenslanders will include the banning of using hand-held mobile phones when driving and simpler rules for merging.

Queenslanders will benefit from the greater clarity in regard to keeping left on multi-lane roads and giving way to buses. Many of the changes have simply clarified what many motorists have been doing out of courtesy for years. These changes will make the roads much safer and the rules easier for everyone to understand. A new single white continuous centre line will now allow property access, but will not allow overtaking. The new rule banning riding across pedestrian crossings on a bicycle will improve safety for pedestrians. The requirement to stop when children are about to enter a children's crossing will also improve safety for our youngsters.

The project is a major achievement for the Queensland Government. It required collaboration from several Government departments, including the Queensland Police Service, Main Roads and Queensland Transport. The inclusion of the RACQ, Local Government Association of Queensland and many local governments will put us in a very good position in achieving successful implementation. I am sure all Olympic visitors next year will benefit from a more consistent, safe and streamlined approach to our road rules. It is a great achievement that 98 years after Federation we will finally have nationally consistent road rules.

OVERSEAS VISIT

Report

Mr FENLON (Greenslopes—ALP) (9.46 a.m.): I lay upon the table a report regarding travel to the People's Republic of China between 1 October and 13 October 1999.

QUESTIONS WITHOUT NOTICE

Six-monthly Registration Payments

Mr JOHNSON (9.46 a.m.): I ask the Minister for Transport and Minister for Main Roads: is he aware that vehicle owners who chose to take the six-month vehicle registration option are now being penalised by having the increase in third-party insurance added to their second payment? Are owners who chose to pay the full 12-month payment now going to receive a bill for the backdated increase? If not, why are those who chose the six-monthly option being penalised, given that they had to pay a surcharge for the half-yearly payment in the first place?

Mr BREDHAUER: I am not aware of the full details to which the honourable member refers. If he wants to provide them to me, I will make sure that he gets a detailed response by the close of business today. The six-monthly motor vehicle registration was an important initiative that we undertook to try to help people who found it difficult to meet the total impost of motor vehicle registration in one hit. It was always anticipated that the six-monthly motor vehicle registration would require some additional surcharge for the compulsory third-party insurance premiums so that the insurance companies were able to maintain their funds in an actuarially sound situation. It had always been anticipated that there would be some additional impost.

I have to say that the overwhelming response to the implementation of the six-monthly motor vehicle registration has been very positive; it has been very well received by the community. In fact, it has contributed significantly to the additional workload that we have had through our customer service centres because of the take-up rate. If the honourable member wants to provide me with the details of the specific issue to which he refers, I will make sure that he gets an answer to that by the close of business today.

Heritage Trails Network

Mr SULLIVAN: I refer the Premier to the Queensland Heritage Trails Network, which has been so well received around the State, and I ask: have any major corporations joined the Queensland Government and become sponsors of projects that are part of that network?

Mr BEATTIE: I thank the honourable member for Chermside for his question because these heritage trails are going to lead to a major boost in tourism in rural and provincial Queensland. Later today the Qantas Founders Outback Museum will receive another major boost. Qantas board member Jim Kennedy and I will hold a joint news conference at which Jim Kennedy will make a million dollar presentation to further develop what is already a great historical and tourism drawcard. The donation will be provided over three years. There is the likelihood that this will be supplemented by staff support. I thank Mr Kennedy and Qantas for this generous gift as I am sure the people of western Queensland do as well. Qantas has continued its trail blazing tradition by becoming the first major corporate sponsor of a project, that is, the Qantas Founders Outback Museum, which is on the Queensland Heritage Trails Network. That is how it all comes together as part of the network. The museum is one of 34 major capital works projects funded by the $100m Queensland Heritage Trails Network, which is a Centenary of Federation initiative involving State and Commonwealth Governments and, of course, local communities.

The museum has received $5.5m from the Queensland Government and $1.5m from the Commonwealth Government for the construction of a visitors centre and to conserve the original Qantas hangar at Longreach Airport. The decision by Qantas to provide major financial support for the museum will ensure its long-term sustainability and development as a world-class tourism attraction. I hope it will encourage other corporate support and contributions to the Queensland Heritage Trails Network. It is also appropriate that the donation will commemorate the role of Qantas in providing jobs and travel in the outback.

The Queensland Heritage Trails Network is a unique project to provide new jobs in rural Queensland through increased tourism. The network offers sustainable investment opportunities to organisations that recognise the benefit of rural and regional tourism initiatives. This partnership between the State Government and Qantas will provide enhanced opportunities for publicity and promotion of a significant Australian icon. I know that members in this House would share my enthusiasm for this project. The heritage

trails will see a dynamic improvement in tourism throughout the bush. It will become attractive to markets like Europe and the United States. The main thrust of that is not only support of these communities but jobs, jobs, jobs and jobs.

Murrumba Education District

Mr QUINN: I ask the Minister for Education: can he confirm that the education district of Murrumba Downs is being renamed "Murrumba"? Can the Minister also confirm that he initiated this name change to match the name of his electorate because he did not like the fact that the Aboriginal word "Murrumba" had been anglicised? Can the Minister further confirm that all State schools and other departmental offices in the district have been told to change their stationery to comply with this pointless, wasteful whim? And can the Minister further advise whether he also intends to change the name of the whole Murrumba Downs community to match the name of his own electoral fiefdom?

Mr WELLS: Yes, no, no, no. By way of further explanation, the term "Murrumba" means good and beautiful place. It was the name of the Petrie homestead, which was the first sheep station in the area. Murrumba Downs was actually a paddock of that sheep station. The term "Murrumba" is now a regional term that is kept alive in respect of a number of regional activities, for example, the Murrumba Drama Festival or the Murrumba Scout Group and the Murrumba electorate itself. It refers to a wide region that spreads as far as the coast of the Redcliffe peninsula.

The reference to Murrumba Downs as the education district—which is, in fact, the most populous district in terms of school numbers in this State—is a misnomer. A long time ago I indicated to my department that it would be a good idea to refer to the district as Murrumba, because Murrumba was a regional term referring to a whole district. It is important that we should be accurate about this. If we are an Education Department we at least need to transmit accurate information. At that time, I indicated to my department that I did not want them to change letterheads, but as new letterheads became necessary it would be a good idea to have something that accurately depicted the nature of the region that the Murrumba district represented. Basically that is the story. As for the matters that the honourable member wished me to confirm, the answers are as I gave him.

Honda Indy 300

Mr PURCELL: I refer the Premier to the recent Honda Indy 300 at the Gold Coast, and I ask: has the State Government negotiated an extension of the race contract?

Mr BEATTIE: Again this year Queensland played host to one of the most exciting events on the international sports calendar, that is, the Honda Indy 300 at the Gold Coast. This event generates millions of dollars worth of benefits each year, not just for the Gold Coast but for the entire State. This year's event is widely regarded as a major success. It was applauded by the Indy drivers, their racing teams, the sponsors and, of course, the crowds. The behind-the-scenes work can often be as hectic as the pit lane during a tyre change. This year was no different, with negotiations on the next three years' contract continuing right up to the day before the big event.

I place on record my personal thanks to the Minister for Tourism, Sport and Racing, the Honourable Bob Gibbs, for the role that he and his negotiation team played during the past 12 months to secure this extended contract. The Minister worked tirelessly to get the right result for Queensland, the Queensland Indy event. His efforts enabled me to finalise the negotiations on the Saturday before the big race, which means the Gold Coast will host the Indy carnival at least up to and including the year 2003. That is good news.

There were two other special moments during the staging of this year's Honda Indy 300. Firstly, I was able to catch up with country music star Lee Kernaghan and talk about his plans to stage another Pass the Hat Around tour. My Government supported that marvellous initiative last year when Lee and his show played in three Queensland towns to raise funds for a special cause or charity for the bush. I am pleased to announce that the State Government has again decided to support this initiative to be staged next year. I was able to hand Lee a cheque for $50,000 to get the show on the road again.

The other special moment was to again meet with motor racing legend Dick Johnson, a man who has shown the honourable member for Broadwater a clean set of tyres on more occasions than the honourable member would care to remember. It therefore gave me a great pleasure during a break in racing to name Dick as an Honorary Ambassador for Queensland. Dick Johnson personifies Queensland.

Mr Johnson: A good name.

Mr BEATTIE: He drives himself hard—likes to lead and is a winner. I am sure all honourable members wish Dick well as he moves on to new challenges.

I would have thought the honourable member for Gregory would have been out there along with Lee Kernaghan singing in the bush with me. I am happy to have a new trio: Lee Kernaghan, Vaughan Johnson and me singing to the bush. With a bit of luck, if he sings quietly, people will come to the concerts.

Mr Johnson: They love me.

Mr BEATTIE: More to the point, if he hits the right chord, it will do a lot for his leadership ambitions as well.

Carbon Tax

Mr BORBIDGE: I refer the Treasurer to his speech to the Queensland Power and Gas Infrastructure Conference in Brisbane on Tuesday in which he attacked the Commonwealth over its failure to implement a carbon tax regime. I ask: do he and his Government favour a carbon tax regime, which would inevitably lead to major power price increases for all Queenslanders?

Mr HAMILL: The Leader of the Opposition never ceases to amaze me. As to the question that he has asked—if it is not an indictment of him it is certainly an indictment of the Victorian education system that it is able to produce someone who is so incapable of understanding plain written English.

Mr Bredhauer: And the truth.

Mr HAMILL: Yes, and the truth.

Mr Beattie: He's a stranger to the truth.

Mr HAMILL: It is indeed the case that the Leader of the Opposition is a stranger to the truth. He would not know it if he fell over it.

My speech on Tuesday did not criticise the Federal Government for not having a carbon tax regime. As the honourable gentleman will realise if he gets a copy of the speech, I pointed out that futures markets in other parts of the world were trading carbon credits and that, consequently, the rest of the world is seeking to address greenhouse issues. My criticism was of the Federal Government and the black hole in policy that exists in the Federal Government in respect of any policies that action the undertakings that the Federal Government entered into at Kyoto. That is the real crux of the problem. We have a number of major investors who want to invest in the energy industry and who do not know what is going to be the direction of the Federal Government's policies with respect to greenhouse issues.

The sooner the Federal Government starts to provide some policy leadership, the better it will be for Queensland, for the energy industry and for those who want to make multimillion-dollar and, indeed, billion-dollar investments. It is about time the policy vacuum that sits opposite joined our call to Canberra to show some leadership. After all, Federal Governments can enter into treaty obligations. In a case such as this, Federal policy direction will determine the future investment decisions which are made in respect of Queensland and other jurisdictions. I am more than happy to provide a copy of the speech to the Leader of the Opposition although, unfortunately, if his form is consistent with what I have seen of him this week—

Mr Beattie: There is no point in giving him a copy. You have to get someone to actually read it to him as well.

Mr HAMILL: And even then I think it would be a lost cause. I am happy to provide him with a copy of the speech if he wants one.

Power Stations, Townsville

Mr BORBIDGE: I refer the Minister for Mines and Energy to his reference to the two peak power stations in Townsville, commissioned by the coalition, as "millstones". That is the word of the Minister. I ask: are these the same two peaking power stations in Townsville that he identified in a media statement of 24 September 1998, which I table, in which they are described as part of his short-term strategy to keep the lights on in Queensland? Are these the same stations he identified to Peter Morley, then of the Courier-Mail, as his masterstroke in keeping the lights on in Queensland?

Mr McGRADY: I thank the Leader of the Opposition for the question. In my speech to the Parliament last night I simply tried to expose the hypocrisy of the coalition. In my speech I explained that prior to the fall of the Goss Government the coalition paraded up and down the State, dragged out former National Party leadership such as Sir Joh Bjelke-Petersen and created turmoil in all of the towns around where Eastlink was going to go. The coalition did not realise that one day it would in fact form the Government of this State. It made all of these promises that it would destroy Eastlink. Suddenly the coalition found itself in office and realised that it would have to bring Eastlink in by some other name.

In the process it lost so much time. It then had to run around and support some of these peaking plants.

As a result of the policies of the National Party, this State has a millstone around its neck for half a billion dollars. Today I make the offer to the Leader of the Opposition and to everyone on the other side of the House that I will organise a briefing for them. I will expose to the people of Queensland just what the coalition in Government did in the energy industry. The agreements the coalition entered into are costing the taxpayers of this State half a billion dollars a year. The coalition knows nothing at all about the energy policies in this State. It destroyed the electricity industry in three short years.

Mr BORBIDGE: Mr Speaker, I rise to a point of order. In the document I tabled, the Minister took the credit and described the initiatives as a masterstroke. He cannot have it both ways.

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

Mr McGRADY: The point I make today and the point I made last night is that a direct result of the policies of the coalition Government of this State is a half a billion dollar millstone around the necks of the taxpayers of Queensland.

Impact of GST on Small Business

Mr MUSGROVE: Can the Minister for State Development and Minister for Trade inform the House of any action by the Queensland Government to assist the small business community with the introduction of the GST?

Mr ELDER: I thank the member for his question. Members would be aware of the position of the Labor Party on the goods and services tax—that is, it is a regressive tax which hits the poorest in the community.

Mr Horan: Tell us about your assets tax.

Mr ELDER: The honourable member should listen. It is the coalition's tax. It is a tax regime in which Kerry Packer pays the same rate as a struggling farmer in western Queensland. It is a tax that applies the same rate to Kerry Packer as to someone in the member's electorate. This tax is also a Federal Government's dream, because it does not have to collect it. Small business collects the tax.

Even though we oppose this tax and have opposed it from day one, we are still going to help the small business sector to cope with its introduction, because it is important for us to see that small business grows. The introduction of this tax is an impediment to that growth. Even though this is a tax from another level of Government, we have and will put in place programs to assist small business.

We will help with the production of a guide and fact sheet to help small businesses identify what they need to do to successfully implement the GST in their businesses. We will run a program for small business—GST seminars and workshops—that deals with the specific issues that impact on small businesses. We can help small business because in this State we have 16 regional centres—a comprehensive regional centre structure that can help small businesses in all of the electorates of members opposite and up and down the coast. This assistance package will cost this Government, which opposed a GST, $2m.

We took up an argument with the Federal Government. My Parliamentary Secretary has returned from the small business ministerial meeting in Darwin, at which he took up that argument and was supported by all the other States. The argument was that the Commonwealth had $500m to support business and that it should have helped all of the States, because the States had the service delivery mechanism and they are the service deliverers through all the regional offices in all the States.

The representatives of every State, including Hendy Cowan in Western Australia, supported our argument. The only person who opposed it, and not for any valid reason but because it was policy, was Peter Reith. The arrogance of Peter Reith and the Federal Government to introduce a GST impost on all small businesses! And we the middle men, the people who opposed the tax, have to pay to assist small business with the introduction of the Costello tax, a National/Liberal Party tax, while the Federal colleagues of members opposite walk away and abrogate their responsibilities to small business.

Mr BORBIDGE: Mr Speaker, I rise to a point of order. We did not sign the agreement. It was Mr Beattie.

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

Mr ELDER: The honourable member is right. He did not sign up; he just adopted the policy. It was the coalition's policy. It was never our policy. It was the coalition's tax policy. We signed up to the distribution of income, not to

the tax. That is another half-truth. Coalition members should ask another question.

Department of Equity and Fair Trading Investigations Officers

Mr DAVIDSON: I refer the Minister for Fair Trading to a search warrant issued to the Brisbane investigations officers of her department under the Fair Trading Act at the beginning of the week commencing 18 October 1999. Is it correct that after obtaining the said search warrant the investigations officers learned that the alleged offender no longer resided at that address, yet decided to press on regardless and attempted to execute the search warrant? Is the Minister aware of this incident? If so, has she apologised to the aggrieved parties? What has she done to ensure that this does not happen again?

Ms SPENCE: No, I am not aware of the incident of the alleged search warrant or the alleged offender. If the member would like to give me details of whom he is talking about, I will certainly have the matter investigated.

Charitable and Non-profit Gaming

Mr REEVES: I refer the Treasurer to media reports concerning the sale of lucky envelopes to children, and I ask: what action is the Government taking in relation to this issue and in relation to the broader question of charitable and non-profit gaming?

Mr HAMILL: Fairly recently, the Parliament supported unanimously legislation which would provide significant benefits to a range of Queensland charities through the overhaul of charitable non-profit gaming legislation. In fact, charities in Queensland will benefit to the tune of some $3m through reductions in fees and charges placed upon those charities.

One issue, however, that arose out of those discussions was concern, particularly among Golden Casket agents, that certain major retailers were providing venues for the sale of Scratch-Its—or at least tickets that resembled Scratch-It tickets—and those Golden Casket agents were concerned that this may represent some competition to their position in the marketplace.

I am sure that honourable members would know that minors have always been precluded from buying Scratch-Its through the Golden Casket. I should also mention that, in 1996, the former coalition Government actually approved the sale of these Scratch-It-like tickets in supermarkets. Previously they had sold lucky numbers—lucky envelopes.

This issue, of course, has been around now for a couple of years. But as I said, I think it reflects heightened community concern in respect to a whole range of matters concerning gambling in the community. I undertook to conduct a further round of consultations with Golden Casket agents in relation to this and certain other matters, and I am pleased to report that, as a result of those consultations, I have prepared a submission which I will soon be taking to Cabinet—and I know I have the support of the Premier in relation to this matter—and this will prevent minors from purchasing these Scratch-It-like tickets in the supermarkets.

I believe that this is an important step. I want to place on record that the provision of gambling products to minors is something which we are going to keep under review, because whilst it has been a feature of our society and our community—the sale of raffle tickets, chocolate wheel tickets and so on and so forth—I think that most people would see those sorts of activities as being in a different category from these Scratch-It or Scratch-It-like tickets.

So if honourable members have some submissions in relation to this matter, I would be pleased to receive them. However, I want to allay community concern. The Government is determined to act in relation to this matter, and I am sure that the Golden Casket agents and others who have expressed concerns will be very pleased to see another demonstration of how this Government actually listens.

Time expired.

Escapes from Secure Custody

Mr HORAN: I refer the Minister for Police and Corrective Services to the increasing number of easy escapes that are occurring under him and, in particular, the simple running away that occurred by a handcuffed prisoner being escorted to the PA Hospital and the running away of a prisoner from a parole board hearing. Following the Minister's decision to have high-security parole applicants now handcuffed, trussed in a body belt and with leg shackles, how does he intend to restrain prisoners being escorted to watch-houses after another simple running away by a handcuffed prisoner at Maroochydore on Wednesday night?

Mr BARTON: We certainly did have another incident the other night. I am advised by the Police Service that a very powerful

young man managed to shrug off an older police officer and make good his escape from outside a watch-house. But when the member asks a question about the parole board issue, it is obvious that the honourable member did not listen to my ministerial statement the other morning about that particular issue.

In relation to the PA Hospital escape—again, another young, fit prisoner managed to shrug off two prison officers, despite the fact that he was handcuffed and double escorted.

Mr Horan interjected.

Mr BARTON: The shadow Minister is having a laugh, but he should understand that he was not there. He is engaging in an activity of belittling prison officers and police officers because they were in circumstances where somebody escaped from them.

Mr HORAN: I rise to a point of order. I find those remarks offensive. The Opposition is here to maintain certain standards, and I ask for those remarks to be withdrawn.

Mr SPEAKER: Order!

Mr BARTON: I will withdraw so that I can answer the member's question. The reality is that we have prison officers who were in difficult positions. We had police officers who were in difficult positions. There was a longstanding practice—in terms of prison officers who were escorting people away from secure custody facilities—of double escorting prisoners, who were also cuffed. One managed to escape. I thought that that was not good enough in the circumstances, and I have insisted that new guidelines be brought in so that the prisoner, in those circumstances has to be cuffed to at least one of the officers, because even fit young men have a lot of trouble running away dragging behind them someone who is cuffed to them.

I turn to the circumstances of the parole board hearings following that tightening of the rules. In fact, that prisoner was a high-security prisoner. He was brought in not just cuffed but also double escorted. He was also escorted by a Dog Squad member with a dog. There had been a longstanding practice whereby, for understandable reasons, parole boards felt that prisoners should be in front of them looking like normal people, uncuffed, unrestrained and without anybody else in the room.

In those circumstances, that prisoner made good an escape. I have changed the rules, but they will not apply to most people appearing before parole boards, because most of them are low-security prisoners, and they will not be shackled or cuffed. But in circumstances where a high-security or medium-security prisoner appears, they will be shackled if they are high-security, and they will be cuffed if they are medium-security.

The member should check the circumstances. That person escaped from a 40 year old policewoman. The prisoner was cuffed. He was a young, fit, powerful guy. He knocked her over and ran away. My sympathy goes with the policewoman.

Time expired.

Public Housing

Mr PITT: I refer the Minister for Public Works and Minister for Housing to the Government's Urban and Community Renewal Programs and their emphasis on providing a mix of private and public home ownership in areas undergoing renewal, and I ask: has the Government any plans to encourage home ownership among public housing tenants?

Mr SCHWARTEN: I want to place on record my thanks to the honourable member for his support for ongoing public housing in his electorate, especially for the latest Abbeyfield project in Babinda. I am delighted today to be in a position to announce this Government's latest effort in securing home ownership for the people of Queensland, especially those who hitherto have found home ownership just that bit beyond their grasp. I am referring to Housing Department tenants and people on the waiting list in particular.

Very often we find that there are a number of people—in fact, I think there are about 1,200 in this State—who are paying, in effect, the rental equivalent of paying off their own homes, and there has been nothing very much done about that. Certainly, nothing was done under the coalition Government to help those people secure home ownership. Only 64% of Queenslanders own their own homes, and that is of concern to this Government.

As a result, the new product which I have pleasure in announcing today has come into force. This product, as I said, is aimed at the tenants of public housing and those on the waiting list. It involves certain assistance to those people, such as an interest rate of 1% below the average of all the four banks, capped at that level for the first five years and, thereafter, moving up by increments of 0.5%. But if the rate goes down, so, too, does it for those people in that position. We will make available around $20m. This is a scheme that we think will help about 220 to 250 people this year. It also involves assisting people by way

of a deposit. Very often we find that people's real difficulty is trying to get the money together for a deposit.

The overall aim of this project is to ensure that our Urban Renewal Program, which many members on this side of the Parliament are enthusiastically embracing, also involves keeping people in those areas as they improve. Those people who, very often, have been there for a long time and who want to stay there and own their own homes will be advantaged under this scheme. This is yet another example of this Government ensuring that people—the battlers out there in Queensland—get a fair go.

Effluent Water Scheme, Lockyer Valley

Dr PRENZLER: My question is directed to the Minister for Natural Resources. I refer to the offer of $200m by Brisbane Lord Mayor Jim Soorley towards the construction costs of the renewed effluent water scheme for Lockyer Valley and Darling Downs farmers. I ask: does the Minister fully support this scheme? Does the Minister understand the urgency of the decisions to be made? If he does, will he instil this sense of urgency into the interdepartmental committee that is responsible for the necessary Government input into this project?

Mr WELFORD: Yes, the Government regards this project as a very exciting initiative and we are keen to encourage investment by other parties. I am unaware of the offer of $200m, which the honourable member mentioned, being made by Lord Mayor Soorley, but I would be absolutely delighted if he wrote to me and confirmed the offer.

Dr PRENZLER: I can inform the Minister that the Lord Mayor made that offer to the people involved at a seminar which was held approximately 10 days ago. He has done this so that the effluent does not have to undergo tertiary treatment in Brisbane.

Mr WELFORD: I am aware that the Lord Mayor spoke at that seminar. I am also aware that the Brisbane City Council could be planning significant investment with regard to the upgrading of its treatment facilities over the next 10 to 20 years. That may account for the $200m that the Lord Mayor was talking about. Certainly a portion of the cost of the treatment system upgrade may be avoidable if the Lord Mayor were able to pump that water in its current condition up to the Lockyer area for irrigation use.

The interdepartmental committee, which involves the Department of Natural Resources, the Environmental Protection Agency and the Department of State Development, has been established and has commenced work on this project. The committee will be working with the Lockyer community and local governments in the region in an effort to identify the outstanding issues that require more detailed investigation.

Certainly the Government is very keen to work with Lord Mayor Soorley, the Federal Government and potential private investors in order to see that project brought to fruition once its feasibility is firmly established.

Retread Police Officers

Mr FOURAS: My question is directed to the Minister for Police and Corrective Services. I refer the Minister to the induction parade for retread officers held on 8 October at the Oxley Police Academy. I ask: what benefits do these retread officers bring to the Queensland Police Service, and what effect does this injection of police officers have on the State's police-population ratio?

Mr BARTON: This is another one of the very good news stories involving the Queensland Police Service. Earlier this month, 36 retreads were inducted into the Queensland Police Service. "Retreads" is the name that we apply to experienced officers who have come from interstate and overseas. They are joining the Queensland Police Service at an exciting time. At a time when most other police services are contracting, Queensland's service is expanding at an ever-increasing rate. These experienced officers realise that their career prospects are far better in Queensland than if they stayed where they were. Of course, the sunny weather and the long, sandy beaches are just a bonus that comes on top of being able to serve in the exciting Queensland Police Service.

These officers also realise that they have a far better chance of advancement. The expansion of the service means that more positions are being created in higher ranks. The injection of these recruits, together with those graduating in the future, means that police numbers in Queensland are increasing at a rate which we have not seen since the first term of the Goss Labor Government.

I will point out to honourable members where these retreads are going: Metropolitan South, 5; Redcliffe, 4; Logan, 5; Innisfail, 1; Bundaberg, 1; Ipswich, 2; Metropolitan North, 8; Gold Coast, 5; Maryborough, 1; Toowoomba, 1; and Cairns, 3. Police numbers will continue to grow, with a net increase of at

least 325 per year for the next six years. We will achieve the year 2005 target of 9,100 serving officers.

Of course, increasing police numbers by such an enormous percentage also means that the ratio of experienced officers falls. That is why these new officers—the retreads—are so important. Their previous experience is vital. They arrive in Queensland with experience. The group of 36 had an average service of 9.6 years each. They are old hands at police work and we expect them to rise fairly quickly through the ranks to senior positions because they will be part of the leadership of the Queensland Police Service in the future.

Whilst these recruits enter the service as constables, they are fine role models for all the great young Queenslanders who are going through the police academies by the hundreds. This boost in police numbers will also ensure that there is a significant increase across the State in the police to population ratios. In the past three months the ratio has fallen to one to 485. We expect that to fall to one to 478 next year.

The bottom line is that we are getting more police where they are needed, at the cutting edge, and the police to population ratio is dropping very dramatically, unlike the rise that we saw when the Opposition was in office.

Queensland Rail Job Losses, Charters Towers

Mr MITCHELL: My question is directed to the Minister for Transport and the Minister for Main Roads. I ask: can the Minister confirm that railway employee numbers in Emerald, Longreach, Roma, Alpha and Charters Towers are to be downsized? Can the Minister tell the House how many jobs will be lost in these centres? If jobs are to be lost, is this downsizing related to the introduction of driver-only operations in non-signalised areas from November this year, despite back-up systems not being available until July next year at the earliest?

Mr BREDHAUER: I thank the honourable member for the question because he came into the Parliament the other afternoon and said that Queensland Rail was intending to cut 24 railway jobs at Charters Towers—a figure which the honourable member knows is an absolute fabrication. He stood in this Parliament—

Mr MITCHELL: I rise to a point of order. Even the unions are telling me that. Union members have come to me and told me that 24 jobs—maybe 28—are going from Charters Towers.

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

Mr BREDHAUER: When the honourable member was asked for evidence that 24 Queensland Rail jobs were going to go from Charters Towers, all he was able to say was that a couple of blokes he had been talking to in the street had told him that they had heard that there might be 24 jobs going.

Mr MITCHELL: I rise to a point of order. I have a letter to this effect. It was the unions, not a couple of people in the street. Cut it out!

Mr BREDHAUER: The member for Charters Towers and the member for Gregory are running around whipping up apathy amongst Queensland Rail workers in Queensland with their outrageous stories—

Mr MITCHELL: I rise to a point of order. The shadow Minister and I went around the State before this Government was elected and we said that this was going to happen. It is now happening.

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

Mr BREDHAUER: The honourable member's dishonesty has been exposed. I will lay nude—lay bare—in this House the claims that the honourable member has made about Charters Towers railway workers because they are false. This Government funded community service obligations in Queensland Rail by an additional $200m in this year's Budget. The member for Caloundra, the former Treasurer, slashed $100m from the Queensland Rail community service obligations in her time as Treasurer and put enormous pressure on the budget. Not only did this Government restore the $100m which she slashed, but we have fully funded QR's CSOs. The honourable member knows that to suggest that we are threatening rail jobs in the bush is a complete fabrication.

Mr Mitchell: It is not a fabrication at all. You can even ask your candidate for Mirani. He will tell you that, too.

Mr SPEAKER: Order! I will not accept any further frivolous interjections.

Mr BREDHAUER: The honourable member's claims about job losses in Charters Towers are a fabrication and the honourable member knows that. He should not be causing undue concern amongst rail workers. If he wants to use the unfortunate misunderstandings of certain members of the

RTBU as the basis for his claims, I suggest that he goes back and checks his facts.

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

PRIVILEGE

Member for Southport; Courier-Mail Report

Mr VEIVERS (Southport—NPA) (10.29 a.m.): I rise on a matter of privilege suddenly arising. I have been misrepresented and I would like to clear up the matter very quickly. An article in today's Courier-Mail The bottom line column by a Mr Brian Williams states—

> "Tourism Minister Bob Gibbs gladly responded yesterday to a Dorothy Dixer from rotund backbencher Ken Hayward on a new regional guide to the state's gastronomic delights.
>
> ...
>
> He also congratulated the National's Mick Veivers, 'one of the finest food and wine experts in this Parliament' "—

and I thank the Minister for that—

> "by presenting him with the first copy of the booklet in the hope it would entice him back to the table."

In the article, Mr Williams then goes on to state—

> "Big Mick's been doing the breatharian thing lately and we're told he's shed about 5kg."

I want to say to Mr Williams and the Courier-Mail that it was five stone which, in the old days, would be 80 pounds. There are 2.2 pounds to a kilo. That means I have lost about 30kgs. I just hope the Courier-Mail and Mr Williams get their facts right.

Mr SPEAKER: I just wish the member's voice matched his physique.

Mr ELDER: I rise to a point of order. I endorse that and say that it is quite obvious that the member is fading away to a block of units.

DOMESTIC BUILDING CONTRACTS BILL QUEENSLAND BUILDING TRIBUNAL BILL

Cognate Debate

Hon. J. C. SPENCE (Mount Gravatt—ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (10.30 a.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act to regulate certain domestic building contracts, and for other purposes, and a Bill for an Act to establish a tribunal to resolve disputes in the building industry, to review decisions of the Queensland Building Services Authority and to decide applications by the Queensland Building Services Authority, and for other matters."

Motion agreed to.

Mr SPEAKER read messages from His Excellency the Governor recommending the necessary appropriation.

First Reading

Bills and Explanatory Notes presented and Bills, on motion of Ms Spence, read a first time.

Second Reading

Hon. J. C. SPENCE (Mount Gravatt—ALP) (Minister for Aboriginal and Torres Strait Islander Policy and Minister for Women's Policy and Minister for Fair Trading) (10.31 a.m.): I move—

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

Today I table two Bills that complete the historic Better Building Industry legislative reform package. The Domestic Building Contracts Bill 1999 and the Queensland Building Tribunal Bill 1999 follow the Queensland Building Services Authority Amendment Bill, which has been passed by the House and has largely taken effect. Having delivered unprecedented protection to subcontractors, we are now focused on improved service and certainty for consumers. With these two Bills completing the package, Queensland will have a system of building industry regulation unsurpassed in Australia.

The Domestic Building Contracts Bill 1999 and the Queensland Building Tribunal Bill 1999 are entirely new pieces of legislation that will work together to deliver best practice in domestic building contracts. The Domestic Building Contracts Bill 1999 ensures that Queenslanders who are renovating, or building their dream home, will be armed with more and better information than ever before.

The Bill regulates all domestic building contracts worth $3,000 or more. These contracts must now be in writing. The Bill gives consumers a range of rights, without burdening them with unnecessary obligations. It covers contracts with builders and contracts

with trade contractors, such as painters, plumbers and carpenters. This is a first for Queensland, where contracts with trade contractors have not previously been regulated. It responds to consumer demand, as expressed through complaints about trade contracts.

In a series of firsts, the Bill also mandates that consumers receive a contract information statement. Statements must be authorised by the Queensland Building Services Authority, and will contain advice about consumer rights and dispute resolution procedures. This is part of the Government's aim to ensure that Queensland consumers are better informed than ever before.

Reinforcing consumer protection, the Bill establishes a cooling-off period spanning five business days. A contract will be voidable if the consumer is not advised in writing about the cooling-off period. The cooling-off period begins when consumers receive a signed contract or contract information statement—whichever is the latest. Within five days, they will be able to cancel a contract without penalty, other than the builder's reasonable expenses and a flat $100.

If a consumer does not receive an information statement, or if a contract does not contain the required advice about a cooling-off period, that consumer can withdraw at a more advanced stage of the contract. The cooling-off period will not apply if the owner has had formal legal advice before entering into the contract, or where there has been a previous contract for similar work between the two parties. The consumer can also waive the cooling-off period if urgent repairs are required.

There is also an important safety net for consumers facing an unexpected increase in the cost of work. Consumers will have the right to terminate a contract unilaterally if the price rises by more than 15%, or if the completion time blows out by 50%. Any variations must clearly state in writing how the variation will affect the cost and completion time. Variations must also be acquitted at the time of payment for completion of a stage. The amounts payable on completion of each stage must not exceed a specified proportion of the contract price. Flexible stage payment arrangements are allowed for small or unusual contracts. It will be an offence for a builder to breach any mandatory or prohibited contract provision. Such offences may be taken into account by the QBSA if disciplinary action arises.

The Bill also proscribes unconscionable provisions, including—

caveats over the owner's title;

deposits greater than 5% of the contract price, or 10% on contracts under $20,000;

progress payments greater than specified proportions of the original contract price; and

compulsory arbitration clauses.

The Bill requires contracts to contain a set of provisions aimed at enabling consumers to budget and plan while work is in progress. These provisions include—

a starting date and estimated time of completion;

a contract price covering all fixtures and fittings and reasonable estimates of prime cost items and, where cost is unknown, provisional sums;

advice about the cooling-off period; and

contractor's licence details.

Importantly, the Bill legislates for statutory warranties. These extend consumer protection above and beyond the QBSA's powers to direct rectification of work.

This legislation will give consumers statutory and enforceable rights, even when the QBSA cannot assist. The statutory warranties cover—

adherence to plans and specifications;

compliance with legal requirements;

standard of work;

diligence; and

suitability of premises for occupation.

There is also a statutory warranty that materials will be suitable for the purpose and, unless specified otherwise, new. It is recognised that in certain cases the owner assumes the risk that a material will fail, and the Bill removes the contractor's liability in these instances. For example, where the owner has chosen a material without any assistance from the builder, the builder may be relieved of the warranty. If the builder is—or should be—aware that the materials selected by the owner are unsuitable, however, the builder is only relieved of the warranty if the builder gives the owner written advice against using the materials.

The Queensland Domestic Building Contracts Bill will be neatly complemented by the Queensland Building Tribunal Bill. Despite the checks and balances prescribed in the contracts legislation, disputes emerge between consumers and builders or tradespeople from time to time.

The Queensland Building Tribunal, established under the Queensland Building Services Authority Act 1991, will now have its own solid grounding in separate legislation. The legislation will make the tribunal more responsive to the needs of consumers and of industry. It will clearly delineate the tribunal from the QBSA, removing any possible perception that the arbitrator is too close to the regulator. The new-look tribunal will be more responsive to the needs of consumers and industry.

The Bill itself is user friendly, a virtual do-it-yourself guide for parties to disputes. Legalese and court jargon have been avoided wherever practical. The language and layout of the Bill, along with many measures contained within it, are designed to encourage lay people to represent themselves, to avoid the costs of legal representation and to reduce the likelihood of appeals. The tribunal will be uniquely informal, and equipped with the discretion to prevent parties from inadvertently taking action to disadvantage themselves, such as withdrawal when a counterclaim is still on foot.

The Bill guides both the tribunal and parties to disputes on the exercise of the tribunal's discretion. It lists the discretionary factors to be taken into account in matters such as—

awarding of costs;

service of documents;

offers to settle;

withdrawal by a party;

summary decisions; and

default decisions for debts.

These procedures are based on the Uniform Civil Procedure Rules 1999, modified to take account of the unique informal environment of the tribunal.

The Bill responds to the fact that many disputes between consumers and builders, and between builders and subcontractors, revolve around straightforward issues and involve amounts under $10,000. In many of these cases, justice delayed is justice denied. Accordingly, the Bill speeds resolution of these minor building disputes by a special new procedure involving timed mediation and same-day expedited hearing processes. Time in an expedited hearing is to be limited and allocated equally between the parties. This procedure will enable parties to proceed with confidence that the case will be decided on a definite date.

The tribunal will also be armed with powers to help it deal swiftly with cases. These include power to authorise entry to buildings or land, such as where building work can only be inspected from adjoining property, and the power to make interim orders. Awarding of costs is a valuable tool encouraging parties to settle early and not to prolong proceedings without good cause. The tribunal will be able to assess and award costs in all proceedings.

The Bill also gives a wide power of joinder, enabling anyone relevant to the proceedings, such as engineers or suppliers of materials, to be joined in a proceeding. Vexatious proceedings or proceedings being conducted by a party in a way that disadvantages another party, such as repeated unnecessary adjournments, may be dismissed as against the defaulting party, with costs. Forum shopping causes needless expense to the advantage of the better resourced party in a proceeding. If proceedings over which the tribunal has jurisdiction are brought in a court, an application by a party will compel their removal to the tribunal. The tribunal may also transfer proceedings or parts of proceedings to a court, and may state a case on a point of law for adjudication by a court. In the event of problems with the interpretation or implementation of a decision or where there has been a mistake or error in a decision, it may be revisited and altered by the tribunal.

The Bill establishes two new jurisdictions for the tribunal—commercial building disputes and public examinations. Access to the tribunal for commercial building disputes will deliver huge benefits for subcontractors in terms of cost and speed. This has been a key element of the extensive consultation with industry stakeholders that is a feature of the whole Better Building Industry package. The commercial building dispute jurisdiction under this Bill includes all minor commercial building disputes worth less than $50,000. Other commercial building disputes come within its ambit, if all parties consent.

The tribunal's new public examination jurisdiction is a first in Queensland law. Modelled on the Commonwealth Corporations Law, this jurisdiction will allow the industry regulator—the QBSA—to use the tribunal as a forum to examine witnesses on oath about the conduct and competence of a building contractor. The tribunal will ensure that appropriate procedures and protection for witnesses are observed. In a limited duplication of the Commonwealth's public examination procedure, witnesses will not be able to use self-incrimination as a valid excuse for refusal to answer a question in a public

examination, but only when the question relates to the person's financial affairs. Lack of access to such a power in the past has cost consumers, employees, subcontractors, suppliers and the Queensland community generally many millions of dollars as insolvent and incompetent contractors have continued to trade.

These two Bills underline the stark contrast between this Government and our predecessors. The measures canvassed by the previous Government offered precisely nothing to consumers. In fact, consumers were set to lose some of their access to an independent, transparent dispute resolution system through the mooted abolition of the Queensland Building Tribunal. This Government listens to consumers as well as to industry. And it understands that well informed, confident consumers are the essence of an industry such as building and construction. Anyone involved in construction knows a chain is as strong as its weakest link.

The Queensland Domestic Building Contracts Bill and the Queensland Building Tribunal Bill are the two cast-iron links that were missing from the previous Government's moribund plan for one of Queensland's most vital industries. I commend the Bills to the House.

Debate, on motion of Mr Davidson, adjourned.

PRIMARY INDUSTRY BODIES REFORM BILL

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries) (10.47 a.m.), by leave, without notice: I move—

> "That leave be granted to bring in a Bill for an Act to provide for the transfer of the assets and liabilities of bodies under the Primary Producers' Organisation and Marketing Act 1926 and the Fruit Marketing Organisation Act 1923 to incorporated bodies that are not public authorities, to amend the Meat Industry Act 1993, and for other purposes."

Motion agreed to.

First Reading

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

Second Reading

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries) (10.48 a.m.): I move—

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

This is a very important piece of legislation that is designed to modernise the producer representative arrangements that apply in five important primary industries, namely, the sugarcane, fishing, dairy, pork, and fruit and vegetable industries. As a consequence of this Bill, two overly complex and antiquated Acts will be removed from the statute book, namely, the Primary Producers' Organisation and Marketing Act 1926 and the Fruit Marketing Organisation Act 1923. These Acts create five statutory producer representative bodies that provide what might be termed "agri-political" representation and other services to their respective producers. The bodies in question are: the Queensland Canegrowers Organisation—or Canegrowers, as it is more commonly known—the Queensland Dairyfarmers Organisation, the Queensland Pork Producers Organisation, Queensland Fruit and Vegetable Growers and the Queensland Commercial Fishermen's Organisation.

Queensland is, I believe it is correct to say, the only State in Australia where some primary producers are compulsorily required to fund organisations that are involved, at least in part, in agri-political representative activities by way of a statutory obligation to pay annual levies. These arrangements go back a long way in time, with three of these organisations being set up over 50 years ago—indeed, over 70 years ago in the case of QFVG and its predecessor body, and close to 60 years ago for Canegrowers.

At the outset let me say that a major, but not the only, impetus for the Government's examination of the statutory producer representative bodies arises from legal advice which suggests that recent High Court decisions may raise some legal question marks about the compulsory levies that fund these bodies. While a decision in a lower court recently upheld the levies of one of these bodies, legal doubt remains as to whether this decision would be followed in a higher court, and I am sure this House would appreciate that the Government should act to remove doubt wherever it exists.

Another factor requiring consideration of these issues is our desire to deliver an outcome on the long-running saga of the review of the two Acts commenced late in the term of the Goss Government and continued right throughout the term of the previous Government, but in a very desultory fashion. It is one of the more notable back paddock issues I inherited upon coming to office.

From this starting point, the Government faced a number of options. First, we might simply have abolished the five statutory producer bodies. Certainly there were those who feared the Beattie Government would do so out of some sort of political spite. Second, we might have tinkered with the fundraising mechanisms of the bodies, leaving them in their current state but with an uncertain funding future. Or third, we could have opted for a complete reform of the laws underlying these statutory producer representative bodies. The Government has opted for the third option—reform, and such reform is long overdue.

We recognise the value of these producer bodies and the services they deliver. We understand the importance they have in the industries they represent and the communities that depend on these industries. We appreciate that change is never easy and takes time. In framing this Bill, the Government wanted reform that empowered ordinary producer members of these bodies to take ownership and control of the statutory bodies but through a phased transition that allowed time to adjust. I believe that this Bill delivers on these two key objectives—producer control and transition.

At the outset there is the fundamental issue of whether or not producers should be compelled to be members of these bodies. There appears to be a glaring inconsistency in this regard. Queensland has many examples of successful non-statutory, voluntary funded producer representative bodies. Agforce, with its three constituent bodies—the United Graziers Association, the Cattlemen's Union and the Queensland Graingrowers Association—is probably the best known example, but there are many others. Indeed, there are over 60 producer representative bodies in this State, of which only the five mentioned earlier are statutory.

There really is no good reason why producers in five industries should be compelled to be members and contribute to statutory representative bodies while others do not. Conversely, there are very good reasons to believe that voluntary industry organisations will provide more effective, responsive services to their respective industries. We must then ask: why do these bodies need to be statutory authorities?

Let me state quite categorically that the Beattie Government has no desire to own these bodies—we have no wish to make a claim on their physical assets or their cash reserves. These bodies have been funded by producers, and that is where clear legal ownership, and control, should reside. Perhaps over the years Governments have felt the need to have some control over these bodies by way of the right to approve or disapprove of their annual levies and control of their organisational structure. Let me state quite categorically that the Beattie Government has no desire to have any sort of reserve power to influence the conduct of producer representative bodies.

This Bill will give producers in the five industries in question clear and effective ownership and control of their representative organisations. It will take Government out of this area of primary industry by allowing these bodies to more effectively represent, and respond to, their members' interests without having Government involved in the process. This will be achieved over an appropriate transitional period to minimise disruption and to ensure effective ongoing industry representation. In this regard, I see this Bill as the logical extension of what has been done previously to give producers ownership and control of primary industry marketing organisations, such as Grainco, Sunny Queen Egg Farms, PMB Australia, Queensland Cotton and the Tobacco Growers Cooperative. I intend to do the same with the Queensland Sugar Corporation and will announce details shortly.

Returning now to the Bill, there are two core elements. Firstly, the Bill requires each statutory producer body to establish a non-statutory replacement corporate entity, such as a cooperative, company or incorporated association, to which assets and liabilities will be transferred. Once the transfer is complete, the statutory producer body will cease to operate, although an administrator will be appointed where it is necessary to handle any share distribution arrangements related to the asset transfer.

It is the Government's intention—and this I state unequivocally—that the asset transfer arrangements will not result in a stamp duty burden on industry. In common with previous primary industry restructuring exercises, this Bill does not have an explicit stamp duty exemption. However, as was the case with the previous exercises, it is intended that ex gratia relief will be provided for transactions that are undertaken for the purposes of the legislation. Detailed principles for the provision of that relief are to be developed by Treasury and the Department of Primary Industries, having regard to the transactions undertaken.

Secondly, in order to ease the transition, especially in regard to the funding base of each organisation, the Bill provides for compulsory producer membership of the replacement non-statutory corporate bodies, initially for three years, with a possible extension for a further two years, subject to a poll of the relevant producers. The replacement bodies will each be responsible for the setting of the annual membership fees. No doubt some producers will demand that voluntary membership be introduced immediately. I understand their desire. However, such sudden action would have certainly disrupted the operations of the five bodies to the consequent detriment of the industries they serve and, I am sure, would have been strongly opposed within those industries.

As a matter of principle, I believe in providing appropriate transitional arrangements to ease the pain of any restructuring exercise. This is the Government's objective here. These arrangements are supported by the organisations as being necessary to allow them to work towards eventual voluntary membership. I should, however, point out that, while the legislation allows for compulsory membership, initially for up to three years, each body will be able to convert to voluntary membership at any time if that is what its members want. A successful producer poll at the end of that time could extend compulsion for a further maximum of two years, but once again, each body will be able to switch to voluntary membership within that time if that is what its members demand.

I must emphasise the point that any decision to go voluntary will be made by the rank and file; it will not be a decision made by the Minister of the day, nor will it be one made by the leadership of each body alone. As a result, I expect each organisation to be more effective in representing their respective producer members and responding to their requirements. In a very real sense, this Bill enfranchises the rank and file producers in each of these five industries to a very much greater extent than is the case under the present outmoded and convoluted arrangements enshrined in the two ancient Acts that I wish to see finally struck from the statute book. For these reasons, when coupled with the clear transfer of ownership and control of these representative bodies to producers, I expect bipartisan support for this legislation. It will disappoint me, and it should certainly disappoint and dismay the producers themselves, if this is not the case.

Over the past months I have had extensive consultation with the leadership of the five statutory producer representative bodies. They were provided with a draft of this Bill a month ago and have provided many useful comments. They appreciate that the Government has opted for reform, not abolition, and that the phased transition is intended to allow them time to adjust to being voluntary organisations. Change is not easy, but let me congratulate the organisations on their preparedness to move quickly to make reform possible.

In addition, the opportunity is being taken to make amendments to the Meat Industry Act 1993 to facilitate the Government's strategy for the divestment of the Queensland Abattoir Corporation. The Government's legal advice is that certain amendments are desirable to facilitate the Government's divestment strategy for the Abattoir Corporation. I acknowledge that the previous Government also had a divestment strategy, if indeed "strategy" is what it was. Unfortunately, it was such a convoluted outcome that one of my first jobs as Minister was to unscramble what had been very comprehensively scrambled by my coalition predecessors in the first place.

We now have a process in train that will allow the Government to exit involvement in meat processing, where its presence is no longer required, in a manner that is consistent with what I would call the "jobs first and foremost" policy of the Beattie Government. The amendments in this Bill facilitate this process by allowing the Abattoir Corporation to sell assets and land and to deal generally in land, including the power to lease and subdivide land for its own use as well as that of third parties, including seeking planning approvals. The amendments also facilitate the eventual winding-up of QAC.

In conclusion, this Bill continues a necessary reform and modernisation process in Queensland primary industries that commenced with the Goss Government, but which was unfortunately slowed to a bare walking pace, and eventually to a complete halt, under the Borbidge Government. I have put that process back on track, most notably with the Dairy Industry Act amendments of last year, the comprehensive primary industries legislation amendment Acts of last year and again this year, and most recently, the Sugar Industry Bill. This Bill continues that process. It will not be the last example of what I intend to achieve in this challenging and rewarding portfolio. I commend the Bill to the House.

Debate, on motion of Mr Cooper, adjourned.

SOUTH BANK CORPORATION AMENDMENT BILL

Second Reading

Resumed from 15 September (see p. 3856).

Hon. R. E. BORBIDGE (Surfers Paradise—NPA) (Leader of the Opposition) (11 a.m.): The Opposition will be supporting this legislation, but I will make a few comments in respect of it. I welcome a second-reading speech from the Premier and the Government that is what a second-reading speech should be. I place on the record that historically in this place second-reading speeches are supposed to detail what the legislation seeks to do, because there have been occasions in the past when those second-reading speeches have been used in court cases in respect of determining the Government's intent in regard to certain matters.

There has been a long convention in this place that political debate should ensue after the second-reading speech. If Ministers want to give the Opposition a belt, they do so in their reply. I make that observation because this Government is moving away from that convention. I know that in previous second-reading speeches in regard to other matters the Premier has also strayed from that convention. I commend him on a second-reading speech that observes the conventions of this place.

Mr DEPUTY SPEAKER (Mr D'Arcy): Order! I have taken advice from the Clerk. I heard the Leader of the Opposition comment when the Minister for Fair Trading was on her feet. It was my opinion and the Clerk's that that complaint should be taken to the Standing Orders Committee. I think that is the proper forum for dealing with that matter.

Mr BORBIDGE: Thank you, Mr Deputy Speaker. I appreciate your response to that. If we get some cooperation across the Chamber, it may be possible to address that particular issue. I like a scrap in here as much as the Premier or anyone else, but it is matter of following the conventions of this place. Historically, the time to have a scrap has been during the process of the debate. That is a proud tradition of this place. I would hope that it would be observed by this Government.

I understand the urgency of the legislation. I know that the parliamentary sitting program is becoming tight. We have three or four weeks of four-day sittings ahead of us. I have no objection to the legislation being debated today. However, the South Bank Corporation Amendment Bill has gone from being No. 28 on the notice paper yesterday to No. 1 today. As a matter of courtesy and respect to the House, those sorts of matters could be managed a little better. No doubt there will be more of this as the bureaucratic sausage machine winds up and Ministers get told by their respective directors-general that the end of the world is nigh if the "Blowfly Amendment Act 1932" is not passed by the end of this year's sittings. I make those observations in a constructive manner in respect of ensuring that this place works a little better in the tense weeks that are ahead of us.

This legislation basically continues the development plan that was approved and legislated for during the period of the previous coalition Government. I have no difficulties with the legislation. In fact, it enshrines certain principles that I legislated for when I was Premier. We realised, as the current Government realises, that the land tenure arrangements in respect of South Bank were simply not secure enough to attract the major investment amounts that are needed to make South Bank what we know it will become. The precedent was set by the previous coalition Government when I introduced legislation to give a perpetual lease to Thiess, which resulted in Thiess establishing its Australian head office—which opened recently—at South Bank.

I will make a couple of observations and express a couple of concerns. These are not meant to be critical of the South Bank Corporation nor the Government. I think possibly both sides of politics have overlooked the dilemma that, once we decided to commit to the redevelopment of South Bank, it would in large part become a construction site again for a period of years. I know that there have been some traders at South Bank who have experienced a degree of difficulty as a result of the major commitment by both Governments to make sure that this outstanding capital city of ours had a precinct such as South Bank that would be up there with the best that could be found anywhere in the world.

So as not to jeopardise the important work of South Bank, I have adopted a policy of not raising some of those concerns or the individual cases publicly. I know that the South Bank Corporation has made a very concerted effort in seeking to accommodate some of those concerns. I believe we have to accept that this work was begun by Government; both sides of politics made a commitment to the upgrade. It started under my Government and it is continuing under the present Government. We have a responsibility—not just the South Bank Corporation—to the many businesses

that have suffered a quite extreme dislocation of income as a result of the decisions of the Governments of the day and the decisions of the two Parliaments that have been dealing with that issue recently. I seek an assurance by the Premier that he will keep those particular concerns under control.

This legislation deals with the bridge. The proposed bridge has been somewhat of a controversial addition. I know that residents in the apartment blocks were very concerned initially. My advice is that the deal that has been done which effectively repositions the bridge and brings it in alongside the Maritime Museum has effectively evaporated a lot of the concern and angst. Clearly, people did not want a cycle bridge or a pedestrian bridge going past their bedroom window, particularly when they had just paid a few hundred thousand dollars for their apartments. Whilst noting the enormous public support for the bridge, I seek the assurance of the Premier that the concerns relating to those residents who were going to be impacted upon have essentially been addressed and that those people have withdrawn their reservations and objections.

I also seek some advice from the Premier in regard to whether the plight of traders during construction is being or may be aggravated as a result of the realignment of the route of the light rail and whether that has caused or will cause any complications. I understand that some realignment is now considered necessary. In view of the concerns many of the traders have had and the loss of business they have experienced, I would appreciate an assurance in that regard.

I believe that we can be very proud of the work of the South Bank Corporation. I pay tribute to Steve Wilson, who is one of this State's most respected businessmen. I was delighted when he accepted my invitation to take on the chairmanship of the South Bank Corporation. I am delighted that the current Premier has kept him in that position.

I know that we have to be people conscious as we go about the redevelopment of South Bank. I think that initially, with the enthusiasm of all that was going on over there, perhaps both sides of the House lost sight of the financial and other impact of that work as people struggled to make their businesses operate in what has now become a construction site for the best part of two or three years from start to finish of this stage of the redevelopment.

At the end of the day, I believe the master plan will give Brisbane something that no other capital city in Australia has. It will be one of the great people precincts potentially of any major city anywhere in the world. It is an investment in the future of our city. It is important that we nurture it and that we make sure we maximise the opportunities that the South Bank redevelopment does offer.

I understand from the Premier's second-reading speech and from my knowledge that the approval of this legislation sets the pace for Mirvac to proceed with its $100m residential, retail and commercial development. I have seen the plans. I believe it will be a tremendous addition to the City of Brisbane.

It is great to see that the private sector is keen to consolidate its position as a partner with Government in respect of South Bank. The reason it is prepared to do that is the reason this legislation is before the House. It is why similar legislation was before the previous Parliament during the term of the coalition Government. That is, if we want companies to invest $100m to help create something very special, they have to have security of tenure. They have to have the security to be able to satisfy their financiers that their particular proposals are viable and that they stack up. That is essentially the reason this legislation has been introduced into the House.

I am pleased that the current Premier is following the precedent set by Thiess. No doubt it may be revisited in respect of other development proposals down the track. The reality is that that is the only way we can expect the private sector to make the large capital investments that are required to give us the quality product at the end of the day that I am sure members on both sides of the House wish to see evolve as South Bank evolves. The Opposition supports the legislation.

Mr FELDMAN (Caboolture—ONP) (11.14 a.m.): In line with what the Leader of the Opposition has said about being people conscious, we realise that the South Bank Corporation Amendment Bill allows the changing of the land use leases to accommodate the Mirvac redevelopment, for the construction of the pedestrian and cycle bridge and the building of a residential, retail and commercial development at the South Bank parklands.

The Premier in his second-reading speech talked about Brisbane's reputation as the most livable city in Australia and said that a crucial focus of this vision is the redevelopment and enhancement of South Bank as one of the great city parklands and open spaces in the world. I am sure that this Bill will aid the

Premier's vision and that South Bank will be enhanced by the development. My concern lies with priorities.

I would prefer Brisbane's reputation as one of the most livable capital cities in Australia to come from a different source—from the adequate provision of essential services, the necessary help for children who walk our streets at night and the required safety and protection of our citizens. Would it not be wonderful if Brisbane had the reputation as the most livable city in Australia because our hospitals were adequately staffed and funded so that waiting queues were non-existent, or because we had adequate resources to protect young children on the streets by taking them home or to somewhere they could be cared and catered for, or maybe because we had punishments that reflected the crimes in order to create a real deterrent, allowing people Brisbane to walk around in safety in the evening or sleep comfortably in their homes? I am sure my point is made.

It saddens me to see so much wrong with our State and our country, and this is matched by weak leaders who value money and prestige above quality of life issues for those they are elected to represent. A pedestrian bridge that has seats under archways of flowers and shade to protect people from the sun sounds divine, but is it necessary when there are so many more worthy projects that the money could be spent on?

In his second-reading speech the Premier talked about the extent of consultation over the bridge. He mentioned the overwhelming three out of every four people supporting the bridge and the enthusiastic support of various groups around the city. I am sure that the consultation was fairly conducted and honestly done. I wonder, however, what the result would have been if the question had not been asked solely about the bridge. What would the outcome have been if the question was asked more about support for the bridge or additional funding for the PA Hospital for more urgently required extra nursing staff? The outcome may have been entirely different. I would like to believe that the hospital would easily have received more public support than a pedestrian/cycle bridge in the middle of the city.

The State's health system is in a state of collapse. Massive waiting lists attest to the suffering of so many Queenslanders. The average battling family is forced to endure savage increases in Government fees and charges. In the midst of all of this economic vandalism, the Government suddenly finds a spare $30m lying around and decides to fritter it away in support of the footbridge. The cost-benefit analysis would make fairly interesting reading. Granted, the project will provide some short-term jobs.

Before I continue with my speech, I acknowledge the presence in the gallery of students from a school in my electorate. Will this project deliver the much-needed resourcing improvements in our education system? No. Will it provide extra police to ensure the improved safety of our citizens and particularly at-risk groups such as the aged, the infirm and the young? No. Does it show that this Government, like most Governments, has its priorities in the right order? No.

Another aspect of this Bill is that it reinforces the arrogance of this Government and its penchant for legislating change rather than following standard process. We saw the standover methods in operation when this Government used legislation to dispossess the Noble family of their freehold land and destroy their catering business.

This is a Government out of control. This is a Government that will not allow the rights of ordinary Queenslanders to delay its grandiose schemes. How can we respect a Government that is prepared to use legislative process as a weapon to ride roughshod over proper administrative process and over the hopes and aspirations of its citizens?

I realise that the Premier must feel compassion for his colleague Mr Soorley, who is approaching his judgment day at the ballot box. Indeed, the Premier and Mr Soorley probably feel great compassion for each other as they struggle desperately in the face of rapidly falling public support and rapidly rising public contempt over their constant stumbles from crisis to crisis and from scandal to scandal. My heart bleeds for both of them, but I consider it obscene for the Premier even to contemplate using desperately needed public funds to prop up Jim Soorley's tired image and to deflect attention from his own accident-prone Ministers and members. It is appalling to contemplate Soorley's grotesque erection rising over our beautiful Brisbane River as a monument to his imminent departure from public office. Thousands of disadvantaged Queenslanders will be disappointed and disgusted to see desperately needed funding being wasted on a self-indulgent project which will benefit just a few.

We are unable to support his Bill because of its inequitable nature. Thousands of disadvantaged Queenslanders could well

benefit from these funds, rather than a few cyclists in the centre of Brisbane.

Dr PRENZLER (Lockyer—ONP) (11.21 a.m.): This South Bank Corporation Amendment Bill makes improvements to the South Bank Parklands, including a new retail, residential and commercial area and a pedestrian and cycle bridge to extend from the Maritime Museum at South Bank across the river to the Botanical Gardens. The Premier and the Lord Mayor seem quite pleased with themselves over these latest redevelopment plans for South Bank. They envisage South Bank as "one of the great city parklands and open spaces in the world"—a boost to Brisbane's brilliant "livable city" reputation.

Although there are many, many causes that could make better use of the money being spent on this project, I feel specifically for those people in rural and regional Queensland—Queenslanders who are struggling to make ends meet, to keep their businesses viable, their families clothed, fed and educated and their communities functioning. Rural communities are doing it tough. In my electorate of Lockyer, for instance, we have several deserving cases for Government funding and assistance, not the least of which is the plight of several local families whose homes are under threat from erosion of the banks of Lockyer Creek at Helidon. For a mere $500,000, they could be relocated and their shattered lives could be put back together again.

As my colleague the member for Hervey Bay would attest to, another example of neglect is the dangerous section of goat track that passes as the Bruce Highway over the Gunalda Range. $13m would make a significant contribution towards removing this life-threatening section of road. Another issue brought to my attention by the member for Hervey Bay is the restoration of the pier. Excuses, hard-luck stories—

Mr DEPUTY SPEAKER (Mr D'Arcy): Order! I tolerated the member for Caboolture's speech. Lenient as we can be during debates on second-reading speeches, the member is really on a budgetary subject that is far removed from the current Bill before the Parliament. I will listen with a great deal of intent to the rest of the member's contribution, but I suggest that he get back to the Bill.

Dr PRENZLER: Even a fraction of that amount would be a blessing to the many hardworking community groups that are constantly striving to improve the lot of the less fortunate in the community. Every dollar spent on the problems arising in modern society is an investment in the future, and certainly a more worthy cause than a footbridge to benefit a few.

As I mentioned when I began to speak, this Bill allows more development of South Bank, including a footbridge, which we are all well aware will cost the Government many millions of dollars—money that would be far better spent, in my opinion, and would provide a far greater benefit if it was spent elsewhere on a multitude of more deserving and socially productive causes.

We are unable to support this Bill, and we make it clear for the record that One Nation opposes such a waste of public funds when more urgent and important areas are suffering through a lack of funding.

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier) (11.23 a.m.), in reply: I thank members for their contributions to this debate. Firstly, I will deal with the Leader of the Opposition. I thank him for his support. I welcome the support of the Leader of the Opposition for the amendments to the South Bank Act. I have kept responsibility for South Bank in my portfolio, as did the former Premier. He and I are more intimately aware of the details of this, I suspect, than are most members of this House.

I want to go through the points that the Leader of the Opposition raised, because they are important. I note the comments regarding the impact on traders of the master plan construction. The South Bank Corporation has undertaken considerable efforts to address the concern of traders, as the Leader of the Opposition acknowledged. The corporation has compensated many of the traders for the impact of the construction works. It is now conducting an independent review by Arthur Andersen to ensure that traders have been treated fairly. I am aware of some of their concerns. Some of them have written to me, and I have obviously passed those concerns on to South Bank.

The impact of light rail has been factored into the redevelopment and realignment of Grey Street. In fact, it is expected that the light rail will add to the vitality of the area and bring new business for traders. So hopefully, that will actually work as a plus. The pedestrian bridge will include acoustic and visual screens to ensure that the apartments are shielded from the bridge. This has met residents' requirements. There has been, and will continue to be, ongoing consultation with the residents to identify and address any concerns. We have gone to a great deal of trouble to address those concerns.

I would like to acknowledge the presence in the gallery of students from St Peter's school. On behalf of all members, I acknowledge their presence in the gallery.

Coming back to the issues raised by the Leader of the Opposition—I think I have covered the plight of traders and residents' objections. We have worked very hard on overcoming those objections. I think there is a degree of goodwill, and I think that some of the things that are being done in relation to the bridge will overcome their concerns. They are the things that I mentioned before. In fact, we have moved the location of the bridge as a direct result of consultations with the residents, particularly the ones in the units to which the Leader of the Opposition referred. I think they accept that we have bent over backwards to assist them.

In terms of the Mirvac Group and the lease—this is based on the Thiess model. As the Leader of the Opposition knows, when he held this position he introduced that legislation, and I supported him on that occasion; because once Thiess had come to an understanding with the Government, Martin Albrecht then briefed the Opposition. We indicated our full support then, and we are, in fact, reciprocating. We supported Thiess when members opposite were in Government, and they are supporting Mirvac now that we are in Government. I have to say that I was delighted to be the one to actually open the Thiess building. That is the way it goes in this business.

Mr Borbidge interjected.

Mr BEATTIE: You never know your luck in a big city! I did a good job at the opening of Thiess. Thiess is a great Queensland company, and Martin Albrecht is regarded well by members on both sides of the House. In fact, he is hosting a major German/Australian conference here this week. He is a great Queenslander, and Thiess is a great company.

In terms of some of the other issues, including the contributions made by One Nation members, I have to say that I really found them cheap and base. The bottom line with all this is that we are talking about private sector investment of $100m. That is what this Mirvac Group is all about. I do not know whether those members have read the Bill—and I am doing this as kindly as possible—but I suspect that they did not. If they had read the Bill, they would realise that this is about establishing a legal arrangement of certainty to enable them to build this building and the various facilities that will go with it.

The consequence of what those members are suggesting—and let us be very clear about this—would be to destroy jobs and to destroy the private sector investing $100m. I invite them to show me the logic in that. It is all very well to come in here and have a cheap shot and pull a cheap stunt to get a few headlines at home, but let us be really clear about this. I ask them to think of how many jobs will be created out of $100m of private investment. I find it extraordinary that they would do that. The issue about being a member of Parliament and about leadership is sometimes that we actually have to ask, "What is good for Queensland?" This is good for Queensland. And I will go out and support, as vigorously as I possibly can, private sector investment and development such as this, particularly to the tune of $100m. I believe it is absolutely appropriate to do that. This Bill will facilitate that.

As to the purpose of this Bill—firstly, it will amend the boundaries of land over which the South Bank Corporation may, with my approval, grant a perpetual lease. The corporation currently has the power to grant such a lease, which is for a period of 999 years, over land within the commercial precinct at South Bank. This amendment will simply extend the boundaries of this land. Let us be really clear about it. That is what this does. And out of that, the community ends up with a significant amount of investment from the private sector, which will drive jobs.

This amendment will enable the corporation to grant a perpetual lease to the Mirvac Group, which recently announced plans to develop two sites of mixed-use retail, commercial and residential complexes fronting the realigned Grey and Little Stanley Streets, sites 9E and 9F. This is a two-stage development, including 182 residential units, specialty shopping and underground car parking. The project is expected to cost over $90m and will create more jobs for Queenslanders.

Let us be really clear about this. If those opposite vote against this Bill—which they are entitled to do; it is their democratic right—they will vote against between $90m and $100m worth of private sector investment in this State. Honourable members will vote against jobs in this State. They will also vote against the development of those units, which will include shopping centres and underground car parking facilities.

Let everyone understand this, because there will be contractors and subcontractors involved in this work. Not all the subcontractors

will live in Brisbane. Some subcontractors will live in Caboolture and some will live in Lockyer. These people will have jobs on this site. The honourable member for Lockyer and the honourable member for Caboolture will deny subcontractors—small businesspeople who live in their electorates and who drive to Brisbane—jobs on this site if they vote against this legislation and if it is defeated. That would be an absolute nonsense. This is the major part of the Bill.

I am happy to come to the matter of the pedestrian bridge. The position is that $13.5m has been allocated towards that project. It is part of a redevelopment of the South Bank site. What does the South Bank site mean? Why is the bridge important? Why is the redevelopment of the South Bank site important?

It is important because it is about time that we developed Brisbane as a tourism magnet to attract people to visit this State. Both sides of politics have supported this since 1988 because both sides of politics—and I would hope that the member for Caboolture and the member for Lockyer would think about this—have realised that Brisbane needs to be more of a tourism magnet to attract people to the State. Visitors will spend some time in Brisbane, and then what will they do? They go to the Sunshine Coast, an area which the member for Caboolture represents. They will holiday in the honourable member's area. The visitors will go to the Gold Coast; they will go to the Whitsundays; they will go to central Queensland and they will go to Toowoomba.

Why do honourable members think that the heritage trail is so important? The member for Lockyer spoke about his region. He is going to have a heritage trail all the way through Lockyer. The trail will start at Ipswich, go through Lockyer and Toowoomba, and extend all the way out to Charleville. What does the honourable member think we will do with regard to tourism? It is only a tiny part of the promotion, but we are going to promote Brisbane. We are going to promote South Bank in order to attract people to the city. As part of the attraction, visitors will be encouraged to go on the heritage trail network. That network was a proposal that was agreed upon by Howard and Borbidge. It is supported by Howard and Beattie because it is a good idea. I give the member for Surfers Paradise credit for a good idea. Why is it a good idea? It is a good idea because it gets people into the major cities of the State and it then gets them out into the bush. It puts money into the bush. Lockyer will be a beneficiary of all this.

We have to find things that will attract people to this State. Yes, we have the Great Barrier Reef. Yes, we have the Gold Coast. Yes, we have the Sunshine Coast. Yes, we have our rainforests. But we need something in the capital city. Think about cities overseas! Sydney has the harbour. Too often people think about the Sydney Harbour Bridge and the Opera House as a means of attracting people to this country. We have to turn Brisbane into a magnet—along with other parts of the State. Brisbane should not be the only magnet but we have to use it as a magnet more than it has ever been used before. That is why the South Bank precinct, the pedestrian bridge and the Roma Street development are so important. That is why the Brisbane light rail project and the central business district of Brisbane are so important.

These things will bring people to Brisbane. They will also visit the electorate of the member for Hervey Bay and go whale watching. We have to find a reason to bring people here. We have to look at what this means to every single member in this House. That is why it is important, and that is why both sides of Parliament have supported it. The member for Lockyer's constituents will be working on the site as subcontractors. Tourism operators will benefit in the long term as a result of this proposal because South Bank is not just about Brisbane; South Bank is only a tiny cog in an integrated trails network that is going to put tourists in every part of this State.

When we have these discussions it is important to see where it all fits into the broad strategy. It is a broad strategy which benefits every person in this State. I am absolutely determined that my Government will deliver on the heritage trail proposal. I have given the member for Surfers Paradise and the Prime Minister credit for this very good idea. This is all part of a network. We lose because Brisbane is not as big a magnet as it should be.

People will often fly into Cairns—which is tremendous—but they go straight to Sydney. Sometimes they will come to the Gold Coast and go nowhere else. This is about getting people from, particularly, Europe and the United States to come to Queensland and stay here longer. If they come into Brisbane and spend two days here and then go on to the Gold Coast, that is terrific. If they spend two days in Brisbane and then go on to Cairns, that is terrific. If they go to Cairns and then spend some time in Brisbane, that is terrific.

I say to honourable members that this is not just about the capital of this State. This is a matter of the capital working for everyone in

this State. It is a case of the capital working for Queensland. Brisbane has not worked as well for the State as it should have worked. We are trying to turn that around and make sure that the beneficiaries are Statewide.

I know that the member for Caboolture and the member for Lockyer have said that they will vote against the legislation. They are quite entitled to do that. I hope they think about this because this legislation is good for Queensland.

The member for Caboolture and the member for Lockyer mentioned jobs. This project will produce jobs—jobs in construction and jobs in tourism. The members spoke about street children. Of course this Government is concerned about street children; that is why we are putting extra funds into programs for street children. The honourable member for Caboolture spoke about hospitals. For heaven's sake, honourable members must understand that there is a fundamental difference between capital expenditure and recurrent expenditure. It cannot be said that we are going to take money which should have been used for staffing a hospital and put it into a bridge. That is what sent Victoria broke years ago at another time when another Government got it wrong.

Mr Borbidge: A Labor Government.

Mr BEATTIE: Well, let us not dwell on that. We cannot do that. Recurrent expenditure is an amount of money for staff which needs to be expended every year. Capital is one-off expenditure. Capital is an easier concept. Capital can be borrowed. One can do all sorts of things with capital. It is one-off, and it is gone. Recurrent expenditure is committed year-in, year-out. A Government has to fund it, manage it and look after it.

This argument about putting it into hospitals is a nonsense argument because the capital program has been funded. It started in the Goss years, the Borbidge years continued it, and we are continuing it. Both sides of politics have supported it. We might argue about the detail, but it was supported by both sides of politics and it was funded by both sides of politics. When it comes to extra staff, that is a totally separate issue. Recurrent funding is totally different from capital. We should never confuse them.

I conclude by saying this: this is a very important part of Queensland's future. I will go to any part of this State—whether it is in Lockyer or whether it is in Caboolture—and I will argue this case because every one of those constituents will benefit along with the people who live in Brisbane. This is about Queensland. We need a broad vision—a real vision—about our future.

Motion agreed to.

Committee

Hon. P. D. BEATTIE (Brisbane Central—ALP) (Premier) in charge of the Bill.

Clause 1—

Mr BORBIDGE (11.39 a.m.): I want to take this opportunity to place on record the fact that, despite the reservations that were expressed by some members, those members decided not to divide. I hope that, after hearing the Premier's explanation, they realise the importance of this legislation. As a former Premier, I concede that other members of the Chamber are not necessarily privy to or understand a lot of the goings-on at South Bank. That is why I am pleased that the honourable members who expressed a concern did not divide the Chamber to express their opposition.

The basic point of this legislation is that it permits Mirvac to proceed with a $100m private sector investment in the State of Queensland that would otherwise not occur because, under the land tenure arrangements that are currently in place, to date only Thiess has been offered and given a perpetual lease. This legislation changes that. It gives those particular investors the opportunity to secure their finance and to go ahead and put their money, as opposed to taxpayers' money, in a partnership between the State and the corporate sector. I think that is an important point to make. That is why I feel that it would have been very disappointing indeed if the Chamber had divided. I accept that those reservations were expressed with genuine intent. As the debate has progressed, I trust that any honourable members who may have had reservations about the need for this legislation have come to accept that, if there is no legislation, there is no Mirvac, and there is no $100m.

Mr Beattie: No jobs.

Mr BORBIDGE: No jobs and all the associated benefits that will flow back to the State of Queensland, no doubt including the amount of State taxes that would be payable in respect of payroll tax and other such issues which, on a $100m project, will be very considerable indeed. I welcome the fact that today the Chamber has recorded, at least in terms of there not being a division on this particular issue, unanimous support for this project.

Mr BEATTIE: The Leader of the Opposition has made a very valid point in that, out of this extra activity, we get extra taxes and we use those taxes to provide services. That is what is important. Those services are Statewide services. I, too, thank the members opposite for not dividing on this Bill, because I think that that would have been unhelpful. The Leader of the Opposition is right. He has prompted my memory. I had intended to make the point, but I got carried away with what I was saying. Through this Bill, there will be extra activity and extra taxes, whether it is stamp duty or whatever.

I should have mentioned one other point. Recently, a decision was made by the Queensland Heritage Council in relation to certain matters. The proposed amendment has been in train for some time and certainly before this matter came before the Heritage Council. Notwithstanding the recommendation of the council, which will be considered carefully before proceeding with the development of the bridge, it still may be necessary to locate the southern abutment of the bridge within the maritime precinct, thus making this amendment obligatory.

I should say that we have worked very carefully and closely with the Heritage Council. We are making adjustments in terms of the Maritime Museum. Expert advice received by the Coordinator-General and the South Bank Corporation indicates that those elements of the Maritime Museum site that contribute to its historical significance, which provide the public with a reminder of the site's association with the maritime history of South Brisbane, remain conserved in the proposed bridge concept. Further, the introduction of an elegant piece of modern architecture is appropriate and enriching. The Maritime Museum Association is supportive of the bridge concept and of the increased public recognition of the museum that the bridge will bring. So we think that that issue has been overcome as well.

Clause 1, as read, agreed to.

Clauses 2 to 4, as read, agreed to.

Bill reported, without amendment.

Third Reading

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

SUGAR INDUSTRY BILL

Resumption of Committee

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries) in charge of the Bill.

Resumed from 28 October (see p. 4598).

Clause 39—

Mr PALASZCZUK (11.46 a.m.): I move the following amendment—

"At page 41, line 17, after 'may be for'—

insert—

'more than or for'."

The Government moves an amendment to clause 39(3) in order to clarify what has always been intended regarding the length of individual agreements. It is now clear that individual agreements may be made for more than all of or part of the period of the collective agreement than otherwise applies to the grower and for all or part of the supply of cane by the grower.

Mr COOPER: I want to make a couple of points before I speak to clause 39. Many of us have been involved with this Bill since it was introduced in this place some time ago. I believe that we have tried very sincerely to do justice to it. It is a very complicated and important piece of legislation and there have been delays all the way along the line. I believe that the Minister has been as frustrated as we have that the workings of the Parliament have not exactly given encouragement to the passage of this Bill. However, I want to highlight some of the Opposition's concerns.

I believe there have been times when we could have dealt with this legislation. Maybe we should have sat—as we expected to—until about 3 this morning. I think that was the original plan. We are now getting jammed into a corner. That is the last thing on earth that anyone wants to do with major legislation such as this Bill. So I suggest that if we are not able to finish by 4 o'clock or 4.30, we should proceed through the afternoon. If the Bill has to be passed before we rise, then we should stay and, if we have to, sit right through the night to make sure that we get this legislation through the Parliament. I also say to the Minister that no-one should try to guillotine this legislation, because all hell would break loose out in the bush if that happens. We have done our homework, we have some things to discuss and we want to get on and do it and see where we finish up.

However, we have some significant concerns with this amendment. On Tuesday, the Minister attempted to explain the rationale for the amendment and, with due respect, it does not make much sense on its own terms or when looked at from the wider perspective of the objectives of the legislation. The Minister made the following comment—

> "The Government will move an amendment to clarify what has always been intended regarding the length of individual agreements. These agreements are not to be limited to the length of the collective agreement. Part of the premise of the Bill, as determined by the Sugar Industry Review Working Party, is to enable greater flexibility to growers in their cane supply arrangements. For the first few years, no doubt all agreements will be negotiated for one or two year periods. It is anticipated that following that, longer agreements will be entered into."

There is no question that the working party report recommended a series of reforms designed to give greater flexibility to the industry, and we support that. However, the report is also predicated on the basis that there will be, as far as possible, a level playing field between sugar farmers and mill owners in negotiating agreements.

The coalition has said, and we have said it often, that we support individual agreements. However, as the Government has recognised in this Bill, care has to be taken that individual agreements are not used in a manner that will operate in an unfair fashion for both individual growers and the majority of farmers who are part of a collective agreement.

This Bill is already too open-ended. There is no upper time limit for agreements and there are not enough protections for growers who are attempting to negotiate agreements, whether individual or collective, with mills. Yet at its core, until now, the Bill was based on the assumption that the majority of farmers would have a collective agreement and that by banding together they could negotiate a better deal with the mill owners. Part of this assumption was also predicated on limiting the capacity of mills to enter into individual agreements in advance of negotiating collective agreements, in a way designed to divide and conquer. This Bill was presented to the Parliament on the assumption that, in any given locality, all agreements, both individual and collective, would either commence or end with the commencing or ending of the collective arrangements. Things could then start afresh and farmers could negotiate in a better fashion.

As I said, I found the Minister's explanation for this amendment hard to understand and I think it really undermines the basic philosophy of the Bill. I have looked at the working party report and I cannot find anything to justify it.

In summary, my concern is that the context of the Bill, which is already too open-ended, providing even more scope for mills to enter into individual agreements in a fashion that could undermine collective arrangements, is short-sighted and unfair. If this legislation provided more protections for farmers, I could see the logic of where the amendment is going, but everything has to be judged in its context.

At the moment, the individual agreements are outlined in the context of a Bill that is still too vague and open-ended and that still allows too many opportunities for those with superior market power to exercise that power in a predatory sense. In saying this, I emphasise that I am certainly not trying to disparage the mills and I am not critical of any individual mills. However, all of us are realists and we have to recognise that where there is market power, there is always the temptation to use it, especially when things go bad.

I ask the Minister: who wants this amendment? What arguments were put forward for inserting it? What extra protections will be added to prevent misuse of market power? Can the Minister guarantee that collective agreements will not be undermined? If the Opposition cannot get satisfactory answers, we will have no alternative but to oppose the amendment.

Mr PALASZCZUK: I say at the outset that this amendment has come about as the result of industry agreement. Basically it is a technical amendment. I will explain to the honourable member one more time that part of the premise of this Bill as determined by the Sugar Industry Review Working Party was to enable greater flexibility to growers in the cane supply arrangements. I also remind the honourable member that I will be moving an amendment to clause 45, which clarifies that growers can opt out of collective agreements at any time during the agreement. The amendment to clause 39 clarifies and supports the fact that individual agreements are about flexibility and we cannot limit them just to collective teams.

Amendment agreed to.

The TEMPORARY CHAIRMAN (Mr Mickel): Order! I recognise the students, teachers and parents from the Pialba State School in the public gallery.

Clause 39, as amended, agreed to.

Clause 40, as read, agreed to.

Clause 41—

Mr PALASZCZUK (11.53 a.m.): I move the following amendment—

"At page 42, lines 20 to 25—

omit."

The Government's amendment deletes subclause 5. Matters that were dealt with in subclause 5 are now dealt with in the new Division 4 of Part 2.

Amendment agreed to.

Clause 41, as amended, agreed to.

Clause 42—

Mr COOPER (11.54 a.m.): I move the following amendment—

"At page 43, after line 8—

insert—

'(4) A negotiating team must properly consult with growers about a collective agreement before signing it.

'(5) For subsection (4), the Minister must issue a written directive stating how the team must consult growers.

'(6) The team must comply with the directive.'."

Clause 42 deals with the making of collective agreements. While clause 41 provides that at least 28 days before negotiations start on a collective agreement the negotiating team must publish in a local newspaper notice of various matters relating to the pending negotiations. Notification before negotiations start is very important, particularly the requirement that the negotiating team must specify the period or range of periods that the collective agreement may possibly cover. Growers who may be bound by a collective agreement are, therefore, put on notice and they are armed with information about the address for service of the negotiating team, the day that negotiations will be commencing and the very fact that negotiations for a collective agreement are on foot. Of the five members of the team, two are appointed by the mill suppliers committee and growers notified of the start of negotiations are in a position to let the committee know what their concerns and aspirations are.

One would think that in legislation where there must be notification of the start of negotiations, there would also be some form of notification before a collective is signed off. However, in the context of this Bill, there is no such notification. All that clause 42 requires is that there must be notification not more than 21 days after the agreement is concluded, a notice of the signing of the agreement and how a copy can be obtained. Growers concerned about the terms of the agreement have to get at least 20 of their number together and act within 21 days to get the collective brought before the negotiating team for variation. On top of that, the negotiating team can only vary it if there is unanimous agreement. Once an agreement is signed, it is not an easy task to vary it. In those circumstances, it is not only sensible but imperative that people who may be bound by its terms are properly consulted with.

The amendment circulated by the Opposition places an obligation on the negotiating team to consult before signing off. The amendment does not propose that the critical issue of what type and nature of consultation is required be left up in the air, but instead states that there be a written directive from the Minister. At the moment, there are a number of guidelines issued under the Act that set out the requirements for various aspects of procedural fairness. For example, I draw the Minister's attention to the Sugar Industry Local Area Negotiation and Dispute Resolution Guideline 1996, which is made by the Queensland Sugar Corporation. The object of that guideline is to give mill owners and canegrowers a simple, flexible and timely way of resolving disputes about certain matters and agreeing on an award in a commercially oriented way and at a local level. This is the type of guideline that could be issued in the context of specifying the type of consultations that should occur.

The bottom line is that prevention is better than cure. Rather than trying to sort out disputes about collective agreements once they are signed, surely it is far better to have a proper consultation process in place during the negotiating process. This will facilitate a more harmonious negotiating atmosphere and head off disputes. With that goal in mind, we have circulated the amendment. I ask the Minister to accept that amendment.

Mr PALASZCZUK: What the honourable member for Crows Nest is suggesting, basically, is that negotiating teams will not consult with growers before making the agreement. I will explain to the Committee the reasons why the Government believes that the Opposition's amendment is unnecessary.

It is already clear in the Bill that negotiating teams will properly consult before making a collective agreement. Before a negotiating team commences negotiations for a collective agreement, under clause 41 it must publish a notice in the local newspaper. The notice must make it clear that negotiations will shortly commence on a particular day, provide an address for service of the team,

and the period or range of periods that the agreement may cover.

It is clear that the negotiating team must take steps to obtain local opinion before negotiating the collective agreement. In being responsible for negotiating the collective agreement, negotiating team members will have little choice other than to consult extensively with industry. As my colleague the member for Bulimba stated, how can negotiating teams negotiate if they do not talk to the people? One goes out and talks to people about how things will affect them. Negotiating teams are equally representative of mill owners and growers. Grower members of negotiating teams are chosen by mill suppliers committees, which are made up of growers from within the local areas. It is the nature of negotiating teams that they are well versed in local issues affecting the local industry. At the end of the day, negotiating teams must be left to get on with the job for which they were appointed.

Mr COOPER: I can only reiterate what I said earlier: prevention is better than cure. We believe our amendment is perfectly acceptable and reasonable. I think the Minister would come to appreciate that fact once the amendment was in the legislation. We will continue to support the amendment. Even if the Minister cannot see his way clear to do so, we have made our point and we are on the record in that regard.

Amendment negatived.

Clause 42, as read, agreed to.

Clause 43—

Mr COOPER (12.01 p.m.): I move the following amendment—

"At page 43, after line 20—

insert—

'(3) Despite subsection (1), the only proceeding a mill owner may take to enforce a collective agreement provision mentioned in section 49(2) is to apply to the cane production board established for the mill to cancel the relevant cane production area or part of its number of hectares.

'(4) The cane production board may cancel the cane production area or part of its number of hectares if it is satisfied the provision has been contravened.

'(5) For subsections (3) and (4), section 31(3) to (7) and (9) apply.'."

As to the reasoning behind this amendment, a collective agreement, once signed off by the negotiating team, is binding and enforceable in any court of competent jurisdiction as a contract. A court of competent jurisdiction means just that, including the Supreme Court, having regard to the amounts of money involved and the types of remedies being sought. In particular, this clause provides that it is binding on "each grower who enters, or who is taken to have entered into, the agreement".

We could see a situation whereby a grower who is deemed by clause 45(3) to have entered into a collective agreement—even if the grower has done nothing and may not even know its terms—is subject to proceedings in a court of superior jurisdiction if that grower does not abide by all or any of the terms of this deemed agreement. This clause has to be read in conjunction with clause 49, which states—

> "A collective agreement must provide that growers must grow cane on a stated minimum percentage of the number of hectares included in their cane production areas."

What happens if a grower with a deemed contract does not grow cane on the minimum percentage of hectares? What sort of action could a mill initiate and what sorts of remedies could a mill seek? The Bill does not deal with those situations at all. If a grower has not abided by the terms of a collective agreement in these circumstances, it is the coalition's contention, based on representations that we have received from the industry, that the only enforcement action that should be allowed is an application to a cane production board to cancel the relevant cane production area or part of its number of hectares. This right would be in addition to the three grounds set out in clause 31. From the viewpoint of the mill, it will allow an application earlier in these cases than the two years provided for in clause 31(1)(b). From the viewpoint of a grower, it will prevent a mill being able to sue for breach of contract and possibly seeking injunctive or other relief. As I mentioned, growers have asked for this provision. It has not been dreamt up by us. We believe it is fair and strikes the right balance. I would be interested to see what the Minister's and the Government's position is, particularly on the questions that I have asked.

Mr PALASZCZUK: The member for Crows Nest has indicated that the Opposition considers that upon a grower breaching a collective agreement a mill owner should have the capacity to apply to the cane production board and have the grower's cane production area cancelled. Apparently this is in order to prevent the parties from ending up in the

Supreme Court or even in the Court of Appeal. If such an option existed as a remedy for mill owners in the Bill, it is a remedy that no mill owner would exercise. Cane supply and processing agreements are commercial contractual documents negotiated either individually between a grower and a mill owner or by a negotiating team on behalf of the collective. Normal remedies available under contract law should apply. Supply agreements ensure the supply by growers of cane to a mill, the crushing of the cane and resulting payments to growers. This is integral to the profitability of both the mill owner and the growers.

The reasons for which cane production may be cancelled have been detailed in the Bill. If a mill owner were to apply to have a grower's cane production area cancelled for a breach of a supply agreement, the situation could result in mill closure due to there being no growers with cane production area from which to supply the mill. If a grower intends to permanently cease cane growing, he can negotiate to do so. Alternatively, a grower can choose to leave an agreement at any time subject to the terms of the agreement and the grower's contractual obligations.

Basically, the Bill is about making the industry more commercial. It is about contracts and not regulation. In any area of the economy where a contract is breached there are civil remedies in a court of law and subject to the ancient traditions of common law. I believe the amendment being moved by the Opposition would destroy this move to commerciality. It would totally undermine the policy intent of the Bill.

Mr ROWELL: I heard what the Minister said. The Minister's claim that there would be no mill area left is absolutely ridiculous. I do not think that that would ever occur. This amendment is trying to circumvent legal action and to provide for a more flexible arrangement in the event that a grower has to cancel his area. Mills in great need of maintaining their mill area would obviously not be viable at the level suggested by the Minister, that is, with no cane supply at all. I do not think that will happen.

Struggling farmers who look at planting some alternative crops may, as a consequence, find themselves in breach of their contractual agreements. There is no denying that this is not a good situation. When facing particularly difficult times, some growers may plant crops beyond the two-year period in order to survive. Perhaps through some fault on their own parts there may be occasions when they are not fully aware of the contractual obligations under those collective agreements. We are trying to circumvent unnecessary court action such that farmers who are already facing difficulties do not have to go through a legal process that could cost them an excessive amount of money. I do not believe the situation would reach the point that the Minister suggested, namely, that there would be virtually no cane available to the mills. I also recognise the fact that we cannot have agreements being made that are not upheld. This is a more simplified and pragmatic mechanism to ensure that that type of thing does not happen.

Mr PALASZCZUK: I understand the sentiments of the honourable member for Hinchinbrook. However, I would remind him that clause 43 as it stands in the Bill basically contains the same principles as the 1991 Act. There is virtually no difference between the 1991 Act and the provisions in clause 43 of this Bill.

Mr Rowell: We are trying to improve the situation.

Mr PALASZCZUK: At the end of the day, if there are problems, then the growers have recourse to individual agreements.

Mr COOPER: On that particular issue, growers have recourse to an individual contract. If they are already in a collective contract, they cannot just jump from one to the other.

Mr Palaszczuk interjected.

Mr COOPER: They can? They can just jump straight out of a collective agreement? I know they cannot. Once that agreement is up after four years—

Mr Palaszczuk interjected.

Mr COOPER: We discussed this last night and they cannot; that is the point. They cannot.

Mr Palaszczuk interjected.

Mr COOPER: There is. The Bill does not really deal with these particular situations. As I say, the Canegrowers have asked us to make this point and to push for this amendment. I ask again: what happens if a grower with a deemed contract does not grow cane on the minimum percentage of hectares? What sort of legal action can a mill initiate? What is the scenario?

Mr PALASZCZUK: At the end of the day it is classified as a breach of contract. To wind this up, I just want to say that the member's amendment would probably deprive mills of their contractual remedies. It will provide no

real penalty to growers. If their CPA is cancelled, they could simply move to another mill, and this would undermine the negotiated outcomes on transferability.

Mr ROWELL: Just very briefly, I do not think that the option that the Minister talks about with the individual agreements is feasible unless they are for a certain period of time. I think it is something like three or four years. The problem that we face is that they cannot simply opt out. I suppose to some degree it could be embarrassing.

Mr Palaszczuk interjected.

Mr ROWELL: I can see that one here. What we are talking about has not been addressed yet. It is something that the Minister is talking about. We cannot simply say that it is not going to happen because this may not even be passed. Who knows? It is one of those situations. I do not think growers are looking at the situation where people are not going to fulfil their commitments. That is important. There is no question about that, but at times circumstances prevail and the growers find that they have no alternative. The banana industry is a typical example; they may have an area out for slightly longer than two years. Those growers are then in the position of being in breach of the contract.

It is not an easy situation out there, but I can also understand the mill's point of view because they have an area. Once again, if there is a particular problem with depressed prices, cyclones and all those sorts of things, growers face a very difficult position. I think that this legislation is just too tight to cater for that particular requirement which may arise at times.

Amendment negatived.

Clause 43, as read, agreed to.

Clause 44, as read, agreed to.

Clause 45—

Mr PALASZCZUK (12.14 p.m.): I move the following amendment—

"At page 44, after line 12—

insert—

'(4) Subject to this Act, a grower may, under subsection (2), enter into an individual agreement with a mill owner at any time.'."

I listened very carefully to the issues raised last night by the honourable members for Crows Nest, Mirani, Hinchinbrook and, of course, Burdekin with regard to the impact of unpredictable changes and circumstances on growers who are part of a collective agreement. I believe the honourable members' concerns are legitimate. As I said last night, the policy intent is that growers have the opportunity to negotiate an individual agreement at any time during the term of the collective agreement. This is, of course, subject to the significant adverse impact test in clause 48.

However, it is apparent that the Bill is not sufficiently clear on this point. I believe it is the lack of clarity which has led to the concerns of the honourable members. I am sure that, if it was clear from the Bill that a grower could opt out if their circumstances change, that that would allay their fears. To clarify the policy behind the Bill, I am moving this amendment which makes it clear that an individual agreement can be negotiated by growers, subject to a collective agreement, during the term of that collective agreement. I would also urge millers to look favourably on growers seeking such agreements. It would be in their own interests.

Mr COOPER: We appreciate the amendment. I guess this has been brought about because the Minister has been listening to the various concerns that we on this side have voiced. We discussed this last night, and I appreciate the Minister's timely actions as far as the amendment is concerned. We certainly accept it.

Mr KNUTH: I would like to thank the Minister for the amendment also.

Amendment agreed to.

Clause 45, as amended, agreed to.

Clause 46—

Mr COOPER (12.16 p.m.): I move the following amendment—

"At page 44, line 16, after 'made,'—

insert—

'or within 7 days after notice of the signing of the agreement is published under section 42(2),'."

The Opposition has pointed out that there are not upper limits on the term of the collective agreements. The only solid protection provided for in this Bill is in the case of inordinately long collective agreements in this clause. It aims to assist growers where a collective agreement is longer than four years. The nature of the assistance that this Bill provides is the ability of the grower to notify the negotiating team of the cancellation of the grower's cane production area or a number of hectares included in it, which will take effect some time after the expiration of the four years. Without this right, the grower would

have great difficulties relinquishing the cane production area without possibly being sued in a court of competent jurisdiction because of the effect of clause 43.

This so-called relief is pretty thin on the ground. I would have thought that the drafters of this legislation would have given a lot more thought to other more practical remedies that growers should be provided with when confronted with collective agreements that may last for many years. However, accepting this clause for what it is, the Opposition is both surprised and concerned that it really provides no protection at all. We are concerned about it and I draw the Minister's attention to the opening words of subclause 2, which states in part, "Before the collective agreement is made, a grower may give notice to the negotiating team." We are wondering: how could the grower specify before negotiations have even begun a time when the grower wants to cancel a cane production area sometime after four years? As we have discussed before in our briefings, we cannot quite work out how someone can know that four years in advance. That is just too difficult.

The Bill says that, before starting negotiations for a collective agreement, a negotiating team must notify growers of the period or range of periods the collective agreement may possibly cover. It could be that the notice may specify a range of options. Some of the options may be less than four years and some may be in excess of four years. If the options are in excess of four years, the notice may not state with any accuracy the period that is eventually agreed upon. In fact, it is likely that that would be the case, because although subclause 41(4) allows some preliminary discussions on the range of periods the collective agreement may cover, there is no compulsion—nor could there be—that any sort of agreement be reached. Under this clause, a grower who wishes to give a notice in effect is compelled to do so when the negotiating team has not even started formal discussions, when the length of the collective agreement is still up in the air and when the grower is making a guess, but a guess that the grower will be stuck with. That is a pretty unfair situation as we have discussed before: why should a grower be forced to pick a time when the term of the collective agreement is still undecided?

The Opposition believes that clause 46 as currently drafted offers no protection for growers and, in forcing a grower to make an election involving the cancellation of a cane production area, could actually compel a grower to make an inappropriate election prematurely. In reality, it is legislating for uncertainty and injustice and currently is nothing but an Alice-in-Wonderland provision.

The Opposition has circulated an amendment to this clause that will ensure that a grower who wishes to give notice can do so, either before the agreement is made or within seven days after the notice of the signing of the agreement is published under clause 47. This amendment will ensure that the grower who wishes to utilise that clause can do so in the full knowledge of the length of the agreement and ensure that an election made under this clause is a sensible election and not a guess. It is in the interests of fairness and commonsense that I hope the Minister is able to accept this amendment.

Mr PALASZCZUK: The Opposition's amendment basically provides that a grower may give notice of his intention to leave the collective after four years after notice of the collective has been published. I will explain why the Government believes that to be inappropriate. Let us not forget that growers have the option of opting out for individual agreements. I also remind the honourable member that we have just amended clause 45 to provide growers with another option of being able to opt out of their contracts. I am not a canegrower myself, but I have been told—and I suppose the honourable member for Hinchinbrook will be able to confirm this—that four years has been chosen as the relevant period on the basis that growers generally plan their exit from the industry four years in advance. When cane is planted, it usually grows three to four ratoon crops. Accordingly, a grower on planting new cane would no doubt wish to maximise profit from that cane, which would mean the planted cane yielding a crop for four seasons.

Mr COOPER: I know what the Minister is saying. We will stick with our amendment. These are the sorts of measures that we have been discussing painstakingly with growers. We have been discussing that issue with them right up to the present. When we do that, if they are still of a mind that they want to go that way, that is our job, because we are trying to take into account their concerns. They believe that this amendment will allay their fears and concerns; therefore, we will stick with our amendment.

Amendment negatived.

Clause 46, as read, agreed to.

Clause 47—

Mr COOPER (12.24 p.m.): I move the following amendments—

"At page 45, line 13, 'Within 7 days after'—

omit, insert—

'Before'."

This amendment deals with the process for entering into individual agreements. As mentioned during the second-reading debate, the Opposition supports the right of growers to enter into individual agreements with mill owners; however, having regard to the relative bargaining power of individual growers and mill owners and the intersection that individual agreements have with collective agreements, great care has to be taken in this Bill to ensure that the relative rights and obligations of all parties are catered for.

Clause 47 provides that at least 14 days before negotiations start on a collective agreement, any grower who intends to enter into an individual agreement must give notice to the mill suppliers committee. The clause then provides that, seven days after a collective agreement is made, the mill owner must give notice of every individual agreement entered into. The clause also obliges the mill owner to give notice to the mill suppliers committee of the entering into the individual agreements within seven days of that fact during the term of a collective agreement.

As I read this clause and other provisions of the Bill, a grower and mill owner are at liberty to negotiate an individual agreement at any time during the currency of the collective agreement, provided that the relevant notices are given and that the term of the individual agreement does not exceed the term of the collective agreement. In fact, when I read subclause 39(3), which provides that an individual agreement must be for all or part of the supply of cane grown by the grower, I wonder whether this Bill opens up the possibility of a grower simultaneously having obligations under both the collective agreement and an individual agreement to the one mill. I would appreciate the Minister's understanding of the Bill and his advice about whether that scenario is permitted.

The key concern of the Opposition is the fact that if a collective agreement is to be negotiated properly and in an aboveboard manner, it is essential that the negotiating team knows just what the mill is negotiating in terms of individual agreements. We believe that it is imperative that a divide and conquer philosophy, or—putting it more charitably—a situation in which only partial information is provided is not facilitated by the terms of the Bill. In this context, it is not sensible that the obligation of a mill owner to provide information on individual agreements entered into should be provided only after the collective agreement is made. By that time, the only use of that information would be to facilitate the mill suppliers committee making an application under clause 48 to cancel the making of the agreement. As we have said on a number of occasions, the aim of this Bill should be to prevent disputes arising rather than facilitating disputes and then outlining how the parties can battle it out.

Clause 47 is currently less than satisfactory, because the requirement placed on mill owners to give notice of an individual agreement applies only after the collective agreement is signed. Having circulated that amendment, I would like the Minister to respond to it and indicate whether he is able to accept it.

Mr PALASZCZUK: The Government believes that the two Opposition amendments proposed to clause 47 are inappropriate for a number of reasons. Before the collective is signed, a mill owner simply may not be aware of all individual agreements it will be approached to negotiate, since a grower approaches a mill owner regarding negotiation of an individual agreement rather than a mill owner proposing to enter into one with a grower. The amendment ignores the fundamental concept behind individual and collective agreements: they are commercial contracts and as such principles of confidentiality are relevant. There is provision in clause 47 for notice of sufficient details of individual agreements to allow the effect of the agreement on the collective to be decided.

The TEMPORARY CHAIRMAN (Ms Nelson-Carr): Order! Would the member for Tablelands please resume his seat, or a seat.

Mr PALASZCZUK: For confidentiality reasons, these details need not include details of the price payable to the grower under the individual agreement. A grower can enter into an individual agreement before or after a collective agreement. He can also be in a collective agreement and subsequently negotiate out of it and into an individual agreement. Requirements detailed in clause 47 represent a move towards the normal principles of contract law. As such, supply agreements will not be gazetted as awards as they are currently under the 1991 Act. The honourable member also raised whether a grower could be involved in both a collective and an individual agreement. The answer to that is: not for the same cane.

Mr ROWELL: I refer to the situation we now have in relation to mill owners that have

individual agreements. I am not absolutely sure of the ramifications of the proposals we have put forward. Really, the mill owner is aware of what is happening with the individual agreement that he has with himself, if the Minister can understand what I am saying. That relates to the amendment to clause 6 moved by the Minister. Perhaps the Minister can respond to that. There needs to be some clarification of what we have proposed as against the proposal of the Minister that has now been included as an amendment to this Bill.

Mr PALASZCZUK: Could we deal with this issue when we come to the mill/cane section of the Bill?

Mr COOPER: I move the following amendment—

"At page 45, line 15, 'has entered'—

omit, insert—

'proposes to enter'."

With all due respect, the notice of individual agreements which mill owners must give to the mill suppliers committee is vague. Subclause (5) states—

> "Notice of an individual agreement must give enough details of the agreement to allow the effect of the agreement on the collective agreement to be decided by a Magistrates Court under section 48(5)."

How can a mill owner be in a position to determine just what information to give to a mill suppliers committee such that it would be sufficient for a magistrate to make a ruling under clause 48? We can wait until we get to clause 48 to deal with this, but I would like the Minister to address those concerns.

Mr PALASZCZUK: I think I have given my response.

Amendments negatived.

Mr PALASZCZUK: I move the following amendment—

"At page 45, line 24, 'by a Magistrates Court under section 48(5)'

omit, insert—

'for the purposes of section 48'."

This amendment to subclause (5) has been necessitated by the proposed amendment to replace the whole of clause 48 with a new clause 48. Subclause (5) of clause 47 made reference to a decision of a Magistrates Court in relation to clause 48. The new clause 48 makes provision for mediation to occur before application to the Magistrates Court can be made. Accordingly, the reference to the Magistrates Court was no longer correctly made.

Mr COOPER: We accept the amendment.

Amendment agreed to.

Clause 47, as amended, agreed to.

Clause 48—

Mr COOPER (12.33 p.m.): I move the following amendment—

"At page 46, after line 7—

insert—

'Example of a provision having significant adverse effect—

> A provision permitting the grower entering the individual agreement to supply cane to the mill during its peak CCS period from the total number of hectares included in the grower's cane production area.'."

Clause 48 enables the mill suppliers committee within 21 days of receiving notice of the making of an individual agreement to seek an order stopping or cancelling the agreement. However, the ability of a committee to make such an application is limited to agreements which will "have a significant adverse effect on growers supplying cane to the mill under the collective agreement", as set out in subclause (2). Industry representatives are concerned that the term "significant adverse effect" should be explained so that any court which may interpret this provision in the future is given some guidance, as would the industry as a whole. The Opposition has circulated an amendment to subclause (2) which would insert an example of a provision having a significant adverse effect. I could go on and on about that sort of thing. I think the Minister knows what I am talking about. I would like to know whether he can accept our example. If he cannot, I ask him to give us some reasons.

Mr PALASZCZUK: As a result of consultation with industry, the Government is moving an amendment to clause 48 which basically will result in the Opposition's amendment being unnecessary. The Government's amendment replaces clause 48 in its entirety, for obvious reasons. The Government's amendment provides an example following subclause (6) of what would be considered a significant adverse effect. The wording of this example has been taken directly from the Sugar Industry Review Working Party report and has been agreed to by Canegrowers and the Australian Sugar

Milling Council. The Government's amendment is basically the same as the Opposition's amendment.

Amendment negatived.

Mr PALASZCZUK: I move the following amendment—

"At page 46, lines 1 to 22—

omit, insert—

'Individual agreement—stopping or cancelling

'48.(1) Within 21 days after it receives notice of an individual agreement, the mill suppliers' committee may refer to mediation the issue of whether the agreement should not be made, or, if made, cancelled.

'(2) To refer the issue to mediation, the mill suppliers' committee must give notice to the parties to the mediation.

'(3) The parties to the mediation are the mill suppliers' committee and the parties to the individual agreement.

'(4) The mediator must be—

(a) a person agreed to by the parties to the mediation; or

(b) if the parties can not agree—the commissioner or a person nominated by the commissioner.

'(5) A person nominated by the commissioner under subsection (4)(b) must have appropriate qualifications or experience for the mediation.

'(6) In the mediation, the only ground to be considered is whether the individual agreement's provisions will have a significant adverse effect on growers supplying cane to the mill under the collective agreement.

Example—

Provisions that may result in a cane grower who supplies cane to the mill under the collective agreement being excluded from harvesting during peak ccs levels.

'(7) For subsection (6), the individual agreement is not taken to have the mentioned significant adverse effect only because it provides for a price payable to the grower for cane under the individual agreement other than as decided under the collective agreement.

'(8) If the mediation ends with the parties in dispute, the mill suppliers' committee may apply within 21 days to a Magistrates Court sitting in the magistrates court district in which the mill is situated for an order stopping the making of, or cancelling, the agreement.

'(9) The only ground of the application is the ground mentioned in subsection (6).

'(10) The parties to the application are the mill suppliers' committee and the parties to the individual agreement.

'(11) The court may decide the application and make or refuse to make the order sought and, to facilitate the proceeding before the court, make any other order the court considers appropriate.

'(12) If the individual agreement is cancelled, the relevant grower is taken to have entered the collective agreement.'."

I have basically explained to the Committee the intent of this amendment. I do not think I will waste the time of the Committee any further. I think I have made my point pretty well clear.

Mr COOPER: Our amendment looked at the adverse impact from the viewpoint of the individual agreement, whereas the amendment of the Government does so from the viewpoint of a grower in a collective agreement. It appears to be a matter of drafting style, but I would like the Minister to confirm whether both examples have the same effect on both individual and collective agreements.

Mr PALASZCZUK: Basically, this amendment is concerned with the collective agreements.

Mr COOPER: Does it apply to both?

Mr PALASZCZUK: It is impacted then onto the individuals.

Mr COOPER: So it does in fact apply to both?

Mr PALASZCZUK: That is right.

Amendment agreed to.

Clause 48, as amended, agreed to.

Clause 49—

Mr PALASZCZUK (12.38 p.m.): I move the following amendment—

"At page 46, line 28—

omit."

The Government proposes that two amendments be made to clause 49. I will deal with them in turn. The first Government amendment is to delete provision for growing sugarcane in supply agreements. Under subclause (1), a supply agreement must provide for the rights and obligations of growers and mill owners in relation to a

number of things including the harvesting and crushing of cane. The clause provided that growing was one of these things. The Government now moves an amendment to delete subclause (1)(a) and the reference to growing. This follows consultation with Canegrowers and the Australian Sugar Milling Council. I note that the members for Crows Nest, Mirani and Hinchinbrook also expressed their concerns that the provision be deleted.

Industry and the Opposition had suggested that if a supply agreement provided for the growing of cane, growers could be directed how to grow their cane. Specific provisions for growing cane were included due to the potential environmental impact of growing. It was not at any stage that supply agreements could effectively dictate methods of growing, such as high-density planting, or to impose other constraints and growers' ability to grow cane.

The second Government amendment is to link the price of cane with the selling price of sugar. The Government, as a result of discussions with members of the sugar industry, specifically members of Canegrowers, has agreed to move an amendment to incorporate new subclauses (1)(a) and (1)(b) into the Bill. These new subclauses have the effect of requiring a collective agreement to include payment arrangements linking the price of cane to the selling price of sugar, unless the negotiating team decides otherwise. The selling price of sugar is the selling price declared by the Queensland Sugar Corporation.

Mr COOPER: The Opposition is pleased to support the amendment. Really, it is in exactly the same form as the Opposition's foreshadowed amendment. I am pleased that the Minister has acknowledged the concerns and has indicated that the clause, as it stands, could result in interference in a grower's right to manage his own production. So we are pleased about that. We are also pleased that these matters, which were raised at the second-reading stage, have been addressed. We appreciate that

Mr MALONE: I, too, support those amendments. They were probably one of the two or three things that were of major concern to canegrowers. The linking of the selling price of sugar to the price of cane certainly is a step in the right direction. I congratulate the Minister on that.

Mr ROWELL: I also support the provisions of these new amendments. They are quite critical. The industry really has hinged around that relationship between the growers and the millers and certainly that pricing system that has prevailed in the past.

Amendment agreed to.

Mr COOPER: I move amendment No. 9 circulated in my name—

"At page 47, after line 3—

insert—

'(g) cane and sugar quality.'."

The second Opposition amendment to clause 49 has been circulated. Its aim is to make it mandatory, in all supply agreements, to provide for the rights and obligations of growers and mill owners with respect to cane and sugar quality. This amendment has been sought by growers, as the Minister would be aware. Arrangements for cane and sugar quality parameters to be included as a compulsory requirement are currently driven by the requirements of customers in the marketplace. Until now, there has been no effective mechanism to achieve quality management in cane supply. Canegrowers in particular is of the view that it is important to ensure that quality arrangements apply to all mill areas. The Opposition is of the view that this amendment is in accord with the thrust of the Bill, which is aimed at improving cane and sugar quality and gives some practical effect to the policy outlined in subclause (4).

As the Minister is aware, under subclause (4), provision is made for supply agreements to contain financial incentive schemes involving premiums, discounts and allowances relating to cane and sugar quality or to anything that may affect cane and sugar quality. By specifically requiring that every agreement deals with cane and sugar quality, it will ensure that there will be a requirement that all negotiating teams deal with the issue of best practice in terms of cane and sugar quality. There could be few better ways of giving effect to the objective of this Bill, as set out in clause 3, namely, facilitating an internationally competitive export-oriented sugar industry, than by supporting this amendment.

Mr PALASZCZUK: Currently, cane and sugar quality may be considered by negotiating teams in negotiating a collective agreement. Matters which must form part of a supply agreement include provisions regarding the rights and obligations of growers and mill owners in relation to: harvesting; delivery of cane to the mill; transport and handling of cane; acceptance and crushing by the mill; and payment by the mill owner. These are fundamental issues relevant to the process of supply, crushing and payment. In order to ensure flexibility of negotiations throughout mill

areas, all other issues have reasonably been left for consideration by negotiating teams.

I should also make the point that clause 85 of the Bill requires negotiating teams to make a cane quality program for the mill. The Queensland Sugar Corporation continues to have, as one of its functions, management of the regulation of the quality of both cane and raw sugar produced in Queensland.

Amendment negatived.

Mr COOPER: I move amendment No. 10 circulated in my name—

"At page 47, after line 3—

insert—

'(1A) Provision for payment by the mill owner must link cane price to sugar price, unless the negotiating team otherwise specifically agrees.'."

Currently, the Sugar Industry Act 1991 makes it a requirement for negotiating teams to put in place payment arrangements which link cane price to sugar price. Maintenance of this nexus is supported by organisations representing canegrowers, and its removal has caused considerable industry anxiety.

I draw the Minister's attention to page 222 of the working party's report. The working party developed a list of desirable outcomes which cane supply arrangements could achieve. Paragraph (j) of the desirable outcomes says that the price received by canegrowers for cane should be linked to the raw sugar price unless the mill area negotiators mutually agree otherwise. The Opposition has circulated this amendment, and we believe that it will achieve this very result. Under the amendment we have circulated, provision for payment by the mill owners must link the cane price to the sugar price, unless the negotiating team otherwise specifically agrees.

As mentioned during the debate on the second reading of the Bill, this amendment does not mandate the nexus to be retained in each and every supply agreement. We recognise that there may well be reasons why, in some circumstances, this is not desirable, and we are conscious of not imposing a one-size-fits-all policy on this industry. I will welcome the Minister's support.

Mr PALASZCZUK: I believe that the intent of the honourable member's amendment is in accord with the Government's amendment. I think I explained the Government's position on the second amendment—to link the price of cane with the selling price of sugar—earlier in discussion on clause 49. I would suggest to the honourable member that we are both in agreement with his suggestion, and I recommend that the Opposition support the Government's amendment.

Amendment negatived.

Mr PALASZCZUK: I move amendment No. 10 circulated in my name—

"At page 47, after line 3—

insert—

'(1A) A collective agreement must include payment arrangements linking the price of cane to the selling price of sugar, unless the negotiating team decides otherwise.

'(1B) For subsection (1A), the selling price of sugar is the selling price declared by the corporation.'."

I think that enough has been said about the amendment.

Mr COOPER: We accept the Minister's amendment to clause 49. We have already canvassed the issues. I guess we are on the same wavelength. I think that, through this, the matter has been dealt with.

Amendment agreed to.

Clause 49, as amended, agreed to.

Insertion of new clause—

Mr KNUTH (12.50 p.m.): I move the following amendment—

"At page 47, after line 14—

insert—

'Mill suppliers' committee costs

'49A.(1) Every supply agreement is taken to include a provision requiring the mill owner to pay to the mill suppliers' committee, from out of amounts payable by the owner to growers under all supply agreements for the mill, the total of the prescribed costs of the mill suppliers' committee.

'(2) The amount deducted under subsection (1) for a particular grower is to be the percentage of the total payment made to the mill suppliers' committee that the quantity of cane supplied to the mill by the grower bears to the total quantity of cane delivered by all growers to the mill.

'(3) In this section—

"prescribed costs" means the costs of the mill suppliers' committee under or in exercising a power under sections 81, 88, 153 or 186A."

One of the most important aspects of this Bill—clause 49—concerns the scrapping of a pricing mechanism that has existed for more

than 70 years. Since World War I, a sugarcane price formula has been used to ensure that there is a correlation between the cane price and the sugar price. As it stands, this Bill effectively removes the compulsion for the sugar content of cane to be related to the selling price for the resultant raw sugar.

At the very heart of my concern is the Government's indication that this Bill would reflect the findings of the Sugar Industry Review Working Party report. The Sugar Industry Review Working Party made no recommendation to change the long-standing association between the cane price and the sugar price. In fact, page 7 of the Sugar Industry Review Working Party report states—

> "... pooling arrangements provide a mechanism that enables the net proceeds from raw sugar to be distributed among mill owners and cane owners and their maintenance is recommended."

Despite assurances that this Bill would reflect the findings of the Sugar Industry Review Working Party, the Bill ignores the review's findings and moves in the opposite direction. We must maintain the existing pricing formula to safeguard a minimum cane price for growers that is relative to the raw sugar price. Added to that price should be any compensation negotiated for losses or extra costs that result from a longer sugar season length.

The current cane payment formula was originally printed in the regulations attaching to the repealed Regulation of Sugar Cane Prices Act. It is as follows: ".009 x $ per tonne of sugar x (CCS-4.00) + $0.578".

This example includes $0.25 included by agreement at the time when Ed Casey was Minister for Primary Industries. As well, the bulk mills and IPS adjustments may be added to the $0.578. They have been calculated for each mill in the State and they differ from mill to mill, but because of disputes with mill owners they have not been applied to cane pays in all mill areas. For those reasons I have moved my amendment.

Mr PALASZCZUK: I believe that this amendment is of doubtful legal validity. It may be unconstitutional as an excise under section 90 of the Commonwealth Constitution. On the face of the Bill, the amendments raise a compulsory extraction based on supply. I do not know whether the honourable member was in the House this morning, but I introduced the Primary Industry Bodies Reform Bill. Is the honourable member aware of that?

Mr KNUTH: Yes.

Mr PALASZCZUK: I suggest to the honourable member that the Government is currently looking at all such levies. I suggest it would be inappropriate to insert a new one at this point. Furthermore, the cost to mill suppliers committees is appropriately left to be determined by the local area.

Amendment negatived.

Clause 50—

Mr PALASZCZUK (12.54 p.m.): I move—

> "At page 47, lines 15 to 17—
>
> omit, insert—
>
> 'Cane required to be accepted by a mill
>
> '50.(1) If a grower delivers cane grown by the grower to a mill in accordance with the relevant supply agreement, the mill owner is contractually obliged to accept the cane for crushing.
>
> '(2) However, every supply agreement is taken to include a provision that the mill owner is not required to accept the following for crushing—'."

The Government proposes an amendment to clause 50 to make clear that a mill owner is contractually obliged to accept for crushing cane that is supplied by a grower in accordance with the relevant supply agreement. This amendment is achieved by the insertion of a new subclause (1) and an amendment of the heading to "cane required to be accepted by mill". A consequential amendment is required in that the original words of clause 50 now form subclause (2). This amendment has been made in recognition of a concern of the Australian Cane Farmers Association that it be made clear that mill owners are obliged to accept cane for crushing.

Mr ROWELL: I move the following amendment—

> "At page 47, line 25—
>
> omit."

This deals with cane containing less than 7 units of commercial cane sugar.

Mr Palaszczuk: This is the same as the 1991 Act.

Mr ROWELL: This is an entirely new Act. I want to make some points because I believe that they are relevant. This clause gives the mill owner the right to refuse cane from a cane production area on a variety of grounds which could impact on the quality of the sugar produced.

Growers have the responsibility of growing cane on the cane production area by the use

of chemicals which are registered to control weeds, grass, vines, cane grubs, insects and so on. There is also an obligation to minimise the impact of any vermin that may enter or breed in the crop. Rats are a particular problem. Of course, standing crops can deteriorate to a point where the sugar content could be very low. A host of other impediments can bring about a decline in the quality of the cane that is supplied to the mill. These relate to weather condition which can create difficulties with the milling operation.

Harvester operators and growers have to work under extreme conditions when rainfall is excessive to maintain a supply to the milling operation. At times it is impossible under these conditions to supply cane to mills at the same rate and of the same quality that would be provided under normal field conditions. Also, if extreme wet weather prevails during the crushing period, the c.c.s. in the crop can deteriorate to a point where this legislation's 7 c.c.s. is realised.

This was the case in the 1998 season. The super wet belt from Tully to Babinda experienced disastrous levels of c.c.s., but in that year low sugar levels occurred in the regions north and south of this area. For the whole of the season the Babinda mill averaged 10.17 c.c.s. It was fortunate that the price of sugar was $356.63 per tonne for No. 1 pool and $343.20 per tonne for No. 2 pool. This greatly assisted the growers to retrieve most of their costs of production.

Had similar extreme conditions prevailed this season, growers in that area would not have covered their costs; in fact, I think we were looking at something like $14 a tonne at a 10.17 c.c.s. level. Where the cost of production is something in the vicinity of $17 per tonne, the growers would have been going badly backwards. In recent years, these types of weather conditions have caused great hardships to growers in the super wet belt. There is very little that can be done to circumvent these types of conditions.

Varieties will play a major role where they are bred to reduce cane lodging and suckering. It is fortunate that the coalition, when in Government, recognised that there was a need to address this problem. We talked about this matter earlier. This is an important issue in that area. I think the money that is being put into it will prove to be a major benefit in the long term.

It has to be recognised that, despite all the best agronomic practices, there will be times when a grower loses his ability to supply cane to a mill of 7 c.c.s. or more. There are sectors of the industry, mostly due to their geographic location and adverse weather, that are prone to produce low c.c.s. cane. In their favour, the crop can be grown without requiring expensive infrastructure such as dams or irrigation, although a consideration for drainage has struggled to achieve really any great level of recognition.

Sitting suspended from 1 p.m. to 2.30 p.m.

Mr ROWELL: It would be more appropriate if we met the mandatory 7 c.c.s. required for payment and allow mill area negotiating teams to consider the arrangements. The intention of this legislation is to carry out negotiations within a mill area that suits both mill owners and growers. The question must be asked: why does the legislation prescribe a level of sugar content? This issue should be resolved by the mill area negotiating team. No grower would intentionally produce a cane crop that has a c.c.s. of seven. There are far greater rewards for higher sugar levels. Basically, it costs about the same to grow a crop of 14 c.c.s. as it would to produce a crop of 7 c.c.s. Why has the legislation dictated that level which, generally, comes about through no fault of the producer? The producer of a crop of sugar cane is likely to receive no reward for the time and expenditure incurred in producing a crop that meets a mandatory requirement rather than a negotiated outcome. Surely, at a local level, under the general direction of this legislation, room can be found to negotiate a compromise that recognises the difficulties faced, particularly when an act of God brings about an impact on the grower's income.

The final outcome of negotiations carried out by the negotiating team in the mill area may consider at least the cost of harvesting according to a certain level of c.c.s. This would reduce the total risk to the grower who has the unfortunate circumstance of bearing the cost of producing and harvesting a crop only to find, when it goes through the mill rollers and produces the sugar, that its level is lower than this legislation states, which is 7 c.c.s.

Risk sharing in an industry that has to compete in a volatile and often corrupt international marketplace is essential. Both growers and millers share the outcome of progressive payments from the sale of the sugar. In an environment where we are attempting to do better, it is fair and reasonable that recognition is given to the production circumstances that can impact adversely on any sector of the industry. It is necessary to take into account some of the

extreme circumstances under which a crop is produced and harvested and not enshrine conditions that are difficult to maintain for the industry as a whole. When low c.c.s. can be a problem, both the growers and millers should be given the ability to come to terms with the problem should it arise. The principle of negotiating a suitable outcome in a mill area is being compromised. Clause 50 line 25 goes against the intended spirit of the legislation. The coalition will not accept this situation.

Mr PALASZCZUK: In response to the honourable member, at the outset let me say that I believe that the Opposition's first proposed amendment to clause 50 to delete the reference to 7 c.c.s. is inappropriate. I will outline the reasons why. Firstly, there must be a level below which a mill owner is able to reject cane simply because it would not be economical for the mill to crush the cane. Secondly, there must be a level below which commercial negotiations between the parties can come into play. For example, if there had been unseasonable bad weather, to which the honourable member has made reference, and the c.c.s. in the district was low, growers and the mill owner could negotiate regarding cane below the 7 c.c.s. level. Clause 50 does not mean that a mill owner must reject the cane detailed in the clause. The relevant words are that "the mill owner is not required to accept" the cane detailed. Growers would be well aware that mill owners regularly accept low c.c.s. cane. It is a matter for negotiation between the mill owner and the growers.

As I said previously by means of an interjection to the honourable member for Hinchinbrook, the 7 c.c.s. level is unchanged from the 1991 Act. This clause does not prevent mills and growers reaching agreement for the mill to accept cane below 7 c.c.s. The clause says that a supply agreement has a provision that the mill is not required to accept such cane. It does not say that the mill must not accept such cane.

I want to give the assurance to growers, particularly in the Herbert area, that it is still possible for collective supply agreements to make provision to negotiate for mills to accept low c.c.s. cane. This provision makes it clear that mills cannot be compelled in negotiations or through arbitration to accept such cane. There is no doubt in my mind that in areas such as the Herbert, growers and CSR will continue to have agreements about the acceptance of such cane, as they do now.

Mr ROWELL: I think that the Minister has missed the point. Yes, it may have been one of the things that was considered in the previous legislation. However, what has changed is that, in this legislation, each area is unable to negotiate whatever specific requirements they have to come to terms with the conditions that prevail in those areas. I am not just talking about the Herbert; I am talking more about Babinda. That is an area that has a particular problem from time to time with low sugar content.

However, this clause sets a benchmark. It is a negotiation that should have taken place—one that should have been wide open with the negotiating teams. Right from day one, the negotiating team has a particular benchmark, a constraint put on it as to exactly what are going to be its basic requirements. This clause is quite different from clauses in the previous legislation, principally because, with this legislation, negotiations are going to be the key to the future direction that each mill area—not overall but each mill area—undertakes.

If we are going to set parameters right from the start, there is no problem in saying that the sugar levels have to be reasonable, that the quality of the cane has to be good, that there is no problem with insecticides and that the cane is not going to cause problems for the mills. All of those sorts of things are fine. There is no concern about that. That is essential because, at the end of the day, both the miller and the grower have to produce good quality sugar. We do not want cane that is going to be delivered days after it has been harvested. We do not want stale cane. We do not want problems with dextrose—all of those sorts of things.

From time to time the situation develops—and we saw it in 1991 and to some degree we have seen it this season—where growers, through no fault of their own, have produced a crop with particularly low sugar levels, lower than 7 c.c.s. This clause states that it is really at the discretion of the mill, not at the discretion of the negotiating team, to make a decision as to whether it is prepared to accept that cane.

What really happens is that the sugarcane is harvested, it goes to the mill and the mill crushes it, and only after it has been crushed can the sugar content be determined. The grower is very often in the unfortunate position of harvesting cane, sending it to the mill and then finding that the sugar content is 6.8 c.c.s. or thereabouts. He does not receive anything for his effort of harvesting and delivering the sugar to the mill. That is a very unfortunate situation.

The millers do not face the seasonal difficulties that the growers face, which can result in low sugar content. Over the past four to five years, growers in the Innisfail district have faced such difficulties. The legislation should give no indication of what the c.c.s. levels have to be. It is up to the local negotiating team to decide what the parameters for sugar levels are to be. For example, the negotiating team may decide to accept 6 c.c.s. but not to pay the grower for below 7 c.c.s., although the harvesting costs would be payable. That would reduce the terrible impact on growers who are producing a cane with a low sugar level, so they will not lose everything. At least they will get their harvesting costs.

That is only a suggestion. It may not be the case at all. It is solely a decision for the negotiating team to make in accordance with the way that it wants to conduct its affairs in that particular mill area. That point is extremely important.

Mr PALASZCZUK: If one takes this provision out, the mill could not reject the cane. Therefore, it could not be negotiated.

Mr ROWELL: I do not think that that is the case at all. The point that I am making is that those are the parameters that the negotiating team can set. That is what makes this quite different. The intent of the legislation and the Sugar Industry Review Working Party is to make local issues workable in each particular area. There can be variations. I do not think that the Minister will often get the same problems in the Burdekin or in the Mackay area, although sometimes they face problems with excessive rainfall and can find themselves in the same position. Those are the things that are negotiated. The process may be affected by some other consideration. For example, transport may be considered in the negotiations concerning low sugar content.

The intent of my amendment is to remove constrictions placed on the negotiating teams when trying to arrive at a satisfactory outcome for both the grower and the miller in each particular mill area. When it was put together, the whole essence of the legislation was to work smarter and to look for opportunities to offset particular difficulties that were faced from time to time. For example, if it was found that an area was consistently getting a low sugar content, perhaps the mill could do something to offset the losses that it may have occurred. Of course, the mills do not face the same level of loss that the growers face. They do get some sugar out of it. They get the first four units in the formula, so they are not losing absolutely everything whereas, unfortunately, the grower is. They may come to an agreement at some stage, even with what the Minister is talking about. I do not disagree with that.

The whole point is that right from day one parameters should be set. This legislation places constraints on how the growers can negotiate the agreement in their particular mill area, and I do not think that that was the intent of the legislation. The Minister said that it may have happened under the old legislation, and that is fine. However, this legislation was going to localise the negotiations. We were going to ensure that the best outcomes for each area could take place. That is what this amendment will do. It immediately sets some parameters that the negotiating team can follow.

I am very interested to see that the member for Mulgrave is talking to the Minister. I am certain that he would be well aware of the difficulties that so many growers in his area would be facing. The member for Mulgrave would know that last year the Babinda mill got on average only 10.17 c.c.s. If the same sugar levels occur this year, according to the current prices, growers in that particular area would not be getting much over $14 a tonne. They cannot survive on that. Can members imagine the situation where a grower gets $14 a tonne and then finds that he gets nothing for 5%, 10% or 15% of his crop, after he has gone to all the trouble of growing it, fertilising it, harvesting it and so on? The farmer faces a loss in relation to that cane. That makes it extremely difficult. Therefore, I am pleased to see that the member for Mulgrave is talking to the Minister about this particular problem.

I moved the amendment to omit the section that refers to 7 c.c.s., to ensure that no constraints are put on the negotiating team when it has to start the process of deciding on the best options for the particular area that it represents.

Amendment (Mr Palaszczuk) agreed to.

Question—That Mr Rowell's amendment be agreed to—put; and the Committee divided—

AYES, 37—Beanland, Black, Connor, Cooper, E. Cunningham, Dalgleish, Davidson, Elliott, Feldman, Gamin, Goss, Healy, Horan, Johnson, Kingston, Knuth, Laming, Lester, Lingard, Littleproud, Malone, Mitchell, Nelson, Paff, Prenzler, Quinn, Rowell, Seeney, Simpson, Springborg, Stephan, Turner, Veivers, Watson, Wellington. Tellers: Baumann, Hegarty

NOES, 39—Barton, Beattie, Bligh, Boyle, Braddy, Bredhauer, Briskey, Clark, Edmond, Elder, Fenlon,

Foley, Fouras, Gibbs, Hamill, Hayward, Hollis, Lavarch, Mackenroth, McGrady, Mulherin, Nelson-Carr, Nuttall, Palaszczuk, Pearce, Pitt, Reeves, Reynolds, Roberts, Robertson, Rose, Schwarten, Spence, Struthers, Welford, Wells, Wilson. Tellers: Sullivan, Purcell

Resolved in the **negative**.

Mr COOPER: I move the following amendment—

"At page 47, after line 28—

insert—

'(2) Every supply agreement is taken to include a provision that if the mill owner does not accept a grower's cane for crushing, the owner must give notice to the grower as soon as possible.'."

There is nothing major about this; it is a sensible amendment. As my colleague the member for Hinchinbrook pointed out, clause 50 deals with situations where a mill owner can reject cane sent for crushing. The Opposition has no concerns with the clause and the grounds for non-acceptance, which are based largely on the current provisions of sections 155 and 157 of the Sugar Industry Act 1991. But the Opposition believes that the clause would be fairer if it provided that every collective agreement is to be taken to include a provision that, if the mill owner does not accept a grower's cane, the mill must give notice to the grower as soon as possible. It has been suggested to the Opposition that where, for example, a mill owner rejects cane because of low sugar content it would be sensible and appropriate that the grower be notified quickly to ensure that a further delivery does not occur as a consequence of late notification. The amendment we have circulated meets the concerns raised. I think it is a fair one. I urge the Minister to accept it.

Mr PALASZCZUK: The Opposition's second proposed amendment is covered by the Government's proposed amendment to clause 54. Under the Government's amendment, it will be clear that negotiating teams may consider including provisions in the collective whereby a mill owner is to notify a grower that his cane has not been accepted for crushing for a reason detailed in clause 50. Any such provision included in a collective agreement must allow for sufficient flexibility in this notice being given to a grower, since the mill owner could make repeated unsuccessful attempts to contact the grower.

Amendment negatived.

Clause 50, as amended, agreed to.

Clauses 51 to 53, as read, agreed to.

Clause 54—

Mr PALASZCZUK (2.59 p.m.): I move the following amendment—

"At page 49, after line 26—

insert—

'(la) procedures requiring the mill owner to notify a grower that the grower's cane has not been accepted for crushing for a reason mentioned in section 50(2);

(lb) mill closure;'."

The Government proposes that two amendments be made to clause 54(2) to add to the matters that the negotiating team may consider when negotiating a collective agreement. First, negotiating teams may now consider procedures requiring the mill owner to notify a grower that the grower's cane has not been accepted for crushing for the reason detailed in subclause 50(2). The members for Crows Nest and Mirani have indicated that the Opposition believes that supply agreements should include a provision that a mill owner who refused to accept cane for crushing must give notice to the grower as soon as possible. This amendment was discussed with Canegrowers and the Australian Sugar Milling Council. I should point out that under the 1991 Act awards provided for notification to be made to growers of non-accepted cane. Second, negotiating teams may now consider mill closure. The members for Crows Nest and Mirani raised a concern of the Australian Cane Farmers Association that mill closure is not subjected to the terms of a cane supply agreement and indicated that an amendment will be moved to address this concern. A mill owner is contractually bound by a supply agreement. If a mill owner closes a mill, any grower who has entered into a supply agreement with the mill owner will be a creditor of the mill owner. As such, growers will be dealt with by whoever is managing the closed mill's affairs.

Amendment agreed to.

Mr COOPER: I move the following amendment—

"At page 50, line 2, after 'profitability'—

insert—

'and cash flow'."

We believe this is an important amendment. Clause 54 sets out the general considerations that can be taken into account by a negotiating team when developing a

collective agreement. The specific matters set out in subclause (2) fully and fairly reflect the matters set out in recommendation 4.4 of the working party's report. However, the clause states that a "negotiating team's objective is to enhance the profit of the mill owner and the growers supplying cane, while taking full account of local circumstances". No-one could cavil with that objective. Subclause (3) adds the following mandatory requirement—

> "The negotiating team must consider ways in which the growers and the mill owner may jointly improve profitability."

Again, the Opposition is in full agreement with this requirement.

As the Minister would be aware, the working party had to consider section 122 of the Sugar Industry Act. Section 8(b) of the Act provides—

> "Unless the award provides for payment within a lesser period of time—that the payment is to be made within 30 days after the end of the month to which it applies."

When members look at the working party report to see what it said about that subsection, they will find that the recommendation on page 230 of that report in relation to section 122(6) to (8) says—

> "... provides for certain requirements relating to the setting of a minimum interim price for cane and the timing of payments for cane. These provisions should be re-written in non-mandatory terms, so as to not restrict the flexibility of cane payment arrangements."

The Opposition is in full agreement with that recommendation, but unfortunately the Bill does not reflect the recommendations. There is really no guidance whatsoever in clause 54 about the critical issue of prompt payments. Paragraph (i) refers to cane payment arrangements, but that is as far as it goes. The Opposition does not argue that the Bill should be overly prescriptive. We recognise the merits of facilitating negotiations between the parties and providing for flexibility, but how many profitable businesses would honourable members be aware of that go broke because of cash flow problems? It does not matter how things are going in terms of output; it is whether the owner of the business receives prompt monetary outcome.

The problem with this clause is that the negotiating team has the option but not the duty to consider cane payment arrangements—whatever the term means. There is no mandatory requirement that they turn their minds to the issue of prompt payment to growers, as section 122 currently highlights. This is a very important issue for almost all growers. The Opposition has circulated that amendment which will amend subclause (3) to place that positive onus on negotiating teams to consider profitability and those words "and cash flow". We commend the amendment to the Chamber.

Mr PALASZCZUK: I would like to explain to the honourable member that the amendment is unnecessary for a number of reasons. Firstly, the Sugar Industry Review Working Party specifically considered the issues of profitability and cash flow and determined that the Bill should not be so prescriptive as the Sugar Industry Act 1991 in requiring that mill owners make payments to growers within 30 days of the end of the month in which cane is supplied. The report specifically said that the relevant provisions of the Act should be made non-mandatory. The aim of this was to improve flexibility in local area negotiations regarding cane payments. The nature of supply agreements is that they are commercial contracts and, accordingly, the Bill provides some detail as to the content of supply agreements in clauses 49 to 54.

In relation to the issue of the 30 days, more specific detail is appropriately left for negotiation in each local area, as is the nature of negotiations for commercial contracts. I am aware that the ACFA has stated its case for legislation so that the growers are paid at least 30 days following the end of the month in which cane was supplied. However, the reality is that the majority of cane supplied is paid by mill owners to growers within three days of the mill owner receiving payment from the Queensland Sugar Corporation. Therefore, the Government believes that the amendment as moved by the Opposition is unnecessary.

Amendment negatived.

Clause 54, as amended, agreed to.

Insertion of new clause—

Mr PALASZCZUK (3.06 p.m.): I move the following amendment—

> "At page 50, after line 2—
>
> insert—
>
> 'Division 4—Mill owner's cane
>
> 'Object of div 4
>
> '54A. The object of this division is to place the owner of a mill supplying cane to the mill in as similar a position, to any grower supplying cane to the mill, as can sensibly be achieved having regard to the provisions of this Act under which supply

agreements govern the supply of cane to a mill.

'Owner may hold cane production area and supply cane

'54B.(1) Under section 6(1), the owner may hold a cane production area relating to the mill.

'(2) Nothing in this Act prevents the owner from supplying to the mill cane grown on land included in the cane production area (the "owner's cane").

'Owner may opt to supply as if under provisions of individual agreement

'54C.(1) The owner may opt to be treated as if the owner's cane is being supplied to the mill under an individual agreement, for more than or for all or part of the period of the collective agreement made for the mill.

'(2) The owner may opt to be treated as mentioned in subsection (1) by giving notice under section 47(1) or (4) to the mill suppliers' committee as the grower and mill owner mentioned in the subsections.

'(3) The notice must state particulars of the following—

(a) the number of hectares from which cane will be supplied;

(b) the period when the cane will be supplied;

(c) the cane to be supplied.

'(4) Sections 47 and 48 apply as if the notice were notice of an individual agreement.

'(5) However, for section 48, the provision for mediation does not apply and application may be made to a Magistrates Court under the section without proof of mediation ending with the parties in dispute.

'(6) The application to the Magistrates Court must be made within 14 days after the notice mentioned in subsection (2) is given.

'(7) Also, for section 48, the only significant adverse effect that may be relied on is one arising because the rate of cane supply to the mill has changed due to the supply of the owner's cane.

'Application of collective agreement and notice

'54D.(1) To the extent the owner does not opt to be treated as mentioned in section 54C(1), the provisions of the collective agreement made for the mill apply to the supply of the owner's cane to the mill.

'(2) The provisions of the collective agreement apply to the extent they can sensibly be applied and on the basis that the owner is both the grower and the owner.

'(3) The owner must, before the start of negotiations for the collective agreement, give to the mill suppliers' committee notice of the number of hectares from which, and when, the cane will be supplied.

Maximum penalty for subsection (3)—20 penalty units.'."

The Government moves this amendment to the Bill to insert new Division 4 of Part 2 to provide detail regarding the crushing by a mill owner of its own cane. The amendment is moved following extensive consultation with the ASMC and Canegrowers. I will comment on each of the clauses that make up Division 4.

Clause 54A provides that the object of Division 4 is to place a mill owner supplying cane to its mill in as similar position as possible to that of any grower supplying cane to the mill. Clause 54B provides that, under clause 6(1), the owner may hold a cane production area and that nothing in the Act prevents the owner from supplying to the mill cane grown on the owner's cane production area. Clause 54C provides that the owner may opt out, to be treated as if the owner's cane is supplied under an individual agreement. The mill owner is required to give details to the mill suppliers' committee of the number of hectares from which cane will be supplied, the period during which cane will be supplied and the cane to be supplied. If the mill suppliers' committee considers that this may result in there being a significant adverse effect on the collective, it may apply directly to the Magistrates Court to decide the matter. A significant adverse effect would only arise because the rate of cane supplied to the mill has changed due to the supply of the mill owner's own cane.

Clause 54D provides that, if a mill owner does not opt to be treated as if supplying under an individual agreement, then the provisions of the collective agreement apply to the supply of the owner's own cane. Before the start of negotiations, the mill owner must give the mill suppliers' committee notice of the number of hectares from which cane will be supplied and when the cane will be supplied. A penalty applies if this notice is not given. Clause 41(5) originally provided for this.

Mr COOPER: The Minister gave certain assurances when we were debating clause 6 about the effect of these amendments. I have to say that, having now read these clauses and spoken to the people in the industry, I am not satisfied with the way that the Minister has explained this matter and I am now concerned that these amendments will offer substantially less protection to growers than the amendment that the Opposition circulated to clause 6 but which the Minister did not accept.

In response to questions that we posed, the Minister said that these amendments were more comprehensive. The Minister said—and I quote from page 4332 of Hansard—

> "The amendments that the Government is proposing have been negotiated with Canegrowers and also with the milling council. They maintain that the proposal that the Government is putting forward is the best solution to the problem that we have at hand."

When asked if these amendments would give the same degree of protection to growers as the Opposition amendment, the Minister replied on page 4333—

> "I can unequivocally give the Committee the assurance that the issues raised by the honourable member will be addressed by the Government's amendment."

As I explained when we were debating clause 6, a mill owner who supplies cane to his own mill is not a grower under the Bill. There is no capacity for a mill suppliers committee to object under clause 48 on the basis that the agreement will have a significant adverse effect on growers supplying cane to the mill under a collective agreement. I acknowledge that clause 48(3) limits the extent of objections by providing that an individual agreement is not taken to have a significant effect simply because the price payable for cane is different from that negotiated under a collective agreement. However, that limitation is not relevant as far as a mill supplying its own cane is concerned. The object of these amendments is to put a mill supplying its own cane in the same position as a grower who has an individual agreement. It is a proposition that the Opposition supports. It seems to us that the key provision is proposed clause 54C and in particular 54C(7), which states—

> "Also, for section 48, the only significant adverse effect that may be relied on is one arising because the rate of cane supplied to the mill has changed due to the supply of the owner's cane."

In short, under this clause, the only basis for an objection to a mill owner supplying cane to his own mill is that the rate of cane supplied to the mill has changed. This is very restrictive and limits the usefulness of this whole proposed Division. The Minister knows full well that the industry concern is that it is the effect on the rate and time of the supply of the growers' cane where adverse effect is likely to be felt. The rate of supply during a season does not normally change. It is the view of the industry that the real issue is whose cane is being up supplied at a particular time. In retrospect, the Opposition's amendment to clause 6 was a model of clarity and fairness. It would have required that the mill owner could supply cane only if it did not impact detrimentally on the growers. It was simple, straightforward and effective.

The Minister's proposed amendments are not only not nearly as effective but also misleading. They are misleading because proposed clause 54A sets out a paper objective. The objective set out in that clause is to ensure that Division 4 places growers and the mill in the same position so far as the supply of cane is concerned. That is a laudable objective and one we all support and one to which—one would think—the remaining provisions of the Division would give effect. In spite of all the clauses, the very heart of this new Division is proposed clause 54C(7). As I have pointed out, one can drive a truck through it. The Opposition will be moving an amendment to proposed subclause (7).

The CHAIRMAN: Order! Will the member please move the amendment formally?

Mr COOPER: I move the following amendment—

> "In the clause 54C proposed to be inserted by the amendment moved by the Honourable Minister for Primary Industries, subclause (7)—
>
> omit."

That is what I have been saying. From the Opposition's perspective, proposed subclause (7) is the bogeyman. I rest my case.

Mr ROWELL: I think it is quite important that we recognise the problems that are associated with the delivery of a mill owner's cane. Very often there are more advantageous periods of the year that that cane can be delivered. For instance, there are probably three or four months in the year that one gets higher sugar levels and it is better to ratoon and so on. We are not quite sure about the rate of flow. Of course, when we are talking about the delivery, it is the period of time and

the requirement of having an individual agreement that is no more advantageous than a collective agreement. However, for whatever reason, a mill owner could decide that he wants to increase the rate of supply at any particular time. I would like the Minister to demonstrate clearly in this amendment that is being put forward how growers or other suppliers who are in collective agreements and other individual agreements in mill areas would be protected.

As I have said earlier, there are some periods better than others. Wet weather could be a problem at any time of the year. It might be to the advantage of the mill owner for him to decide to harvest his cane in lieu of other people who are involved in a collective agreement or an individual agreement. Our particular concern with clause 6 when we moved the amendment was to make sure that a miller who is the grower and miller of a crop would not be advantaged over a group that was involved in a collective agreement. I would like the Minister to put beyond all doubt the fact that, if that occurs, the mill owner who owns the crop and has the prospect of sending it to his mill—and sometimes mill owners own cane outside their own mill area—would not disadvantage growers who have a collective agreement or an independent agreement in a particular mill area. I think that is where most of the concern lies in relation to both collective and individual agreements in the process of the supply chain, because there are certain major advantages that can be attained.

I do not think a mill owner would necessarily set about doing it, because it would go against the general trend of what is involved in the supply system. However, somebody who is involved in the supply side of bins and so on to that mill/growing area might decide at some time that, although it may not be mill policy, they might start increasing the supply of bins. It would be some time before the people who are involved in the cane production board were aware of it. I want to make absolutely sure that that situation cannot arise, because it would be to the detriment of the group of people who have gone into collective agreements and individual agreements.

Can the Minister demonstrate or acknowledge clearly beyond all doubt that the situation in the new clauses that he has put forward to follow clause 54 will get away from that problem absolutely and that there will be no prospect of any advantage that a mill growing cane would be advantaged over growers who supply cane under collective or individual agreements?

The CHAIRMAN: I will explain something so that we are not confused about what we are voting on. We are considering a new clause. The clause was then amended by the Minister and then an amendment was moved by Mr Cooper to the Minister's amendment. What members are speaking to at the moment is the amendment of Mr Cooper. When that matter has been dealt with we will move to the Minister's amendment.

Mr PALASZCZUK: The honourable member for Hinchinbrook certainly raises some legitimate concerns. The issues he raises in relation to clause 54C(7) were discussed in the drafting of the legislation. The amendments to clause 54C(7) focus the dispute over mill cane on the issue of change of rate of supply. This phrase has been carefully considered and includes situations regarding both the time at which the cane will be supplied and the tonnage of cane to be supplied. These are the two key issues in relation to mill cane.

The question then will be: does the timing or the tonnage of mill supplied cane impose a significant adverse impact on the growers in the collective? Both matters are encompassed in the rate of supply concept. It is necessary for a speedy resolution of the dispute that the issues be confined as outlined in clause 54C(7). I also need to point out to the honourable member that this wording has been considered by both canegrowers' organisations. Both have insisted that significant adverse effect be considered only in relation to a change in the rate of supply.

Mr ROWELL: Quite clearly, that rate of supply can vary for any reason. That is the point I am making. I gave the example of a mill owner supplying cane to his own mill and deciding for whatever reason that he wants to increase his rate of supply. In relation to the individual agreement that has been made available to those people who are involved in the collective agreement and the negotiating team, is the Minister saying beyond all doubt that there is no room whatsoever for the miller to vary the rate of supply, in accordance with the agreement he has virtually with himself?

There was some concern about mill owners making agreements with themselves. The point is that very often there are two different entities in the process in relation to mill-owned cane. The miller is doing the actual milling work but also owns the cane farm. Very often that is treated as a separate entity. It does not necessarily come under the one umbrella of the operation of milling or growing.

I am concerned about this, as are all people involved in collective agreements. Those involved in independent agreements are concerned as well, because if the mill has independent agreements other than its own, there is the distinct possibility that they also could be disadvantaged. I want to make sure—beyond all doubt—that there is no prospect for a mill that is growing its own cane to increase the capacity of that cane coming through the mill. I want to ensure that the system will not allow for that.

As I have said, there are certain times in the year when there is a distinct advantage to supply cane to a mill. If there is an advantage in relation to the sugar supplied, there is also an advantage in the returns that come off that particular land. I want to ensure that there is no prospect of a mill crushing its own cane at an increased rate, and maybe using some reasonable excuse to do it, without at least informing the collective agreement or coming to terms with the reason it has done it. There may be some good reasons, too. Say there was wet weather in an area beyond their growing area and they were able to supply cane at a faster rate than was predetermined; there could be a distinct advantage for them to start bringing that cane in.

As far as harvesting is concerned, there has to be some mechanism to ensure equity. The situation I outlined happens from time to time in areas where there is rainfall to the extent that, as a result, that area cannot produce while another can. Of course, the area that can produce will probably increase its capacity for 24 hours, two days or whatever it might be. Ultimately, they are not allowed to go in front of the average as far as a percentage of the removed crop is concerned.

I want to enshrine this in some way in the legislation. We believe that we did it through clause 6C. I said at the time we debated that clause that we would be speaking again on this matter. It was inopportune to do it when we moved that amendment, but now that we have the opportunity I want to make absolutely sure that no particular advantage can be had by a mill owner who grows his own cane over a collective agreement to that mill area or an individual agreement.

Mr PALASZCZUK: Under this division, a mill owner is treated as a grower as far as this can sensibly be achieved. A mill owner cannot have a supply agreement with itself. Under this division it is treated as a grower for the purposes of cane supply.

In response to the honourable member's query, the Government is confident that growers are not placed in a worse position than under the Opposition's proposed amendment to clause 6. If the mill suppliers' committee has concerns that the supply of mill cane will have a significant adverse effect on the collective, it can then apply to the Magistrates Court to determine the issue. The Government is confident that the provisions we are putting in place are basically in line with what the Opposition was looking at in relation to clause 6.

Amendment (Mr Cooper) negatived.

Mr MALONE: I wish to comment on the Minister's response. The Minister mentioned that if there was a dispute in relation to supply it would go to the Magistrates Court. That seems a very complex way of handling it. I would have thought that the issue would be referred to the Harvesting Equity Tribunal, which is a tribunal of millers and growers with an independent chairman. I would expect that to happen, rather than have the matter go to a Magistrates Court, which could result in a fairly lengthy time to adjudicate and which could also be rather costly.

Amendment (Mr Palaszczuk) agreed to.

New clause 54A, as read, agreed to.

New clause 54B, as read, agreed to.

New clause 54C, as read, agreed to.

New clause 54D, as read, agreed to.

Clauses 55 to 71, as read, agreed to.

Clause 72—

Mr KNUTH (3.30 p.m.): I move the following amendment—

"At page 61, line 14—

omit, insert—

', the granting of cane production areas and provision of on-site raw sugar storage.'."

To further remove ambiguity from this Bill, clause 72(b) must be changed. The words after "agreements" must be changed to "and the granting of cane production areas and the provision of on-site raw sugar storage." The entire clause will now read—

"The object of this division (Division 2—Proposed Mills) is to facilitate—

(a) the establishment of a mill;

(b) arrangements made in anticipation of the establishment of a mill, including, for example, arrangements about supply agreements and the granting of cane production areas and provision of on-site raw sugar storage."

The cost of providing on-site raw sugar storage should be borne by the developers. This provision will make it clear to the developers of proposed mills that on-site raw sugar storage is their financial obligation and not a cost to be partly met by growers.

Mr PALASZCZUK: The honourable member for Burdekin's amendment is inappropriate for two reasons. First of all, industry believes that the most efficient means of raw sugar storage is bulk sugar terminals. Raw sugar storage is but one of a vast multitude of issues that will have to be considered in relation to the establishment of a mill. What about transport issues, access to water and electricity and an available work force? Why single out raw sugar storage as an issue to be provided for in this manner? The establishment of a mill will involve commercial negotiations based on the needs of the local area. As such, I believe it is inappropriate to attempt to exhaustively detail a list of considerations by way of legislation.

Mr KNUTH: I must remind the Minister of previous concerns about fair play and competition for growers. I believe that the Bill has shown itself to be leaning heavily in the millers' favour. Already, it is quite obvious that CSR and Tate and Lyle have had much influence in the manufacture of this Bill.

I also wish to read a comment from Harry Bonanno, the head of Canegrowers. He said—

> "Although the Government goes some way towards easing growers' concerns, the Government appears to have bowed to pressure from milling interests on several key issues. This is extremely disappointing, and there is no doubt that many growers will see it as a sell-out by the Government to multinational sugar-milling groups at the expense of the family farm."

I know that the Minister has replied to many of my questions that it has been the ACFA and Canegrowers who have supported many of the amendments and the Bill itself. However, it is quite obvious, I believe, that they have had a gun to their heads when doing so.

Canegrowers in some sections of Queensland are facing destruction of their livelihood. There are already proposals for a new mill in the Burdekin—a fifth mill. Why should the growers have to bear any more unnecessary cost so that the bigger millers can benefit even more? The millers are having it more their way than the growers. This is why I, as the local member for Burdekin, cannot support this clause of the Bill. It is too one-sided. I would like to see a bit of fairness put back into this Bill in favour of the growers. They are going through a very tough time. The millers are not facing the same problems as the growers are. I want this Bill to be more biased towards growers.

Amendment negatived.

Clause 72, as read, agreed to.

Clause 73—

Mr PALASZCZUK (3.34 p.m.): I move the following amendment—

> "At page 62, lines 4 to 7—
>
> omit."

Basically, the Government moves this amendment to delete subclause 4. The amendment has been proposed in order that mills suppliers committees are now established under the Bill rather than under the Primary Producers' Organisation and Marketing Act 1926.

Mr COOPER: I was seeking some clarification and an explanation for the amendment. I thank the Minister for spelling that out.

Amendment agreed to.

Clause 73, as amended, agreed to.

Clauses 74 to 78, as read, agreed to.

Insertion of new clause—

Mr COOPER (3.35 p.m.): I move the following amendment—

> "At page 64, after line 22—
>
> insert—
>
> 'Division 3A—Preserving grower contractual rights
>
> 'Grower's rights in relation to closed mill owner
>
> '78A. The closure of a mill has no effect on any right a grower may have to take proceedings against the owner of the closed mill to recover an amount under, or for breach of, a supply agreement binding on the owner before the closure.
>
> 'Grower's rights in relation to new mill owner
>
> '78B.(1) This section applies if—
>
> (a) the ownership of a mill changes, whether or not in connection with the closure of the mill; and
>
> (b) after the change of ownership, the mill carries on the business of crushing cane, whether or not after a period of closure.
>
> '(2) A grower whose cane production area relates to the mill is entitled to supply

cane to the mill in accordance with any supply agreement that would have applied to the cane if the previous ownership had continued.

'(3) For the supply agreement mentioned in subsection (2), the new owner of the mill stands in the place of the previous owner.

'(4) Subsection (3) does not limit section 78A.'."

This relates to a new Division 3A—Preserving grower contractual rights. One of the benefits of the current Sugar Milling Rationalisation Act is that it set out in Part 3 the new rights and entitlements of the parties once a mill is closed. Without discussing each and every part of Part 3, it deals with matters such as reassignment of assigned land, transfer of statutory rights and obligations, the effects of the closure of a mill and farms peaks.

I would like to read section 16, which deals with the transfer of statutory rights and obligations. It provides—

"(1) Subject to subsections (2) and (3), on the closure of a mill, the owner of the new mill stands in the place of the owner of the closed mill in respect of all statutory rights and obligations under the Sugar Industry Act 1991 that relate to the closed mill.

(2) Subsection (1) does not apply to the debts of the owner of the closed mill accruing immediately before the closure in favour of the holders of assignments to the closed mill.

(3) The owner of the new mill is only liable for obligations accruing in respect of the closed mill after the closure."

Unfortunately, this Bill lacks any form of proper redress to growers in such circumstances. The best that this Bill can produce is clause 78, which is unsatisfactory, as far as we are concerned.

I also want to read a quote from the Australian Cane Farmers Association, as contained in the Australian Sugar Digest—

"Mill closure or the change in ownership of mills is not subjected to the terms of a cane supply agreement. Mills can seek restitution under a supply agreement where a grower transfers or abandons his CPA. However, growers are not able to enforce the terms of a supply agreement or seek compensation for non-performance from a mill owner closing or transferring ownership of the mill.

In this regard it should be noted that ownership change of mills has been a reasonably common past occurrence and several mills have closed. In addition, some growers are to be required to give at least four years' notice of cancellation of all or part of their CPA. No notice is required to close a mill."

So these are the types of concerns that were being expressed by many growers who have contacted me. They are worried that the Bill is unbalanced and gives them, in the context of mill closures, next to no protection whatever. So I urge the Minister to accept these amendments, or at least give an assurance that the Bill will be amended within a short period to provide some basic safeguards for growers.

Mr PALASZCZUK: In response to the honourable member, let me say that the amendment proposed by the Opposition in relation to growers' rights with regard to a closed mill is unnecessary. Past experience has shown that it is not ideal for legislation to detail a generic provision regarding mill closures. It is better to have the issues addressed as they arise. The Government's amendment to clause 54, I believe, is sufficient to deal with mill closure in that it may be considered at a local level in relation to negotiation of the collective agreement. In the event that a mill closes, those growers who have entered into a supply agreement with the mill will have contractual remedies against the mill owner. This goes without saying, and it is unnecessary to record this by way of legislation.

Mr ROWELL: This is an important matter and I want to make a few points. Sometimes we go back to previous legislation for a point of reference; other times we tend to forget it. The point I mentioned about the problem with sugar levels is a good example of the situation that prevails when a new piece of legislation is introduced. Arrangements are made in accordance with what was found to be wrong with the previous legislation.

I do not recall anyone raising any concerns about the fact that there was a time period provided in the previous legislation if a mill area closed. In this legislation the time period is very short. Sometimes arrangements have to be made with growers. It is all very well to say, "Yes, there is a contractual arrangement." If the mill goes broke, the growers are not going to get anything out of it, anyway. We have to take that into consideration.

Back in the mid-1980s we had very low prices. The rationalisation of mills will probably continue because the whole process of maintaining viability is going to hinge upon increasing their capacity. Very often we will find that a small mill will not have the ability to keep going. In that event, the mill could wind down to a point where it does not have any asset backing. In fact, it could be in a death-like situation. The growers are not going to get very much out of what may be perceived to be a contractual obligation where penalties could be awarded by the courts.

It is probably in the best interests of growers that some warning is given in relation to mill closures. I think it would be prudent to include that type of thing in the legislation. I am surprised that we have not previously done something along these lines. Old legislation can be a benchmark. The Minister cannot have his cake and eat it, too. He cannot refer back to old legislation when he feels it is appropriate, but ignore it on other occasions.

Mr MALONE: I would like to reinforce the remarks of the honourable member for Hinchinbrook. If a mill closes, the only recourse that the growers have would be to sue the mill. In this Bill, where a grower has problems supplying cane to a mill—either through his own inefficiencies or, perhaps, because of ill health—the mill owner has the right to sue that grower. We now have a situation where the mill could close and the only rights that the growers have would be to sue the mill. However, when a mill closes it is obvious that there would be no capital left and the receivers would be in place. It does not seem to be even handed. Under the Sugar Milling Rationalisation Act there was a clear transition period and the growers had certain rights in respect of the supply of cane to the mill.

Amendment negatived.

Insertion of new clause—

Mr KNUTH (Burdekin—IND) (3.46 p.m.): I move the following amendment—

"At page 64, after line 22—

insert—

'Division 3A—Preserving grower contractual rights

'Grower's rights in relation to closed mill owner

'78A. The closure of a mill has no effect on any right a grower may have to take proceedings against the owner of the closed mill to recover an amount under, or for breach of, a supply agreement binding on the owner before the closure.'."

Further to my attempt to amend clause 14 and clause 49, it is now necessary for me to add clause 78A, which deals with growers' rights in relation to mill closures. This matter is fairly similar to what was raised by the member for Hinchinbrook and the member for Crows Nest. This amendment deals with growers' rights in relation to mill closures.

Whilst it is comforting to know that mills rarely close down, we cannot afford to take the view that a mill will not close down during the natural life of this Bill. God forbid that the industry reaches such depths that factories have to close. We must have provisions in place to deal with such an occurrence. Too many businesses that fail take a lot of suppliers and customers with them. We must afford growers the same avenues to recoup their losses as we afford to the milling sector. It is for this reason that I move my amendment to clause 78A.

I do not, for a moment, wish that this provision ever be exercised, but if we are to move towards guaranteeing the income of the milling sector we must do the same for the more than 6,000 canefarmers who pour their blood, sweat and tears into their crops. We cannot rob the growers of their right to a legal recourse.

Mr PALASZCZUK: The honourable member's proposal is similar to that of the member for Crows Nest. The Government's arguments against the proposal of the member for Crows Nest apply in relation to the honourable member for Burdekin's proposal.

Mr KNUTH: I ask the Minister: how would it hurt to let this amendment pass? It will not hurt anyone. It will provide a failsafe clause to the farmers. It will give them some support for the future. I cannot, for the life of me, understand why we cannot accept this amendment.

Mr PALASZCZUK: The amendment that the member for Burdekin has moved is covered by clause 54. At the end of the day, if we look at past experience it is not ideal for legislation to detail a generic provision regarding mill closures. It is far better to address these issues as they arise. I refer the honourable member to clause 54. He will see that the issues he has raised are covered in clause 54.

Question—That Mr Knuth's amendment be agreed to—put; and the Committee divided—

AYES, 37—Beanland, Black, Connor, Cooper, E. Cunningham, Dalgleish, Davidson, Elliott, Feldman, Gamin, Goss, Healy, Horan, Johnson, Kingston, Knuth, Laming, Lester, Lingard, Littleproud, Malone,

Mitchell, Nelson, Paff, Prenzler, Quinn, Rowell, Seeney, Simpson, Springborg, Stephan, Turner, Veivers, Watson, Wellington. Tellers: Baumann, Hegarty

NOES, 39-Barton, Beattie, Bligh, Boyle, Braddy, Bredhauer, Briskey, Clark, Edmond, Elder, Fenlon, Foley, Fouras, Gibbs, Hamill, Hayward, Hollis, Lavarch, Mackenroth, McGrady, Mulherin, Nelson-Carr, Nuttall, Palaszczuk, Pearce, Pitt, Reeves, Reynolds, Roberts, Robertson, Rose, Schwarten, Spence, Struthers, Welford, Wells, Wilson. Tellers: Sullivan, Purcell

Resolved in the **negative**.

Clause 79, as read, agreed to.

Clause 80—

Mr ROWELL (3.56 p.m.): I move the following amendment—

"At page 65, line 23—

omit."

Although this amendment may seem insignificant, it is an amendment that stems from a concern within the industry about how the analysis system within the mills and the weighing system within the mills is going to be paid. There is an indication that it is going to be shared equally. Historically, the payment of the analysis and the weighing in the mills is paid by the millers.

This issue is not about what previous legislation stated, it is really all about the division of sugar moneys and who pays for what share of whatever happens. In the past, it has been defined clearly that the analysis and weighing has been paid by the miller. Before we move onto clause 81, I want to flag the particular concerns that we have with this clause and seek to remove subclause (h) to ensure that there is no controversy in relation to the analysing and weighing of cane in the mills.

There is another mechanism within the system that checks that, and that has been paid for jointly by the grower and the miller. This legislation proposes—and this is even contained in the amendment that the Minister will move—that this would be paid equally between the grower and the miller. The Sugar Industry Review Working Party never intended for that to occur; the legislators brought that in. There is no reference to it in the working party's recommendations. It is quite disturbing to find that, although the review made quite lengthy recommendations that do not impinge upon any Government requirements but relate more to arrangements between the grower and the miller, the legislation changes who pays for the analysis and the weighing of the cane.

In clause 80, and then later in clause 81, the Opposition is asking for the status quo to remain. The Opposition requests that the responsibility of sampling the cane as it comes into the mill, the weighing of the cane—a process that is recognised as being part of the division of sugar moneys—is maintained.

The Opposition has no problem with the checking of cane. Every now and then the weight of a random sample is checked and an analysis to determine the sugar levels of a particular batch of cane is undertaken. There is no problem with that process being funded jointly. However, there was never any intention by the Sugar Industry Review Working Party that that was to be paid, along with the analysis of the cane, as a joint fifty-fifty split.

I ask the Minister: who devised this section? Who decided to include the arrangements that have been put into the legislation, rather than maintaining the status quo? I believe that the industry is very upset about it. From time immemorial it has accepted this and there has never been any intention to change it. We have never heard the millers say that they are concerned about the amount of money that is required from growers for analysing and weighing cane. There is agreement as regards the checking of it. However, this legislation quite clearly determines that both those processes would be paid on a fifty-fifty basis. I ask the Minister: why has this occurred?

I do not believe that the Minister's amendment to clause 81 will rectify the situation, because that amendment only refers to a 50-50 split. It does not segregate the analysis of cane and the cane testing. I would like the Minister to comment on that.

Mr PALASZCZUK: The honourable member's amendment will omit line 23 at page 65: "payment and recovery of costs associated with the program". The Government believes that this provision cannot be removed as it would then be unclear who, if anyone, should pay. It would take away the process for deciding how the money should be divided.

Mr ROWELL: I do not think there is any need to include that line, because the status quo has been that the growers and millers agreed to pay for their own respective areas. That has always been done in the past. I would be quite happy to move (h) into (c) so that we get a clear indication that the checking chemists and the people who check the weighing process are included, but I do not believe that we should consider asking canegrowers to pay for part of the analysis and weighing process.

Amendment negatived.

Clause 80, as read, agreed to.

Clause 81—

Mr KNUTH (4.05 p.m.): I move the following amendment—

"At page 65, lines 28 to 30—

omit, insert—

'the owner of the mill, subject to subsection (2).

'(2) The costs of a cane audit and testing are to be paid by the owner of the mill and the mill supplier's committee—

(a) in the proportions agreed to by them; or

(b) if there is no agreement, in equal amounts.'."

In what was probably an innocent mistake in clause 80 on page 65, the draftsperson has obviously become confused between the job of cane analysis for cane payment purposes and cane testing. The first is the obligation of the mill owner to analyse the cane for payment purposes and the second is the checking and auditing—audit and testing—process carried out by the independent chemist presently appointed by the Queensland Sugar Corporation. The way that the Bill stands, this whole section needs to be rewritten to free growers or their committees from any financial obligation for cane analysis, which is solely a mill responsibility.

Therefore, clause 81(1) must be changed to clarify that growers are obligated to contribute cane to audit and testing programs and not cane analysis as the clause currently reads. In the first line of this clause, delete the words "a cane analysis" and insert "a cane audit and testing". That is all that is required to fix the fault.

Mr PALASZCZUK: This position is similar to that in the 1991 Act but is, in fact, less onerous. If growers and millers are happy with the current situation, they will have no need to be concerned about the new situation. I refer the honourable member to sections 30 and 31 of the current Act. I can guarantee that if the honourable member looks at those sections, he will be reassured.

The Government amendment to subclause (1)(b) comes as a result of consultation with Canegrowers and the Australian Sugar Milling Council. Those industry bodies agreed to the amendment. Industry made it clear that in the absence of agreement, the costs of check chemists detailed in clause 80(c) are to be shared equally. The proportion of sharing all other costs is then to be determined by the dispute resolution process detailed in clause 84.

The amendment proposed by the member for Burdekin is unacceptable and is contrary to the industry's agreed position. It is appropriate that the Bill provides for circumstances to resolve any dispute over the sharing of costs. Therefore, the Government will not accept the honourable member's amendment.

Amendment negatived.

Mr PALASZCZUK: I move the following amendment—

"At page 65, line 30—

omit, insert—

'(b) if there is no agreement—

(i) on the costs of the operation of a provision of the cane analysis program mentioned in section 80(c)—in equal amounts; or

(ii) on other costs—as decided by the dispute resolution process under section 84.'."

The Government moves this amendment to clause 81(1). The amendment provides that if a mill owner and mill suppliers committee cannot agree as to the proportions each other pay in relation to a cane analysis program, the costs in relation to check chemists are to be shared equally and all other costs are to be decided by dispute resolution process. Under subclause (1) as originally drafted, if the parties could not reach agreement as to the proportions they would share them equally. The amendment was proposed by the Australian Sugar Milling Council and Canegrowers. The industry bodies wish to continue the equal sharing of costs of check chemists but, in the absence of agreement, it is provided that the dispute resolution process will determine the proportions of any other costs.

Mr COOPER: Honourable members who do not have an interest in sugar or primary industries legislation may become impatient when dealing with this sort of legislation. However, we have a job to do. In the interests of saving time, we are not dividing on a number of the clauses. However, we wish to make our point. This morning and yesterday we could have spent more time debating the Sugar Industry Bill. As the Minister knows full well, three to four hours were spent on other matters.

Mr Palaszczuk: That is Rob Borbidge's fault.

Mr COOPER: I am not blaming anyone. I do not want to see primary industries or sugar legislation pushed into the corner. We are not going to capitulate. We intend to do our job fully. If that causes impatience among members who are ignorant about the sugar industry, that is too bad. In the debate in 1983-84, the industry nearly tore itself to pieces. We could not get agreement from anyone. I thought, "How on earth will we do this?" I never thought I would be in that position again. However, we have a job to do. We are doing our best to represent these people.

In relation to clause 81, the Minister knows that we also have circulated an amendment, which will be debated after this one, to repeal clause 81 in its entirety. On the other hand, this amendment deals only with the situation where no agreement is reached between the mill owner and mill suppliers committee over the costs of the operation of a cane analysis program. Under this amendment, where no agreement is reached the costs of the provision of the cane analysis program, under clause 80(c), are to be paid in equal amounts and all other costs are to be determined by the dispute resolution process set out in clause 84.

The Minister would know that there is growing industry concern that mill owners could endeavour to use the Bill either in its present form or as modified by the amendments circulated by the Minister to transfer a proportion of the program costs traditionally borne by millers on to growers. It is worth pointing out that the mills have always had responsibility for the weighing and analysis of cane as a milling cost. Likewise, growers and mill owners have shared the costs of check weighing and analysis programs they have requested.

I am advised that in three or four mill areas there has been agreement between mills and growers that there will be a check analysis program for all payment purposes. The mills made a higher contribution to the program in consideration of the costs saved which were otherwise a mill responsibility. The Opposition is fully aware of the need for flexibility in negotiations. However, the Bill as drafted will have the effect of potentially moving costs traditionally borne by mills on to growers. That is unfair and inappropriate. In these circumstances, we cannot agree with the Minister's amendment. It still does not overcome the problem that we have highlighted. To give legitimacy to this transfer, clause 80(b) implies that the costs of weighing, examining and testing cane, which have always been the responsibility of millers, are now to be negotiated between the parties.

In conclusion, the Opposition recognises that so far as the observation and checking of the performance of persons weighing, examining and testing cane, there was usually a fifty-fifty split between growers and millers. The Opposition also recognises that the task of weighing, examining and testing cane lies with the mill, including the costs. We cannot understand why the Minister has introduced legislation that will change current accepted industry practices.

We want the Minister to address that matter. We want to know why the Minster has seen fit to proceed with provisions that will open up a can of worms that could result in the transfer of costs to farmers, who are already strapped for funds. We want to know who suggested these amendments and what consultation has occurred. We are speaking to this amendment on behalf of Canegrowers, which has similar concerns to ours. That is why we want this issue addressed; otherwise we must oppose it.

Mr PALASZCZUK: The proposals in the Bill are no different from the contents of the 1991 Act. I will reiterate one more time for the benefit of the Committee that this amendment was agreed to by the Australian Sugar Milling Council and Canegrowers. The industry bodies wish to continue the equal sharing of costs of check chemists, but in the absence of an agreement to have a dispute resolution process to determine the proportions of any other costs. The Government's amendment is based on consultation with industry and it is no different from the provisions of the 1991 Act.

The TEMPORARY CHAIRMAN (Mr Mickel): Order! Amendment No. 15 of the honourable member for Crows Nest seeks to omit clause 81. Therefore, the appropriate course is for the member for Crows Nest to oppose the clause.

Mr Cooper: We are.

Question—That the Minister's amendment be agreed to—put; and the Committee divided—

AYES, 39—Barton, Beattie, Bligh, Boyle, Braddy, Bredhauer, Briskey, Clark, Edmond, Elder, Fenlon, Foley, Fouras, Gibbs, Hamill, Hayward, Hollis, Lavarch, Mackenroth, McGrady, Mulherin, Nelson-Carr, Nuttall, Palaszczuk, Pearce, Pitt, Reeves, Reynolds, Roberts, Robertson, Rose, Schwarten, Spence, Struthers, Welford, Wells, Wilson. Tellers: Sullivan, Purcell

NOES, 36—Beanland, Black, Connor, Cooper, E. Cunningham, Dalgleish, Davidson, Elliott, Feldman, Gamin, Goss, Healy, Horan, Johnson, Kingston,

Knuth, Laming, Lester, Lingard, Malone, Mitchell, Nelson, Paff, Prenzler, Quinn, Rowell, Seeney, Simpson, Springborg, Stephan, Turner, Veivers, Watson, Wellington. Tellers: Baumann, Hegarty

Resolved in the **affirmative**.

Clause 81, as amended, agreed to.

Progress reported.

SPECIAL ADJOURNMENT

Hon. H. PALASZCZUK (Inala—ALP) (Minister for Primary Industries) (4.23 p.m.): I move—

"That the House, at its rising, do adjourn until 9.30 a.m. on Tuesday, 9 November 1999."

Motion agreed to.

The House adjourned at 4.23 p.m.

(See p. 4599)

MINISTERIAL PAPERS

The following papers were tabled—

(a) Minister for Employment, Training and Industrial Relations (Mr Braddy)—

Building and Construction Industry (Portable Long Service Leave) Authority—

Annual Report for 1998-99

(b) Minister for Public Works and Minister for Housing (Mr Schwarten)—

Report on visit to Canada, the United States and the United Kingdom from 18 September 1999 to 3 October 1999

(c) Minister for Environment and Heritage and Minister for Natural Resources (Mr Welford)—

Report on visit by parliamentary delegation to North America, August 1999

(d) Minister for Primary Industries (Mr Palaszczuk)—

Report on recent visit to Israel and the United Arab Emirates to attend the 14th International Agricultural Exhibition in Haifa.

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