

## TUESDAY, 27 APRIL 2004

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

### PETITION

The following honourable member has lodged a paper petition for presentation—

#### Medical Practitioners, Runaway Bay

**Mrs Croft** from 56 petitioners requesting the House to advise the federal government that the shortage of general practitioners in the Runaway Bay area is significantly impacting on local residents and the remaining doctors, and request that the federal government declare this a district of workforce shortage in an attempt to attract more doctors.

### PAPERS

#### PAPERS TABLED DURING THE RECESS

The Clerk informed the House that the following papers, received during the recess, were tabled on the dates indicated—

23 April 2004—

- Response from the Minister for Natural Resources, Mines and Energy (Mr Robertson) to an E-Petition sponsored by Ms Molloy from 235 petitioners regarding gold mining in a rural residential area at North Arm, in the Sunshine Coast hinterland
- Letter from the Chair of the Members' Ethics and Parliamentary Privileges Committee (Mrs Attwood) to the Clerk of the Parliament enclosing an interim government response to Report No. 60 of the Members' Ethics and Parliamentary Privileges Committee entitled Report on Inquiry into Communications to Members, Members' Representations to Government and Information Provided to Members
- Letter, dated 15 April 2004, from the Premier and Minister for Trade (Mr Beattie) to the Clerk of the Parliament enclosing a copy of a letter from the Commonwealth Parliament's Joint Standing Committee on Treaties listing proposed international treaty actions tabled in the Commonwealth Parliament on 30 March 2004 and the National Interest Analyses for each of the proposed treaty actions listed

#### STATUTORY INSTRUMENTS

The following statutory instruments were tabled by the Clerk—

State Penalties Enforcement Act 1999—

- State Penalties Enforcement Amendment Regulation (No. 1) 2004, No. 38

Liquor Act 1992—

- Liquor Amendment Regulation (No. 2) 2004, No. 39

Queensland Heritage and Other Legislation Amendment Act 2003—

- Proclamation commencing remaining provisions, No. 40

Queensland Heritage Act 1992—

- Queensland Heritage Amendment Regulation (No. 1) 2004, No. 41

Workplace Health and Safety Act 1995—

- Workplace Health and Safety (Advisory Standards) Amendment Notice (No. 2) 2004, No. 42

### MINISTERIAL STATEMENT

#### Shafston International College

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.32 a.m.): I am deeply concerned at issues raised last night on *A Current Affair* on Channel 9. It has detailed serious issues in relation to Brisbane's Shafston College and one of its former executives. I am deeply concerned at what I am told was presented and what has since been published. I hate to see—and I hope all members join with me in this—or read anything that may in any way damage Queensland's reputation overseas, especially our burgeoning \$800 million a year international education initiatives.

As you know, Mr Speaker, my government has established an export education strategy. So successful has that been that Queensland is now home to more than 35,000 international

students each year. I believe the matters raised last night and this morning warrant appropriate investigation. I had a meeting this morning with Anna Bligh, the Minister for Education, and I told her I wanted this matter investigated. The minister has directed senior departmental officers to seek an urgent meeting with the board of Shafston College. As the screening body for higher education providers in the state, Education Queensland will take this matter very seriously. I would urge *A Current Affair* to forward all of its material to the police.

I notice there was reference made to an endorsement that I made of Shafston College on their web site. I want to make sure that everyone understands this is a normal practice. It is of a general nature and not directed to any individual. As always, I support worthy groups developing the Smart State, particularly in export education. As Premier and Minister for Trade, I am frequently asked to supply messages which sum up the advantages that Queensland has to offer to foreign investors and business leaders as well as to students.

A typical message basically goes that my government has vigorously driven strategies to establish Queensland as Australia's Smart State. Queensland leads Australia in encouraging the growth of new age industries such as biotechnologies, communication and information, and has invested heavily in research and development in these areas, and as always there are particular announcements or messages in education. We are applying smart solutions to our traditional industries, and we are radically modernising our education system so that tomorrow's graduates continue to be well equipped to excel in emerging Smart State jobs.

By way of example, in 2002 there were nine web based documents featured in web sites administered by my department containing a message supporting the Smart State. There were 99 messages that I signed. There was also associated material for 65 events supported by Queensland Events Corporation during the period January 2000 to July 2003. I hope this matter can be resolved quickly. I do not want to see anything damage the educational opportunities in Queensland because it means jobs for Queenslanders.

## MINISTERIAL STATEMENT

### Legal Profession Reform

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.35 a.m.): Last year our government introduced historic reforms to bring greater independence, accountability and transparency to the regulation of the Queensland legal profession. I am pleased to advise the House that cabinet this morning has approved a second round of reforms. The Attorney-General, Rod Welford, will introduce legislation encompassing these reforms this week.

These latest reforms take a timely and important step towards a national legal profession and improve choice and competition for legal service consumers. Lawyers from other states will be able to practise here. Queensland lawyers will have the same rights to practice across borders. These changes recognise the commercial reality that lawyers frequently operate on a national basis. It will further enhance Queensland's Smart State business environment by making it easier for the nation's biggest law firms to come and operate here. Major law firms which for some time have been represented here are now likely to take advantage of these changes by locating specialist teams in Queensland to support key industries such as mining.

The new national approach will also protect consumers by ensuring there are consistent professional standards across all jurisdictions. For example, a lawyer who has been struck off or suspended in one state will not be able to practise in another state. These reforms will also allow for the registration of foreign lawyers practising in foreign law to operate in Queensland. This means these lawyers can support international companies which decide to set up business here in Queensland. That is another important aspect of attracting international business.

These new reforms will also allow law firms to establish multidisciplinary practices, bringing together professional services under one roof. There will be safeguards in place to ensure only appropriate links are created and there are no obvious conflicts. The reforms will also make some minor changes to the operations of the Queensland Law Society, necessitated by the changes to the complaints and discipline processes passed in this place last year. The size of the Law Society council will be reduced from 17 to a maximum of 12. The society requested this reduction in order to reduce its costs.

This latest round of reforms will modernise our legal profession and combine benefits for consumers with broader protection.

**MINISTERIAL STATEMENT**  
**Council of Australian Governments**

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.37 a.m.): I welcome the Prime Minister's decision to hold the next meeting of the Council of Australian Governments on 25 June. As I told the House last Thursday in response to a question from the member for Southport, I was concerned about rumours propagated by Mr Howard's own ministers that he would not face a COAG meeting before the election. I said that he needed to sign off on the invitations to COAG to show that he is not being politically wimpish because COAG has the capacity to advance some very important issues for the people of this country.

On Friday night my office received a fax from Mr Howard proposing COAG be held on 25 June, and I thank the Prime Minister for the courtesy of responding to my concerns. While I believe COAG needs to be reformed to make it more effective and relevant to Australians, it has recently made progress on crucial issues including counterterrorism. One element which is particularly complex but important is the handling of ammonium nitrate. The vast majority of Australians who buy ammonium nitrate use it responsibly in farming or mining, so we have to apply commonsense. But public safety must always be the No. 1 concern.

Through a COAG process, Queensland has been integral to the development of proposed national measures for dealing with ammonium nitrate. Last year we were the lead state for a hazardous materials review focused on ammonium nitrate. In Queensland safe storage of ammonium nitrate is already regulated under the Dangerous Goods Safety Management Act 2001. Manufacturing facilities are subject to occupational health and safety rules, and requirements such as boundary security and access control. Through the process kicked off by COAG, we now have a proposed national regime for regulating ammonium nitrate through a permit and licensing system.

Queensland broadly supports the proposal. In fact, I think it needs to be urgently implemented, preferably ahead of the next COAG meeting. I do not believe at this stage that a total ban on ammonium nitrate is needed. It would certainly cause inconvenience for industry and add to production costs for some Queensland farmers.

For simplicity and efficacy, Queensland believes ammonium nitrate should be regulated in a similar fashion, whether it is sold as fertiliser or explosives. A smart regulatory regime should also have an eye on the potential for other high nitrate fertilisers or other hazardous substances to emerge as threats in the future.

The last thing we want is people with an evil intent crossing our state and territory borders to exploit weaker controls. So while states and territories regulate hazardous materials, it really is up to the federal government to make sure systems are uniform across-the-board.

This is clearly a case where COAG has a role, but hopefully it can be sorted out before 25 June. A meeting of officers is scheduled for this week. Let's hope they can progress this matter then.

**MINISTERIAL STATEMENT**  
**Greek Orthodox Church, 75th Anniversary**

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.40 a.m.): On Friday night I had the pleasure of attending the celebration of the 75th anniversary of the Greek Orthodox Church of St George, Brisbane. This was at the Greek Club. Among those attending were Her Excellency Ms Quentin Bryce, Governor of Queensland, and Mr Bryce; Anna Bligh, Minister for Education and the Arts; Karen Struthers, my parliamentary secretary for multicultural affairs; Jim Fouras, the member for Ashgrove, who has a bit of interest in what happens in the Greek community; and Darryl Briskey, the member for Cleveland.

The night was again another multicultural success in this state. The 75th anniversary of the consecration of Queensland's first Greek Orthodox Church provided the opportunity to reflect on the great contribution the people of Greece have made to our multicultural society.

Records of Greek settlers in Queensland before the colony separated from New South Wales in 1859 are scant. But what we do know for certain is that the wife of Queensland's first governor, Sir George Bowen, was a noblewoman from Greece, Countess Diamantina Roma. Sites named after her include both Roma and Countess Streets in Brisbane, the suburb of Ithaca, the Diamantina River and the town of Roma, not to mention the Roma Street Parklands.

In the years before federation, the number of Greek immigrants to Queensland was relatively small. They worked in, or owned, cafes. They were fishermen, farmers, railway workers and included a sprinkling of professionals. Migration gathered some momentum between 1901 and 1914. Indeed, it was in this period that some of the best known Queensland families of Greek origin reached our shores. But it was in the years immediately after the First World War that substantial migration from Greece to Queensland first took place. As people who know anything about history would understand, there was conflict between Turkey and Greece at the time and many Greeks who were living in what is now Turkey—in fact, about a million—were forced to flee following that conflict.

In the 75 years that have elapsed since the consecration of St George's, we have experienced another wave of immigration from Greece which in part stemmed from the troubles that followed the end of the Second World War.

Our Greek Queenslanders today are to be found throughout professions like law and accounting, and in industry, politics and education. Friday night's audience bore witness to that.

I am pleased to say that members of the Queensland Greek community have done well here, but they also have given much back to the Queensland community. We are a far richer society as a result of the influences from the ancient home of western democracy and culture.

I congratulate the Greek community of St George on 75 years of service to all the people of Queensland.

Also on Sunday, Education Minister Anna Bligh was on hand for the official opening of the Bundall Greek School opening at the Gold Coast. His Grace Bishop Seraphim, representing His Eminence Archbishop Stylianos, Primate of the Greek Orthodox Church in Australia, was also present on both occasions.

## **MINISTERIAL STATEMENT**

### **Greenhouse Gases**

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.43 a.m.): Finally today I want to make some reference to greenhouse gases. Now that the House has passed our new tree clearing laws, Queenslanders can look forward to being world leaders in the battle against global warming.

As the Australian Bureau of Agricultural and Resource Economics has previously estimated, our tree clearing package may reduce greenhouse gases by 25 million tonnes, that is, 25 megatons per year.

ABARE and another federal government body, the Bureau of Rural Sciences, have also estimated that the laws will save Australians \$600 million per year. Queenslanders will be making Australia's single biggest contribution to greenhouse gas reduction and enabling Mr Howard to reach his international obligations.

Our contribution is not just phenomenal on a national scale; it is also extraordinary from an international perspective. An analysis by the government, using figures from Europe—Environmental Issue Report No. 36 Greenhouse Gas Emission Trends and Projections in Europe 2003 (Dec 2003)—and Canada—Climate Change Plan for Canada, Government of Canada—shows we are punching well above our weight. Each and every Queenslanders will take 6.84 tonnes of damaging greenhouse gases out of the atmosphere, based on 2001 census data. That is like every man, woman and child taking two cars off the road, mothballing more than seven million exhaust pipes. By contrast, under European Union plans, citizens of the EU will each reduce greenhouse gases by approximately 1.23 tonnes per year. Canadians will each reduce emissions by about 1.62 tonnes per year. We are leaving these leading developed nations in the shade.

So I congratulate the minister and all those who have been supportive of the legislation. For time reasons, I seek leave to incorporate the rest of my ministerial statement in *Hansard*.

Leave granted.

So I congratulate the Leader of the Liberals for having the sense to support our laws.

But I ask where was he during the election campaign, and in the lead-up to the campaign when his friends in Canberra welshed on a deal to share in the \$150 million package for farmers?

I note his comments to Steve Austin on radio 612 last week, where he said "we haven't changed our position".

So, why wasn't he forthcoming during the campaign?

Why not share his position with the voters?

Why not join us in going in to bat for Queensland farmers and telling Canberra these farmers deserve Federal assistance?

The Member for Robina had the perfect opportunity during the election campaign to extract this from the Federal Liberals—and he did not.

He got bulldozed by the National Party and Queensland Country Life.

He let them muzzle him, gag him, silence him.

He can say all he likes now about the adequacy of \$150 million—but he had his chance and he chose not to take it.

At the very least, there is something he should do if he genuinely wants extra money from the Federal Government.

He should call on the Prime Minister to buy properties of high conservation value that the Member for Robina believes are significantly affected by the new laws, so they can be managed as conservation land in the long-term.

## MINISTERIAL STATEMENT

### Higher Education

**Hon. A. M. BLIGH** (South Brisbane—ALP) (Minister for Education and the Arts) (9.44 a.m.): The Leader of the Opposition recently returned from a trip to the Middle East. It appears that while there he suddenly discovered the international potential of higher education in Queensland.

**Opposition members** interjected.

**Mr SPEAKER:** Order!

**Ms BLIGH:** A search of *Hansard* shows that the Leader of the Opposition has only mentioned higher education twice in this House since 1998. When he mentioned it publicly for a third time, on ABC Radio, following his return from overseas, he spoke about the five million higher education eligible students in Iran and the opportunities for Queensland in the Middle East. He said on Steve Austin's program, and I quote—

I mean 5 million students are eligible to attend university, but the places aren't there.

I am pleased to advise the Leader of the Opposition and others that places are here in Australia. There is no restriction on the number of full fee paying overseas students that a university can accept. Listening to the Leader of the Opposition's interview on radio you would think there was no education link with the Middle East, and nothing could be further from the truth. As the Leader of the Opposition is aware, because he was briefed by my office on 31 March, Queensland has established relationships with the Omani Ministry of Higher Education, the Dubai Municipal Authority and with QATAR Petroleum to name a few. Also, Education Queensland is currently negotiating with a number of potential partners in the United Arab Emirates for the sale of curriculum developed by the Queensland Studies Authority.

While the Leader of the Opposition was on his discovery tour in the Middle East, one of the government's most ambitious overseas higher education marketing initiatives was under way. A delegation of Queensland academics and cricketers undertook a two-week promotional tour of Sri Lanka and India. This promotional tour harnessed the passions of cricket and education which Queenslanders and our neighbours in the subcontinent share and allowed us to capture their attention in a unique way. What better way to cement our educational partnership with India and Sri Lanka than through our shared national obsession with cricket.

As a direct result of the tour, Queensland's universities have been able to develop further initiatives such as the exchange of senior academic staff and student exchanges in support of the memorandum of understanding on higher education which Queensland has signed with the Indian state of Karnataka.

The delegation was led by the chair of the Queensland Education and Training International Board, Paul Braddy, and included 10 of Queensland's leading researchers from four of our universities. The party also included a combined universities cricket team consisting of 13 graduates or current students from seven of Queensland's universities. The squad included Allan Border, former Australian captain and current national selector, as cricket ambassador and was captained by Griffith University graduate Mr Michael Jeh. I sincerely thank Allan Border for his enthusiastic leadership of this tour. Not surprisingly, he received a huge and very warm welcome, as did the team. They not only secured extraordinary publicity for the academic side of the tour; they also acquitted themselves very well on the field.

The delegation visited the Sri Lankan capital, Colombo, and the Indian cities of Chennai, Mumbai, Pune, Bangalore and Delhi with the cricketers playing a series of six one-day games against leading clubs and provincial teams.

Last year more than 2,000 international students from the subcontinent were studying at Queensland universities and we aim to grow that market. International students studying in Queensland's nine universities make a major contribution to the state's economy and to the knowledge and cultural life of our universities, their communities and their students.

I hope the Leader of the Opposition finds these facts informative. Before he books his ticket for his next discovery tour, he should have a word with me first and I may be able to save Queensland taxpayers the air fare.

## MINISTERIAL STATEMENT

### Workplace Health and Safety Strategy

**Hon. T. A. BARTON** (Waterford—ALP) (Minister for Employment, Training and Industrial Relations) (9.48 a.m.): I would like to announce details of the Queensland Workplace Health and Safety Strategy 2004-12, which I now table.

Each year, work-related injury and illness directly claim the lives of some 100 Queenslanders. It is thought up to 400 more people die from occupational diseases acquired during their working lives. The social and economic costs are staggering, estimated at \$5 billion for Queensland and more than \$30 billion nationally. Workplace injury, illness and death have enormous impacts on workers and productivity.

As well as the direct costs there are the hidden costs. Workers are affected by pain, loss of earnings and reduced self-esteem, leisure opportunities, social interaction. Many face ongoing costs to families for caring. The state suffers not only from lost productivity, skills, experience, and knowledge but also from the cost of recruiting and training people to replace those ill or injured. The community bears the costs of social welfare payments, health and medical costs and the loss of human capital.

In our last term, the Beattie Labor government implemented a robust legislative program which has broadened the legal responsibility for the protection for workers. Now we are going one step further. The Queensland Workplace Health and Safety Strategy 2004-12 has been developed by the government in collaboration with the Workplace Health and Safety Board and stakeholders.

This strategy is the blueprint to drive workplace health and safety prevention activities over the next eight years. It sets clear targets to achieve a significant, continual reduction in work related fatalities. By 2012 we aim to reduce fatalities by at least 20 per cent and the incidence of workplace injury by 40 per cent. This is challenging but achievable.

Our main priorities are to: reduce the incidence and severity of workplace risk; support business operators and workers in managing workplace health and safety; and find better ways to prevent occupational disease and eliminate hazards at the design stage. Considerable work will take place creating a comprehensive data warehouse to help track workplace injuries and fatalities. This will ensure that the resources of Workplace Health and Safety Queensland, in the Department of Industrial Relations, continue to be focused where they can have the greatest impact.

The Queensland Workplace Health and Safety Strategy 2004-12 provides a practical framework to reduce unacceptable incidence of work related fatalities, injuries and disease. I welcome the continued involvement of unions and industry. Collectively, we can achieve the vision of Queensland workplaces being free from death, injury and disease.

## MINISTERIAL STATEMENT

### Australasian College for Emergency Medicine

**Hon. G. R. NUTTALL** (Sandgate—ALP) (Minister for Health) (9.51 a.m.): Last Friday the Australasian College for Emergency Medicine released a report claiming to have the solution to overcrowding in our emergency departments. It highlights the unsubstantiated arguments that more and more people are using to simply undermine public confidence in our hospital system. Not only is the report factually incorrect and out of date, but the College of Emergency Medicine did not have the goodwill to provide either the Premier or me with a copy of the report.

Disappointing too, the college is part of a reform group which I have recently set up to look at real solutions to emergency departments' waiting times.

Let us have a look at the report. The college claims that overcrowding in our emergency departments is simply due to access block—where patients cannot access a bed. But, interestingly, their data shows very little correlation between the two. At the Princess Alexandra Hospital the college's figures show that numbers of emergency patients waiting for beds have increased by 87 per cent and yet overall occupancy of beds at the PA has fallen nine per cent from 91 per cent in 2000-01 to 82 per cent in 2002-03. At the Townsville Hospital, the college's report claims that access block has increased by 87 per cent and yet occupancy of beds at the Townsville Hospital has fallen from 79 per cent in 2000-01 to 76 per cent in 2002-03.

Using comparative population figures, Queensland has 600 more public beds than New South Wales, 310 more public beds than Victoria and a higher number of public beds than the national average. The college says that an 85 per cent occupancy rate should be our target. No surprise then that Queensland's four biggest hospitals have ranges between 85 per cent and 822 per cent over the past two financial years—that is, the Royal Brisbane Hospital, the Princess Alexandra Hospital, the Townsville Hospital and the Prince Charles Hospital.

To suggest that we just spend more money on beds when occupancy rates in some of our biggest hospitals were as low as 75 per cent in the last financial year is ridiculous. Clearly, where we are experiencing congestions in our emergency departments there are other factors involved. For example, trauma cases now represent the minority of cases in our emergency departments. There are direct correlations between the decline in bulk-billing and the 73,000 additional patients that we are now seeing—mostly non-urgent cases—through the emergency departments in just our 20 biggest hospitals. It is no surprise that, as GP appointments in Queensland have fallen by more than 575,000 visits since the decline in bulk-billing, there has been an increase in patients through our emergency departments.

This report was done without any consultation, without looking at the relationship with GP services, without looking at the changes in treatments, technology systems, improved patient access, and the list goes on. To simply look at bed numbers in isolation of any other factor involved in health care in Queensland is naive.

Perhaps the Australasian College for Emergency Medicine could justify what patient care data was used to determine triage times—that is, waiting times—for emergency patients in category 2 to category 5. Our doctors and nurses care for 28,000 patient every day in Queensland. We do it well. But there will always be a few of those 28,000 who believe we can do it even better. We will strive to do that. We will continue to work to find real solutions to problems, not one-off reports for one-time headlines.

## MINISTERIAL STATEMENT

### Brisbane Housing Company

**Hon. R. E. SCHWARTEN** (Rockhampton—ALP) (Minister for Public Works, Housing and Racing) (9.56 a.m.): Since this government established the Brisbane Housing Company in late 2002, it has assisted over 150 people find secure, affordable accommodation. The independent, not-for-profit company—the first of its kind in Australia—was an innovative response which I instituted to address the continued loss of traditional forms of affordable housing in Brisbane's inner city. It requires a contribution of \$50 million by the state government and \$10 million from the Brisbane City Council.

One of the strengths of the company model is its flexibility and ability to trial new approaches to affordable housing provision. I am pleased to report to the House that the company now manages more than 120 dwellings in the inner city area, including New Farm, Bowen Hills, Camp Hill and Fortitude Valley.

The company offers a range of accommodation such as boarding houses, units and houses to families and individuals on low incomes and all properties are fully tenanted. The company also has 235 dwellings at various stages of planning approvals or under construction. By the end of 2005, the company expects to have 300 units of accommodation completed and under management and a further 122 units in the pipeline.

The Brisbane Housing Company continues to perform well in achieving its financial targets as well. The management accounts and performance reports submitted by the company on a quarterly basis show that the company's performance in terms of revenue, expenses, year-to-date profits and progress with construction activities is consistent with the forecasts in its business plan.

It is meeting its financial targets set at levels to sustain operations, maintain housing stock in the long-term and service anticipated borrowings for future building activities.

The provisions of the company's funding agreement with the state government and Brisbane City Council continue to ensure that it is able to pursue its social objectives and financial targets. This financial year, the Brisbane Housing Company will receive total cash funding of \$14.2 million from the Department of Housing and \$3 million from the Brisbane City Council. In addition, vacant land at Camp Hill, New Farm and Yeerongpilly, worth more than \$1.6 million, has also been transferred from the Department of Housing to the Brisbane Housing Company this year. It is intended that vacant land at Fortitude Valley, Kelvin Grove urban village and Paddington-Milton, valued at almost \$8 million, will also be transferred by June 2004.

The Brisbane Housing Company is working well in establishing a modern and valuable housing portfolio ensuring we maintain affordable housing in the inner city in the future. By partnering with the community and private sectors, the Brisbane Housing Company is a smart solution to the many challenges facing the effective provision of affordable housing.

## **MINISTERIAL STATEMENT**

### **Legal Profession Reform**

**Hon. R. J. WELFORD** (Everton—ALP) (Attorney-General and Minister for Justice) (9.59 a.m.): The Queensland justice system parallels the very best of legal systems anywhere in the world. It is built on a strong foundation of the rule of law and is underwritten by a capable and independent judiciary and legal profession. As I have said in this place before, public confidence in our legal profession is paramount. Queenslanders must feel confident they will receive fair, honest and professional legal advice and services. This fundamental requirement has been the driving force for major reforms to the Queensland legal profession regulation which I have been developing over the past 12 months. This morning the Premier has outlined the second round of our reforms to the Queensland legal profession.

These historic reforms complement the complaints and discipline regime I outlined late last year and which is due to come into effect from July this year. These reforms now create a truly national legal profession. A single practising certificate regime will enable lawyers to practice anywhere in Australia. As the Premier said, this will have benefits for business and for individual legal consumers. There will be consistency across all jurisdictions in terms of the rules governing the professional conduct of lawyers, whether advising on local or foreign laws. There will be recognition by every state of disciplinary action taken against lawyers in any one state. Lawyers will also be allowed to establish multidisciplinary practices. This means they can combine with their professional colleagues to provide a one-stop shop of services to consumers.

However, there will be strict safeguards on the establishment of these practices to ensure there are no conflicts of interest. It is quite likely this type of practice will be of real benefit in regional areas, where professional groups, such as accountants and lawyers, can reduce the running costs of their business by operating together. This second round of reforms to the legal profession will deliver the dual benefits of greater competition and tougher national professional conduct standards. They continue our commitment to building a legal profession in which the people of Queensland can have every confidence and which adds value to the economic strength of the Smart State.

## **MINISTERIAL STATEMENT**

### **Queensland Rail, Apprentices and Trainees**

**Hon. P. T. LUCAS** (Lytton—ALP) (Minister for Transport and Main Roads) (10.01 a.m.): I wish to inform the House of the important role that Queensland Rail plays in supporting a key government priority—jobs for our young people in the regions. Young Queenslanders are the future of this great state. I am happy to announce today that QR has this year taken on 98 new apprentices and 50 new trainees. This is almost a 30 per cent increase on the number of apprentices QR took on last year and is almost double the number of trainees. It is something this government is very keen on. We realise that ultimately we are a major provider for apprentices and trainees throughout Queensland, in particular regional Queensland. QR is providing the type of training through these programs that is helping Queensland achieve a skilled, flexible work force to meet the challenges of the future.

In November QR advertised state wide for apprentices in trades such as electrical, electronics, mechanical, fabrication, vehicle building, vehicle finishing, plumbing, and painting and

decorating. By the end of last month, all 98 new apprentices had been inducted and they come from locations such as Cairns, Townsville, Bowen, Mackay, Sarina, Blackwater, Rockhampton, Gladstone, Maryborough, Brisbane, Ipswich and Toowoomba. QR has also provided 50 traineeships in areas such as business administration, horticulture, warehousing, engineering, telecommunications, cleaning operations and information technology. Among these 50 trainees are 10 school based traineeships. Opportunities like these are helping to build regional Queensland. These trainees are employed for 12 to 24 months while apprenticeships are 48 to 60 months, depending on the qualification being attained. QR is also providing training in leadership and management development, locomotive driver simulation, literacy and numeracy, customer service and hospitality skills enhancement. These latest recruits form part of a group of 280 apprentices and 60 trainees within QR.

Funding for these trainees is from the Beattie government's Breaking the Unemployment Cycle initiative. I want to thank QR for having such an active apprenticeship and traineeship program. This program is not just important to QR but is providing skilled and experienced workers for the future for other industries. Government trained apprentices and trainees are in very heavy demand in the private sector, and I make no apology for that and I am very proud of that. QR's future viability rests on having a committed and skilled work force. Through the Beattie government's support, QR can provide a professional and efficient service, whether it is passengers on Citytrain or Traveltrain, moving livestock or millions of tonnes of bulk minerals.

QR recent successes include a 6 per cent rise in Citytrain patronage between July to December; QR's subsidiary Interail winning a contract to transport 10 million tonnes of coal per year in the Hunter Valley in New South Wales; last year QR retained a 40 million tonnes per year coal contract with BHP Billiton-Mitsubishi alliance; and QR winning a contract with Xstrata in February for the new Bauhinia mine in central Queensland. The Beattie government will continue to develop a skilled and enthusiastic work force to support the economic growth and development of Queensland.

## MINISTERIAL STATEMENT

### Stocked Impoundment Permit Scheme

**Hon. H. PALASZCZUK** (Inala—ALP) (Minister for Primary Industries and Fisheries) (10.05 a.m.): Almost four years ago our government introduced the Stocked Impoundment Permit Scheme to assist stocking groups in their efforts to improve freshwater fishing in a number of dams across the state. Under this scheme, people fishing in the 29 participating impoundments must have a permit. Funds raised by the sale of permits are allocated to the stocking groups operating in those impoundments to assist them to raise or buy native fish fingerlings for stocking. More than \$1 million has been allocated so far, and this is also in addition to the funds provided by our government through the Recreational Freshwater Fishing Enhancement Program. Not only is the increased funds available for stocking good news for local anglers, but it is attracting visiting anglers, and that is good news for the local economy. Therefore, I am pleased I can announce today that almost a further \$400,000 is to be allocated across those 29 impoundments for the 2003-04 year.

Despite the drought and the impact that has had on water levels in a number of key impoundments, the number of permits issued for the permit year—that is, 1 March 2003 to 28 February 2004—was 33,511. That is almost 2,000 permits more than issued during the previous 12 months. That growth in permits is welcomed, particularly as it occurred during drought. However, the increase in permits has been in the \$7 weekly permits, with the number of annual permits down. This has had an impact on the amount funding raised, with \$385,000 to be allocated this year compared to \$401,000 last year. These funds are allocated on the basis of angler preference and the surface area of the impoundment. If any honourable member would wish, I can supply that member with a list of the impoundments and the respective funding allocations. I am confident with recent good rain replenishing water levels in a number of those affected dams and the continued efforts of the stocking groups, this will lure even more anglers to these inland fishing spots.

## MINISTERIAL STATEMENT

### Water Resource Monitoring Programs

**Hon. S. ROBERTSON** (Stretton—ALP) (Minister for Natural Resources, Mines and Energy) (10.07 a.m.): The Beattie government recognises the importance of high quality, science based

water resource data to underpin the sustainable management of Queensland's most precious natural resource—water. That is why the government is allocating \$5 million from the Smart State Building Fund to enhance my department's existing water resource monitoring programs over the next three years. Some of this money will be spent to establish and upgrade 85 stream gauging stations and 260 aquifer observation bores across the state to measure flows and groundwater levels. This hydrological data is essential for our planning and management activities, which are closely linked to our commitments to the COAG water reforms and the national water initiative.

The final location of these works is still being determined using risk assessment and cost-benefit methods. A large part of the funds will also be invested in an extensive water quality monitoring network to support a revised aquatic ecosystem health assessment program. Rivers are the ecological arteries of the landscape and can tell us much about the health of the catchments that they drain. The water quality works for this component of the enhanced monitoring program will be located across the state. The location of works is dependent on the final design of the revised aquatic ecosystem health assessment program. This is expected to occur next month and will involve consultation with relevant stakeholders undertaking appropriate monitoring.

Information from this enhanced network will contribute to a range of government reporting commitments. These include state of the environment reports, annual priorities in progress reports, the Reef Water Quality Protection Plan, the Lake Eyre Basin agreement, Paroo River agreement, Murray-Darling Basin agreement and so on. It will also help us to monitor the condition of wild rivers that the government will declare later this year. The enhanced monitoring program will also contribute to the reporting requirements of the state's regional natural resource management bodies under the joint state-Commonwealth Natural Heritage Trust and National Action Plan for Salinity and Water Quality programs. It will help the two governments and the regional bodies to assess the effectiveness of these programs in delivering natural resource management outcomes. I am confident that the government's investment in enhanced water resource monitoring will deliver reliable, credible information with wide-ranging and long-term benefits to all Queenslanders.

## MINISTERIAL STATEMENT

### Suspected Child Abuse and Neglect System

**Hon. M. F. REYNOLDS** (Townsville—ALP) (Minister for Child Safety) (10.10 a.m.): My new Department of Child Safety will become the lead agency overseeing a new framework for the suspected child abuse and neglect—or SCAN—system in Queensland. This improved framework was recommended by the CMC and will provide better information sharing between government and non-government agencies and better case planning for children at risk of abuse and neglect.

The Beattie government will spend an additional \$1.7 million a year on the SCAN system from the 2006-07 financial year after increases of \$1.61 million in 2004-05 and \$1.67 million the year after.

Last month a three-day training course was held for newly appointed SCAN team coordinators and that was the first in a series of proposed projects the government is undertaking to strengthen the SCAN system in Queensland.

The Peter Forster blueprint for reform outlines specific SCAN functions for my department and a number of other government departments, including the Queensland Police Service, Queensland Health and Education Queensland, to help ensure the safety of children. This whole-of-government response incorporates the establishment of 20 child protection assessment and management teams in major regional and metropolitan centres across the state to conduct initial assessments and recommendations relevant to cases of suspected child abuse and neglect. Child protection community implementation teams will also be established to develop and implement specific protective case plans for individual children and families.

The new model provides more flexibility to effectively case manage the protective needs of children in a broader range of communities, including remote and indigenous communities, ensuring a higher standard of decision making, supervision and accountability. This will set the benchmark for the delivery of holistic, interagency and culturally appropriate child protection services throughout the state.

An enhanced and more robust framework for cases of suspected child abuse and neglect means better case management, quality decision making and improved accountability in the child

protection system. This indeed is the beginning of a rejuvenated SCAN framework that will focus on the protective needs of children and young people at all stages of child protection intervention.

### **MINISTERIAL STATEMENT**

#### **Rural Fire Service, Draft Code of Conduct**

**Hon. C. P. CUMMINS** (Kawana—ALP) (Minister for Emergency Services) (10.12 a.m.): A small group of people has been scaremongering about the draft code of conduct being drawn up by the Queensland Fire and Rescue Service. I am concerned that the rural fire service volunteers throughout the state, whom the Beattie government holds in the highest regard, may have been unnecessarily alarmed by these scare tactics. This band of opponents has claimed that the draft code of conduct exposes volunteers to increased levels of liability. This is far from the truth.

The Civil Liability Act 2003, which is now in force, provides an unprecedented level of protection to all volunteers. In the case of the rural fire brigade volunteers, this is in addition to the protection already provided by the Fire and Rescue Service Act 1990. Far from reducing protection from liability, the proposed code of conduct provides volunteers with a clear set of guidelines for maximising protection from liability.

The CMC—the Crime and Misconduct Commission—directed the QFRS to develop this proposed code of conduct to cover rural fire brigades. The draft code of conduct identifies the broad ethical standards required of rural fire service volunteers. This draft code has been distributed widely to every Rural Fire Brigade Association of Queensland representative, every rural fire brigade group and to the 15 rural fire service district offices.

Dave Luxton, the QFRS assistant commissioner for rural operations, has said that he is eager to get as much feedback as possible before 14 May so that the draft code of conduct can be discussed at a planned consultative meeting scheduled for 22 May. Let me again say that this draft code of conduct is out for consultation. We continue to welcome feedback. I encourage anyone with an interest in the draft code of conduct to provide feedback to their nearest rural fire service district office, RFBAQ representative or group officers as soon as possible prior to this 22 May consultative meeting.

Some rural fire brigades have taken the time to write to me expressing their concerns about the scare campaign by opponents to this draft code of conduct. These brigades have instead opted to collate their members' feedback and send it in to their district inspector instead of waging a scare campaign in the media. One rural fire service group even has a web site where RFS volunteers can post items for discussion. This discussion board also shows that many volunteers are not happy with the way the RFBAQ is handling this important issue.

As I said in parliament last week, rural fire service volunteers who act in good faith will continue to be protected. I will repeat that. Rural fire service volunteers who act in good faith will continue to be protected. And yes, anyone who wilfully and knowingly does the wrong thing when acting as a rural fire service volunteer can expect to face penalties just like all of us do in everyday life. The Beattie government strongly values the very important contribution made by our 44,000 rural fire service volunteers.

### **MINISTERIAL STATEMENT**

#### **Premier's Awards for Queensland Seniors**

**Hon. F. W. PITT** (Mulgrave—ALP) (Minister for Communities, Disability Services and Seniors) (10.16 a.m.): Every day in every Queensland community there are unsung heroes who dedicate themselves to making life better for others. Many older Queenslanders in particular are actively involved in unpaid work which has a significant impact on their local area. The Beattie government is calling on Queenslanders, young and old, to tell us about the unsung contributions of our seniors who are making a difference in their local communities by nominating that person for the Premier's Awards for Queensland Seniors.

The Premier's awards are an excellent way for us to acknowledge the contributions of seniors to our community life. This year, 15 'super seniors' will have their efforts and dedication recognised. Nominations for the awards remain open until 28 May and I encourage those who know an older Queenslanders who is involved in community events, participating in voluntary activities, or contributing to the wellbeing of the community to take this great opportunity to have

those efforts recognised. Last year almost 250 seniors were nominated and I hope even more nominations will be received this year.

I know interest in the community is very high. The Premier's Awards for Queensland Seniors began 19 years ago and, since then, more than 360 Queenslanders have received an award for their voluntary services. Those nominated have ranged in age from 50 to 100 and their commitment can be measured by the thousands of hours dedicated to volunteering activities. Their contributions have covered a wide range of activities in areas such as the arts, the environment, fundraising, caring for the elderly and sick, working with younger people and migrant communities and many other crucial community services.

As the newly appointed Minister for Seniors and as the Minister for Communities, I understand just how much this work enriches community life as a whole, not just the lives of people who may directly benefit from a volunteer's efforts. Now is our chance to say thank you.

### **MINISTERIAL STATEMENT**

#### **Year of the International Tourist**

**Hon. M. M. KEECH** (Albert—ALP) (Minister for Tourism, Fair Trading and Wine Industry Development) (10.17 a.m.): Premier Peter Beattie has recently declared 2004 Queensland's Year of the International Tourist. The chief focus for Tourism Queensland for 2004 will be to increase international tourism to Queensland. We know that Queensland is already the best holiday and leisure destination in the world. This year we are making sure that international visitors have an opportunity to enjoy and experience our wonderful state.

With increased air access and the renewed popularity of Australia as an international destination, Queensland is set to reap rich rewards. We currently welcome more than 1.8 million international visitors each year—around 42 per cent of Australia's total. This is important for the sustainability of our tourism industry, because international tourism offers much greater long-term potential for Queensland than interstate or intrastate tourism. Tourism generates \$3.5 billion annually as an export earner. It also increases employment, with one job created in Queensland for every 65 international visitors. The industry employs more than 153,000 Queenslanders, many of them in regional Queensland.

During a recent visit to the Sunshine Coast, at the invitation of the member for Noosa, tourism chiefs told me that the industry creates 50 per cent of the region's jobs. By extending an invitation to United Kingdom, European, Asian and American markets to come visit us, we hope to increase our international tourist share.

Queensland's job will be made easier through a landmark agreement between the Australian Tourist Commission and other state and territory tourism organisations. Tourism Queensland played a key role in the evolution of the concept Tourism Australia (Europe), which took two years to develop and is based on extensive research and planning. The new partnership will reshape trade and marketing programs for Australia across Europe. More importantly, it will maximise the industry's marketing dollars.

In addition, recent aviation capacity increases highlight the continuing success of Queensland's commercial and tourism aviation plan. The Beattie government has attracted Virgin Blue to Queensland and Australian Airlines to establish its operations base in Cairns, with significant outcomes for regional centres. New services to Queensland include those from Qantas, Pacific Blue, Emirates Airlines, Australian Airlines and China Airlines. 2004 is already shaping up as a great year for Queensland tourism.

### **MINISTERIAL STATEMENT**

#### **Plastic Bags**

**Hon. R. J. MICKEL** (Logan—ALP) (Minister for the Environment) (10.20 a.m.): Queensland actively supports measures to reduce the use of plastic bags. At a recent meeting of federal and state environment ministers in Adelaide we heard that significant gains are being made in this area. A voluntary code of practice which the Australian Retailers Association submitted to the meeting of federal and state environment ministers in October last year set the following targets: a 25 per cent reduction in bag usage by the end of this year; a 50 per cent reduction in bag usage by the end of 2005; a 75 per cent reduction in bag litter by the end of 2005; a 30 per cent increase in recycling yields by 2005; independent auditing of the code, with reports every six

months; and industry put on notice that lightweight plastic bags are to be phased out completely by 2005.

The meeting was provided with an interim report, which has revealed that the Australian Retailers Association, through the major supermarkets, is on track to meet its targets by the end of next year. This is being helped by the sale of reusable bags. The major supermarkets have sold 2.6 million of these bags since March last year. At the same time they have reduced plastic bag use by 12 per cent, or approximately 218 million bags Australiawide. These figures indicate that the community supports these initiatives and that a voluntary approach with industry can work.

Recent media reports have implied that Queensland is doing very little to phase out plastic bags. This is clearly not the case. It is true that I do not support an overnight ban. That would force plastic bag manufacturers to make rapid adjustments which would cost jobs and increase prices throughout the retail sector. The Queensland government believes that the trial of the voluntary code of practice should be allowed to run its course. We will continue working in partnership with industry to see whether we can achieve the goals of the code.

The Environmental Protection Agency has been working with industry to promote smart technologies, such as the use of biodegradable plastics. As they can be made from renewable resources such as cornstarch or probably sugarcane, their widespread use could stimulate the grain and sugar industries. The EPA will also continue to work with Planet Ark and a number of Queensland communities to replace lightweight plastic shopping bags with alternatives in their communities. All of these measures will be more effective in the long term than a heavy-handed approach.

## PRIVATE MEMBERS' STATEMENTS

### Crime and Misconduct Commission Report

**Mr SPRINGBORG** (Southern Downs—NPA) (Leader of the Opposition) (10.23 a.m.): On Thursday the Crime and Misconduct Commission reported into the Lockhart River affair. One of the most disturbing things it indicated was that at least five people, including one member of parliament, had provided misleading information, had lied to police or had concealed information from police. Quite frankly, that is not conduct which is good enough for people wishing to hold high office in this state of Queensland.

Is it any wonder that the Premier wanted to move on? Is it any wonder that the Premier said, 'This is over and done with. Let's look forward to the future.'? One of the difficulties the CMC had, notwithstanding the inadequacy of the report, was the substantiation of the matter. I note that the honourable minister herself said that she was totally cleared and exonerated. However, if one reads the report further one sees that it quite clearly says that one of the great difficulties was the word-on-word situation. That was always going to be an extraordinary difficulty for that inquiry.

The other extraordinary thing was the fact that the Premier said in relation to the member for Cook that we should give him a break as he was only in there for 10 minutes. That is an appalling response, because the Premier knows full well that he was a councillor on the Cairns City Council for some four years, actually worked for a minister in his government and has had a long connection with the Labor Party in this state. He knew full well his obligations and what was required of him in terms of integrity.

Once again the Premier has been found wanting with regard to the Queensland Public Service Charter. It states 'we act with integrity, probity and high ethical standards at all times' and 'we nurture a spirit of inquiry and innovation'. Who does it apply to? It applies to doctors, finance officers, cleaners and police officers but also to policy advisers. So what is the Premier going to do to ensure his Public Service Charter is not just more squib words and more spin, that it actually means something—

Time expired.

### Exhibition of Artwork by Ms A. Weller

**Mrs CROFT** (Broadwater—ALP) (10.25 a.m.): I rise to invite all members to the Adrienne Weller exhibition to be launched at 3 p.m. today in the Annexe by the Minister for the Arts. Sometimes we meet a person who, without knowing it, demonstrates to us that life, despite its challenges, is what we make of it. While doorknocking in 2003 my footsteps led me to the home

of Adrienne Weller, once an active sailor who built her own ocean-going yacht in Canada and who sailed from the west coast of North America to New Zealand and Australia. Ms Weller's seagoing days ended when, through multiple sclerosis, she became a quadriplegic. But it was Ms Weller's zest for adventure that helped her overcome the boredom that she found from the restriction of a wheelchair.

With the guidance of the late Bruce Preston, Ms Weller put her mind to action the next challenge—to pursue her interest in painting as a mouth artist. She is currently a student member of the Association of Mouth and Foot Painting Artists, an international self-help organisation which gives people with a disability the opportunity to become financially independent by marketing and selling their paintings as greeting cards, calendars and jigsaw puzzles while at the same time offering them creative fulfilment.

This exhibition will display for the first time a collection of Ms Weller's works, with paintings from other mouth and foot painting artists also on display to support this exhibition. I wish to commend Ms Weller on her efforts and the work she has put into this exhibition, and I welcome Mr Simon Jackson, publisher of the MFPA, to Queensland to be present at this exhibition. I also thank Alan Podger, Chris Peardon and Kay Butler for their assistance in hanging and preparing this display. The paintings will hang until Friday of this week, and I encourage all members of the House and the media to visit the Adrienne Weller exhibition and be inspired by the talents of the mouth and foot painting artists.

#### **MacIntosh Island Park**

**Mr LANGBROEK** (Surfers Paradise—Lib) (10.27 a.m.): Last year my predecessor in this place, Lex Bell, asked questions of the Premier and the Deputy Premier regarding MacIntosh Island park, in the heart of the Surfers Paradise electorate. The questions asked were about a slice of land 2.5 metres in width and 100 metres in length that has been mooted to be resumed from the park in a bid to widen the Indy pit area to better accommodate V8 Supercars.

Let it be placed on public record that I am not in favour of such a move. The delicate balance that Surfers Paradise has with the beach, tourist strip, parks and infrastructure is already upset for that week in October when Indy descends upon us. I have been in contact with the office of the Minister for Sport. He was very non-committal with information on this issue. As such, I challenge the minister to rule out the resumption of this land.

We have a high-class event which draws millions of dollars to our local economy. The view of the people of Surfers Paradise, though, with such a successful event, is that there is no need to tamper further with the landscape that Surfers Paradise sees 11 months of the year for an unknown, yet no doubt very minor, increase in the success of the event.

#### **National Taiwan Junior College of Performing Arts**

**Mrs ATTWOOD** (Mount Ommaney—ALP) (10.28 a.m.): The National Taiwan Junior College of Performing Arts is a school designed especially to nurture and train the young people interested in arts. The college consists of six departments—the Chinese department, traditional music department, acrobatic and dance department, Taiwanese opera department, theatre arts department, Chinese opera troupe and Chinese acrobatic troupe.

The traditional music department mainly concentrates on the professional performance skills of instrumental playing in Taiwanese opera, Hakka opera and Chinese opera. They are also experimenting to combine Chinese traditional instrumental music with some western instrumental theory to get the innovational effects to enrich the depth of our own traditional Chinese music.

In October last year the Brisbane City Council and World Arts and Multiculture Inc. invited them to perform at the Conservatorium of Music, South Bank. As a spectator at this performance I thought that their talent and professionalism were quite remarkable. In July 1999 the National Fu Hsing Dramatic Arts Academy combined with the National Kuo Kuang Academy of Arts to establish the National Taiwan Junior College of Performing Arts. It is the first vocational school of its kind in Taiwan to offer 10 years of continual education in the performing arts.

Aside from students in the department of theatre arts, who begin their studies during their first year of high school at age 16, students begin their studies in the fifth year of elementary school at 10 years of age. The education includes the last two years of elementary school, three years of junior high, three years of high school and two years of junior college.

Students at the elementary school and junior high levels are fully sponsored by the government, while students at the high school and junior college level are given generous financial support. The curriculum is divided into general subjects, theory courses and skills training. General subjects are the same as those of other schools and adhere to the standards set by the Ministry of Education. Sixth grade students are allowed to try three different subjects which include theatre, music and acrobatics/dance. They participate in—

Time expired.

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

### QUESTIONS WITHOUT NOTICE

#### Government Jet, Alcohol

**Mr SPRINGBORG** (10.31 a.m.): My question without notice is directed to the Premier. I refer to the finding of the Crime and Misconduct Commission in relation to the Lockhart River matter that Teresa Mullan admitted to deliberately giving misleading information to the Queensland Police Service to protect a minister of the government. I understand that, despite a very kind offer for her to be employed at Enhanced Management by someone whom the CMC has seen fit to protect with anonymity, the Premier has employed Ms Mullan in his department. Will the Premier inform this House and the people of Queensland what special project this self-confessed liar will undertake for him?

**Mr BEATTIE:** The CMC brought down its findings last week, and at the end of the summary, which was the summary of the findings, it said this—

The Commission does not believe that further official attention to this whole issue is warranted.

'The Commission does not believe that further official attention to this whole issue is warranted.' I agree. We are going to move on.

We referred this matter to the CMC. We have cooperated fully with that investigation. The police have also conducted their investigation. They have found that there are no criminal charges or disciplinary charges to be pursued, and at the end of the summary they conclude that the commission does not believe that further official attention to this whole issue is warranted.

I have seen some double standards in my time, but to see the opposition carry on about this really defies logic and credibility. I saw the Leader of the Opposition jumping up and down about legal costs, and I am reminded that the National Party government of which he was a minister paid \$1,004,025.70—over a million dollars—to his ministerial colleagues. What a hypocrite!

**Mr Springborg:** More red herrings.

**Mr BEATTIE:** Red herrings, he says. What a hypocrite! He criticises us for what he does. They wanted blood and they got justice. That is what happened. They wanted blood and they got an answer, and every time they get—

**Opposition members** interjected.

**Mr BEATTIE:** Mr Speaker, I cannot continue my answer if I am continually interrupted. I am happy to try to respond.

**Mr Hobbs** interjected.

**Mr SPEAKER:** Order! The member for Warrego!

**Mr BEATTIE:** What happened here was we had a full investigation; they did not like the outcome. What they wanted was blood. They wanted a victim, and when the independent people did not deliver we had an attempt by the opposition to undermine the CMC itself. Like spoilt brats, the opposition went out of its way to undermine one of the children of Fitzgerald. One of the decent things about being an Australian is that you accept the umpire's decision. Part of an Australian's character is to cop it when the umpire makes a decision. They do not; we do.

#### Government Jet, Alcohol

**Mr SPRINGBORG:** My question without notice is directed to the Premier. I refer to the findings of the Crime and Misconduct Commission regarding the Lockhart River matter and, in particular, to a finding that a member of parliament withheld information from the police. As the Premier, does he think it is appropriate that a member of this House should hinder police in the

execution of their official duty by failing to disclose information? Does he think this is an appropriate standard or example for a member of parliament to set for the community?

**Mr BEATTIE:** Again, we continue to have gutter tactics from the Leader of the Opposition. The Deputy Leader of the Opposition of all people—

**Mr Seeney:** Answer the question.

**Mr BEATTIE:** The Deputy Leader of the Opposition defamed my chief of staff. What did the CMC say about my chief of staff? What it said was this: 'On the information'—

**Mr Seeney** interjected.

**Mr BEATTIE:** Mr Speaker, am I going to be given a chance? If I cannot, I am happy to sit down.

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition!

**Mr Springborg:** Fair enough! What about the member for Cook?

**Mr SPEAKER:** Order! You have asked a question. We will hear the answer.

**Mr BEATTIE:** The report says this—

On the information available to the CMC there is no evidence of any political interference in the police investigation. On the contrary, the evidence is that the Premier and chief of staff acted entirely appropriately and were of assistance to the police in this matter.

You defamed my chief of staff. I hope my chief of staff sues you because it is a black-and-white case. Not only is it a black-and-white case; the CMC has cleared him. If the Deputy Leader of the Opposition had any decency, he would apologise to him.

**Mr Mackenroth:** What action is Lawrence going to take?

**Mr BEATTIE:** Exactly. What is the Leader of the Opposition going to do? He allows him to go out and defame innocent members of my staff. We have never done it to his.

**Mr Seeney** interjected.

**Mr SPEAKER:** Order! The Deputy Leader of the Opposition!

**Mr BEATTIE:** He defamed my chief of staff. What has he done about it? The CMC has found nothing adverse about him, has it? Not one thing.

**Mr Seeney** interjected.

**Mr SPEAKER:** Order! This is my final warning to the Deputy Leader of the Opposition.

**Mr BEATTIE:** None of those opposite has ever supported the Fitzgerald reforms. They seek to denigrate every one of the children of Fitzgerald, like the CMC. When they do not get their own way they seek to defame anybody they possibly can, including my chief of staff. What the Leader of the Opposition is saying is that it is all very well—

**Mr Seeney** interjected.

**Mr SPEAKER:** Order! I have warned the Deputy Leader of the Opposition repeatedly. I now warn him under standing order 123A.

**Mr BEATTIE:** There is always a day of reckoning in these things. All the material that related to everybody, including staff members and the member for Cook, went to the CMC. It found that there were no matters to be pursued criminally or by disciplinary measures. It is over. It is finished and we are going to move on. We are not going to waste one more cent of taxpayers' money on this. They can spend time in the gutter if they want; we are going to spend time looking after the people of Queensland.

### **Anzac Day**

**Mr PEARCE:** My question is directed to the Premier. As a regular participant in Anzac Day commemorations, is he optimistic that the spirit of Anzac continues to burn brightly amongst generations of Queenslanders?

**Mr BEATTIE:** I thank the member for Fitzroy for his question. As a returned soldier himself, I know that he regards Anzac Day as important, as we all do. Anzac Day was again another most memorable day when the nation paused to pay homage to those brave people who served this country. I am delighted that across the state the calls for restraint from Saturday night partygoers were heeded and there were no incidents we are aware of warranting police or Liquor Licensing action. This is one of those rare occasions when Anzac Day falls on a Sunday.

For that I want to say thank you to all Queenslanders for showing appropriate respect for those attending dawn services and Anzac Day gatherings. Sadly, at Brisbane's Anzac Square a mindless cretin chose to place some graffiti there on Friday night, and should that person be found I look forward to them getting extensive media profiling and being charged with wilful damage. I spoke to the Police Commissioner about it on Anzac Day morning. They are not absolutely certain it is related to the Anzac Day parade itself or activities, but it certainly was on the surrounds of the shrine and I personally found that very annoying and disturbing, and I think all Queenslanders would.

On Sunday morning I spoke with Brisbane Lord Mayor Campbell Newman. I suggested the Brisbane City Council should consider any request from the RSL to put cameras and increased security monitoring on the Anzac Square area. He said he would look at it favourably.

We are already playing our role. As I said last week, we have already committed \$2.4 million for restoration of Anzac Square. I also had the privilege to be among the 37,000 at Suncorp Stadium to witness the Anzac Day tribute before the start of the Broncos and Panthers clash. I want to pay particular tribute to Cyril Gilbert, the POW who was there to toss the coin. It was obviously a good omen. The Broncos gave the Panthers a nice thrashing: 32-14.

**Mr Mackenroth:** We want Cyril at every game.

**Mr BEATTIE:** We want Cyril at the beginning of every game; that's right, Minister. It seemed to work a treat. Anzac weekend was great. The Queensland Reds had a win in South Africa in the Super 12s, defeating the Natal Sharks 6-5, the lowest ever Super 12 score. The mighty Lions proved too good for Hawthorn with a 48 point win at the Gabba. Maybe Anzac weekend is a good weekend for us to play sport.

Coming back to the point—no doubt like so many other Anzac events across the state, the tribute prior to the Broncos game brought home the community's ever growing support for this day. We all need to make sure that we continue to support these important occasions.

**Mr Mackenroth:** The Lions on Saturday night as well.

**Mr BEATTIE:** Yes, indeed. I also want to advise the House on another issue, because I think we all know the success of Anzac Day. State Development Minister Tony McGrady is meeting with Mr Zeng Peiyan, the Vice-Premier of China. This morning's high-powered meeting with China's second most important leader is part of a trade delegation that also includes Federal Trade Minister Mark Vaile.

Yesterday they met with Mr Ma Kai, the chairman of the China National Development and Reform Commission. That is the main group in China responsible for approvals and planning of its major projects. Mr McGrady told me last night from Beijing—

**Mr SPEAKER:** Order! Before calling the Deputy Leader of the Opposition, I welcome to the public gallery students and teachers from Logan TAFE in the electorate of Logan. I also welcome to the public gallery students and teachers from Clifton High School in the electorate of Cunningham.

### Government Jet, Alcohol

**Mr SEENEY:** My question is to the minister for Aboriginal and Torres Strait Islander Policy. When the minister was previously questioned in this parliament about her knowledge of the matter surrounding the presence of the bottle of wine on her trip to the Lockhart River, the minister hid behind the CMC inquiry. Will she now, as a minister of the Crown, answerable foremost to this parliament, specifically advise this House when she first knew about the presence of a bottle of wine on the aircraft and tell us whether Teresa Mullan did lie when she eventually told the Premier and the public that the minister knew about the wine and that she had previously lied to protect the minister?

**Ms LIDDY CLARK:** I thank the Deputy Leader of the Opposition for the question. The Crime and Misconduct Commission has said that the matter is over.

### Employment

**Mr FENLON:** My question is to the Premier. Earlier this year the Premier described Queensland as the engine room of Australia in relation to our economy and employment opportunities in Queensland. I ask: are there any current statistics to back up that claim?

**Mr BEATTIE:** Queensland's strong economy sees us maintaining our form as the nation's engine room of jobs growth. In March 2004 we continue to record annual jobs growth of more than double the rate of the rest of Australia. Queensland generated 50,300 jobs in the year. This meant we created almost four in every 10 jobs over the past year. Full-time jobs growth in Queensland was especially strong. This is vital because full-time jobs are a sign of ongoing confidence in the economy. Our employment growth is almost twice our population share. This is a colossal effort by Queensland employers and I congratulate them.

Employers are responding to the government's initiatives to drive economic growth. Our economic strategy—the Smart State strategy—is also paying off. We are building a more competitive economy by improving work force skills, encouraging innovation, keeping taxes competitive and delivering crucial economic infrastructure through initiatives such as the Smart State Building Fund. Our unemployment rate in March was 6.3 per cent. This followed four consecutive months of 21-year low unemployment rates of 6.2 per cent. Excluding the past six months, this was the lowest unemployment rate since June 1982.

To put this figure into context, the peak unemployment rate delivered by the conservatives in February 1997 was 9.5 per cent. The Deputy Premier will provide updated estimates of the jobs outlook looking forward in the June budget.

**Mr Mackenroth** interjected.

**Mr BEATTIE:** It will be, too. We will continue to encourage employers to take on more people, more jobs. They are crucial to build a productive and inclusive society. Anecdotal evidence points to a tightening labour market and shortages emerging in a number of skilled areas. Part of the problem is that the unemployed do not necessarily have the skills that business demands. The education system is responding to this challenge. We will keep on encouraging innovation and value adding, at the same time keeping business costs competitive. For unemployed Queenslanders to get jobs we need to keep on delivering the fundamentals of good economic policy and that is what we are doing.

As I was saying before, Minister for State Development and Innovation Tony McGrady told me last night from Beijing that the number one issue the Chinese officials raised with the delegation was Pechiney's bauxite reserves in Queensland. They also inquired about two potential Western Australian projects. Mr McGrady said Mr Vaile provided details of discussions on the Pechiney issue on to him. He said the Chinese were most keen to know more about the reserves than any issue. Mr McGrady said he advised the group of the reserves and told them that any investor would have to develop a refinery in Queensland linked to the reserves.

I note with some interest the question from the Deputy Leader of the Opposition to the minister for Aboriginal affairs. I referred to a transcript from Channel 10 a little time ago which said—

The opposition frontbencher who threw mud at the Premier's brother in Parliament now says he knew all along that he was wrong. Jeff Seeney now says the false claim was a tactical ploy, and he's accused the Premier of hysterics.

In other words, he will tell falsehoods anywhere he can for a political advantage. You are in the gutter.

**Opposition members** interjected.

**Mr SPEAKER:** Order!

#### **John Tonge Centre**

**Mr COPELAND:** My question is to the Minister for Health. Last Tuesday the minister was asked a question regarding the backlog of samples awaiting testing at the John Tonge Centre. The minister gave this House an assurance that the backlog was being addressed and that the required resources and facilities had been allocated. Two days later the minister was asked to provide that day the number of outstanding samples as well as the number of tests required and processed each month. Despite the minister's undertaking to provide that information, why is it that five days later the opposition still has not received that information requested despite a personal follow-up with the minister's office? If the minister cannot organise himself to meet his commitments to this House, what hope do Queenslanders have of the minister addressing the shambles in his portfolio inherited from Wendy Edmond?

**Mr NUTTALL:** First and foremost, the member should read the answer that I gave to the Leader of the Opposition when the question was asked. Yes, the member did ask if he could

have the information that day, which was Thursday. I did not indicate that I would be able to supply that information on that day. What I said was that I would be more than happy to supply the information. This government is very open and very accountable. I could well have said, 'I am not going to give the opposition the information,' but I did not say that. What I said was that I would get the information.

My department came to me with some of the information. I was not happy with it because I did not think it was precise enough or in enough detail for the Leader of the Opposition, as I promised in this parliament, so I was not prepared to give him that information. Yesterday was a public holiday; Saturday and Sunday, as you know, was the weekend. Today is Tuesday. You will get the information as quickly as I can possibly get it. That is the undertaking I gave and that is the undertaking I am committed to.

### **Spinal Surgery**

**Mr REEVES:** My question is directed to the Minister for Health, and I ask: can the minister outline the ground-breaking spinal surgery planned for Queensland children as part of the government's commitment to reducing waiting times in hospitals around the state?

**Mr NUTTALL:** Good news does not get much better than this in terms of what we are doing for young people. I am pleased to be able to announce this morning that as many as 70 young Queensland children from around the state will have ground-breaking surgery to correct their spinal disabilities.

The Mater Children's orthopaedic team, which has pioneered new spinal surgery techniques worldwide, has agreed to perform the operations in the next nine weeks as part of the government's \$20 million to reduce waiting lists around this state.

These children have the most severe form of the condition scoliosis, or deformity of the spine, which means they have enormous difficulty breathing, walking and even sleeping. The surgery does have high risks. This new keyhole technique will reduce the risk of complications and improve healing time and the risk of infection, offering these children the best chance, anywhere in the world, at a better quality of life.

In the past, surgeons have had to remove a rib to reach the spine, but now our highly specialised team of surgeons and anaesthetists at the Mater in Brisbane can correct the spine through just four two-centimetre incisions. For many of these children these operations will mean that they will no longer be wheelchair bound and they will be able to walk on their own or with some sort of aid.

Incredibly, the Mater team includes a biomechanical engineer who, from scans, is able to develop a model of the child's spine before surgery. This model helps surgeons decide on the exact technique necessary to correct the spine and the amount of correction likely on each child's spine. This is a \$1.75 million commitment. Each operation will cost approximately \$25,000, of which \$12,500 will fund an implant—a titanium rod which is supported by several pins.

In the past 10 years these implants have developed so rapidly that surgeons have been able to operate on younger children with encouraging results. But new technology obviously means higher costs. This will be an incredible opportunity for Queensland surgeons to make a significant difference to up to 70 children in the next nine weeks.

The paediatric spine team, led by Dr Jeff Askin, has pioneered this highly complex surgery for a long time to change the lives of many children. Dr Askin has performed 80 of these operations using the new keyhole technique, which is understood to be the highest number anywhere in world.

These 70 operations will obviously go a long way to changing the lives of children and their families as well as setting standards worldwide. We are seeing an increasing demand for these types of surgeries. We are pleased that in Queensland we are able to provide assistance. Due to the medical advancements and some of the associated conditions these children are born with, like respiratory diseases, they are living longer. This is great news for the young people of this state.

### **Government Jet, Alcohol**

**Mr QUINN:** My question is directed to the Premier. I refer to the Premier's decision not to take any action against the member for Cook as a result of Thursday's CMC report. If a premier

finds it acceptable for a government MP to make a misleading statement to police, why should anyone else answer police inquiries in a full and honest manner? Since the Premier excused his behaviour on the grounds of inexperience as an MP, does inexperience now constitute grounds for anyone else justifying obstructing police?

**Mr BEATTIE:** This is the CMC report. The CMC did a thorough and full investigation of this whole matter. It made a determination that no further action of a criminal or disciplinary nature was to be taken against anybody. This is not my determination.

**Mr Quinn:** It's about standards.

**Mr BEATTIE:** Those guys opposite do not like it.

**Mr Quinn:** It's about your standards; that's what it's about.

**Mr BEATTIE:** No. They can scream and yell all they like.

**Mr Quinn:** It's about standards—your standards.

**Mr BEATTIE:** The Leader of the Liberal Party is right—it is about standards. It is about standards of behaviour when these issues happen. This matter was referred by me to the CMC. The police have looked at it. The CMC has looked at it. Those opposite wanted blood and they did not get it. There was an independent investigation and there was a recommendation that no action be taken. As I have said twice today already, the CMC said that it does not believe that any further official attention to this whole issue is warranted. How much more taxpayers' money do they want wasted? I am not being judge, jury and executioner as some opposite want to be. I sent the matter to the independent umpire who said it is over—it is finished.

I have seen some hypocrisy in my time, but let us look at what is going on here. There was criticism that some legal expenses were paid for people to have witnesses. In a government of which the Leader of the Liberal Party and the Leader of the National Party were members a total cost was paid to former coalition ministers of over \$1 million. Russell Cooper had \$522,000 paid, Rob Borbidge, the former Premier, had \$449,000 paid, Joan Sheldon had \$13,867 paid, Santo Santoro had \$18,489 paid.

**Mr Hobbs** interjected.

**Mr BEATTIE:** My government honoured a commitment to pay Rob Borbidge's damages of \$20,000. The reality is that the expenses that will come out of this will be chickenfeed compared to that. The Leader of the Liberal Party sat there and supported that decision. Lawrence did the same. Let us not have any more hypocrisy.

**Mr Quinn** interjected.

**Mr BEATTIE:** Hang on. The Leader of the Liberal Party, the Leader of the National Party and the Deputy Leader of the National Party tried to turn this whole issue into a political vendetta.

**Mr Hobbs** interjected.

**Mr SPEAKER:** Order! I call the member for Warrego to order. That is my final warning.

**Mr BEATTIE:** When the independent umpire makes a decision that those opposite do not like, they set out to try to destroy it. They have set out to undermine public confidence in the Fitzgerald process and the CMC. The CMC has done my government no favours. Think of the inquiry into the former department of families and the inquiry into electoral issues. They were both before state elections. They just about took us out the back door. Do I go out there and seek to denigrate the independent umpire? No, I do not. I have the courage to stand by the independent umpire and the Fitzgerald process. Those opposite seek to denigrate them. At the end of day, read the document—the umpire has spoken. Let me make this clear, because I am not going to hide this, the umpire has spoken. I accept the word of the umpire.

### Building Industry

**Mr WILSON:** My question without notice is directed to the Minister for Public Works, Housing and Racing. In July 2003 the Beattie government granted tougher powers to the BSA to ban individuals from working in the building and construction industry in Queensland. Can the minister inform members how the legislation is helping to clean up the building industry?

**Mr SCHWARTEN:** I thank the honourable member for his question. It is far superior to any of the questions from the other lot this morning. I thank him for his ongoing interest and policy advice. He comes from the trade union movement dealing with building industry. He has been a

great support in terms of policy guidance. I thank him for that. We certainly have policy in this regard. The opposition does not have any at all.

Three individuals have faced some form of ban—two of them life bans. The first is George Weedon Dawes Jorgenson of Chelmer and the other is George Ikstrum of Cleveland. Both of those people have been banned for life for their role in the Queensland kitchen industries and retail renovations collapse. Both those individuals are undesirables and will never get a building licence in Queensland. They were completely disreputable. They are the sorts of people who caused us to bring that legislation into this parliament.

The other person is Stephen George Watt of Carina. He has been banned for three years for amassing 30 demerit points under the legislation. He owed subbies and suppliers some \$38,000 and defied orders from the BSA on a number of occasions. Again, he was a person we had in mind when the legislation came before this parliament.

I notice that the three of them have the name George. That is not necessarily a good guide for people when looking out for rogue builders. I do not think there is any great connection between the name George and rogue. Rather than people using that as a guide, people should actually look up the BSA web site. I notice that those people come from suburbs starting with 'C'—the three Cs. That is not necessarily a good guide either.

**Mr Mackenroth:** Carina is actually a pretty good suburb.

**Mr SCHWARTEN:** I take the honourable member's interjection. Obviously, most of his constituents—in fact, 99.9 per cent of them—would not tolerate what Mr Stephen George Watt has done.

**Mr Mackenroth:** I live in Carina.

**Mr SCHWARTEN:** I know you live in Carina. Certainly, the minister would not condone his behaviour. Any number of bans in the industry is not good because that means that there are rogues. We have to live in the real world. The fact is that there are rogues in every industry. It is our job to ensure that we set the bar at a level where we can get these grubs out of the industry. There is no place for them and this government, with the support of all members of this parliament in 2003, remains steadfast in this regard.

The life bans are working. The three-year bans will also work, but I do implore people, if they are going to get a builder to do work, to consult the BSA web site before they do so.

### State Planning Policy

**Mrs PRATT:** I refer the Minister for Natural Resources, Mines and Energy to the fact that, due to the passage of legislation in both state and federal governments, many shires, including the Kilcoy shire, have lost important industries, including grazing and dairying, leaving the shire with a lot of class A and B land sitting idle. At a time when rural areas need incentive to develop, will the minister revisit the policy regarding good quality agricultural land which is restricting and preventing redevelopment in shires whose communities are located close to developed areas?

**Mr ROBERTSON:** The honourable member raises a complex issue. The state planning policy to protect good quality agricultural land, as the name suggests, is there to inform councils about areas in the state that should be protected from further development and should be reserved for continuing farming purposes. That of course, particularly in the context of south-east Queensland, is a policy that is very difficult to maintain given ongoing development pressure. If the member has a particular case in mind, however—and I note that she referred to the Kilcoy shire—I certainly invite the member to write to me for it to be investigated. But, at the outset, it is not my intention at this point in time to review that policy. But, as I said, if there is a specific issue that we can be of assistance with, then I would be more than happy to hear from the member.

### Currumbin Creek Bar

**Mrs CROFT:** I ask the Minister for Transport and Main Roads: can he please advise whether the government will give any further consideration to the dredging of the Currumbin bar on the Gold Coast?

**Mr LUCAS:** I thank the honourable member for the question. She knows that the Gold Coast Seaway has a sand bypass system which is similar to what a number of people have been suggesting in relation to Currumbin Creek. The honourable member is one of the most assiduous

members of parliament in raising issues in her electorate. She spoke with me the other day about the importance of financing the Frank Street corridor, and I do appreciate her very strong representations to me.

The Gold Coast Seaway is the entrance to the Broadwater, Sanctuary Cove and Coomera River. Currumbin bar is the entrance to Currumbin Creek, which is not a major public navigable waterway. According to statistics that I have seen, about 10,000 boat movements occur in Currumbin Creek a year. If we divide that by 365, that is about 28 movements per day. According to a study done in 1999, it would cost \$10 million for the capital. I might add that Frank Street would cost about \$15 million. So we need \$10 million for the capital and about \$1 million a year to operate it. In other words, that would mean that for every time a boat went across that bar—10,000 boat movements per year or 28 per day—it would cost \$100.

We raise \$10 million a year in boat registration in Queensland. In fact, we raise about \$1.3 million on the Gold Coast. What that means of course is that just about the entirety of Gold Coast boat registrations from our boaties would be needed for the operational costs of a sand bypass system there. What is worse, we would have to have a budgetary subsidy of \$1 million a year. Members should think of that: \$100 every time someone crosses that bar coming from the Education Minister's budget. How many schoolbooks does that equate to?

It is also important to remember that when the Gold Coast Seaway—and it has a sand bypass system—was built, there was no guarantee of safety of bars. In fact, from January 2000 to December 2003 there have been 17 incidents on the Gold Coast Seaway, including six capsizes, six personal injuries and three collisions. That is how many have been there in a dredged system. So there is no guarantee that they are safe.

I actually found the *Gold Coast Bulletin* very instructive on this issue indeed when one looks at the people whom it interviewed. In fact, on 24 April, local commercial fisherman Paddy Selman, who crosses the bar several times a week, was reported as saying—

The only reason I cross the bar is because of my job, and I know how to do it safely.

He said that people using it need to know the dangers. Another fisherman by the name of John Huntley-Chipper of Tugun was reported in the same paper as saying that he would not cross the bar unless he was with an experienced boatie. Mr Huntley-Chipper said that he did not want the sand bar removed because it is good for the waves.

I welcome discussions with the Gold Coast City Council and the Volunteer Marine Rescue, but perhaps we should leave the last word to the boatie who capsized on Currumbin bar on 21 April when he indicated that he should not have been there in the first place but that it was his mistake. They are marked on our maps as inherently hazardous. I urge people caution when it comes to bars, but I am more than happy to discuss sensible, valid solutions that do not take money away from our schools, hospitals and police.

### **Public Works Department, Audit**

**Mr HOPPER:** I refer the Minister for Public Works, Housing and Racing to the Auditor-General's report No. 6 of 2003 where the Public Works Department was audited for contract payment irregularities. The report details a letter written by the director-general of Public Works in December 2003 which states—

It is anticipated that in early 2004, the internal audit will also conduct similar reviews of painting contractors and other trades at various Q-Build regions.

As it is now late in April, can the minister advise this House whether an internal review has been conducted and, if so, whether any further anomalies have been found? Is he confident that, if further rotting has been uncovered, this time his director-general will make him aware of such information?

**Mr SCHWARTEN:** I thank the honourable member for the question. The answer is, yes, there have been a number of audits, but there has been nothing of significance uncovered at this stage. It is purely possible that out of \$500 million worth of work there will be some irregularities from time to time. It is the job of the internal audit to find those. Indeed, it is the Auditor-General's job to find them where they exist. In any event, this matter has been dealt with by the Auditor-General. We are continuing to liaise with the Auditor-General on a variety of matters in this regard. I am certain that the director-general will keep me informed on the matter.

### Child Safety

**Mrs DESLEY SCOTT:** My question is to the Minister for Child Safety. Can the minister inform the House how he and his department intend to forge new partnerships and improve existing partnerships with non-government organisations involved in the delivery of child protection services?

**Mr REYNOLDS:** I thank the member for Woodridge for that very important question and indeed for the work, commitment and dedication she brings to this child safety area as well. I have been meeting with groups in her electorate, and it has always been great to have her along. Relationships with non-government organisations are an essential part of service delivery and are greatly valued by the Beattie government. Many of these groups were instrumental of course in the formation of the blueprint and have worked closely with the department over the past few months to help direct the reform process for child protection in Queensland. I am very confident that my new child focused department will bring about much stronger relationships with these organisations in the future.

In line with the CMC's recommendations to improve foster care, we are now working to establish strong and enduring partnerships between the non-government and indeed the government sectors. I am determined to create a new integrated service delivery continuum involving both the non-government and government sectors to build on the strengths of each of those sectors. Our plan is to develop and implement local and statewide partnerships and planning arrangements and introduce an integrated regulatory framework of high quality for non-government organisations. That framework will have clearly articulated roles and responsibilities for both government and non-government sectors. It will improve communication between the sectors, reduce overlap in service delivery and ensure more effective use of available resources as well. We will be returning to a needs based focus within the service delivery system, and I am sure that all parliamentarians will be very pleased for their local communities in that regard.

My department, Peter Forster and I are engaged in an ongoing dialogue with representatives on the implementation reference panel comprising peak child protection groups and with members of the Aboriginal and Torres Strait Islander community, and they have given us important feedback on how these objectives might be achieved. We will also be acting on another important CMC recommendation involving the need to provide non-government services for children who have experienced sexual abuse but who are not displaying complex or extreme behaviours. The department will fund NGOs to provide counselling and other support services for sexually abused children and the families of these children. The children I am referring to are in the moderate needs allocation. The intention is to reduce the risk of behaviours by these children escalating to more complex and severe behaviour.

Our aim overall is to ensure that non-government services achieve best value for money and that gaps and duplications in services are identified and eliminated to ensure a first-class child protection system for Queensland.

### Queensland Health

**Dr FLEGG:** My question is to the Minister for Health. I refer to his ministerial statement this morning relating to overcrowding in emergency departments. Is it not the case that the College of Emergency Medicine had lengthy discussions with the minister's department? After getting nothing but attempts to blame GPs, is it not the case that the Queensland components of their report were given to the minister's predecessor, Wendy Edmond, and only when she did not respond after 12 months was this report made public? Further, why does Queensland Health refuse to publish occupancy rates when the other Labor states such as New South Wales do so?

**Mr NUTTALL:** I will not go into the details of the report. Suffice to say, in that regard I refer the honourable member to my ministerial statement this morning. In relation to the other matters that the member raised, can I just say that we have invited this group into a working group to work with us and report back to me in June of this year. That is why I fail to understand why the report was issued the day before we had a ministerial council meeting in Canberra. That might have been just a coincidence, but it seemed—

**Mr Beattie:** Imagine that!

**Mr NUTTALL:** Yes, imagine that.

**Mr Quinn** interjected.

**Mr NUTTALL:** I am not about having a war with them; I am about working with them to try to find outcomes. But if this group is going to work with people to try to find outcomes, one would think that the decent and polite thing for it to do would be to at least have the courtesy to give the minister a copy of the report, which it failed to do. So we have got to start thinking—

**Mr Quinn** interjected.

**Mr NUTTALL:** That is yesterday; we are talking about today. We are talking about this government and the member is talking about me as the minister and my job, my portfolio. I am not going to talk about yesterday.

A, they are on a working group to work with us to report back by June; B, they released the report the day before a ministerial council meeting; C, I have referred the member to the ministerial statement; D, they did not provide us with a copy of the report; and E, if they are fair dinkum, they will work with us to find the outcomes.

### Seniors Health Card Holders

**Mr MULHERIN:** My question is to the Minister for Communities, Disability Services and Seniors. I refer the minister to recent media comments by the member for Dawson, De-Anne Kelly, calling on the state government to accept a federal government proposal to extend seniors concessions to Commonwealth seniors health card holders, and I ask: what is the minister's reaction to the federal government's offer?

**Mr PITT:** I thank the member for Mackay for his question. I know that, like me, the member is concerned to ensure that his constituents are not misled by the Howard government on the issue of seniors concessions. The Queensland government provides \$430 million a year in concessions for concession card holders and that includes seniors. The Howard government is now offering the states a share of a \$75 million package to provide concessions on energy bills, rates, water and sewerage costs and motor vehicle registration for Commonwealth Seniors Card holders. It all sounds very good.

However, one of the things that John Howard is not telling seniors is that, although he is offering that money now in an election year, he will not commit to future funding to the states to provide these concessions for the long term. The federal Minister for Family and Community Services, Senator Kay Patterson, has said on the public record that she thinks that the provision of seniors concessions is a state government responsibility. She is the federal minister responsible. Given that information, I think that most Queensland seniors would be as sceptical as I am about the federal government's motives.

I might add that the federal government has a very nasty track record on this type of issue. There are many community groups around Queensland who have been stung by the federal government's funding hoaxes in the past. They will vividly recall how the federal government funded a number of community based pilot projects around the state. Many of those community groups did fantastic work. But when they sought more funding from the federal government, they were given the flick. The Howard government told these groups that it had not committed to long-term funding and that if they wanted to keep their projects going, guess where they should go for the funding? They would have to go to the state government for the money.

I do not want to see the federal government perpetrate a similar hoax on our very important Queensland seniors. The Queensland government recognises the special needs of seniors and also the great contribution they make to our communities. That is why the state government has ensured that seniors' needs receive cabinet level representation.

### Public Liability Insurance

**Mr WELLINGTON:** My question is to the Treasurer. Will he investigate providing in this year's budget subsidy support to assist Queensland community and not-for-profit organisations to meet their public liability insurance premiums?

**Mr MACKENROTH:** The government has done a lot in relation to public liability for not-for-profit organisations. We started a scheme. We have also made a number of amendments to legislation to provide a system that will see insurance premiums coming back to more realistic levels.

Some of the changes that have been made for compulsory third party are similar to changes that have now been made for public liability. The latest figures that the companies have had to

put in for their prices for compulsory third party cover show that, for cars and station wagons, there has actually been a drop of \$21 a year in the actual amount that they will charge for compulsory third-party insurance. Those changes are now in place for public liability insurance, too, as well as a number of other changes. I hope that over the next year to two years those changes will result in a decrease in the premiums that are paid.

Most—not all—not-for-profit organisations and sporting groups already receive substantial money from the government through a range of schemes. Whilst last year we looked at the issue of insurance and how the government could best help these organisations, it was decided that the best way was to change the laws to see insurance policies reduce and that is what we will continue to monitor.

### **Motor Vehicles, Boats and Outboard Motors, Private Sales**

**Ms BARRY:** My question is to the Minister for Tourism, Fair Trading and Wine Industry Development. I have heard of people buying cars privately and then having them repossessed by finance companies because money was still owing. Can the minister advise how people buying a motor vehicle, a boat or an outboard motor privately can ensure that they have clear title in the property?

**Ms KEECH:** I thank the member for Aspley for her question. She is an absolute champion for consumer issues and fair trading in the electorate of Aspley and, not surprisingly, was fully endorsed by all of Aspley in the last election. With the beautiful autumn weather that we are having, people are taking the opportunity to get out and about to buy new and used cars and boats. In Queensland, buying these vehicles privately is a particularly popular method.

Between December 2003 and February of this year, more than 36,000 vehicles were sold privately in Queensland. It is a great concern to me that only 5,982 checks of the Office of Fair Trading's register of encumbered vehicles—the REVS database—were done. That means that five out of every six Queenslanders who bought a car privately in the last few months took the risk that the vehicle might be legally repossessed because money was owed on it. That figure astounds me. Queenslanders who buy used cars, caravans, trailers, small trucks, motorcycles, boats and outboard motors can check to ensure that they have clear title to the property. A quick and simple phone call can save thousands of dollars and lots of heartache.

Just imagine how devastating it would be to think that people had a new car, truck or motorcycle only to have it taken from them. Not only would people have lost their vehicle; they would also have lost thousands of dollars. People who buy vehicles privately need to make obtaining a REVS certificate an important part of the process. For only \$10.10 by post, or \$13.60 by fax, people can have a REVS check done and get peace of mind by ensuring that there are no grounds for the new property to be repossessed. All people need to do is provide a vehicle registration number, if the vehicle is registered, a VIN or chassis number and an engine number.

Consumers can also do a REVS check for second-hand boats with a hull identification number. For older boats without a number people can do a search through fair traders. Searches of boats and outboard motors relate only to security interests registered in Queensland, so for full protection consumers should also conduct searches in other states. I encourage anybody to ring the Fair Trading office if they are looking at buying a car privately. In particular, they should call 3246 1599 or Fair Trading on 1300 658 030. Buying a second-hand car or boat without a REVS check is simply not worth the risk.

### **Undertakers, Rural Queensland**

**Mr HOBBS:** My question is addressed to the Attorney-General. The department has redrawn the boundaries and increased the area which undertakers are required to service in the Maranoa region. Is the minister aware that bodies in the northern part of this region, which includes the National Highway, regularly have to remain beside the road for two and a half hours minimum—I say minimum—while the undertaker travels to collect them? Emergency services personnel are unable to collect or remove the bodies, which have to remain at the scene until the undertaker arrives. This is distressing for all concerned. Will the minister undertake a review of this most unsatisfactory situation?

**Mr WELFORD:** I thank the honourable member for his question. As I recall, the honourable member may have written to me about this issue. The issue he raises did arise in one incident. I am not aware that there is any routine problem with the arrangements that are in place.

By and large, those contractors who have responsibility for acting on behalf of police and coroners in the collection of bodies do so with expedition. I am more than happy to look at the issue to ensure there is adequate coverage of those more far-flung areas. Obviously there will be difficulties from time to time, whether it is in the Warrego area or in other more remote areas of the state where there is a single contractor. The process whereby contractors are engaged, through a tender process, obviously necessitates that we define boundaries that will ensure this service can be provided with some efficiency and cost effectiveness from the taxpayer's point of view. Given the number of deaths that occur in rural areas of lower population, sometimes it is difficult to have more than one operator contracted to provide services in that area.

In a nutshell, there are going to be occasional circumstances in which some time will pass before a contractor is able to reach the location of an accident causing death, but we will do everything we possibly can to ensure that the service that is provided is a good one and is designed to minimise the stress caused to relatives and friends of any deceased.

**Mr SPEAKER:** Order! Before calling the member for Glass House, I welcome to the public gallery students and teachers of Ithaca Creek State School in the electorate of Mount Coot-tha.

### Local Government Planners

**Ms MALE:** My question is addressed to the Minister for Local Government and Planning and Minister for Women. I refer to a recent article in the *Financial Review* highlighting a shortage of planners, and I ask: given Queensland's status as Australia's fastest growing state, can the minister please advise the House what impact a shortage of qualified planners would have on development in Queensland?

**Ms BOYLE:** I thank the honourable member for the question and also for her assistance to me in this new portfolio, particularly in informing me about the community of Maleny and their fight in Maleny to keep their very special lifestyle.

This issue of planners, however, is very serious for Queensland. I am sure all honourable members of the House know just how important planners are within individual councils, but also in many other government and private sector related enterprises for development projects. However, more than any other state Queensland is feeling the impacts of a national shortage of planners.

A recent report was commissioned by the nation's planning ministers and was tabled at the Planning Institute of Australia conference in Hobart last month. What it highlighted was the critical shortage of planners nationwide. The situation is more serious in Queensland because we are experiencing such a growth rate. In fact, Queensland is expected to experience twice the national growth rate, on average, over the next 20 years. However, even within Queensland it is not our cities or the south-east corner that will bear the brunt; it is rural and regional Queensland which will suffer most.

Councils right across Queensland are putting together their new planning schemes under IPA. Planners were once plentiful in council areas in local government, and they were pretty much only employed by government. That situation, however, has changed so that now the private sector is employing planners in increasing numbers and offering very much bigger salaries and private sector perks that are not available to local governments. It is vital to the future viability of our rural communities that we have planners, that we have their expertise and skills which are essential to communities' futures.

I call on the federal government to take up its responsibilities. I was amazed to find that the federal government has absolutely deserted its responsibilities with regard to infrastructure and planning. It was hard to believe that our present federal government could be so stupid. Planning is not a political matter; it is a matter of good sense. I dare say that any government that is not planning properly is not performing.

There are several very practical moves the federal government could take quickly. Firstly, it could create more education places in our universities for planners. Secondly, it could consider planning scholarships, particularly for those who are prepared to go to rural or regional areas or who are themselves rural or regional students. I acknowledge the very important role that planners play in our communities and how important is their expertise, not only now but also for the future.

### Queensland Parks and Wildlife Service Personnel, Charleville

**Mr JOHNSON:** My question is addressed to the Minister for the Environment. Will the minister confirm or deny reports that personnel from the Queensland Parks and Wildlife Service will be relocated from Charleville to Roma? Will he now give an assurance that the current positions in Charleville will be totally retained and not relocated?

**Mr MICKEL:** The commitment I will give the honourable gentleman is that I will have the matter investigated and when I have it fully investigated I will get back to him.

### Queensland Fire and Rescue Service Training Academy

**Mr CHOI:** My question is addressed to the Minister for Emergency Services. I had the pleasure of accompanying the minister and several other members to the Queensland Fire and Rescue Service training academy at Whyte Island recently. We witnessed impressive training scenarios on the live fire facility and also a realistic road accident rescue exercise. Could the minister please advise the House about the training offered at the academy?

**Mr CUMMINS:** I thank the member for Capalaba for his question. Yes, he is correct: on Wednesday, 14 April we observed a live fire training exercise at Whyte Island, which is the Queensland Fire and Rescue Service academy. The scenario of the fire that we witnessed was in a service station—a scenario we should all take very seriously. There were two vehicles involved and we witnessed the rookie firefighters who had come down for training from the Northern Territory. Let me say: Whyte Island is a world-class facility. It offers world-class technology and—

**Mr Horan:** Pick it up and read it.

**Mr CUMMINS:** Thank you very much. We offer a world-class facility and world-class training from which all Queenslanders will benefit.

We also saw recruits and student paramedics attending a multivehicle accident or car accident. It was very interesting to see the two training scenarios close at hand. This academy at Whyte Island also offers advanced rescue training, which includes vertical rescue, confined space rescue, trench rescue, urban search and rescue, which simulates a multistorey building collapse, and swift water and flood water rescue.

These world-class training programs and learning facilities at the academy are essential to maintain and continue to develop Queensland Fire and Rescue Services. The Beattie government has invested more than \$14 million in this facility, and this is to ensure that the latest in learning technology and firefighting training techniques can be adopted right here in the Smart State.

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

### GOVERNMENT JET, ALCOHOL

**Hon. P. D. BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (11.30 a.m.): A little earlier I made reference to a transcript of a news proceedings. I think, if I recall correctly, I referred to it being on Channel 10. It was actually on Sunday, 10 March and it was on Channel 9. I wanted to set the record straight. So there is no misunderstanding, I seek leave to have the transcript incorporated in *Hansard*.

Leave granted.

Transcript

CH9 News 1800  
Sunday 10 March 2002  
Intv: Jeff Seeney

re: Opposition allegations re Premier's brother

**Newsreader:** The opposition frontbencher who threw mud at the Premier's brother in Parliament now says he knew all along that he was wrong. Jeff Seeney now says the false claim was a tactical ploy, and he's accused the Premier of hysterics.

**Reporter:** Only two days ago, Jeff Seeney raised a storm by bringing the Premier's brother into the political spotlight. Today he was trying to blame the Premier for doing the same.

**Seeney:** ... that this is a gross misuse of Peter Beattie's brother by Peter Beattie.

**Reporter:** He claims Mr Beattie's overreacting to his question about whether Arthur Beattie was involved in a company that had received government support.

**Seeney:** I accept that Mr Beattie's brother never worked for Berri. I know he never worked for Berri.

Reporter: So why did he make an accusation without checking the facts?

Seeney: It's understandable that there's going to be a certain amount of concern expressed and a certain number of stories will, will start to gain credence.

Reporter: Mr Seeney won't apologise for implicating Mr Beattie brother, but maintains his comments were a legitimate strategy to find out information.

Seeney: We brought it up as a tactic to break through the brick wall.

Reporter: Despite raising a false allegation that even attracted the attention of the CMC, there's no backing down.

Seeney: The more he squeals, the more likely there is that there's something there to hide.

Reporter: Sally Eales, National Nine News.

Ends  
RR

## MATTERS OF PUBLIC INTEREST

### Government Jet, Alcohol

**Mr SPRINGBORG** (Southern Downs—NPA) (Leader of the Opposition) (11.30 a.m.): This morning in this place the government continued its evasion and cover-up surrounding the Lockhart River wine affair. We know full well from the outset that this issue was not just simply about a bottle of wine; it was about this government's conduct, it was about what this government did, it was about what officers of this government did once they knew they were potentially in trouble. Quite frankly, if it had just been about a bottle of wine and if people had fessed up that they intended to do no harm, then I am sure that it would have been a one-day wonder. It is quite clear that there is a contradictory range of events and statements which have flowed since that particular date over a month ago.

This morning we saw again in this parliament the Premier and various government ministers seek to evade scrutiny in this place by not answering direct questions.

**Mr Lucas** interjected.

**Mr SPRINGBORG:** The honourable Minister for Transport has nothing but inane to contribute to this particular debate.

We asked the Premier, 'What job is Teresa Mullan doing in your office or your department?' One would have thought that was a reasonable question in the circumstances, considering that nary a peep has been heard from Ms Mullan since she was re-employed under embarrassing circumstances in a major damage control exercise by the Premier some time ago. Surely the people of Queensland have a right to know how much a person who is on at least \$80,000 a year is doing. Surely they have a right to know what that person is doing, particularly when she was re-employed under certain controversial circumstances when the Premier himself had said only a few days before, 'Anyone responsible for this will be sacked, sacked, sacked.'

The Premier knew full well that if he held fast to his particular commitment in sacking Ms Mullan, given what was happening and the other knowledge which was being uncovered, he would have had to apply the same set of standards to those other people. But he did not do that. In order to control the damage, in order to cover up, in order to ensure that Ms Mullan did not continue to go to the media and tell her story, she was re-employed. Surely the people of Queensland have a right to know what she has been re-employed for. What special project is she now doing in the Premier's own office on \$80,000 or \$100,000 a year? What value are the taxpayers and the electors of Queensland getting from Ms Mullan in her job?

In this place this morning we asked the minister herself at what stage did she know—a fairly simple question, I would have thought, but too difficult for the minister. We also asked the minister did Teresa Mullan lie when she alleged that the minister knew about it, and she could not even answer that question. The Premier could not answer the question and would not come clean on the appropriate standards of conduct for a member of this parliament who may have given conflicting information or evidence, or withheld evidence from police at least initially.

Where is this Premier who cloaked himself in this demeanour of accountability and openness when he had a margin of none in this parliament? This is the person who said he was going to give us a clean team, the person who said that he believes in accountability, openness and honesty. Where is he now? Nowhere to be seen! He fudged every question this morning, as did the minister. Why is it that no-one in this place could answer what Teresa Mullan was doing as a

special project? Why was it that the minister for indigenous policy was not able to answer at which stage she knew and also whether Teresa Mullan lied?

**Mr Horan** interjected.

**Mr SPRINGBORG:** I think the honourable member for Toowoomba South is right. This is a hush job and she has been given hush money. This is a hush job to make her go away. Quite clearly, somebody lied. Who lied? There cannot be such a conflicting range of events. Who told the truth in all of this?

**Mr Johnson:** Thomas Hudson told the truth.

**Mr SPRINGBORG:** Thomas Hudson told the truth. He was fined, with no conviction recorded. Is it any wonder that people in the cape and right across those dry communities are shaking their heads at the hypocrisy and double standards of this government? The Premier had the audacity to stand here this morning and say that the Deputy Leader of the Opposition raised questions with regard to Mr Whiddon's conduct. The whole reason this came about was Ms Mullan's allegations and her letter published in the *Courier-Mail* in which she said about Mr Whiddon that unless he, the minister and the director-general had misled the Premier about the facts of the matter the Premier was knowingly misleading the media and the public by placing full blame for the matter on her.

All we did was say that this matter deserved to be properly investigated. There was an employee, a senior policy officer of this government, making extremely serious allegations. It is the role of this opposition, the media and the public to appropriately question the conduct of this government. The allegations were not from us; the allegations were from Ms Mullan.

At least in her case what we know is that she has admitted lying on a couple of occasions. Ultimately whether she was telling the truth about the extent of everyone else's knowledge will never ever be properly known, because even the CMC has indicated in its report—

It became apparent that much turned on which version of events should be accepted as truthful (there being a direct conflict of evidence from the witnesses on certain issues).

It is quite clear that, in a word-on-word situation, we are going to have those sorts of things. With regard to the question, 'Did the director-general and the minister mislead the police?', the CMC report states—

Essentially the issue of knowledge of the presence of the wine depends on an assessment of one person's evidence against another's. For the reasons stated above, the evidence is such that the Commission cannot conclude that the evidence of Ms Mullan could be relied on to prove to the requisite standard that Dr Hoey and the minister knew that there was wine on the plane.

So they could not work out the extent of the lie and who was lying with regards to this. Also, the contention from the Premier that everything is hunky-dory is not right, even though the CMC said people have suffered embarrassment and there needs to be no further investigation. However, it is arguable that, if we looked at the code of conduct for public servants, there may be a breach of that but they have suffered embarrassment. Wouldn't everyone in the community who has been through a similar thing or something similar at work love to know that they have suffered embarrassment and there needs to be no further reprimand?

The last two paragraphs of the report are interesting. They state—

The Commission considers that the conduct of the Member for Cook, Mr O'Brien, falls well short of anything justifying the consideration of criminal proceedings, even though he acknowledged to the CMC that he did not disclose to the police all the information he had concerning the presence of the bottle of wine on the plane.

There is evidence which, if accepted, is capable of establishing that four officers gave misleading information to the police about the wine, but, in light of the decision of the Commissioner of Police and for the other reasons set out in this report, the CMC does not recommend disciplinary action be taken.

There are people right across Queensland shaking their heads about this, and that was evident in the letters to the editor which turned up in the paper subsequent to this and also on talkback radio. The electorate at large has concluded and deducted that this is a matter of integrity for four public officers and one member of parliament, and the issue is the capacity of the corruption fighting watchdog in Queensland to establish the facts. We said on day one that in such a word-on-word situation it is unlikely you would ever get to the truth. We said on day one that, unless there were public inquiries with witnesses giving evidence under oath and cross-examination to ensure a robustness in that process, one would never get beyond that.

Now, one element of this actually happened—that is, witnesses giving oath behind closed doors. It was not a robust process. It was always very difficult to go beyond who is telling what and what lies are actually going on. It is, quite frankly, an appalling indictment on this government; an

appalling indictment, I also believe, on the CMC and their incapacity to do those things that I mentioned. What message does it send to the people of Queensland—that people lie, mislead and hold back on information and are not be held accountable.

### Anzac Day

**Mrs MILLER** (Bundamba—ALP) (11.40 a.m.): Prior to Anzac Day one of the most important events in south-east Queensland occurred in my electorate when the Goodna RSL sub-branch dedicated a plaque to all ex-servicewomen in our community followed by a forties luncheon. It was an important day because there are many ex-servicewomen in our community who should be honoured. The statistics speak for themselves.

The peak figure of women engaged in the services was reached in March 1944. More than 52,000 women were involved. In the Women's Auxiliary Australian Air Force there were 18,000 women; in the WRANS, 1,800; in the Australian women's Army service, 19,700; in the Australian Army Medical Women's Service, 9,200; and the official land Army had 2,500 permanent women and 630 auxiliary women. Other women engaged in industry and the forces, but excluding rural work, totalled 716,000 in June 1944.

Our ex-servicewomen taught future generations of women that they were as good if not better than the blokes in all sorts of jobs in the war effort. They worked to help keep our country safe, to keep it always in the hands of freedom. They were indeed torchbearers for women of my generation. They showed us in a very real way that we women could do anything. The dedication ceremony was a day to salute them, to thank them, to remember their contribution then and now, and to acknowledge that these women were and still are true Aussie trailblazers. I trust today that all members of this parliament would like to thank all the ex-servicewomen for their contribution to keeping our country safe.

At the lunch, the women who came from all over south-east Queensland, from the Sunshine Coast, Brisbane, the Gold Coast and west to Helidon, were grateful that their efforts in the war had been recognised. Some said that, in fact, it was the first time that they had felt thanked for their contribution. They felt that their contribution was finally being recognised. There were laughs and there were tears as the women recalled their contribution to the war.

The Goodna RSL sub-branch members Mercy Kippen and Kathleen Edwards unveiled the plaque at the entrance to the Goodna RSL club. I hope that the luncheon will be held every year and I would like to thank Vivienne Stanbury, the president of the Goodna RSL sub-branch, for her vision in recognising our ex-servicewomen.

Anzac Day is a very important day in the lives of the people of Australia, as we have very active ex-service men and women in our community, largely due to the proximity of the Amberley Air Force Base. Prior to Anzac Day our local schools have very special Anzac Day services, particularly the Bundamba State Secondary College and the Goodna State School. Diggers from all over south-east Queensland attend the Bundamba State Secondary College service which is followed by lunch. The service is coordinated every year by Captain Ed Habben, retired RFD and a retired teacher. He does an excellent job. At Goodna State School the generations joined with the singing of *We'll Meet Again*. On Anzac Day I attended the dawn service at Goodna. This is a very sacred service with many hundreds in attendance. It is coordinated by Vivienne Stanbury, president of the Goodna RSL sub-branch. Pastor Ray Chapman offered the prayers and we laid our wreaths on behalf of the community. The 7.30 a.m. service followed the march of several hundred diggers, schoolchildren and community organisations.

The 127 RCU cadets from Ipswich, capably led by Alan Hudswell, formed the catafalque party; Joel Kite, the school captain of Westside Christian College, gave the address. Wing Commander John Martin, Combat Support Unit, Amberley RAAF base, gave the address on behalf of the services. Wing Commander Martin is new to Amberley and we warmly welcome him to our community. The song of remembrance *He Was Only 19* was sung by Colin Cooper from the Gold Coast. The *Last Post* was played by Nathan Drury of West Moreton Anglican College. The 208 Squadron Air Force cadets raised the flags. Our very own community poet, Tony Caswell, read a poem he had penned about returned servicemen, *He came Home to no Fanfare and to Little Thanks*. The Bundamba sub-section of the Naval Association, of which I am the patron, was at the service in good numbers.

The first Anzac Day service was held in my home suburb of Dinmore where I grew up. The service was organised by Steve Donovan, Dinmore State School P&C president Kylie Stoneman and the school. It was held in the school grounds. The service was special as the light horses

were in attendance and their soldiers as well, and there were many from the Dinmore community there. I gave the Anzac address on behalf of the people. The scripture reading was read by Reg Tohia. The *Last Post* was played by Arthur Green, and I hope that this inaugural service will become a yearly event.

The Anzac memorial service at the Bundamba Honour Stone was indeed a wonderful ceremony. All of our schools were involved in it. The Redbank service was attended by over 150 local residents and the Redbank Plains service was attended by over 200 residents.

I would like to thank my community for its commitment to Anzac Day. For those who attended the Goodna ceremony this was epitomised by the handing over of the flame from Mr Mick Radcliffe, an elderly member of Goodna RSL sub-branch, to the youngest Army cadet, Cadet Corbett, of the 127 RCU, Ipswich.

From generation to generation, we will remember them.

### Trail Bike Program

**Hon. K. R. LINGARD** (Beaudesert—NPA) (11.47 a.m.): I am sure that all members of parliament, especially those in urban areas, have a concern about the use of trail bikes in their area. The public is concerned simply because of the noise, especially on weekends. There is concern from the public about the use of motorbikes or trail bikes on main roads, not in designated areas. Trail bike riders are of concern to the police who receive many, many complaints over a weekend. I hear from my own police that there are between eight to 12 complaints every Saturday and Sunday about the use of trail bikes in the northern area of Beaudesert.

Last year when there were many reports from all parts of my electorate I was very pleased when the consultative committee, a committee set up between the police and the community, announced there would be a trail bike program and that the then Minister for Police, Mr McGrady, was coming down to announce what was going to happen. The minister attended a function in August of last year. The ALP candidates were all there. The member for Logan, who was on a special committee, was there. This was all in my northern area. The ALP candidates all sat in the front row and I think I sat in the sixth row. There were two very special Honda trail bikes that were brought down from the city. Two special riders were brought down dressed in their gear. The Commissioner for Police was there and all the police of the south-east region were there for this special announcement of this particular trail bike program.

Once the program was announced all of the photos appeared in the papers. Mr McGrady said he was pleased to launch the patrol which was designed to protect the quality of life of residents in rural and semi-rural areas. He said the legislation was forced on us by the people of Queensland. He said they were sick and tired of people trying to destroy their quality of life. Mr McGrady said, 'We are giving police the tools to fight people who are trying to destroy the quality of life of residents.' He said the new squad currently had five members who will be rostered to work different shifts, while another six officers were in training to be on call for specific operations. Mr McGrady said the new program will be the forerunner of other programs throughout Queensland targeting similar situations.

What happened in my area was that those bikes were immediately taken back to the city, never to be seen again. They have been brought out once since August of last year for photos, they were brought out once again for another run, but that is the only time they have been seen in my area. They were taken back to the city. Some of them I believe are still at Beenleigh, never to be used in my electorate at all.

That is a blatantly dishonest political stunt. The worst thing as far as the minister is concerned was that he involved the Commissioner for Police, he involved all of the other police in the area. The fact that he brought the ALP candidates down and sat them all in the front row is not of concern to me.

It certainly is of concern when he involved police, especially the Commissioner for Police. The Commissioner of Police was riding one of the bikes and Mr McGrady was riding another bike when the photos were taken. Those photos were sent through the communities of Beaudesert, Jimboomba and Logan Village. It is unfortunate that the minister, in his new role as Minister for State Development, is away today. I have put a question on notice asking him whether he will assist in restoring to the electorate what he promised would happen rather than being blatantly dishonest and using blatantly dishonest political tactics.

### Tenancy Databases

**Mrs LAVARCH** (Kurwongbah—ALP) (11.50 a.m.): On Friday, 16 April the federal Privacy Commissioner, Malcolm Crompton, made his determination on the four representative complaints brought by the Tenants Union of Queensland and the Tenants Union of New South Wales against TICA Default Tenancy Control, a tenancy database operator. These complaints related to the excessive costs to access a tenancy record by mail or by telephone, the accuracy of the database listings, the excessive time TICA keeps the database listings and the inappropriateness of the consent forms to access information a person is required to sign upon applying for a tenancy.

In making his determination, the Privacy Commissioner found that TICA had breached the Privacy Act. In fact, he found that there were 13 breaches of the national privacy principles and ordered TICA to rectify their information handling practices. I take the opportunity today, as a matter of public importance, to welcome this determination by the Privacy Commissioner. In so doing I note that this decision was handed down by Malcolm Crompton on his last day in the position of federal Privacy Commissioner.

Malcolm worked tirelessly in this position and, despite some resistance, has managed to move the protection of individual privacy forward, both in the public policy sense as well as at a practical, individual level. I place on public record my gratitude to Malcolm for all his hard work in this area and wish him all the best for the future.

When it comes to addressing the concerns surrounding the operation of tenancy databases, Queensland has led the way. Our Minister for Housing, Mr Schwarten, championed finding a way through the jurisdictional and legal maze created by tenancy databases to provide a proper balance between the lessors and the interests of tenants in the private rental market.

In the last parliament I had the honour of chairing the special backbench committee to inquire into the operations of tenancy databases. The final report of our committee was tabled in parliament in September 2002. This report built upon the report of Fiona Guthrie. Her report, entitled *Recommended Queensland government strategy regarding tenancy databases*, was commissioned by the Residential Tenancies Authority and presented in January 2002. The special backbench report made a number of recommendations going to legislating standards for the listing of information on tenancy databases.

In 2003, Minister Schwarten introduced amendments to the Residential Tenancies Act to capture the majority of these recommendations. The new legislative proceedings in relation to listing on tenancy databases came into force in August last year. However, it was recognised at the time, for reasons that Queensland did not have jurisdiction over database operators themselves, that there were gaps in the legislative coverage. It would have been futile for us to legislate in relation to areas such as the cost of access to information held or to regulate the amount of time a listing could be held on a database. Yet these two matters are critical to ensuring that a database meets the tests of fairness, accuracy and openness.

The Privacy Commissioner's determination filled some of the gaps that Queensland was unable to address in relation to the cost of accessing information from TICA. The present cost by telephone is \$5.45 per minute or \$327 per hour. The Privacy Commissioner's finding that these costs are excessive implies that TICA will need to reduce its fees. In relation to the amount of time a listing can be held, it was recommended that it should be no more than four years. Our committee recommended two years, which we believed was a reasonable time for a listing to allow a landlord to assess risk.

Nevertheless, in my view, this is a positive improvement on what exists at present. While this determination is most welcome and continues to progress overcoming injustices occasioned by the operation of tenancy databases, there are still many areas in database operations that need to be addressed. The most desirable outcome for both tenants and the industry would be the application of national standards. The national nature of databases, together with the mobility of the Australian population, means that individual and different state and territory responses are far less effective and equitable to get a nationally coordinated response.

I do note, however, that the Ministerial Council on Consumer Affairs has formed a residential database working party to investigate whether tenants in other states and territories are experiencing similar difficulties with databases as are found in Queensland. This investigation is under way and I await the results with much interest. Where tenancy databases are concerned, Queensland tenants are much better off than their interstate counterparts.

**Mr DEPUTY SPEAKER** (Mr Wallace): Order! Before I call the honourable member for Nanango, I advise honourable members of the presence in the gallery of students and teachers from Kruger State School in the electorate of Bundamba.

### **Local Government Planning**

**Mrs PRATT** (Nanango—Ind) (11.55 a.m.): I bring to the attention of parliament an unfolding situation of the bureaucratic overrule of local government planning in Queensland. I refer particularly to the Department of Natural Resources, Mines and Energy's current round of Queensland planning scheme reviews and it imposing its will upon local governments to adopt DNRME minimum rural lot sizes.

While the matter has been brought to my attention by some of the shires in the Nanango electorate, indications are that this issue is widespread throughout Queensland, whether inland or hinterland shires. All local government areas in Queensland are preparing planning schemes pursuant to the Integrated Planning Act. As was stated in this House by the minister last sittings, many have not been completed. It is believed that they are being delayed in receiving ministerial sign-off and undergoing public notification due to this fundamental planning matter.

Shires such as Kilcoy need to be able to adopt smaller blocks to be able to restructure and grow because of the way the legislation is affecting and impacting on their local industries. I particularly refer to grazing and dairying. As I stated in my question to the minister this morning, this has had a huge impact on the amount of class A and B land left idle. Some shires are very happy to accept the DNRME's recommendations, but there are many shires that are seeking to maintain their existing rural subdivision regulations, established and proven through years of experience and planning and reflective of local conditions. However, the policy officers consider otherwise and seek to override this wealth of experience and knowledge.

Good quality agricultural land is classed through state planning policy 1/92 related to the development and conservation of agricultural land into classes A, B, C1, C2 and D—A being crop land, B being limited crop land, C1 being improved pastures, C2 being native pastures, and D being non-agricultural. As an example, Kingaroy shire, a local government area of 2,400 square kilometres, is considered as a primarily rural based economy. Agricultural holdings cover 83 per cent of the shire of which 28 per cent is cultivated with crops and improved pasture. The council is critically concerned with maintaining its rural economy.

Upon settlement, agricultural land that is good quality agricultural land class A was subdivided into 65 hectares or larger proportions. Traditionally, this area formed a viable lot size for a family income. With the evolving rural community this is no longer the case and a rural producer typically supplements income with off-farm income, the practice of share farming or forming a single farm holding constituting any number of industry allotments.

Kingaroy Shire Council considers 65 hectares to be the limit to remain a relevant and practical land unit. Yet the department disagrees and dictates that the minimum A lot size should be 200 hectares. The department's rationale for this area is that 200 hectares is consistent with the department's view of a medium farm size. It also considers that it provides a reasonable basis for income for a single family and promotes long-term viability by ensuring that the lot will be able to accommodate a range of crops, et cetera.

This is not considered reasonable. How does a medium sized farm correlate to variable lot sizes across a region diverse in its soil characteristics and rural industries—that is, broad hectare cropping, intensive agriculture, horticulture, grazing, animal husbandry, et cetera? How relevant is a median lot size assumingly representing a range of land class to one specific land class? Two hundred hectares is not a magical figure. It is arbitrary and provides no guarantee of income for a single family farm.

The concept of income for a single farm family is no longer relevant in terms of maintaining rural production in the modern age of diversification and mobility. The fact that 65 hectares no longer sustains a family income is not disputed. However, we need to consider broader outcomes. Some 65 hectares remains an economic unit to farm by sharefarmers and provides flexibility for farm restructuring. Lending institutions increasingly will not finance overcapitalised farm properties. Farm holdings constituting several properties allow financial risk management to sell off properties to respond to economic trends. One of the greatest identified risks is the loss of rural youth from the industry. This policy will alienate rural youth and other marginal farmers from property acquisition. This is a widespread issue, and other members should be aware of it and whether or not their electorates are having this hard-nosed approach thrust upon them. This GQAL policy

cannot and never will be a one-size-fits-all policy. Every shire must be addressed individually with due and proper consideration given to all shires.

### **Bundaberg Base Hospital, Comments of Member for Burnett**

**Hon J. I. CUNNINGHAM** (Bundaberg—ALP) (12.00 p.m.): Last week the member for Burnett made some outrageous statements in this House and in the media about the base hospital in my electorate of Bundaberg that reflect badly on everyone working at that hospital. I can understand that the member for Burnett wants to build a profile, but he is not going to do it at the expense of our hospital. This same denigration of our hospital was done regularly from 1998 to 2001 by a former National Party member for Burnett, and as a result of his constant misrepresentation of what was being achieved at that hospital we could not get doctors to fill vacancies in Bundaberg, and when we did get them they would not stay. That member's constant and irresponsible statements and the use of our hospital as a political football caused enormous problems for the hospital, an unprecedented drop in staff morale and indeed contributed to that member losing his seat at the very next election. It was a terrible time for staff, patients and for their families, and nobody in Bundaberg wants a repeat of those three years.

The current member for Burnett asked: why has the member for Bundaberg not spoken out about this crisis? That is because there is no crisis. In fact, our hospital is working better now than it has in the past six years. Instead of speaking out to get my name in the media, I have been working tirelessly to gain better funding for the hospital, better services and better conditions, better equipment and better buildings, and shorter waiting times for patients. During my two terms in office, to name just some examples, the hospital budget has risen by 35 per cent; the \$27 million redevelopment has been completed; we have gained a new rheumatology clinic; the four-chair renal dialysis clinic has been increased to 11 chairs; mental health buildings have been improved; the outpatient clinic has been expanded from just six rooms to now 14 rooms; modern birthing suites have been added; new staff accommodation is complete; and modern equipment, including a CT scanner, has been installed.

All medical positions are now full. Our nurses are highly qualified, compassionate and caring. Up-to-date, modern equipment and technology are available. During the minister's recent visit to the hospital we were met with positive comments from staff and patients, and I can say that I have a steady stream of residents contacting my office singing the praises of our hospital, the staff and the treatment they have received. The member for Burnett's claims about unclean operating theatres is outrageous. I have never heard such a claim, and it is an insult to everyone working in those theatres. The member's claim that people are dying unnecessarily is just as outrageous and unsubstantiated. It will cause grief to those who have lost family and friends recently and is totally lacking in the responsibility that people expect from elected members.

While our hospital sees some 43,000 patients each year, there will always be some who are not satisfied. But it is the state member's job to follow up complaints and see if he can help those people, not just use their problems for his own benefit. While our hospital has 860 people on the payroll, making almost 500 full-time equivalent positions, there will always be some who are dissatisfied. But there are appropriate processes in place for those people to air their concerns and to address them appropriately. There is still plenty to do, as there is in every hospital, public and private, in all parts of Australia. I will continue to work for the best possible deal for our hospital and for our residents. Meanwhile, patients in Bundaberg can be confident that they will receive top quality treatment at the Bundaberg Base Hospital.

### **Department of Housing, Strategic Policy**

**Mr HOPPER** (Darling Downs—NPA) (12.04 p.m.): The Department of Housing's strategic policy document entitled *Improving people's lives through housing* outlines values and principles guiding the government's new policy direction. It states—

The Queensland Department of Housing is committed to improving people's lives through housing by increasing access to secure, affordable and appropriate housing across Queensland.

This commitment is underpinned by the values of integrity, valuing diversity, and respect.

Maintaining integrity means that as we strive for the best housing outcome for Queenslanders, our clients, partners and colleagues can expect honesty, truth and reliability from us.

Valuing diversity means we recognise that people in all their diversity make communities, and that we contribute to the health and sustainability of communities through the quality of our housing services.

Giving respect means we value our clients, partners and colleagues and treat them with dignity.

Those words are very fine words indeed provided that they are more than a facade and have meaning and substance and are acted upon.

In recent years we have seen this government's propensity to devolve itself of responsibility for affordable housing by pushing the responsibility onto local authorities or local community organisations. In so doing, the government also washes its hands of any responsibility of tenancy agreements, thereby rendering some citizens and communities with no administrative recourse whatsoever in dealing with bad neighbours. This is the unfortunate position in which the Mudge family of Maryborough now find themselves. Earlier this year Miss Mudge wrote to the Minister for Public Works, Housing and Racing pleading for assistance. She wrote on behalf of her parents who are living in a nightmare on a daily basis. In her letter to the minister, she stated—

I am writing to let you know about the nightmare we are living in in Maryborough. I am writing to you in the hope that you will listen, we need somebody to listen to us and help us with the situation. Things have got to a point where we are prisoners in our own home and our lives are being threatened. Everybody keeps telling us that there is nothing that they can do. However, I am hoping that there is something that you can do to help us. I am going into the police station this afternoon to see if I can get a restraining order against these houses and after many sleepless nights over the past twelve months with our nerves constantly on edge we have decided to take our story to A Current Affair. We are not waiting around until my parents are hurt or our house is burnt down. And nobody seems to want to help.

When the Leader of the Opposition raised this matter with the Minister for Public Works and Housing, he responded that the properties at 12A and 12B Sydney Street in Maryborough were rented by the Maryborough and District Housing Action Group Inc. from a private landlord to house clients under the community rent scheme. The properties are not owned or rented by the Department of Housing, so in effect the Department of Housing has no responsibility to resolve the matter.

However, the minister provided some lip-service by advising that his officers were engaged in a liaison role to explore solutions to this situation. The current policy direction of this government leaves people like the Mudge family hung out to dry. Similarly, the current policy direction provides no support of any substance to the public officials who are employed by the Department of Housing in regional centres. As we have this proliferation of 'pseudo' public housing arrangements within various local communities, public servants are rendered ineffective because they have no administrative jurisdiction to ensure that tenants abide by their obligations according to the Residential Tenancies Act 1994.

That act lists that the obligations of tenants include the need to not cause a nuisance by the use of the premises; not maliciously damage or allow someone else to maliciously damage the premises or inclusions; and, most importantly, not interfere with the reasonable peace, comfort or privacy of a neighbour. What is happening in the Mudge case goes exactly against the act. As mentioned previously, this government's own documentation speaks about maintaining integrity and valuing diversity. However, in reality, they are totally empty and useless words, for actions speak louder than words. The government's inaction and lack of responsibility that it displays in the housing sector means that the Mudge family and many other families in similar circumstances are forced to live in fear and in a nightmare. This Labor government wants the glory, but it does not want the responsibility that goes with the job of good government. It is about time this government recognised and acknowledged that its public housing policies are a complete and utter failure, and it needs to urgently remedy the housing mess that those failed policies have delivered.

### **Cairns, Hillslopes**

**Dr LESLEY CLARK** (Barron River—ALP) (12.10 p.m.): Everyone who has visited Cairns city will tell people what makes it so special. It is not the five-star hotels and restaurants—good as they are; it is not the rich ecology of the wetlands at its doorstep; it is not the friendly, laid-back atmosphere; it is not even the new \$12 million esplanade swimming lagoon enjoyed by tourists and locals alike. No, it is the stunningly beautiful rainforest covered mountain backdrop. This is the lasting memory that visitors take home, which locals are privileged to enjoy every day and which makes living in Cairns so very special.

There have been many environmental battles that have divided and continue to divide the Cairns community. I should know, because I have been involved in every one of them. But the

issue that most unites the people of Cairns is the desire to retain their magnificent mountain backdrop, known locally—in a wonderfully understated way—as the Cairns hillslopes or, more recently, as the Cairns scenic rim. The two major threats to the physical, visual and ecological integrity of the Cairns hillslopes have always been fire and inappropriate development. I am passionate about their protection and I have contributed to this goal for over 20 years, first as a conservationist serving on the Cairns council hillslopes committee, then as a Mulgrave shire councillor and then as the member for Barron River. During that time there have been two community groups established especially to fight for the protection the Cairns hillslopes: the Cairns Hillslopes and Rainforest Protection Society and, more recently, the Save Our Slopes Community Action Group.

In 1995 I put forward a 12-point action plan to protect the hillslopes. Over the past 20 years we have had some successes in the form of improved fire management, the revegetation of some denuded hillslopes, the creation of the 270-hectare Smithfield Conservation Park, which forms the mountain backdrop to the JCU, the acquisition of land at Brinsmead to add to the Mount Whitfield Conservation Park, additional planning control on development on steep and unstable slopes, and constraints on building styles and colours of homes. But this is not enough. Despite the recession in Cairns over the past seven to eight years, more houses are steadily being approved, climbing even higher up the hillslopes. The city is now experiencing a second boom and this sought-after freehold land is once again under intense pressure from development and once again the community is calling for action.

The Cairns City Council and the state government have the power to put an end to inappropriate development and protect key areas for all time. They must exercise that power before it is too late. Limiting residential development on the Cairns hillslopes, the green face of Cairns, will bring economic, social and environmental benefits to the whole community. It can be achieved through the introduction of additional controls in the draft Cairns plan that is being prepared under the Integrated Planning Act and by the acquisition of key blocks of land for inclusion in the Barron Gorge National Park or the Mount Whitfield Conservation Park.

The SOS Community Action Group provided a detailed, comprehensive submission to the Cairns City Council outlining the changes that are needed to the draft Cairns plan if it is to adequately protect the hillslopes from inappropriate development. I support their contention that the Cairns plan 'gives ammunition to relentless advocates of urban development of the hillslopes and does not empower administrators to resist.' Central to the SOS submission is the extension of the conservation designation to additional key parcels of hillslopes land as well as changes to land use boundaries, desired environmental outcomes, development codes and performance indicators to the plan as they relate to hillslopes development. I call on the Cairns City Council to adopt all the recommendations in the SOS submission and urge officers from the Department of Local Government to work with the council to achieve this goal, because there are key state interests involved.

The suburbs of Aeroglen, Stratford, Freshwater, Brinsmead, Whitfield and Edge Hill encircle Mount Whitfield and development spreads up its slopes to meet the conservation park. There are key blocks in these suburbs that should be designated as conservation in the plan or acquired and added to the conservation park. One such block is that owned by South Australian developer Joe Emanuel, which has the only 360-degree views of the coast and hinterland available anywhere in Cairns and which should belong to the people of Cairns, not just those few rich enough to enjoy it. There are other hillside blocks in my Barron River electorate—at Redlynch and on the Marlin Coast—that are also inappropriate for development.

This year is absolutely critical for the future of the Cairns hillslopes and I believe that a coalition of organisations, individuals and businesses is needed to work together with the SOS Community Action Group to ensure that future generations can continue to be inspired and awed by the stunning beauty of the rainforest backdrop to Cairns. I am committed to doing everything in my power to achieve that goal and I look forward to continuing to work with the many people who share my vision for the protection of the Cairns scenic rim.

### **Tugun Bypass**

**Mr QUINN** (Robina—Lib) (12.14 p.m.): Today I would like to take this opportunity to once again highlight the failure of the Beattie government to match its actions with its rhetoric. As a Gold Coast MP and one who was a member of the cabinet that approved and oversaw the construction of the Pacific Motorway, I have always taken a great interest in the growing transport

needs of the Gold Coast. That is why I have taken a particularly close interest in the progress of the Tugun bypass—or the so-called 'progress' of the Tugun bypass.

In the lead-up to the 1998 state election, then Deputy Opposition Leader Jim Elder claimed that a special relationship would exist between a state Labor government here in Queensland and the Carr Labor government in New South Wales and that this special relationship would ensure that the Tugun bypass would be built. Indeed, I suspect that that is one of the reasons why the then member for Currumbin, Merri Rose, was re-elected to parliament after that election campaign. That was 1998. Now it is 2004 and everyone on the Gold Coast is still waiting to see the Beattie government use this so-called special relationship to deliver the promised Tugun bypass. After all, it is what this government and this Premier had promised to do for the past six years. Yet we are still waiting to get the bypass.

We have absolutely no difficulty in getting media release after media release from this government, yet we are unable to get this government to build the bypass that it promised. Since the Beattie government came to office in 1998, there have been no fewer than 29 media releases from various ministers promising the Tugun bypass, some even claiming that work on the bypass had actually commenced. As I was leafing through this pile of media releases, one in particular caught my attention. On 15 August last year I made a public statement in which I expressed significant doubt about the claims that the Beattie government's construction work on the Tugun bypass would commence before the end of 2003. On that very same day, the then Transport Minister issued a media release stating—

Construction on Tugun Bypass works will commence before the end of the year, despite claims by Liberal Leader Bob Quinn to the contrary.

Transport and Main Roads Minister Steve Bredhauer said reports in today's Gold Coast Bulletin that other routes are currently under active consideration, and today's claims by Mr Quinn that construction will be delayed are scurrilous.

I just say that if my comments were scurrilous, then I am at a loss to describe the repeated claims, missed deadlines and broken promises by the Beattie government over the construction of the Tugun bypass. There have been 29 press releases, six years, and not a shovel of dirt has been turned.

Last week I questioned the Premier about the Tugun bypass and in his answer he repeatedly claimed that he could construct the Tugun bypass only if the Howard government intervened in the special relationship between the Beattie Labor government and the Carr Labor government. The Premier is claiming that the Howard government is neglecting its duty by refusing to enter into this interstate dispute. Yet the Premier fails to mention that Mark Latham and his federal Labor colleagues are also refusing to enter into this dispute. So the Premier is trying to embroil John Howard into the dispute with the Carr Labor government and demand that he do something that his federal leader, Mark Latham, has already ruled out doing should he become Prime Minister. What hypocrisy! The Premier claimed further that the Howard government was refusing to participate in his buck-passing exercise, because it was frightened to lose the marginal federal electorate of Richmond. Can I say that it is obvious that Mark Latham is refusing to get involved because he is more concerned about green preferences in Richmond than the people of the Gold Coast. That is the exact same reason why the Carr government will not give permission to go ahead with it—because of green preferences. Talk about hypocrisy!

I find it even find more interesting that, in the very first line of a letter from the Premier sent to the residents of Adina Avenue, Tugun during the state election campaign, he states—

Only my Government has a solution to the Tugun Bypass.

What nonsense! The letter states further—

We will fix this issue once and for all.

**Mr LUCAS:** I rise to a point of order. The honourable member is misleading the House. He is indicating that there was an eastern bypass option that was canvassed—

**Mr QUINN:** Mr Deputy Speaker, there is no point of order.

**Mr LUCAS:** He failed to indicate—

**Mr QUINN:** Mr Deputy Speaker, there is no point of order.

**Mr LUCAS:** An eastern bypass—

**Mr Quinn:** Sit him down.

**Mr LUCAS:** He has not got the guts—

**Mr Quinn:** Sit him down.

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

**Mr QUINN:** Let me read that again for the benefit of all members—

Only my government has a solution to the Tugun bypass. We will fix this issue once and for all.

Less than three months ago the Premier went on the record as saying only his government can fix the issue once and for all, yet now he is claiming he cannot. I urge the Premier to use his so-called 'special relationship' with Bob Carr and fulfil his government's promise to build a bypass.

Time expired.

#### **4MBS Classic FM**

**Mr FENLON** (Greenslopes—ALP) (12.19 p.m.): The member for Mount Coot-tha has Suncorp Stadium, the member for South Brisbane has South Bank, but in Greenslopes we have the studios of 4MBS Classic FM 103.7. I do not make this comparison lightly, because the activities of that great radio station are just as much a part of the social and cultural infrastructure of this state in performing the great function it does to broadcast to Brisbane and south-east Queensland 24 hours a day, every day of the year and to stream on the Internet to all of Queensland and the world.

This is a great radio station. It is an award winning, not-for-profit community FM radio station which broadcasts classical music and jazz. It celebrated its 25th anniversary in March 2004. I was very honoured to attend a dinner here at Parliament House with the volunteers and members of that association, as well as many of the founding members and former Premier Wayne Goss, who is also a great supporter, along with his wife, Roisin, of this great organisation.

4MBS started broadcasting on 1 March 1979 from a rented room at the Kelvin Grove College of Advanced Education, now the QUT. Funding for equipment was provided by the Utah Foundation and the 31st Australian Jazz Convention for about 14 years. 4MBS received a small grant from the then Department of Cultural Activities of the Queensland government to help pay for operational costs and staff. In 1993 4MBS purchased a house in Coorparoo with the assistance of the Queensland government Capital Cultural Subsidy Scheme and converted it to a radio station, along today with a performance studio. In 1998 4MBS built a 70-seat multipurpose performance studio for concerts of local musicians, music appreciation classes for the public, broadcasting live concerts, et cetera. The Queensland government provided about a third of the funding through the Capital Cultural Subsidy Scheme.

Since 1993 4MBS has received no operational funding from Arts Queensland. It has gone on on the basis of its great support of 2,000 to 3,100 subscribers. This is three times the per capita number of subscribers to 4MBS's sister stations in Sydney and Melbourne. Other revenue comes from sponsorship and continuous fundraising.

4MBS is operated by three full-time and three part-time staff and over 300 great volunteers in the local community—the largest number of volunteers of any similar radio station in Australia. In 1979 4MBS was the smallest community classical station in Australia. In 2004, after 25 years of dedication to Queensland musicians, it is regarded as the most active and innovative in the country. Why is this so? It is because of its community engagement, the way it goes about its business and its support for local Queensland musicians.

4MBS Classic FM in the last 25 years has developed a wide range of community initiatives supporting Queensland's talented classical and jazz musicians and organisations professional and amateur and promoting public access to the arts through music. These have included, for example: for the last 25 years a three times daily music diary; recording over 100 live concerts a year of Queensland musicians—it is great that it has thrown its support behind those local talented musicians in Queensland; the 4MBS musicians in residence scheme; three competitions for tertiary music students; for the last 11 years the 4MBS Festival of Classics, featuring only Queensland musicians and now the largest classical music festival in Australia; for the past 10 years on-air programs for many music institutions such as the Queensland Conservatorium, State Library music section, Queensland Youth Orchestra, et cetera; for the past 10 years low price music appreciation classes; Kids Classics and Youngspace; and 4MBS summer school for people of all ages.

This is a great station. In the last year 4MBS has created 4MBS ticketing to provide an affordable ticketing service to small music organisations. This is an important part of our

community. It is an important part of the wider infrastructure that delivers cultural activities and connection to the music industry in Queensland. It deserves to be supported by this government. I trust that this support will continue into the future. 4MBS does not receive any operational funding at any level, but it received previously tremendous grants from Labor governments in Queensland.

Time expired.

### **Education and Training Reforms for the Future, Logan-Baundesert**

**Mrs DESLEY SCOTT** (Woodridge—ALP) (12.24 p.m.): A young person without adequate education and training these days is at high risk of falling through the cracks and becoming one of the statistics of youth unemployment. I acknowledge that in the electorate of Woodridge for too long we have had an unacceptably high incidence of youth unemployment. However, much is being done to address this situation. Many young people who had earlier dropped out of the schooling system are now re-engaging and entering various alternative education facilities, taking on training opportunities or apprenticeships or going on to TAFE college or university.

The Logan Bundesert region is currently engaged with the Gold Coast in the education and training reform trials, and there are many great programs under way. In 2003 a very successful jobs expo was held, so it was proposed to revamp the idea and expand it considerably. This, of course, takes a tremendous amount of planning and preparation, and the success of the venture was evident by the large number of young people who came along. The centre was abuzz with excitement. The day was simply fantastic.

The event was spearheaded by Ms Kerry Holst, CEO of the Logan Bundesert education region, and her team. They consulted widely with young people to ensure they had the right mix of information stalls. Young people from the Missing Link program, part of the Youth at Risk Alliance, a group from the Logan PCYC and young people from the Eagleby Youth Space all contributed their ideas.

Held at the Logan Entertainment Centre, it was a collaborative effort by many and included education and training organisations, businesses and community groups who all had a vital interest in capturing the interest of young people and offering them a fresh start to a brighter future. Some of those represented were Defence Force Recruiting; Greencorp, giving instruction on transferring plants to pots; South Bank and Logan TAFE colleges; Kingston College Community Access Centre; Eagleby Learning Centre; BoysTown LinkUp; Centre Education; The Spot Youth Services; Youth and Family Services; First Contact, for Aboriginal youth; Centrelink offices; group training organisations such as Electro Group, MIGAS, BUSY At Work, WorkDirections Australia and Mission Australia; and also the state government departments of Employment and Training, Youth Affairs and Education Queensland; and the police, represented by our Young People Support Program.

Businesses were also very active, with Bunnings operating a woodworking project. At the door there was a tiling exhibition. That held a lot of interest. Hungry Jack's and MiniMovers were also represented and Motorama and Springwood Holden offered prizes throughout the day. Our local radio station, FM101, also broadcast from the centre. Young people from the Logan TAFE access program produced a video of the event.

If you want to really keep the interest of young people, let's face it, you need food and music. So the organisers wisely planned a free sausage sizzle, which was manned by Woodridge High hospitality students. The entertainment on stage was great, with Aboriginal, Torres Strait Islander and Samoan dancers, as well as local bands Sneaky Little Fellas, all previous Woodridge High students, and Quenchise Presents Kane & Chaz. Vicki Wilson, former Australian netball captain, was also on hand to inspire.

It was my privilege to share the opening address with the Mayor of Logan City, Councillor John Freeman. A great deal of information was gained, and hopefully many young people were inspired to move forward into further education or training. The young people who assisted with the planning of this program termed it the 'Youth NextPo 2004', and there is a real desire to make this an annual event. The spirit of cooperation was very evident, and I would like to thank and congratulate all who assisted to make this such a resounding success.

There are many pathways for young people to journey through life. We all know that education and training are the keys to finding a job. We want to see our young people enjoying

adult life and becoming active members of our community. I hope this venture will bear fruit to help many of the participants.

**Mr SPEAKER:** Order! The time for hearing matters of public interest has expired.

### **DUTIES AMENDMENT BILL**

#### **Committee**

Clauses 1 to 13, as read, agreed to.

Bill reported, without amendment.

#### **Third Reading**

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

### **MOTOR ACCIDENT INSURANCE AMENDMENT REGULATION (No. 1) 2004**

#### **Disallowance of Statutory Instrument**

**Mr QUINN** (Robina—Lib) (12.32 p.m.): I move—

That the Motor Accident Insurance Amendment Regulation (No. 1) 2004 (subordinate legislation No. 21 of 2004) tabled in the parliament on 20 April 2004, be disallowed.

I move this disallowance motion on a point of principle. We in the Liberal Party firmly believe that people should pay for a service only once, yet this government is determined to fleece Queenslanders multiple times for the same ambulance service. This disallowance motion should tidy up this anomaly.

The government, through this regulation, is proposing to increase the hospital and emergency services levy as part of the compulsory third party premium from \$8.20 to \$8.90. This represents an 8.5 per cent increase—over twice the rate of inflation. This is clearly a case of blatant highway robbery. This increase will see the government take an additional \$1.8 million from the pocket of Queensland motorists. I have previously called upon the Treasurer and the government to abolish this particular levy because it is double dipping at its absolute worst. People pay the ambulance levy on their home electricity account, their business electricity account and on other electricity accounts. They do so because the government saw fit to charge tens of thousands of Queenslanders multiple times for the same service. It has attempted to justify this sort of rort by saying it was because people can be injured anywhere.

If this legislation is allowed, then every Queensland motorist will be forced to pay an \$8.90 hospital and emergency services levy on top of the \$88 community ambulance cover. The government has already admitted that the levy is used to offset the cost of ambulances attending road accidents, and transporting injured motorists and pedestrians to hospitals. However, this is exactly the same reason it used to justify the introduction of the ambulance tax. So there is only one service, yet Queensland is being taxed twice or even more for the same service. The total contempt this government is showing for Queenslanders is totally abhorrent. If there is a need to levy for a service, it should be paid for only once, not multiple times.

Just think of the RACQ breakdown service. You pay for the service once a year and you may use that service as often as it is needed throughout the year. All Queenslanders recognise the wonderful service provided by the RACQ but they are also aware that the RACQ charges membership only once a year, not multiple times like this government.

As I have previously mentioned, the government through this regulation is proposing to increase the hospital and emergency services levy from \$8.20 to \$8.90—an 8.5 per cent increase. Last year during the estimates process I asked the Treasurer whether the government was going to maintain the CPI linkage to the increases in state taxes, fees, fines, levies and charges. The Treasurer responded by saying—

That is the intention—that fees and charges should be increased by the rate of inflation so that we do not reach a stage where some fees do not get lifted for a number of years and then are the subject of large increases. We should keep our fees and charges in line with the inflation rate and increase them by that each year.

So in July last year the Treasurer was committing the government to a practice of linking state taxes, fees, fines, levies and other charges to the CPI. Yet here we are today less than 12 months on with the Treasurer proposing an increase in the levy by 8.5 per cent—over twice the rate of the CPI.

Following up this question, I asked the Treasurer whether it was the intention of the government to increase each fee or charge by the CPI or continue with the current process, whereby some increase in larger amounts than others. To this question the Treasurer responded by saying—

No, government departments are required to increase their fees by the inflation rate each year. If they have a reason for not increasing it, they put forward a submission not to increase it, and some departments do and that is accepted. If there is a reason that it should be greater than inflation—and that would be where it has been identified that a fee has not been increased for a number of years—it may be increased by more than the rate of inflation for the one year, but that would bring back its relativity.

So let me just reiterate that last section of the answer: 'If there is a reason that it should be greater than inflation—and that would be where it has been identified that a fee has not been increased for a number of years—it may be increased by more than the rate of inflation for the one year, but that would bring back its relativity.'

Only last year the government increased this very same levy by 4.5 per cent—again above the rate of inflation. This year it is proposing to increase the levy again by 8.5 per cent—well above the inflation rate, as I said. In fact, it is over twice the rate of inflation. So much for the commitment by the Treasurer that 'it may be increased by more than the rate of inflation for the one year, but that would bring back its relativity'. It is about time that this government and its Treasurer did the right thing by Queensland motorists and abolished the levy. If they are unprepared to do this, then they should fulfil the commitment given during last year's estimates committee hearing and limit the increase in this levy to the rate of inflation.

As I said before, I have moved this motion in the House before. It is a matter of principle for us in the Liberal Party and I suspect other members on this side of the House. We have an ambulance cover that is meant to cover everyone in Queensland for all of the year no matter what the circumstances are. This is clearly a case of double dipping. It is time to give the taxpayers of Queensland some relief and abolish this particular levy.

**Mr DEPUTY SPEAKER:** Order! Before I call the member for Moggill to second the motion, I would like to welcome to the gallery the teachers and children from the Kruger State School in Jo-Ann Miller's electorate of Bundamba.

**Dr FLEGG** (Moggill—Lib) (12.38 p.m.): I rise to second the motion moved by the member for Robina. It is not my desire to take up the time of the House. The member for Robina has in his usual thorough and rigorous and eloquent manner—

**Mr Quinn:** And cogent.

**Dr FLEGG:** And cogent manner put the case very strongly as to why the government should not time and time again hit the people of Queensland to pay for ambulance services. We are all aware that we pay the ambulance levy on our electricity accounts. In fact, we pay it on our home electricity account, we pay it on our business electricity account, we pay it again on our rental property, we pay it again if we have a holiday property and some of us pay it again on our health insurance. How many bites at the cherry does the government want?

**Ms Nelson-Carr:** You can afford to pay.

**Dr FLEGG:** It is not a matter of affordability; it is a matter of fairness and it is a matter of principle. I did not bring my lunch into the chamber but for lunch I might have a cherry. How many bites do those opposite think they can have of the one cherry, because they are not all that big? After having paid our electricity levy to cover the ambulance, yet again when we put our car on the road we have another bite of that small cherry to pay for the hospital and emergency services levy. We pay it on our family car, we pay it again on our business cars and so forth.

**Mr McNamara:** What is the rego on a Volvo?

**Dr FLEGG:** I am not a Volvo driver. It is not enough to have bite after bite after bite of the cherry at the expense of the Queensland taxpayers, but when you have this bite as well you increase it by double the rate of inflation. I am not quite sure how bad the Treasurer thinks that the drivers of Queensland are that they need to be carted off repeatedly, time and time again, in ambulances to hospital. Queenslanders should only be paying one cover 24 hours a day anywhere in Queensland and not hit repeatedly.

It is a matter of principle. We have stood up on this time and time again and for the sake of the people of Queensland do the right thing and remove the hospital and emergency services levy from our vehicles.

**Mr NEIL ROBERTS** (Nudgee—ALP) (12.40 p.m.): The compulsory third-party scheme levies are an integral part of Queensland's compulsory third-party scheme. The levies and administration fee are required to be fixed by regulation for each financial year and are calculated on a flat fee basis relative to the applicable insurance class. The total increase in fees under this regulation is 80c, which is lower than CPI growth over the period. When calculating the levies, the Motor Accident Insurance Commission endeavours to apply the increase to the area most in need. On this occasion it was determined that Health was deserving of increased funding, taking into account that department's estimate of the costs incurred through the treatment of motor vehicle accident victims and the annual increase in the number of insured motor vehicles. The hospital and emergency services levy has been increased by 70c to \$8.90 per class 1 policy for 2004-05. Total funding under the hospital and emergency services levy is estimated at \$24.71 million for the year with Health receiving a 19 per cent increase and Emergency Services a six per cent increase in absolute amounts after taking into account the growth in the vehicle fleet.

The hospital and emergency services levy provides funding for costs incurred by hospital and emergency services which are related directly to motor vehicle accidents. If the levy did not exist the cost for these services would need to be factored into the premium prices paid by Queensland motorists and/or met from general government revenue. It should be noted that funding provided to Emergency Services not only goes to the Ambulance Service but also contributes to the costs associated with the attendance of fire and rescue services at motor vehicle accidents.

Another important levy under the CTP scheme is the nominal defendant levy. The role of the Nominal Defendant is to act as a CTP insurer where damages are claimed for personal injury arising from the liability of uninsured motor vehicles and unidentified motor vehicles. This means that a person injured as a result of an accident involving one of these categories of vehicles is not disadvantaged in seeking damages for injuries and losses suffered because the negligent vehicle cannot be identified or the uninsured driver has no ability to pay. Additionally, the Nominal Defendant has the legislative role to meet the CTP claims liabilities in the event of an insurer insolvency, ensuring the ongoing rights of injured parties.

The nominal defendant levy has been in place since 1961 and is paid into the Nominal Defendant Fund. The levy is based on actuarial advice and is set annually at a level which provides sufficient funds to meet the cost of claims. Following actuarial analysis of the Nominal Defendant Fund, the levy proposed for 2004-05 is \$12.85 per class 1 vehicle, an increase of 5c from the previous year. This amounts to an estimated collection of \$35.73 million per annum. The nominal defendant levy currently includes a component of \$5 introduced on 1 October 2001 to help meet the cost of claims arising from the collapse of the HIH Insurance Group. This \$5 HIH levy remains unchanged for 2004-05.

The collapse of HIH had an immediate impact on Queensland's CTP scheme as FAI Insurance, a subsidiary of HIH, held 23 per cent of the Queensland compulsory third-party insurance market. From 15 March 2001, the CTP claims against FAI Insurance became the responsibility of the Nominal Defendant, with those outstanding claims liabilities assessed in excess of \$400 million. This brings the total nominal defendant levy to \$17.85 per class 1 vehicle. Classes with a lower claims experience will pay less than this amount and classes with a higher claims experience will pay more than \$17.85, although the HIH component will not exceed \$5 for any vehicle class.

Moving to the statutory insurance scheme levy, this levy was introduced in 1994 with the establishment of the Motor Accident Insurance Commission as the authority responsible for the regulation and management of the CTP scheme. The levy provides for the operational costs of the commission as well as a level of funding towards research in areas of accident prevention and rehabilitation. The levy has increased by 5c to \$1.55 for 2004-05. The additional funds will provide funding for the enhancement of the personal injury register to allow for improved reporting and data analysis of accident and claims made against the Queensland CTP scheme, and additional actuarial analysis. Revenue will increase to an estimated \$4.32 million per annum for 2004-05. This compares to an estimated \$4.04 million in 2003-04.

An administration fee is included and it is designed to compensate Queensland Transport for the costs incurred in invoicing and collecting CTP premiums on behalf of insurers. The fee is based on a financial analysis undertaken of costs incurred. Queensland Transport retains the revenue collected from the administration fee and forwards the revenue from the remaining levies to the Motor Accident Insurance Commission for distribution. The administration fee is currently

set at \$7.50 per policy and it remains unchanged for 2004-05. The total revenue for Queensland Transport is estimated at \$20.9 million for 2004-05.

We have a good CTP scheme in Queensland, a scheme that is flexible to changing needs in the community. Personal injury through motor vehicle accident makes demands on government services, and CTP levies are considered the best and most efficient way of providing funding for these services.

**Mr ROWELL** (Hinchinbrook—NPA) (12.46 p.m.): I rise to support the Leader of the Liberal Party moving to have the Motor Accident Insurance Amendment Regulation 2004 disallowed. What this regulation does is increase the hospital and emergency services levy, payable on compulsory third-party insurance premiums, by 8.5 per cent in July this year, well above the CPI. An additional \$1.8 million of revenue will be gained by this move. Quite rightly, we should be questioning why the government needs to be double dipping on emergency service levies, with Queenslanders already paying \$22 a quarter for the inequitable and difficult-to-justify compulsory ambulance levy which has been an absolute shambles.

We had a debate on this particular issue and unfortunately the government saw fit to gag the debate. The need for this 8.5 per cent increase on the levy is in character with the financial record of the Beattie government. In just one six-week period in the last term, the Beattie government increased over 711 taxes, fees and fines at a rate greater than inflation. It is difficult to justify that because the basic intent of any of these increases should be based on the fact that inflation has caused them and that is the reason they need to be increased.

These new or increased taxes, fees and charges were all buried in subordinate legislation pushed through the parliament at the end of the last financial year. Once again this is taking place. How can the government justify this increase in income that they are now wanting to put forward as far as the Motor Accident Insurance Amendment Regulation is concerned? Labor's budget papers show that this government already expects to collect over \$1.1 billion more in revenue for taxes, fees and fines than when it came to government.

The last budget papers show that this government now takes \$1,460 in taxes, fees and fines off every man, woman and child, which is \$156 more than they did in the previous year. In his campaign launch prior to the 2001 state election the Premier said—

It's the clearest possible choice: modest, affordable and fully funded commitments ... or a billion dollar blow-out ... Labor is offering commitments that we can afford and that we can keep.

The Beattie government has broken this commitment over and over again, with the introduction of increases in numerous taxes, fees and fines, to be able to pay for its mismanagement of the books in Queensland. Queenslanders have the right to be very concerned about what other taxes and charges will be pushed on them with the admission of the Minister for Public Works and Housing that he had blown out the capital works budget. This will place into doubt the projects promised at the last budget and at the state election under the \$1.4 billion Smart State Building Fund program. Taxpayers have the right to ask the government which projects they will not have built in their areas as promised last year.

Now, only a few months on, it is time to deliver on the government's budget commitments and it cannot. The Treasurer, who wishes to continue double dipping, is also the only Treasurer in a generation to deliver a budget deficit in Queensland. In fact, he has delivered two—2001 and 2002.

With the difficulties in rural areas with drought and low commodity prices we do not need an additional increase in the hospital and emergency services levy. A vehicle is a necessary part of the obligation that people have to get to work. It is not just farmers but workers who are dependent on part-time work or social security who need a vehicle. They may not have public transport so a vehicle is an absolute must. It is necessary for them to be able to do their shopping or go to work.

Fuel prices are generally higher in many of these country areas. They do not need another imposition. We want to ensure that emergency services are maintained, but increases in motor accident insurance need to be justified. That is what we are concerned about. This increase of some 8.5 per cent cannot be justified. I support the disallowance motion moved by the Leader of the Liberal Party.

**Hon. T. M. MACKENROTH** (Chatsworth—ALP) (Deputy Premier, Treasurer and Minister for Sport) (12.52 p.m.): The government opposes the motion moved by the Leader of the Liberal Party and shadow leader of the opposition. The purpose of Queensland's compulsory third party scheme is to provide motor vehicle owners and drivers with insurance that covers their unlimited

liability for personal injury caused by the insured motor vehicle anywhere in Australia. Under the scheme, an injured person is entitled to recover any costs associated with the accident from the negligent driver or their insurer. This includes any costs the injured person has incurred through the use of government services such as public hospitals, fire and rescue services, ambulance transport and emergency helicopters.

It is usual for public entities to recover costs where the injured person has an entitlement to receive compensation, whether that be through workers compensation or some other form of insurance. Usually the public entity will issue a bill for the service provided to the injured person who is required to either pay that bill up front or recover those costs from the negligent driver or their insurer.

Under the CTP scheme, to ensure effective and prompt treatment of people injured in a motor vehicle accident, the hospital and emergency services levy was introduced. The funds raised by the levy are paid to relevant authorities to cover a reasonable portion of the costs associated with motor vehicle accidents. In return, these entities do not bill the injured person and these costs are not included in any settlement received by the injured party.

The alternative to a levy is to have the public hospitals and emergency services recover costs on an individual basis from either the CTP insurer or the injured person as was the case prior to 1994. This would result in these costs being added to the final settlement which, in turn, would impact upon premium prices. Further, the increased administrative burden would be reflected in the premium price. Injured persons may also suffer delays in treatment if they are unable to meet the up-front costs of treatment or where there is dispute about who caused the accident and an insurer was refusing to pay those costs. The levy is fixed each financial year, having regard to the number of people who are injured in motor vehicle accidents, make use of public hospital services and emergency services as result of their injuries and are claimants or potential claimants under the statutory insurance scheme.

The revenue raised is distributed to Queensland Health and the Department of Emergency Services on a quarterly basis in proportions determined by the Treasurer in accordance with section 28(5) of the Motor Accident Insurance Act 1994. Funding provided to the Department of Emergency Services not only goes to the Ambulance Service but also contributes to costs associated with the attendance of fire and rescue services at motor vehicle accidents.

In addition to the hospital and emergency services levy, the Motor Accident Insurance Act 1994 provides for the collection of a nominal defendant levy, a statutory insurance scheme levy and an administration levy. The Motor Accident Insurance Commission works under the principle of limiting increases in total levies to CPI growth.

For the year commencing 1 July 2004, the majority of the increase in levies was applied to the area in most need—hospitals. After taking into account the usual annual increase in the number of registered vehicles and submissions received from Queensland Health regarding their estimate of the costs involved in treating victims of motor vehicle accidents, the Motor Accident Insurance Commission recommended that a reasonable proportion of the estimated cost for hospital and emergency services would equate to a levy increase of 70c to \$8.90 per class 1 policy for 2004-05.

Total funding under the hospital and emergency services levy is estimated at \$24.71 million for the year, with 69 per cent or \$17.08 million to be allocated to Health and 31 per cent or \$7.6 million to Emergency Services. These amounts compare to around \$14.4 million and \$7.2 million respectively in 2003-04.

The hospital and emergency services levy serves a different purpose to community ambulance cover as the levy relates particularly to victims of motor vehicle accidents. In the design of the community ambulance cover scheme introduced in July 2003, it was decided that the contribution to the ambulance from the CTP levy would continue to co-exist with the new ambulance arrangement and the costing of the community ambulance cover scheme was derived accordingly.

If this part of the CTP levy was removed, an equivalent amount would need to be raised through the community ambulance cover levy. If the government supported the disallowance motion moved by the Leader of the Liberal Party we would be supporting an increase to the community ambulance cover levy and we are not prepared to do that. Alternatively, the amount would have to be included in the CTP scheme on a claim-by-claim basis which, from previous experience, has been demonstrated to be an inefficient method.

Overall, we have an excellent CTP scheme with access to common law entitlement. The scheme is fully underwritten by the private insurance industry, but the government maintains a regulatory role to ensure that the cost is kept affordable. It should also be noted that this government has undertaken significant tort reform in recent times to help keep insurance generally affordable.

Many of the features of recent legislation, such as the Civil Liability Act 2003, also apply to claims under the CTP scheme. Last Thursday, 22 April, CTP insurers filed their premiums for the quarter commencing 1 July 2004. This filing is in the context of a \$21 drop in the ceiling premium determined by the commission for class 1 vehicles, cars and station wagons, in light of actuarial evidence that cost pressures and claims frequency have eased.

**Question**—That the member for Robina's motion be agreed to—put; and the House divided—

**AYES, 23**—Copeland, E. Cunningham, Flegg, C. Foley, Hobbs, Horan, Knuth, Langbroek, Lee Long, Lingard, Menkens, Messenger, Pratt, Quinn, Rickuss, E. Roberts, Rowell, Seeney, Simpson, Springborg, Stuckey. Tellers: Malone, McArdle

**NOES, 59**—Attwood, Barry, Barton, Beattie, Bligh, Boyle, Briskey, Choi, E. Clark, L. Clark, Croft, Cummins, J. Cunningham, English, Fenlon, Finn, Fouras, Fraser, Hayward, Hoolihan, Jarratt, Keech, Lavarch, Lawlor, Lee, Livingstone, Lucas, Mackenroth, Male, McNamara, Molloy, Mulherin, Nelson-Carr, Nuttall, O'Brien, Palaszczuk, Pearce, Pitt, Poole, Purcell, Reeves, Reilly, Reynolds, N. Roberts, Robertson, Schwarten, D. Scott, Shine, Smith, Stone, Struthers, C. Sullivan, Wallace, Welford, Wellington, Wells, Wilson. Tellers: T. Sullivan, Nolan

Resolved in the **negative**.

Sitting suspended from 1.08 p.m. to 2.00 p.m.

## SUGAR INDUSTRY REFORM BILL

### Second Reading

Resumed from 18 March (see p. 70).

**Mr HORAN** (Toowoomba South—NPA) (2.00 p.m.): The Sugar Industry Reform Bill is one of the most important bills that we will debate in this parliament this term, because the sugar industry is so important to Queensland and the sugar industry is in a very serious state at the moment. The sugar industry in Queensland has been part of the history of our state. One only has to look up and down the length and breadth of the coast to see that in most instances the major towns and cities along the coast rely heavily, if not in some cases totally, on the sugar industry. It is an industry that involves some 6,500 canegrowers in Queensland and their families and around about 35,000 to 50,000 jobs when one looks at direct employment and indirect employment. This industry is extremely important to our state. The vast majority of Australia's sugar is grown in Queensland and 85 per cent of that sugar is exported.

I spoke about the seriousness of this debate because this bill concerns an industry that is facing extreme economic hardship, and later during my contribution to the debate on this bill I will go through the marketing arrangements of the world and the price being paid for sugar and the various valuations of currency and so forth. But this debate today is about legislative change—legislative change that many experienced and successful growers believe will not add one cent to the price that they receive for their cane. The exception to that may well be the part of this legislation where there are exemptions to be made to the vesting arrangements to allow some diversification. What we are really talking about in any debate on sugar is price. The price that canegrowers receive at the moment for their cane is simply below the cost of production, particularly when one takes into account the price of our currency on the world market and the corruption of the world market and other such facts, and I will come to that in a minute.

I want to start by saying that legislation in itself will not add one cent to the income of growers. The only hope that people pin on changes to legislation is that it might lower the cost of production. As I said, the exemption from vesting is one aspect of this bill—perhaps the only aspect of this bill—that can lead to opportunities to obtain more income but will not affect the cost of production. This bill is about—and let us get right back to it—what real and tangible support will this government give to the sugar industry. I believe that this bill again demonstrates a government that wants to slither away and slither out of its responsibilities to one of Queensland's major industries.

This bill—and make no doubt about it—is deregulating the sugar industry so that the Beattie government can put its hand out and take millions of dollars in national competition payments. We saw it in a previous parliament but under the same minister when the dairy industry was

deregulated so that the Beattie government could put its hand out and take the money. We all know what happened with the deregulation of the dairy industry. With the benefit of hindsight, this parliament today can vote with the National Party to oppose this legislation so that we do not make the same disastrous mistakes that were made when the dairy industry was deregulated.

When we debated deregulation of the dairy industry, there were some voices and some speakers with experience who stated the obvious—that is, that the price would come down—and we have seen that throughout the state. We have seen the price paid to the producer drop dramatically and disastrously while the price in the supermarket has stayed the same or gone up. What has happened? There has been a shift of power to those people who can make the money in the middle—that is, the supermarkets. That is where the shift has been. In the process of that shift, what has happened? The producers have to accept the price that they are given for a product—a product that has to be stored and chilled and which cannot be held onto forever—and they have lost their power to negotiate and their power to have through regulation a system of quotas that provided them with a modest profit on their income for their enterprise, for all the long hours and hard work that they put in.

That is what experienced, long-serving canefarmers know will happen with this deregulation. It is all very well to have the theoretical ideas that this will open up the industry and have flexibility and all the rest of it, but the experienced people know that, once again, they will be done over by deregulation. I want to say something about the uniqueness of the sugarcane industry, because that is why it has had regulation for a period of time. Regulation has been developed with the wisdom of the ages and the wisdom of those people who, over decades, have put together this industry. That regulation is in no way whatsoever contributing to the parlous state that the industry is in today. That is due solely to the price of the product.

Our canegrowing industry is as efficient as it is in any other part of the world and an industry that is open minded and prepared to introduce any particular efficiencies in the growing, transportation, harvesting and negotiations as any industry would want. But the key fact is that it is the price that is the problem. These regulations have been brought in over time because of the uniqueness that I spoke about with regard to this industry. This is an industry that is not, for example, like the cattle industry where a farmer can sell the product to an abattoir or put their cattle on trucks to go to different saleyards or sell privately and many other sorts of options of marketing through a private chain. The sugar industry does not have all of those options to try to negotiate in order to get the best deal and the best arrangement for the product.

Rather, the sugar industry is an industry that produces a product—cane—that is very bulky and very difficult to transport and in fact costly to transport. Therefore, the further away from the mill a grower is, the more costly and difficult it is, under normal circumstances, to transport their cane. But through regulations and arrangements that have been put in place over a period of time, that difficulty has been able to be overcome and shared around through a particular cane supplying area. Not only is it a bulky product, but in most districts that cane can only be supplied to one mill. In other parts of the state there are more mills that a farmer has the choice to supply within a reasonable distance, but in almost all of those cases those mills are owned by one organisation.

So in many canegrowing areas there is only one mill to supply or other growing areas where, whichever mill a farmer supplies, all the mills are owned by the same company. In fact, for about only 12 per cent of cane in Queensland would it be a practical and economic option to send the cane to another mill. So that is another one of the problems with this industry. Another unique issue regarding sugar is the fact that there is only a certain window during the year in which cane can be harvested. Generally speaking, the prime period is from July through to November. Harvesting the cane before July and after November means that there are some very real difficulties.

Because our cane is grown in mostly tropical areas, there is a serious problem at the end of the season if people were to harvest cane after that mid to late November period. The cane that is cut could become waterlogged and the ground could be compacted by the heavy machinery. All of these problems lead to the fact that that cane then will not ratoon and will no longer be any good. Once cane gets under water or once it is damaged by heavy machinery, at that particular time of the year people lose the benefit of it ratooning. Cane is an extremely expensive crop to plant. It costs somewhere in the order of \$2,000 per acre to plant and then people rely upon the ratooning system to get a number of years from that cane. If there is a late harvest, it is damaged. If the cane is waterlogged after being cut, then it simply will not ratoon and will not grow.

There is also the issue of the c.c.s, which is the sugar content of the cane. The formula that is applied develops the total amount of sugar that will be extracted from that cane and can determine the amount of money that the canegrower receives. Because of the differing and changing c.c.s through that limited five- to six-month harvesting period, if one, two or three people were able to send all of their cane in to the mill at the optimum time, the other growers would be disadvantaged in that they would be sending in cane in the time when the c.c.s is down and, therefore, they would get smaller returns.

It was over decades that these regulations and arrangements were put in place to provide fairness and equity to the growers. If we had one big grower that monopolised the best time in which to harvest, then all the other growers would be sending in their cane at a time when they received less money. So it was important to have transport arrangements that could be fairly and properly organised so that everybody could share in the varying c.c.s throughout that five to six months that the cane was harvested. These arrangements and regulations were necessary for the very complex process of cutting, harvesting and transporting the cane. That ensured that the mill was constantly supplied with 500 tonnes of cane per hour and that the cane was supplied by a properly rostered and programmed system of cane trams and, in some cases, road transport. That orderly system of harvesting provided an orderly and known system of delivery to the mill so that that mill could then operate to its maximum capacity and that fairness would be applied to everybody in terms of when they could cut cane. They could be cutting right throughout the harvest time so that the transport arrangements were fairly shared and the c.c.s formula applied fairly to everybody. Nobody was disadvantaged from losing valuable planted crop because they had been forced to harvest too late or, in some cases, forced to harvest too early with other consequent advantages. That way everybody could share in the maximum window of opportunity in that July to mid-November period.

So that is the uniqueness and background of the sugar industry. That is why there are regulations. That is why there are various arrangements and negotiating committees. That is why people in the sugar industry are fearful of what deregulation would do to them. They are not people who are putting their heads in the sand and saying, 'We are not concerned and worried about the very difficult and serious situation of the sugar industry.' They are experienced, knowledgeable people who know what they are facing. They are the ones who have had to put their hands in their pockets and buy the farm and borrow the money. They are the ones who have to worry about debt. They are the ones who have to deal with disease. They are the ones who have to deal with all the elections of the negotiating committees and so on. They know the industry intimately. If some theoretical, bureaucrat-imposed deregulation is applied to their industry, they know what it will do. They are the ones who are in the industry. They are the ones with the money worries and the worry about the price of cane. They would be the first ones who would agree with deregulation and some of the other changes that are being proposed if they thought for a minute that they would provide not only proper and fair arrangements but also reduce their cost of production.

Those people know that deregulation will not add one cent to what they get for the sale of their cane. As I said, I make the exception to the exemption from vesting, which does have some potential, but all the rest of it will not add to the price that they get for their cane. But they know—they have seen what happened in the dairy industry and other industries—what forced deregulation does. They know that a year or two down the track they will get less for their sugar because of the deregulation that has been forced upon them.

A burning issue that will be encapsulated in this debate is the issue of the ministerial directive. The ministerial directive simply means that for the sugar that is sold on the domestic market—and that is probably approximately 15 per cent of Queensland's sugar—the growers are forced to sell that sugar at the corrupted export parity price. I say 'corrupted' because the export price that the Queensland industry receives for its sugar is a price based upon world markets where tariffs are imposed and where subsidies are paid. Almost every single sugar producing nation has a system of subsidies, particularly domestic subsidies, which enables them to sell their export sugar at a certain world price knowing that they are getting a better price for their domestic sugar. So our growers are forced to sell their sugar by a ministerial directive, by the Queensland minister, at this export parity price, which takes no account for the fact that, if the growers were able to sell their sugar at domestic prices, that price would account for the cost of importing sugar. Currently, freight costs are very high. With the emergence of China as a major economic power, freight rates in the world have gone up three to four times. Instead of paying \$25,000 a day for a ship, the price is now closer to \$100,000 a day for a ship. So that also adds to the price of

importing sugar into Australia if Australian businesses wanted to import sugar. That shows that the sugar price that could be obtained domestically and the commercial price—a price that is subject to competition by potential imports—could be far higher than the export price that growers are forced to sell it at at the moment.

For an industry that is on its knees and struggling, that extra money that could be available through the removal of the ministerial directive would be a godsend to many people. When people are struggling and battling and producing, say, 3,000 tonnes of cane a year—and probably almost half of our growers are producing 3,000 tonnes or less—that 3,000 tonnes with the ministerial directive removed would provide those farmers with at least \$600. That might not sound much to some people, but that \$600 would at least mean new tyres for the car which had not been replaced. It would put food on the table for two or three weeks. It would repair some machinery. It would provide for fertiliser. It would pay for some of the costs entailed in running the property. Getting rid of the ministerial directive could happen with legislative change through the stroke of a pen. There is a reason why that ministerial directive has been kept in place and I will get to that later on in my speech.

I have spoken about the uniqueness of our sugar industry. I ask all members in this parliament who wish to speak in this debate to remember that when they make their contributions—whether they are speaking on behalf of the government or whether they are speaking on behalf of the members on this side of the House—to put themselves in the shoes of those 6,500 growers and their families and understand how this industry works, understand how the leaders, the elders, the families, the districts and the communities of this industry have put together those regulations over the years to cope with the transport arrangements, to cope with the bulkiness of this crop and the expense of carting it long distances, to cope with the vagaries of the season and the limited window of opportunity in which there is to harvest, to cope with the changing and variable c.c.s throughout that period of the harvest, to cope with those other unique issues involved in growing sugarcane in the subtropical and tropical areas of Queensland, and particularly to provide openness and accountability and fairness and equity to those who supply the cane.

It is not at the expense of efficiency. It is not at the expense of trying to reduce the costs of supplying. It is to do with being honest and accurate. Importantly, it is about giving the growers that limited power and strength of negotiation in this unique industry that otherwise they would not have. Members can imagine themselves in a situation where there is only one company or one mill that will take their sugar and they have lost their powers of negotiation, whether it comes to mill breakdowns or penalties for the mill for not being able to maintain their operation for a sufficient period of time to take the cane so that it has to be left over at the end of the season. They will not be able to take into account all of the things I mentioned so that the industry runs fairly and honestly. We have to remember that that is the fear that is in the hearts of so many canefarmers.

Well over 4,000 of the 6,500 canefarmers have signed a petition to the effect that they do not want their industry deregulated. I say again to anybody from the other side who will talk about the parlous and serious nature of the industry, which we all recognise, that it is no good saying that we should change and deregulate just because something has to happen. That change and deregulation has to work. Not only does it have to work; it cannot take away these strengths and these basic, limited powers that farmers and grower and supply committees have in terms of negotiation.

Let us not forget what happened in the dairy industry—the unmitigated disaster of deregulation of the Queensland dairy industry when the Labor Party in this state brought a bill before this House, deregulated the dairy industry and dropped the income of those farmers by a massive amount. What do we see as a result? Is anyone better off? Not one single person! The dairy industry and the families are worse off. The only people making more money are those in the middle, who have the massive power of negotiation, who have taken factories trying to get market share, who have negotiated a price that has seen the dairy farmers of Queensland getting 28c, 29c or 30c for their milk where once they got 57c for their quota milk and a price in the twenties for their over-quota milk. That has been a disaster. Let us not repeat that here. Let us stop for a minute during this debate and think about all of those growers who know and understand their sugar industry, who want to see expenses come down, if it is at all possible, but who know that the deregulation arrangements in this bill will not deliver that. They will only take from them the limited powers and strengths they have now.

In the early stages of this debate I want to say something about the National Party policy we took to the last election with regard to sugar. If anybody has a mandate to speak in this parliament about the sugar industry, it is those National Party members who represent sugar seats. Thirty-six million tonnes of sugar is produced in Australia every year.

**Mrs Reilly:** What about the Labor members who represent sugar seats?

**Mr HORAN:** The member should listen to what I have to say. Thirty-six million tonnes of sugar is produced in Australia—mainly in Queensland but also in New South Wales and Western Australia. There are some Labor members of sugar seats. I am not saying there are not. In the order of 28 million tonnes of that 36 million tonnes would be produced in the seats held by National Party members of parliament. Prior to the last election the National Party held three sugar seats—Maroochydore, where the mill has now closed down, Mirani and Hinchinbrook. At that election we took off the Labor Party two major sugar seats—Burnett and Burdekin. We went to an election with a nine-point plan.

**Mr Reynolds:** We held four as well.

**Mr HORAN:** The member did not hear what I said about the volume of sugar in the seats the National Party holds. We went to the election with a nine-point plan. I think it is reasonable to say that those two major sugar seats—Burdekin and Burnett—came to the National Party party because of the promises we made.

**Mrs Reilly:** Deception.

**Mr HORAN:** The member for Mudgeeraba says 'deception'. We ought to talk about vegetation management and how the Labor Party advertised only in the city and never dared advertise in the country about vegetation management.

**Government members** interjected.

**Madam DEPUTY SPEAKER** (Mrs Croft): Order! I ask the member to return to the bill.

**Mr HORAN:** The nine-point plan regarding sugar that the National Party put forward at the election and which was partly responsible for our winning seats such as Burdekin and Burnett started off with the fact that we will not deregulate the sugar industry and will give canefarmers a vote to decide their own futures. We then said that we would work cooperatively with the sugar industry and the federal government to ensure that the funds allocated under the sugar industry assistance package were unlocked. The federal government is working on a new package. I will speak about that later.

We also said that we would examine the \$30 million contribution that the Queensland government had proposed to see whether it needed enhancing to ensure that the assistance gets to those in need. We see that the \$30 million put forward by the Labor Party is an absolute pittance when we realise that we are the major sugar producing state in Australia.

The \$30 million is made up of three amounts of \$10 million. The only real money in that \$30 million is the package of \$10 million for innovation projects—and probably not many will be able to access that or they will receive limited amounts of funds. There is also \$10 million for loans. We have seen the government offering \$10 million loans twice before. Very little of it has ever been taken up. The government knows that. It knows that, based on the track record of the loans provided to growers previously, somewhere in the order of only \$500,000, if that, would be taken up. The other component of that \$30 million is \$10 million of counselling and other forms of assistance which mainly will centre around a reallocation of the deck chairs of the department as people are shifted from one particular task to another to provide that particular counselling or advice. So it will not really cost the government anything.

The fourth part of our package was to scrap the ministerial directive, which requires all sugar sold to domestic manufacturers to be priced at the corrupted world market rate. Abolishing the ministerial directive would simply mean that sugar produced in Queensland and sold in Australia could be priced closer to its real value. How could we not want to do that? This government has not even included that in this bill. It is not prepared to do it. It has sold out the sugar industry, when there should have been some tangible form of help or assistance.

Under part five of our nine-point sugar plan we were prepared to mandate for the use of up to 10 per cent ethanol in all petrol sold in the state to kick-start the fledgling ethanol industry. It is very important that the sugar industry is able to move to diversification. In Brazil, roughly 50 per cent of its sugar production goes to ethanol and 50 per cent goes to sugar. They are able to vary that percentage to 60-40 or 40-60, depending on the price and the economic circumstances. We now have a situation in Australia where the federal government has provided a lengthy period of

time in which the excise would not be charged, which would enable the ethanol industry to be established—not only to be established but also to know with certainty that it would be free of the excise for this lengthy period of time in order to get on its feet.

I have had the opportunity in Nebraska and Minnesota to see the effect of the 10 per cent mandate which was introduced in Minnesota and which led to the rapid expansion of the ethanol industry in the US based on corn, because that industry then had the certainty for the multimillion-dollar investment that was necessary, and that is what is needed. Once that 10 per cent mandate was put in place, the opposition from the fuel companies dissipated. People saw the environmental benefits of ethanol, they saw the fact that it was import replacement, they saw the fact that it was renewable energy that burned cleaner and they also saw the benefits it had for the primary producers. I saw first-hand how it put a base in the corn market in America. It provided a small increase in that corn market, but it provided country towns with opportunities and extra income and some 40 to 60 jobs at each particular plant.

The sixth point in our sugar policy that we took to the election was to provide \$1.75 million towards establishing an ethanol research program to improve the extraction of ethanol from sugarcane. In point seven, we would also drive diversification and act immediately to promote the use of sugarcane as a biomass. We are prepared to establish a working group to investigate and steer commercially viable alternatives in crystal sugar production. We are also prepared to examine innovative ideas such as using the equity in the Sugar Terminals Ltd, STL, to develop projects that demonstrate sound levels of profitability.

Under point nine, to further drive diversification we would legislate to allow for exemption from compulsory acquisition of raw sugar for alternative purposes such as ethanol and bioplastics. That was, as I said, the one part of this bill that we agree with, but the baggage and the lead in the saddle bag that this bill carries is the deregulation of the sugar industry.

I would like to talk about some of the statistics and what is happening in the sugar trade in the world. If we look at the price of sugar over recent years, for the 2003 crop it is estimated to be around \$220 to \$230 a tonne. In 2002 it was \$275 and going right back to 1992—I am working back from 2001—it was at \$332. The year before it was \$253 and \$255. In 1998 it was \$351. In 1997, it was \$335, \$371, \$382. In 1993 it was \$345. In 1992 it was \$301. If I go right back to 1998, it was in the low to mid \$300s.

The estimated price this year is somewhere in the order of \$210. Some people say \$200 to \$210. Back in 1992 when the sugar price was \$301, there was extreme concern because even then \$300 a tonne for sugar was regarded as the cut-off for the cost of production. That was the cost of production and it provided you with a wage for all your work and your endeavours. So back then we were worried. The price of sugar has come down by at least \$100. Costs of production have gone up. The inputs—fertiliser, machinery, parts, equipment; you name it—have gone up massively in those 12 years since 1992.

The amount of production in the world is mainly due to the massive expansion in Brazil and Thailand. Brazil will produce this year 360 million tonnes. It is increasing its crop by almost half the size of the Australian crop each year. Australia produces some 35 to 36 million tonnes and Brazil is going to produce 10 times that—360 million tonnes. The approximate figures for Brazil's production in recent years was 360 million tonnes last year, 350 million tonnes the year before, 335 million tonnes the year before that, 320 million tonnes the year before that and 298 million tonnes the year before that.

What is happening in Brazil is that, where people own parts of the great Amazon area, it is being clear-felled. They are allowed to clear approximately half of the land that they own in the Amazon area. They grow rice for a couple of years and then it is ready to grow sugarcane. About 16 per cent of the land in Brazil is under sugar. Brazil also has the advantage in that some of its big properties, even if they are 600 kilometres from the coast, still have a 70-inch rainfall. It is beautiful soil. There are long three-kilometre runs in some instances so the harvesting machines can operate at the correct speed with the very minimum—sometimes only two per cent—of turning time in the course of their operation.

Brazil also has the real advantage of their currency. There is about 2.8 to 3 real to the US dollar, and that means at the price they are growing sugar they can make money. That is the big issue that we face. There is confidence in the industry that the price may move up in two or three years time to around \$250 a tonne. Experienced growers believe there is a future for the industry, but we cannot walk away from the serious position that it is facing. At \$200 to \$210 a tonne, growers will simply go broke or walk away from the industry. There are various estimates of how

many people may exit the industry over the next 12 months. That is why it is so important that the federal government work on a package to provide assistance to many of those people.

There are a couple of excerpts from the annual review of the Sugar Milling Council that I want to read into the record today because I think it shows what is happening in the global sugar market.

At the start of 2003, the outlook for the market for raw sugar indicated relative stability with indications of consumption rising at a level commensurate with historical trends and production forecast to be just marginally in excess of demand.

By mid year, an increase in forecast production and a carryover of stocks into the 2002/03 cycle was confirmed with larger than expected crops in Brazil, China, Thailand and India. Global production was forecast to expand by over 10 million metric tonnes raw value.

This is important —

After consolidation around 6.50 cents/lb during August, prices fell steadily to 13 month lows of around 5.90 cents/lb. By the end of October it was clear that sugar prices around these levels combined with the continually rising Australian dollar were to deliver historically low pool prices for the 2003 season.

We are facing this very difficult crisis in global marketing of sugar whereby there is massive production in some parts of the world. All the other sugar producing countries of the world are paid subsidies on the domestic production of their sugar, and that enables them to get by on the price that they sell their export sugar for, boosted of course by the low value of their currency relative to the American dollar. We have faced the problem of our dollar, which was low, increasing from around the 50c mark up to about 77c. The harvesters association believes that the relative value of the dollar, around 75c, and the current price for tonnage, at \$200 to \$210, is just not possible to make ends meet. I think we all know that.

In Queensland we have a number of cooperative mills. We have one private mill at Beenleigh and we have two large groups of company owned mills. Bundaberg Sugar, which is owned by the Belgian family owned Finasucre group, operates mills in the tableland, Babinda, Mourilyan, South Johnstone, Millaquin, Bingera, Fairymead and Moreton. Moreton, of course, has now ceased its operations.

CSR runs mills at Macknade, Victoria, Invicta, Pioneer, Kalamia, Inkerman and Plane Creek. There is the Rocky Point Mill, which is privately owned by W. M. Heck and Sons Pty Ltd. Then we have grower operated mills such as the Isis Central Sugar Mill Co. Ltd, the Mackay Sugar Cooperative Association Ltd, the Maryborough Sugar Factory Ltd, which is privately owned, and the Mossman Central Mill Co. Ltd, the Mulgrave Central Mill Co. Ltd, the Proserpine Cooperative Milling Association Ltd and Tully Sugar Ltd.

I spoke earlier about the ownership of mills and the difficulty and uniqueness of the sugar industry that means that regulations have been put in place over a period. It is simply not possible with this particular product to be able to switch from one mill to another or to be able to switch from one mill to another that is not owned by the same company. That is the issue that we have to ponder in here and that is why we have to remember not to take away growers' rights and powers to be able to negotiate fairly, openly and accountably.

People talk about the need to be more efficient and many farmers in this state, whilst having brought in so many dramatic changes and efficiency improvements over the years, shake their head sometimes and wonder how much meat they can cut off the bone when they are down to the bone already. The Australian sugar industry has been one of the most efficient industries in the world. One of the reasons that Brazil is so efficient is that it took most of the technology from Australia. Much of the technology that Brazil now has is technology that has been exported, copied or duplicated in Brazil. We do have some of the most innovative, efficient and reliable producers of raw sugar. However, in addition, in the past five years we have had unprecedented drought, flooding, disease and pests, and all of this has greatly reduced cane and sugar production and made it more difficult for growers to withstand the current financial drought that has occurred.

I spoke about the massive subsidies paid to growers in other parts of the world. In the European Union and the United States growers receive three to four times the price that Australian farmers produce. We have just seen in the free trade negotiations the Australian government endeavouring to gain access to the American market. It was unable to do so because that was one of the major issues that the Americans were not prepared to move on as well as Australia having particular issues that we were not prepared to move on. It could have walked away from the free trade agreement so everybody got nothing or continued to endeavour

to negotiate and come to a conclusion that would have helped many secondary and primary industries in Australia, which it will. However, tragically, I think the sugar industry has missed out.

In return, the federal government is putting together a package to assist the industry, and we are hopeful that that package will be a substantial package and one that provides some significant direct payments to those involved in the industry. When we see farmers trying to get that particular price and we realise that is the price that is paid over there, we can see how important it would be to get rid of the ministerial directive here in Queensland so that at the very least our farmers could get something more for the 15 per cent of the sugar that they produce that is sold on the Australian market. Our consumers would still be paying a competitive and commercial price because they would be paying a price at or below what that sugar could be imported for from somewhere overseas.

National competition policy was brought in federally during the early nineties by a Labor government. I am not going to sheet home the blame totally to them because we have had a coalition government in power since then. But in 1995 a sugar industry working party was put together by the Keating and Goss governments to review the industry's regulations and tariffs. The sugar industry was the first cab off the rank, if you like. The sugar industry working party adopted the removal of the tariff on imports of raw and refined sugar in mid-1997. So effectively, the Queensland sugar industry is paid the corrupt world sugar price for sugar sold for export and for sugar that is sold in Australia.

In the mid to late nineties the sugar price, as I said in some of those figures I gave, averaged \$340 to \$360 per tonne. During this period the sugar industry considered a price of \$300 a tonne for sugar to be below the cost of production. Subsequently, the industry has been working to put in place those measures that can reduce the cost of production to somewhere between \$250 and \$270 through new systems and initiatives aimed at increasing productivity. Productivity is one of the most important things in the sugar debate because it is about the tonnage that can be produced, the quality of the sugar that can be produced and the volume of the sugar that can be processed through the mills to allow for not only the efficient transport and harvesting but also the efficient production of sugar within the mills.

In the past few years, as I have said, we have seen the rising of the Australian dollar which has meant that sugar prices for this season—2004—could be as low as \$200 a tonne, which followed a price of \$230 in 2003 and \$276 a tonne in 2002. This is probably the third or fourth year in a row in which the returns are way below the cost of production. The sugar farmers cannot keep going around when that is happening. While the value of sugar production has fallen from as high as \$2 billion a year in Australia to as low as \$790 million a year, those sorts of figures show that the industry is clearly a very important industry to Queensland, particularly in those major regional areas of the Herbert, the Burdekin, the far north, Mackay and Wide Bay.

In 2002 the federal and state governments signed a memorandum of understanding and announced a \$150 million assistance package provided that the sugar industry undertook significant reform. The Commonwealth was to provide \$120 million. It was funded through a 3c per kilogram sugar levy. Already it has provided somewhere in the order of \$25 million as it now moves on to providing an even bigger and more significant package.

I said earlier that the Queensland government offered to provide \$30 million. Of that \$30 million only \$10 million was money that could be considered new money. But \$10 million for loans will hardly be seen by anyone. On the previous record we will be lucky if \$500,000 of that is taken up. In relation to the other component, whilst the counselling will be of assistance to people, there is a shifting and changing around of how the department operates.

The Beattie government commissioned the Centre for International Economics to produce a report to be released in January 2003 to identify areas of legislation that were impeding industry progress and profitability. The Sugar Industry and Other Legislation Amendment Bill (No. 2) 2003 followed as a result. The government did not undertake extensive public consultation on regulatory change. It used the CIE report to promote discussion. It did not consult the industry on the final make-up of the original bill that was introduced in parliament last year.

The federal government, which is a co-signatory of the memorandum of understanding, was also not consulted under the legislative change provided in that 2003 bill, yet it was expected to provide \$120 million for industry restructuring should the changes be accepted. It resulted in a stand-off last year which carried into early this year, with the state government not willing to talk to the sugar industry representatives about compromises while the federal government refused to provide financial assistance unless the industry was consulted properly.

After the state election the Beattie government finally decided it was time to have some supposedly meaningful discussion with the sugar industry. A peak group made up of representatives from the Canegrowers group and the milling organisation—the Australian Sugar Milling Council—met with state government ministers and the Premier in an attempt to reach agreement on sugar reforms. Subsequently, a heads of agreement was signed between those two organisations and the state government. The thing we must never forget is that the Canegrowers organisation was virtually blackmailed—it almost had a pistol held to its head—into signing that agreement. The government was full of bravado after the win in the election and said, 'You will accept these changes that we want to produce, or we will absolutely and totally do every single thing that we wanted to do with that previous legislation.' The canegrowers themselves have said that they were forced to accept these arrangements because either they accepted these arrangements and had two or three fingers cut off their hand or they did not accept them and they would lose their whole hand.

The cane growers were forced into arrangements which the bulk of the rank and file did not want. They do not want their industry deregulated. We are going to see the removal of the cane production areas which have, in parts of the state, provided real security for growers. They know that the mill will take what they produce from their CPA. It has also provided those mills with the security and knowledge of the volume of cane they are going to receive.

There are parts of the state where the CPA is not all used or is not as important as in others. But, if we look at the industry right across the state, those CPAs are important. There are parts of the state where people have virtually bought their properties based on the value of the CPA. When the Burdekin areas were first opened up, the land was sold without CPAs and the government did not receive as much money as it thought it would. Mr Casey, a previous Labor primary industries minister, introduced CPA allocation to blocks in the Burdekin. The value of those blocks rose dramatically. The government benefited from the increased value of those blocks. Now, with the stroke of a legislative pen, they are going to wipe out the CPAs and take away another cornerstone of security and strength that the growers had.

The statutory bargaining system, which provides a negotiating team, which is elected on a one grower, one vote basis, and which negotiates a collective cane supply, will be removed. This system provided for grower supply committees. It enabled the industry to deal with the unique aspects of the industry that I spoke about at the start of my speech. Growers are fearful that they are going to lose that power. They are also going to lose compulsory arbitration.

They could be supplying to a mill where the mills in that district are owned by one company. When they lose their compulsory arbitration facility, where do they stand? Instead, they are going to move to a system whereby there could be a whole range of negotiations and contracts with the mill. Those arrangements could advantage some people and seriously disadvantage others. I will give some theoretical examples. It could well be that those in a large collective or group are able to send their cane in at the optimum time when others are not able to negotiate that. Under the current system, fairness and equity applies.

Currently, all sugar produced in Queensland is vested in the marketing company Queensland Sugar for export and domestic marketing. Under the new laws, there will be provision for exemption from vesting for the domestic use of raw sugar if it is to be used for the manufacture of alternative products such as ethanol or bioplastics or if sold in bags for export. Bulk raw sugar sold domestically or for export will continue to be marketed under the single desk. We agree with this particular move. But there is so much lead in the saddlebag, so much baggage with this legislation, with the deregulation and usurping of the negotiating strengths that growers had, that we will not be able to support the bill.

I have spoken at some length about ministerial direction and what happened with regard to the ministerial direction. One thing that is very important to cane growers is the single desk. I think we on both sides of the House agree that that should never go. The government said, 'We will let you keep single desk until 2006 when there will be a further review of NCP, but you have to keep the ministerial direction.' That is why we still have the ministerial direction in this legislation. We want to see the removal of ministerial direction so that growers can get some dollars in their pockets and not just empty promises as a result of deregulation.

Canegrowers' general manager said that it was a matter of cutting off a few fingers or losing a hand when the Beattie government put the pistol to the head of the Canegrowers Association immediately after the election. He went on to say in his article that this bill—

... was going to proceed—we were given the option to make changes. We were not given the opportunity to say no.

That is important. This view supported by the Canegrowers Burdekin chairman, George Nielson, in the Canegrowers Burdekin district March 2004 newsletter in which he stated—

... failure to come to any agreement would have resulted in wholesale deregulation—effective immediately.

The reason the Beattie government is taking up these legislative changes is to try to cover up the fact that it is avoiding its financial responsibility to assist the sugar industry. It is, instead, leaving it to the federal government to shoulder the majority of the financial load.

This is the way for the government to get out of having to provide real, meaningful assistance and support. The strategy of this government is to provide legislation and those things that do not cost much money or any money, but not put its shoulder to the wheel and give real support where it would really count. This is one of our great industries. This is an industry that the state government should be supporting in a very real way, but, instead, it is going to say, 'We provided these legislative changes. There is an opportunity, chance, maybe. Let us hope you can cut your costs a little bit so instead of living in abject poverty you can live in medium poverty.' That is what this is about. It is not about giving \$30 million where we could actually do something. The government does the things that will not cost it any money.

We see this government give \$64 million to \$84 million a year in free grants for manufacturing businesses to grow and expand. One would think that the sugar industry, because of its sheer size, would be worth a little bit more per year for two or three years to go with the large amount of money to be given by the federal government.

I wonder what people in north Queensland think when they see \$12 million go to Indy every year and they do not receive any assistance. Some \$12 million probably helps the Gold Coast greatly to deal with the tourism that comes as a result of Indy, but would it not be great to help those 6,500 families, cities, towns and communities, the mill workers and harvesters with worthwhile assistance each year? No! All this government wants to do through legislative changes is take away whatever power and regulations the growers have at the moment and give them the minimum of real support.

The Commonwealth government is moving rapidly towards making an announcement about assistance that they will give to the sugar industry. I know how hard a number of federal members and the Prime Minister have worked—and how seriously the Prime Minister has taken this issue—to provide meaningful support, real support to this industry, to enable them over the next two years to be able to reorganise their industry on a district and regional basis.

I pay particular thanks to the Deputy Prime Minister, John Anderson, who has led this work in getting meaningful assistance. He has been ably helped by Senator Ron Boswell, De-Anne Kelly and Paul Neville. The work that has been undertaken by the minister, Warren Truss, and his assistant minister, Senator Ian Macdonald, is outstanding. They have been putting these ideas to the Prime Minister. The Prime Minister has been given outstanding support. I think the package that they come up will reflect the hard work, knowledge and interest that has come through to the Prime Minister via the lobbying of those particular members and ministers.

There is a lot more to say about this, but my time has virtually run out. In summary, there are ways that the state government can help. There is going to be generational change within the industry as the federal package comes in and arrangements are made for the exit packages, arrangements are made for district plans and region plans and for people to work cooperatively and in ways to improve their efficiency, to produce more and to produce diverse products such as bioplastics and ethanol.

The state government could do something. I have said it should. What could it do? It could reduce the excessively high water charges which SunWater applies. It could make changes to stamp duty. It could reduce the massive harbour dues that are paid in areas where the sugar industry has actually developed the port in the original instance.

There are many ways in which the state government could help the sugar industry but, no, what it wants to do is take the cheap, short-change route and bring in legislation that does not cost it anything—legislation that downgrades the amount of influence and strength that the growers have in their industry, legislation that does not cost the government too much at all and legislation that enables the government to put its hand out and take a fistful of dollars of national competition payments. That is what this legislation is about—a government that is so inefficiently run and mismanaged that it wants the money. It will put its hand out, take the money and it is the growers who will suffer. I urge all members of this parliament to vote against this bill to provide the strength the growers need to survive this crisis.

Time expired.

**Hon J. I. CUNNINGHAM** (Bundaberg—ALP) (3.00 p.m.): I rise to take part in the debate on the Sugar Industry Reform Bill that has enormous ramifications for my electorate of Bundaberg. The sugar industry must change to survive as one of our major industries and to remain viable in the long term, and this bill will implement significant regulatory change as well as changes arising from the agreement signed by the Premier, the Canegrowers chairman and the Australian Sugar Milling Council and follows consultation on the bill with industry groups. The Queensland government and the leaders of the Queensland sugar industry have committed to supporting and promoting comprehensive legislative reform to ensure the long-term future of the industry. The Queensland government's position is that reform of the industry's regulatory structure is essential to create a business environment that will promote the productivity gains essential for a sustainable future.

Both the Australian Sugar Milling Council and the Queensland Canegrowers organisation have formally recognised that the future cannot simply be an extension of the past and that previous assumptions driving production and structural arrangements need to be changed. The future of the sugar industry has been a focus of governments at both Commonwealth and state levels following years of poor seasons, worsening world prices and repeated requests for government assistance. Four separate reports have been commissioned since early 2002 into the causes of and remedies for the industry's decline. The updated CIE report found that, if the prevailing world market prices persist to 2006-07 and there is no reform, the industry would cease to exist in all regions and there would be strong regional multiplier effects. This has highlighted the urgency for the need to reform.

The reforms in this bill will remove the cane production areas, introduce a supply contract system, replace the current statutory bargaining system through a two-year transition process with a commercial arbitration system, and allow for the granting of exemptions to the sugar vesting requirements for alternative products such as ethanol or bioplastics on the domestic market. Both industry and government agree that there is no legislative silver bullet which will immediately fix the current problems. There is agreement, however, that the reforms presented in this bill will remove identified impediments to change and provide conditions needed for a more commercial and innovative industry culture and enhanced prospects for future long-term viability. This government will work with industry to see the reforms implemented.

These changes are essential. In my electorate there is overwhelming concern for the future of the sugar industry, and that concern flows through to our entire community and our entire district. It has never been more crucial that the state and federal governments and the industry itself work together to save our struggling sugar industry. The Beattie government in Queensland has shown its commitment to the industry and to the state's belief that there is indeed a future for sugar by introducing this bill into the parliament as a top priority on the first sitting day of the new parliament and by debating it at this early opportunity. Queensland's \$30 million sugar package will be made available when the bill is passed, and we will continue to work with the industry to secure the necessary reforms and to secure a stronger future. There is a strong expectation from within the industry that the Commonwealth should also make its assistance package available without any further delays.

I cannot overemphasise the importance of the sugar industry to Bundaberg. Bundaberg is known as a sugar city and Bundaberg Rum is known across the world.

**Honourable members:** Hear, hear!

**Mrs NITA CUNNINGHAM:** Sugar has always been our major industry. We currently have four sugar mills in close proximity, a refinery and distillery. In fact, I believe that Bundaberg is still the only place in the southern hemisphere where milling, refining and distilling takes place in the one complex. Bundaberg was the birthplace of the modern mechanical cane harvesters and the Bundaberg Foundry has manufactured the largest sugar mills in the world. Our port handles the export of approximately 400,000 tonnes of sugar each year to 14 countries in the world. I am advised our district has 45,000 hectares under cane this year grown by 860 families. It will be harvested by some 140 harvesting contractors, produce some 3.7 million tonnes of sugar and have a value of approximately \$111 million.

I have lived in Bundaberg all of my life. I have seen the cane cut by hand and the canecutters who came home each afternoon exhausted and black with soot. I have seen the cane fires that have been an attraction for residents and tourists during the season and also a constant reminder of a well-known couple who were tragically caught in one of those fires many years ago. I have seen the industry adapt to a surface irrigation scheme, the change to mechanical harvesting, the replacement of some of the cane trams with road transport, the

construction of the bulk sugar port, the expansion of farms in 1964 and expansion of crops in the 1980s, the moving of the historic Fairymead House to the city and its conversion to a sugar museum, the changes to green stick harvesting, the part diversification by some farmers in recent times to small crops, and the wonderful news that the Beattie government will build Paradise Dam, and I can proudly say that it is right now being constructed.

But, sadly, in those years I have also seen the closure of Qunaba mill and the sales of Bundaberg Sugar and Austoft Harvesting to overseas buyers and of course its imminent closure. I have seen the sad effects in our area of drought and the 30-year battle to get that dam that was part of the original irrigation scheme but never delivered until now, and we are all aware of the current crisis in the industry. However, the sugar industry has a proud history of achievement and resilience, and that is clearly seen in Bundaberg. As the minister said in this House last Tuesday, there is a passion among our canegrowers for their industry, and I share this government's optimism for a more secure future.

But there are genuine concerns in some areas as to whether there is going to be any future at all for the sugar industry, and those concerns must have escalated following last Tuesday's *Courier-Mail* story that indicated a proposed federal package seemed to have an unhealthy focus on assisting growers to exit the industry rather than helping them to remain with dignity. After it was revealed in February—one day after our state election—that the federal government had deserted the sugar industry by leaving it out of Australia's trade agreement with the United States, its announcement in last Tuesday's *Courier-Mail* that it might now double its offer to the sugar industry clearly shows it had underestimated the backlash and it is now working on damage control. It clearly knows now that it stands to lose every federal seat in Queensland's sugar areas if it continues to sell out the sugar industry and continues to procrastinate about any assistance. It needs to be worried, because while the federal minister, Warren Truss, suggested in that same *Courier-Mail* article that patience is required, I can assure him that the industry and the entire communities that are so badly affected by the industry's downturn have run out of patience. They want positive action now.

I commend our Queensland minister, Henry Palaszczuk, and our state government for the great work done to reach an agreement with industry stakeholders on the way forward for a more positive and secure future, on the introduction of this bill in the first sittings of the new parliament and for the commitment to make our \$30 million sugar package available as soon as this bill is passed. I have met with grower representatives in Bundaberg since this bill was introduced. Although they do not agree with all aspects of it, they have assured me that all stakeholders accept and support the bill as a way forward for their struggling industry and are grateful that it is progressing so quickly through this parliament. Some have suggested to me that a reduction in fees and charges would bring a very effective benefit to growers during the early stages of diversification. I am sure that those issues will be considered. Growers would also like to see changes that would relax the harsh restrictions on Centrelink payments for growers in cases of families acquiring properties from parents. Of course, that would have to be addressed federally and I urge the federal government to include such concessions in any rescue package.

On behalf of the growers, millers, employers and employees of the many associated industries in Bundaberg, I call on both sides of this House to support this bill and to allow the necessary changes to be implemented as quickly as possible. I also call on the federal government to stop playing political games with this important industry and with the thousands of Queenslanders whose lives revolve around the sugar industry.

My electorate of Bundaberg has been built on the sugar industry. It has been its history. Sugar has provided jobs directly and indirectly to the majority of the people of Bundaberg. We cannot afford to lose it. I again commend our Queensland minister for progressing this bill so quickly. Now that the federal government has felt the heat of the electorate, I urge it to waste no more time and to make its decisions now as a matter of urgency. I urge the Prime Minister to come to the Bundaberg district to make those announcements. I commend the bill to the House.

**Mr ROWELL** (Hinchinbrook—NPA) (3.11 p.m.): In rising to speak to this bill, I have to say clearly that I am not supportive of it. I am a canegrower and I have a good appreciation of what the industry is all about. When we look at the towns and the businesses that are dependant on the sugar industry, we realise that it is an extremely important industry. To give members an idea of the magnitude of the industry in my electorate, which contains about 20 per cent plus of the total industry in Queensland, it is quite significant to point out that towns such as Ingham have substantial manufacturing businesses. Whether it is for building equipment, accessories for

harvesters, building implements or whatever, the sugar industry is a very important industry for my area. In fact, it is the lifeblood of the Herbert River district.

Over a period, particularly in the last few years, the mills in that area, which are owned by CSR, have produced varying amounts of cane because of the difficulties that have prevailed. Back in the late 1990s, only something like 2.75 million tonnes of cane was produced compared with only two to three years before that when something in the order of 5.3 million tonnes was produced. That gives members a fair idea of the variations that can occur because of seasonal conditions. I would like to refer to these issues, because I think that the basis of some of these desktop study reports really does not give a true reflection of the problems that were faced by the industry in that period leading up to low world prices.

During the late 1998-99 crushing period, sugar crops were inundated. In 1998 the former Minister for Emergency Services, and now Minister for Child Protection, walked through some of those areas and saw cane paddocks absolutely inundated. There was no prospect whatsoever of being able to produce a reasonable crop for the following year because the young crops were inundated with water. That occurred on two occasions in 1998-99. During those two years, we had major problems. There were standovers, there were rats—there were all sorts of pests—and diseases. We had orange rust. Also this last year in the Mackay area and in the Ingham district we had major problems with frost. So it is little wonder that we have had a decline in sugar production.

It is all very well for groups such as CIE to come along and do a desktop study saying, 'Well, you have got to increase your productivity'. I do not think that people would have to have too much commonsense to understand that sometimes rural industries—those that are growing the crops—have no real control over the problems that are created. The most significant productivity gains can come from water. Of course, people have to have an irrigation capacity. But it does not matter how good their irrigation system is if they have no water to put into their crops, which was the case last year, particularly for those growers in the Herbert River district and many other districts such as Mackay. An irrigation capacity was not worth a bumper to them. It is as simple as that. People just cannot make crops grow if they have dry conditions to the point where drought prevails. I had never ever seen an EC declaration in the Wet Tropics. But for the first time this year I have seen that happen. It is encouraging that the federal government has come up with a prima facie case for an EC declaration for the Mackay area, certain parts of the Ingham district, the Burnett and other sugargrowing areas.

By the same token, in low areas where there are drainage problems—and we saw the cane flooded out in 1998-99—it is little wonder that farmers' productivity goes down. So people would not have to be Einstein to figure out that certain issues can be very detrimental to sugargrowing districts. When someone comes out with a flimsy report like the CIE did, saying, 'Well, you've got to increase productivity,' hallelujah! I think they are dead right. But how do people go about that in adverse situations?

In recent times the Australian dollar has fluctuated around the US75c mark. A couple of years ago the dollar was down around the 55c mark. At that time our exchange rate was very favourable, even though world prices were low. We are expecting something like \$230 a tonne for sugar. That would be the top of the range. I know that the shadow minister has mentioned something less than that. It is quite likely that that will happen, too, because a whole lot of variables are involved: the fluctuation in the value of the dollar, world markets, shipping costs, et cetera. So the actual price of our sugar can vary considerably right up to the final stages of it being sold. In the 2002-03 year we were getting \$276 a tonne. That was principally because of the lower value of the Australian dollar and some marginally better world sugar prices.

The federal government certainly supported the industry with its planting in the 2002 year. There was the necessity to get rid of the old ratoons that were knocked around because of flooding, rats and orange rust. The federal government provided something like \$60 million plus for the planting operations to get rid of varieties of cane that were not entirely suitable. It was inexplicable why all of a sudden after 100 years we saw orange rust in the major sugar variety. To the federal government's credit, it provided assistance. In 2003-04—particularly in 2003—the federal government came up with some family support of \$19 million. Something like 2,600 payments were made to growers who were in absolutely desperate situations.

We have had a couple of \$10 million state loans. Unfortunately, they did not really get off the ground. I know that five people received something like \$60,000 out of the \$10 million, which was pretty damned disappointing, because there was a desperate need in the industry to get some assistance to plant cane. I think that, mainly because the federal government came up with a

better proposal, the uptake of that money offered by the state government was not evident. The strings that were attached by the state government were pretty severe and did not really allow people to take advantage of the situation.

This legislation is pulling down the tested framework of the industry. It has the ability to divide the cake differently. I think that is the concern of many growers in this state. Basically, the industry consists of growers and millers, as we have said. There needs to be coordination between both groups in the industry. We are all very aware of the inextricable links that are so important in removing a crop. There needs to be coordination in the process of taking the crop off in a reasonable time frame. Because of weather conditions, if you try to start too early then you lower your c.c.s levels and very often it is too wet. Then if you commit yourself to try to do that and you cannot do it, towards the end of the season you can run into a situation where you cannot harvest the crop because it is too wet and if you do try to harvest it inevitably you will knock your ratoons around and next year's crop will be poor. I do not think that situation is in the best interests of millers. They want consistency. Mills want a certain number of tonnes that they can bank on to put through their mills. There are some very interesting reasons developing because of that. I will talk about co-generation if I have time.

What has been proposed by this legislation will not improve productivity. There is no way in the world it has any imprimatur to do anything about productivity. Consumers will not benefit, either. Over a long period of time there has been a disparity between the price growers and millers receive—we are talking about \$230 a tonne for sugar this year; it could get down to as low as \$200—and the price consumers pay. When sugar is presented on the shop shelves it equates to around \$1,200 a tonne. The only process that goes on in the interim is refining.

This bill is throwing the baby out with the bathwater. It provides no particular advantage whatsoever in terms of productivity. As the shadow minister has said, there is some advantage in being able to produce products from sugar other than just crystal sugar. I am very aware of this. In debate on a private member's bill that I introduced, I raised the significance of the industry being able to do this.

There is generally a lack of confidence within the industry. Usually somewhere between 350 and 400 farm transactions are conducted each year. Last year there were only 60 to 70. It is very limited. There is just no interest on the part of buyers. I will outline my experience of talking to older farmers who have brought their sons on to the farm. I would like the minister to be very aware of this, because this is one of the key issues as far as amalgamating farms, getting them bigger and being more productive and certainly dealing with the mills in a more up-front way.

Young people are just not interested in going back into the sugar industry. I was at an event just the other day when a grower came to me and said, 'I bought some additional land, I have spent a lot of money, I have a big debt and my son is saying to me, "Dad, I'm sorry, but I just don't see any future in growing sugarcane. I would be better off taking a job at the mines or going down south, where all the pleasures of life are, rather than sitting on this damned sugarcane farm that you and I have been working for the last three to four years."' There is just no interest on the part of young people to take up the challenge of growing sugarcane.

The shadow minister talked about the deregulation of the dairy industry. I was involved with the minister in that as well. That has been an unmitigated disaster. We have seen dairy farmers try to continue on over the last couple of years with very low prices. They are living in poverty at present. There is no future there. They have a debt around their necks. They are wondering what they are going to do next. In the meantime we are saying, 'Too bad. You are the people who took up dairy farming. You live with it.' I think that is an absolute disaster.

I refer to the 'get big or get out' philosophy over the last decade. Debt has been a problem and it certainly is now. I think the philosophy behind this bill is to build up farms and get them bigger—that the small ones are not the productive ones, and they are holding back the industry. Now we are seeing those people who have tried valiantly to increase their productivity, build up the farm and bring their offspring into it are in all sorts of problems.

It is extremely fortunate that debt has not been exacerbated by massive interest rates. In the mid eighties, when Labor was in power federally, we saw 22 per cent and 23 per cent interest rates. The sky was the limit. It would be a catastrophe if we had that situation at present. Even with interest rates of seven per cent, eight per cent or nine per cent they cannot make ends meet. At an Anzac Day service the day before yesterday I had a grower come up to me and say, 'I am paying \$1,400 a month in interest. I do not know how I can keep going.' It does not matter how

big you are, if you are earning less than the cost of production then the bigger the farm, the more debt and poverty you are in. That is very straightforward and very simple to understand.

The agreement between the Queensland government, the growers and the millers was all about this miserable \$30 million that the state was going to give. The state was saying very clearly to the industry, 'Take this on board because it could get worse.' There is not much variation between the bill that was brought in last year and this bill. There are a few minor, subtle changes, but at the end of the day it is not going to make the industry more productive.

I refer to the mandate the Beattie government has. I think the shadow minister explained the situation quite clearly. National Party members now hold the seats of Burdekin, Burnett, Mirani and Hinchinbrook. They all produce about 28 million tonnes—

**Mr Mulherin** interjected.

**Mr ROWELL:** I ask the member for Mackay how much sugar is in his electorate. We have 28 million tonnes, yet the government is saying, 'We have a mandate to introduce this legislation.' Besides the 28 million tonnes that is produced in seats we represent, there is only another eight million or nine million tonnes produced in Queensland, depending on seasonal conditions. So it is a long bow for the government to draw to say that it has a mandate to bring in this draconian legislation—this legislation that will do little or nothing for the industry. But there are things that could be done—I do not think I will get time to go through the nine-point plan—to benefit the industry.

I would like to talk about removing a crop. It is a crucial operation. It requires coordination between the harvesters, the growers and the mills. Sugarcane is not a high value crop. It is probably one of the lowest value agricultural commodities. The other day I bought 10 tonnes of river gravel and I paid \$220. That is about the same value as sugarcane. It takes about seven tonnes of sugarcane to produce one tonne of sugar. When we consider the complexities of moving this product out of the field and onto railway tracks and then taking it to mills and crushing it, we realise that it is a very low value commodity. It has to be managed in the most efficient way. I believe there is plenty of opportunity to do exactly that.

The majority of the industry is serviced by a light rail system. The problem with a light rail system is that it is not extremely flexible. Very often you have to wait for trains. We talk about efficiency within the industry, but I have seen harvesters sitting down for four and five hours waiting for their consignment of bins. That process could certainly be sped up and there needs to be more efficiency in this area. While a harvester is sitting down with its \$700,000 or \$800,000 or one million dollars worth of equipment, it is not making any money. It is quite possible that if we could get a better system we could allow the harvester to cut higher tonnages of cane per season. They are operating for only 22 weeks to 26 weeks so there is an enormous capital investment tied up in the whole harvesting process.

**Mr Lawlor** interjected.

**Mr ROWELL:** What was that dumb question? The machines are extremely efficient, but there are more refinements that could be put in place. The reduction in loss through the extractors is one of them, and I think technology could play a major role in this, as could the transport system. We put VMSs on the trawlers. We could have something very similar on cane harvesters, haulouts and mill locos so each knows where it is. The problem that we are facing now is that some cane is going out through the extractors. We could monitor the billets lost out through the extractor. We could have a process of slowing down the fan so we are not spitting out these billets. Some very good technology could be employed with what we have at the present time. It is a matter of coordinating it all and tying it all together.

Unfortunately, Austoft has ceased manufacturing in Bundaberg. At this present time there are very few harvesters being sold in Queensland because everybody is watching their dollars very, very closely. If they buy machines and the industry has some major problems developing in the future, that \$700,000 or \$800,000 investment could be for nought. The machines are not capable of use for any other product.

Time expired.

**Ms JARRATT** (Whitsunday—ALP) (3.32 p.m.): It is with great pleasure that I rise to take part in the debate on the Sugar Industry Reform Bill today. I hope it will be a constructive contribution because the survival of the sugar industry is so fundamental to not just my electorate of north Queensland but also to the state as a whole. It certainly is of primary importance in my electorate. I am proudly one of Labor's sugar seats with an increased majority at the last election. So I do not

know where that leaves the argument of those on the other side. Perhaps it had more to do with the lies and deceit surrounding the so-called free trade agreement that we lost the seats of Burdekin and Burnett. I do not know if we will ever know that for sure, but I suspect that had something to do with our loss in those seats. However, I am here. I am still standing. I am here participating in this debate today because the future of the sugar industry is fundamentally important in my electorate.

I have two sugar mills in the electorate of Whitsunday—one at Proserpine which was established in 1897. So there is a very long history of the sugar industry being the backbone in the community around Proserpine. Back in those times, over 100 years ago, in their first year they produced 11,000 tonnes of sugar. Now, 100 years later, at its peak the Proserpine sugar mill put out over two million tonnes of sugar. That is a sizeable and significant industry in any area.

We have over 200 growers in the Proserpine area who grow sugarcane on some 28,680 hectares of prime agricultural land. It is a very special industry in and around Proserpine which has, unlike some other areas, not sat on its haunches waiting for the inevitable but has gone out to seek some security for its own future. The industry is busily going about setting up its plans, investigations and studies into the construction of a furfural plant which will produce a biodegradable solvent used in a whole range of areas in manufacture. I think this is a really good example of value adding that can occur within and beside the sugar industry, and I am very proud of the Proserpine sugar cooperative and its members and board for being so innovative and for perhaps taking a risk but being prepared to go out there and have a go.

The other mill I have is at the southern end of my electorate near the city of Mackay, and that is at Farleigh. Again, this mill has been around for over 120 years. It was established in 1883. By the year 2001, there were nearly 250 sugarcane growers on over 23,000 hectares of land. So from one end of my electorate almost to the other sugarcane is the landscape that you see. I cannot overstate how important it is and just how important the survival of this industry is not just to me but also to every single person who lives there.

Sugar is not just Australia's largest rural commodity—and it is in bringing in around \$2 billion per annum—but also the social and economic lifeblood in my electorate. Towns like Calen and Proserpine probably would never have existed and come into being were it not for the sugar industry. Jobs in the harvesting sector, milling, machinery sales and servicing, rural supplies, fertiliser suppliers—I could go on and on. The flow-on effect of jobs created through the growing and milling of sugar is just endless in an electorate like Whitsunday.

So while I am pleased to be taking part in this debate, and I am also pleased that we have industry support in bringing forward these regulatory reforms today, I do, however, have a very strong sense of *deja vu*. It was almost 12 months ago that we were here in this same place with a very similar set of amendments that were at that time opposed both by the opposition on the floor of this House and by several very vocal federal politicians—most notably De-Anne Kelly, who effectively made the issue of sugar industry reform a political football and set back reforms by at least 12 months. We could already be benefiting from the reforms had they gone through at that time, but unfortunately the industry has been held back by at least 12 months by the members on the other side of this House and their colleagues in Canberra. What we needed then and what we have finally progressed today is urgent legislative reform to allow the sugar industry to regain its competitive edge.

I do not for one minute suggest that the reforms contained in this bill will guarantee a rosy future for the industry. For some I know it is already too late. I know that some farmers/growers have already reached the end of the road and have been forced to put their farms on the market. So please do not think that the National Party has some sort of monopoly on sympathy for the plight of sugarcane growers who have reached the end of the line. I feel incredibly sad that this is happening, because at the end of the day we are talking about the lives of men, women and families and the loss of their sense of identity and at times their family heritage.

I understand the pain that comes with this loss and, while it is a shame that this legislation has been held up for 12 months by little more than political grandstanding, it is my genuine hope that the changes outlined in this bill will secure a brighter future for the vast majority of canefarmers and others who work in or rely on the survival of this industry. The changes foreshadowed in this bill are not rocket science. As agents of positive change, they have been identified through a series of studies and reports on the industry's future.

The aim of the regulatory change is to increase productivity gains by removing impediments to a competitive arena. Industry has argued long and hard for the retention of the single desk. At

no time was the single desk for the sale of export sugar ever under threat in this process, despite the blurring of the edges—I think some more political tomfoolery that went around in this debate. Quite clearly, the single desk on export sales will be dealt with in 2006 as part of another review process.

Under this bill the integrity of the domestic single desk is maintained, while allowing an exemption from the single desk for alternative products like ethanol and bioplastics. The exemption does not extend to the sale of bulk raw sugar, thereby maintaining security of income for growers while encouraging innovation and the creation of new industries based on the availability of domestic raw sugar. Other changes include the removal of cane production areas which in theory allows growers to transfer cane between mills. I cannot see this being an issue for my growers or millers as I believe that the post-contractual arrangements that will be put in their place will provide a commensurate level of certainty. I might also add that this is an area on which all sides have been in agreement for some time. Areas that have been a little more difficult to reach agreement on are the issues of the removal of the statutory bargaining system, the creation of supply contracts and the framework for an arbitration process.

The details of these changes have already been dealt with in some detail in previous speeches so I will not repeat those here. Suffice to say that agreement has been reached between stakeholders, resulting in a heads of agreement being signed on 1 March this year. I congratulate quite sincerely the minister and those other ministers from our government, including the Premier, for their goodwill and persistence in ensuring that this agreement was finally reached. It was not easy. As I have mentioned before, we had interference in that process from federal politicians just when we were at the line. That happened last year. Through the minister's goodwill and perseverance in sitting down around the table in a consultative manner agreement has been reached. I do congratulate him, industry members and people from the milling sector as well for that historic agreement.

I am pleased to be speaking in this debate because finally, with the passage of this bill, we can get on with the regulatory changes that we need to progress the industry. It is only a part of the story. I said at the outset that we are not going to pretend that these reforms are going to guarantee a future for sugar growers. A lot of other things have to come to pass as well, not the least of which in my area is a decent wet season. It will be one small part of the jigsaw. If it can just fall into place we will again have a thriving sugar industry.

I am pleased to be part of this debate because growers and millers will have the certainty from these changes that they need to get on and invest in their future. They will have a far clearer idea of where they are going. Hopefully, as they have in Proserpine, they will be encouraged to take risks to look at value adding or other types of production either in line or down line. It is exciting to be on the verge of opening the door to these sorts of opportunities in value adding. I look forward to the future when we have perhaps a thriving ethanol industry in this state. Bioplastics are quite exciting and have endless possibilities.

That is the importance of these reforms today. It really is opening up opportunities. I once again congratulate the minister on his total perseverance and tenacity in ensuring that this bill has reached the floor of the House today. I commend this bill to the House.

**Mr MALONE** (Mirani—NPA) (3.42 p.m.): It is difficult to know where to start because there is so much to talk about in terms of this bill. As the shadow minister indicated—and he made a great speech in terms of the sugar industry—it is very difficult sometimes to see the wood for the trees. It is very easy for people to assume from a position of little knowledge that they understand all about the sugar industry. Unfortunately, there are very few people in Queensland who totally understand the industry, and I am not pretending that I am one of those, even though I have a long history in the industry.

To give honourable members a bit of background, I went onto the family farm in 1960 and cut cane by hand for a number of years. Then I started out with a side-mounted harvester—a Massey Ferguson cane harvester that basically bolted onto the side of the tractor. From 1965 to 1975 most of the work that was done in developing those cane harvesters into something that were fairly efficient and would cut cane under most circumstances was done in the cane paddocks around Queensland. When we think about it, people like Neville Toft, Andy Crichton, Gordon Crichton and many other farmers who developed machines that ultimately went on to be exported all over the world came out of the canefields of Queensland. The sugar industry in Queensland was the benchmark for all sugar industries around the world. It really was a sad day when we saw the manufacturing plant in Bundaberg go overseas. That has been an issue in terms of the decline in the sugar industry over a period.

As the shadow minister indicated, the sugar industry was a \$2 billion industry. It would not be difficult to imagine that somewhere between 40,000 and 50,000 jobs are attached to the industry and, more importantly, there are jobs in the rural areas and on the coast of Queensland that go towards making up the amenity we have in coastal Queensland—the sugarcane fields. The member for Whitsunday spoke very eloquently about her electorate. Indeed, if we took the sugar fields out of the Whitsunday electorate, I am not sure that the tourism potential she has in that electorate would be maintained. As we drive north from Brisbane and travel through the green canefields, they are a real asset in terms of what we see in Queensland and what we are in Queensland. Those small towns like Proserpine, Tully, Sarina—those towns all the way up and down the coast—rely totally on the sugar industry. As a person who has been in the industry for a long time—and, as I said, I operated a cane harvester for more than 30 years, grew cane and developed a farm as well as other things—I think the reality is that the industry is more than just a group of cane harvesters, farmers or whatever. It is a family. It is about the amenity of our small towns. The sugar industry is Queensland.

It is very difficult for me to think that a piece of legislation has been put forward here today about which pundits in the government are saying, 'This is going to be the be-all and end-all of the industry.' That is just not the case. The issue of deregulation is a long debate, obviously. We have seen what has happened after the deregulation of the dairy industry, and I do not need to talk too much more about that. We have seen the dairy farmers being absolutely crucified in this competition market. Fortunately, the dairy industry actually got some compensation—and fairly good compensation—in terms of actually moving into the deregulated market. That is certainly not going to be the case for the sugar industry. There is no compensation available for loss of CPA, which is basically equivalent to the quota system in the milk industry, and the list goes on. As I said, there are so many issues to raise that my 20 minutes is not going to be anywhere near enough to cover them all.

The debate that was held during the election campaign was fairly interesting. We saw that the government was intent on pushing forward this piece of legislation when it was returned to government and it was going to do that come hell or high water. I believe that the bill it was looking at pushing through was probably more deregulatory than the one that we have in front of us now. The government called a meeting with the participants—the Canegrowers organisation and the millers organisation—and reached this historic agreement. That is fine, but the people on the ground have never really been consulted about how they view this deregulation. They had their say during the election campaign and, indeed, forced the government to say that it would do away with the ministerial direction. So what happens when the government gets back into power? It turns that straight around; it is going to maintain the ministerial direction. In terms of what is happening today—and I will explain that a little later—that is diabolical.

The member for Whitsunday, the previous speaker, indicated that the bill in this parliament—where it came from, the MOU with the federal government and the debate—held up the package. That is a whole lot of hogwash. Indeed, the state government never consulted with the federal government and it never even consulted with canegrowers before it introduced the previous bill except to give it to them the day it was brought into the House.

I attended a briefing on the CIE report with State Development in Mackay. Basically, they said, 'This is what you are going to get. If you have any questions, do not worry about asking them because we are probably not going to tell you what you want to hear. This is how it is going to happen.' That was done up and down the coast.

Consultation was not part of this debate. The farmers who are going to be affected tremendously by this legislation have never had a say on how they are going to handle this further deregulation. The way this has been handled quite frankly is dishonest. Normally when the government seeks to change the face of an industry they put out a green paper, there is consultation and submissions. We had all that. What actually happened after that? The direction was not changed. It was clearly indicated in the reports that came forward that the farmers were of a view that, in terms of legislation, the industry should remain where it is now. The government did not take any notice of that.

What is really interesting from my perspective also is that Labor Premier T. J. Ryan introduced legislation on 4 August 1915 entitled Regulation of Sugar Cane Prices Bill. He indicated at that time—

And you Sir will remember that quite recently an arrangement was made between the Commonwealth and state governments with regard to the purchases of raw sugar for arranged prices of 18 pound per tonne. The proposed board, the authority for the appointment of which will be given by this measure, will be charged with the duty of

seeing that the cane growers are given an adequate and fair price for their cane as at present it is possible for them to be able to make arrangements in all earnest at all events which will give them fair play. I think the honourable members will remember that, on more than one occasion, honourable members on this side of the House ...

In 1915 a Labor government brought regulations into this House which enabled farmers to get a fair price for their cane. Now we are seeing in 2004 a Labor government taking away the regulations that allowed that to happen.

Between 1915 and 2004 the industry has gone through a lot of ups and downs. Overall, it has been successful in decentralising sugar production in Queensland to the extent it is now. There is no doubt the industry has been through some tough times and has always survived. I am always the optimist. I believe the industry is very innovative and will move through this issue.

One of the biggest problems the industry has currently is that we have faced drought the likes of which we have never seen before, particularly on the Queensland coast. It has lasted a long time there. The farmers have made a tremendous effort to actually try to maintain their farms when the stools that they try to ratoon for up to seven or eight years have died out in the first couple of years. They then have to replant them. As the shadow minister indicated, it can cost up to \$2,000 an acre to replant cane if the farmers have to buy the plants. The fact that the industry has maintained momentum is quite unbelievable. When comparing the industry in Queensland with that in Brazil, there are quite a number of impediments that stand in our way. This bill will not do a thing to overcome those problems.

I will deal with some of the issues outlined in the explanatory notes. I will not get through all of them. I will try to knock a few of the ideas out. The explanatory notes says that the industry's historic advantage in efficiency has been eroded, with a very low uptake of technology and practices. That is great. Looking at farming right across Australia, the technology that is used in the sugar industry now is by far the most technologically advanced in Australia. We have tried practically all of the technology that is currently available—computer modelling, gene transfer, breeding practices. Quite frankly, we have spent a lot of money trying to make them happen. We have tried things like targeted fertilising where we fertilise a paddock in varying amounts depending on the deficiencies. Huge costs are involved in putting that together and we do not necessarily get great results.

The industry made a great change probably 15 years ago and went into harvesting green cane because of the perceived problems for the environment in burning cane. For those members who are familiar with the situation, instead of stripping the thrash off the cane by fire the machine actually cleans the cane and dumps the thrash back on the ground as mulch for the next crop. That had a number of advantages. It retained moisture so that the crop grew better in dry weather, provided it got some rain. It also minimised erosion. It actually put carbon back into soil, which was a problem. We were losing carbon from our soil. As the thrash broke down it returned to the soil some of the fertiliser that was taken up in growing the plant. That meant they got a closed circle. Even though it was more costly to harvest in terms of fuel, et cetera, it was a great step forward in terms of addressing the environment and making sure that farmers were on the cutting edge of getting their cane to the mill in a manner that was timely.

Once cane is burned it starts to deteriorate. If cane was burnt for a couple of days or three days, farmers had to get the cane to the mill before it deteriorated. With green cane harvesting, the harvesters were able to go into the field practically at any time and continue to harvest without the problems of trying to burn. That was a great step forward. The only problem was that by cleaning the cane, particularly light crops, we were losing cane through the extractor system or the cleaning system. In the very basic models we were losing 10 tonnes of cane or more per hectare because it dropped back on the ground. A huge amount of time has gone into identifying where the cane was going out and what was causing it.

We have computers on the machines now that can actually identify the amount of cane going out. By computer we are able to adjust the speed of the extractor mechanism to eliminate that loss. Via laptop anywhere in Australia or anywhere in world we can click on to the web site of the machine and identify the speed of the extractors, the speed of the harvester, the speed of the base cutters, the tonnes per hour it is putting out, the time that it has taken to turn on the headlands. All that can be identified via computer. I find it hard to believe that one of the reasons for this bill is that the industry has not taken up technology.

Look at trickle irrigation. There was a huge push for trickle irrigation in Queensland. Farmers spent millions of dollars trying to make that work. It has not worked that well. Most farmers who have it have pulled it out. Farmers spent a lot of money setting up multirow planting. Some are

still persisting with it. At the end of the day, the inputs were substantially higher and outputs were not that encouraging.

I can go on. The big problem we have had in the sugar industry in recent times other than drought was orange rust in one of the major varieties of cane. Some farms had almost 100 per cent of Q124. Research organisations were not able to identify it and were not able to overcome it. We have lost one of our most productive and important varieties overnight. We talk about technology, but, quite frankly, it has let us down in a lot of ways.

The bill talks about Brazil emerging as a major new competitor, with a more efficient and commercial export efficient sector. Brazil will increase its cane production this year by the total size of the Australian industry. We realise that. If we look at currency alone, their currency allows them to add about three times more value to their tonne of cane than what we can get in Queensland.

For example, if we get \$20 a tonne for our cane in Queensland, the average farmer in Brazil, who is a mill owner, probably gets \$45 to \$50 a tonne. If we compare a harvester operator in Queensland as opposed to a harvester operator in Brazil, the minimum cost of a harvester operator in Queensland is about \$150 to \$200 a day. It is my view that it would probably cost \$10 or \$15 a day for a Brazilian harvester operator. So of course Brazil is efficient. I would like to be that efficient. Every Queensland farmer would like to be that efficient. As the shadow minister pointed out, I have not been to Brazil. When the State Development Minister went to Brazil last year, I would have loved to have gone with him but was not invited. I think that was a bit sad.

**Mr Horan** interjected.

**Mr MALONE:** I understand that the shadow minister for state development was invited but could not make it. When we talk about Brazil being an efficient industry—with its currency exchange rate, its cheap labour and the fact that not many people realise that the family farm in Brazil consists of two or three mills and 10,000, 20,000, 30,000 or 40,000 acres of cane—we cannot compare ourselves. As the shadow minister said, Brazil has huge areas of very high quality soil. Its weather conditions are good and, as a result, it has the opportunity to grow very good crops of cane. It is using our technology in cane harvesting while our industry is going backwards. I can tell members why it is going backwards.

In terms of commodity prices, there has been a trend downwards. There is no doubt about that. The market has been oversupplied, and that will not clear up overnight. That certainly will not happen because of this bill. It has been said that the industry has remained focused entirely on raw sugar exports, and that is true. Unfortunately it is true. Who is to blame for that? We were making good money out of sugar exports. The amount of income tax, stamp duty et cetera that has been paid to the Queensland and federal governments over many years is based on the production of raw sugar. We have looked at the alternatives. We have looked at ethanol. I can remember industry meetings going back to the sixties when we talked about producing ethanol. It was never economic and is just becoming economic now, but that of course is at the world market price for sugar and I am not sure that many farmers would want to continue to be paid the world market price for sugar to make ethanol. That is the crux of the matter.

This bill does not put one extra dollar into farmers' pockets by producing by-products. With regard to the exemption from QSL, I understand that the sugar would remain the property of the miller, so how much is he going to pay the farmer for his sugar? He will pay them basically the same price as he can load it onto a ship at the world market price. So we have a long way to go. It is a corrupt debate, quite frankly, to think that we could support a bill that has very minimal impact on turning this industry around. What we really need from this government is some real guts in terms of ensuring that we have some—

Time expired.

**Mr WALLACE** (Thuringowa—ALP) (4.03 p.m.): As a fourth generation north Queenslander and someone who has grown up with the sugar industry, I rise to support the Sugar Industry Reform Bill. Sugar is an industry at its crossroads. I feel passionately about the industry and am desperate to see its long-term survival. My family has been involved in the production of sugar for donkey's years. Dad is chief cane inspector at Inkerman, where my brother also works. My brother-in-law has a cane farm; most of my friends work in the industry. Thus, it is refreshing to see the Beattie government taking a proactive role in its survival.

Whilst I have no growers and millers directly in my electorate, we rely greatly on the income realised from this sweet industry. Since early 2002, the future of the sugar industry has been widely debated following years of poor seasons, ongoing low world prices and repeated requests for government assistance. Three separate reports found that regulatory changes in the industry

was the essential reform needed to improve efficiency and competitiveness and to allow the industry to survive at long-term lower world prices. Without such change, the industry faced rapid decline in almost all regions. Indeed, I spoke to a friend of mine the other day. Her family has a couple of farms in the upriver area of Home Hill. She told me, 'Craig, things are getting worse and farmers are sick of all the talking. It's time something was done.' That is what this bill does. It gets on with the job of rescuing the sugar industry and reducing the strangulation of regulation.

World sugar prices have recently dropped further, below even the lowest levels previously predicted regarding the industry's future. If current prices of around \$200 a tonne persist until 2006-07, the update report from the Centre for International Economics released on 23 February 2004 indicates that, without reform, the industry will cease to exist within five years in all regions, including the Herbert-Burdekin, leading to a direct loss of some \$778 million and 13,778 jobs from the sugar industry with strong regional multiplier effects. I repeat that: without reform, the industry will cease to exist within five years in all regions, including the Herbert-Burdekin. With reform the industry can survive, but only with rationalisation of milling capacity and by retiring marginal unproductive canelands in all areas. Even then, the far north and the Bundaberg-Maryborough regions are marginal. Any further reductions in the price will likely render those regions non-viable. The update report concludes that reform of the Sugar Industry Act 1999 is vital, but even with change the industry will face severe adjustment pressures. Things are very grave within the sugar industry.

However, there is strong potential to transform the industry through efficiencies at and between all sectors of the industry and through value adding and innovation. In January 2004, \$700,000 in Queensland government grants was made to a number of growers, harvesters and millers who were keen to explore new products and practices. These products offer a real opportunity for Queensland growers. I am sure that all members would have heard about ethanol, its uses and its issues. Indeed, members would have expected that the National and Liberal parties would have supported this fledgling industry. In 1994 the then Keating government introduced an 18c per litre bounty on the production of ethanol. The bounty was designed to support the research and development activities of ethanol producers. Unfortunately, the National and Liberal parties, in their infinite wisdom, abolished the bounty when they won government in 1996. I am sure that such a poorly thought out and dim-witted decision has rarely been made in Canberra. One can only speculate on where the ethanol industry may be now had the bounty stayed in place.

Indeed, I would remind all honourable members that the Labor Party has always been the champion of the sugar industry. It was the groundbreaking Ryan Labor government that in 1915 introduced much of the framework that saw the sugar industry thrive through the 20th century. Some of the regulations contained in this bill impact on that legislation. Some old-timers in the Burdekin tell me that the Labor Party was instrumental in looking after the sugar industry in those heady years of industry development. These pioneers of the industry are remembered fondly. Names like William Forgan Smith, Ned Hanlon and former member for Dawson Dr Rex Patterson were good Labor men who fought for the industry. They also told me that the only way to get ahead in the National Party was to have cow droppings between your toes. Canegrowers, haul-out drivers and mill workers were looked down upon. Judging by the way the opposition has behaved towards the sugar industry, this certainly still seems to be the case.

Of course, it would be remiss of me not to mention the reforms of the Goss government in the early nineties which greatly increased the amount of cane grown in Queensland. Indeed, it was these reforms which saw the Burdekin become the pre-eminent sugar growing region of Australia. At Inkerman mill and Home Hill, for example, the amount of cane crushed increased from 1.26 million tonnes in 1989—the year Wayne Goss won the election—to over 1.87 million tonnes last year. This has meant a massive increase in income for the district. Again, we saw the deft hand of the National Party knocking these vital reforms. As a young branch secretary of the Burdekin branch of the ALP, I fought vehemently through the pages of the *Home Hill Observer* and *Ayr Advocate* with local National Party members opposed to these changes. They just could not see past the blinkers how this expansion would benefit hundreds of Burdekin locals. Thank God the Goss government took that decision.

Like the National Party of today, they hark back to the 1970s when sugar was still getting massive prices. Unfortunately, they still do not realise that the times, they are a changing. Transformational change can secure new sources of income for the industry to balance falling returns from raw sugar exports. The Centre for International Economics demonstrates that the impacts of regulatory change on the industry will be a net positive for all regions in all sectors.

Even if only half the estimated productivity gains identified by the CIE occur, the industry will be substantially better off. Change is likely to be slow at first and then the pace is expected to pick up over the following years.

One significant area of change is the replacement of the cane production area system, or CPAS. The bill will remove the CPAS from the act from 1 January 2005. CPAS is, in effect, a licence allowing a grower to grow cane and supply to a particular mill to which the grower is assigned. The Queensland government has concluded that real reform requires the reform of this system. CPAS will probably be replaced by contractual cane supplier arrangements requiring growers to produce cane on certain land and supply it to the contracting mill. These long-term contracts will assume any value that the CPA may have held. It is highly unlikely that any existing grower will not be contracted to a mill because of the vital importance of throughput. Compensation will not be payable on the repeal of CPAS as they were issued at no cost. Their value is minimal and currently there is little trade in CPAS. It can also be anticipated that, since mills will still require cane for crushing, the CPA system is likely to be replaced by a similar contractual right of access to mill crushing capacity as exists currently in northern New South Wales.

The value of the land held by growers on which cane is grown is also likely to continue to reflect the value of their CPAS. The New South Wales industry, where there is no separate legislation for the sugar industry, operates on a contractual system called production area entitlements. Crucially, a non-legislative contract system will be less likely to become part of the efforts to block expansion, as can occur under the current system.

The removal of the CPA system will also enable some growers to seek transfer between mills. The bill will remove restrictions on growers being able to transfer from one mill to another. Currently, for the members' information, there are some growers who are closer to one mill than to another, but because of the current system they have to transport to the mill that is further away, leading to increased charges for both the mill and the grower. It is estimated that only between 10 per cent and 20 per cent of growers would have this option due to transport considerations. Allowing growers to transfer will create pressure for some mills and create incentives for the negotiation of better contracts for growers. Transferability is likely to be an issue in the Bundaberg-Isis region, parts of far-north Queensland and the Mackay-Plane Creek area.

The CPA system has been identified by CIE and recognised in the federal-state government MOU as an impediment to increased competitiveness and efficiency and as being detrimental to the cultural change and innovation that is required in the industry. Its removal will allow for a more commercial focus to be developed through commercial negotiations. In the very difficult world markets, which are forecast to persist for some time, the Queensland industry will need to become as competitive as possible. This aspect of the bill is an important step in the right direction.

The sugar industry is just too important an industry for us, the leaders of this state, to let wither. This bill seeks to support the thousands of Queenslanders who rely on it for their livelihoods. It is vital that this bill is passed by this House and that the industry is allowed to face the challenges of a new century. In closing, I would like to add that I hope that the new members for Burdekin and Burnett will join the government in supporting this bill. I know that Steve Rodgers and Trevor Strong would have stood up for the industry and backed this legislation. They must now do the same. I commend the bill to the House.

**Mr QUINN** (Robina—Lib) (4.13 p.m.): Ever since the first commercial plantation of sugar was established in 1862 just outside Brisbane, the sugar industry has played a substantial role in Queensland's history. In fact, it is safe to say that sugar and Queensland's history go hand in hand. Every facet of Queensland life in communities from Mareeba and Jacobs Well is entrenched in the sugar industry.

The Sugar Industry Reform Bill marks a new stage in the history of Queensland sugar. This bill, along with the federal government's sugar rescue package, will ensure that the Queensland's sugar industry continues to have a proud history for many years to come. The bill seeks to address a number of concerns that have plagued the industry—some as a result of the industry's reluctance for change and some as a result of variables such as the worst drought on record and other persistent weather problems.

Of particular concern for the industry has been the reluctance by many growers and millers to integrate new technology into current farming practices. That has meant that Queensland's world best practice reputation has been eroded while producers from other countries have positioned

themselves as the new leaders in the production of sugar. Brazil has surfaced as the No. 1 producer in the world and without major industry reform the Brazilian sugar industry will continue to thrive unchecked. Also of concern has been the continuing downturn in sugar prices and the oversupply of sugar that has led to the world price of raw sugar to drop below the cost of production for many producers in Queensland. Obviously, this cannot continue without major industry reform.

The bill allows for many of the principles that the Howard government has embraced; that has seen the Australian and, indeed, the Queensland economy boom, such as the introduction of competition between millers and between growers that will force the industry to embrace world best practices once again. These are the difficult reforms that have been needed to be made for some years and that will now come into effect.

A similar bill was tabled previously in this House—the Sugar Industry and Other Amendments Bill 2003—but lapsed due to the fact that the Beattie government had failed once again to consult with the industry that it was trying to influence. This is typical of a government that is in cruise mode—a government that believes that it can ride roughshod over an industry like the Queensland sugar industry and a government that no longer sees the need to be open and accountable to the people of Queensland. This is in stark contrast to the actions of the Prime Minister, who recently embarked upon a tour of sugar communities up and down the Queensland coast, a Prime Minister who sat down with the canegrowers and the millers to discuss the issues facing the industry and developed a rescue package that will deliver for Queensland's sugar communities. On the one hand, we have a Premier who sought to introduce legislation a year ago and wasted valuable time and resources in this House and on the other hand we have a Prime Minister who tackles the problems head-on and delivers.

Once again, those actions are in stark contrast to the Beattie government's sugar industry package of \$30 million. It sounds impressive—\$30 million—but when we look into it, when we scratch beneath the surface, we soon discover another load of doubletalk by the Beattie government. The reality is that \$10 million will be made available through loans, which I have been informed by industry groups will not be taken up. There is \$10 million for the reallocation of staff within the government, and only \$10 million will be allocated to the industry. Only \$10 million will be given directly to the industry. Once again, the Beattie government has shirked its responsibility to the sugar industry, as it has done with the health and education systems, and has left it up to the federal government to assist the canefarmers of Queensland.

I do not think that anyone will be disappointed with the \$250 million package that is to be delivered by the federal government this week. I am pleased to note that this time around the Premier actually consulted with industry bodies and, with some minor amendments to the previous bill, the industry will now be able to move on and create a new stage in its history. I note that there are indications of support from Canegrowers and the Australian Sugar Milling Council as well. I think that considering that the legislation has been changed only in some minor aspects—but important aspects that many in the industry wanted to see prior to the last election—and now that the consultation has taken place and the bill enjoys support from these key industry groups, the Liberal Party will also be supporting the legislation.

**Mr MULHERIN** (Mackay—ALP) (4.18 p.m.): Much has been said in this chamber regarding the plight of the sugar industry and the many coastal communities such as Mackay that were built on the back of this great industry. Every coastal community with the exception, I think, of Rockhampton and Gladstone has derived an economic and social benefit from this industry. This legislation that we are debating today does not provide an instant solution to the economic woes that are confronting this industry. However, it will assist the industry to restructure in a way that will reduce its dependence on raw sugar and position the industry to grasp the opportunities that will be derived from downstream value adding.

The issue that I would like to focus on today is the issue of collective bargaining. It has been a contentious issue and one that has probably stalled the reform package. As the member for Hinchinbrook said, this legislation does not really change much from what was introduced in the last session of parliament. We have tinkered around the edges and that has come about through negotiations with the industry.

Removal of the so-called adverse effects test has been identified by Hildebrand and the CIE as one of the key reforms needed in the current industry arrangements. The CIE noted that the reality of the current legislation has been that the terms and conditions that govern delivery of cane have been difficult to change, despite the expected economic benefits of doing so. Nothing changes because each change potentially may have imposed an adverse effect on some

growers supplying to a mill under a collective agreement and those adversely affected can block the change. Additionally, there is general agreement that the current system of final offer arbitration, which creates a winner-take-all environment, is not conducive to negotiating commercial outcomes.

There has been much debate on what approach should be introduced. It has always been acknowledged that collective bargaining should be available for growers for negotiations with millers. This right is, of course, not available to the wider community without an authorisation under the Trade Practices Act, and the bill provides this authorisation. Nonetheless, the process for the resolution of any dispute arising from this collective bargaining has been problematic. Positions range from mandatory arbitration of disputes to normal commercial arbitration with the consent of parties. Ultimately, a compromise has been reached to achieve a transition to normal commercial arbitration to address an imbalance in market power perceived by many in the growing sector.

The CIE recommendations effectively meant no interim arbitration period and domestic market deregulation. However, the Queensland government has agreed with the industry's desire for a transitional approach with regard to arbitration through the signing of the heads of agreement with growers and millers. The compromise in the heads of agreement is that the existing compulsory bargaining system will be replaced by a voluntary collective bargaining regime with access to a dispute resolution system. It will be done in transition over 18 months.

By 1 January 2006, parties will have access to arbitration by agreement. The integrity of the domestic single desk will be maintained. An exemption system from the domestic single desk will operate from 1 July this year for alternative products, such as ethanol and bioplastics, and bagged sugar for export. The government accepted industry's request to maintain the ministerial directive on raw sugar pricing as exemptions would not operate for bulk raw sugar for use in manufacturing, as requested by industry.

It is interesting to hear the comments of the member for Toowoomba South, who in his speech indicated that the ministerial directive should be removed. Presumably from a Mackay Sugar point of view, removal of the ministerial directive would have an impact on its refinery business. Under the current regime it has to buy the sugar that is produced at Racecourse Mill from the Queensland Sugar Corporation. If that directive were removed, it would probably lead to higher cost for that refinery operation to purchase the sugar and make the operation less competitive.

If the ministerial directive was removed, some big users of refined product would look at using alternative products such as corn syrup and artificial sweeteners. The United States of America has had subsidies put in place by government. As a result, the larger manufacturers have been moving into Mexico, where they can buy sugar at world price. Raw sugar is a commodity. Like all commodities it is in competition not only with other sugar producing countries but also with other types of sweeteners that are available to manufacturers. Manufacturers look at the best ingredient for their product, but it has to be based on price.

Removal of the ministerial directive would probably come at the benefit of the New South Wales industry, where most of the sugar that is produced and refined there is consumed within Australia. I do not think the ACCC would allow the removal of that directive. Therefore the federal government would need to step in and legislate, and I do not think Mr Costello and the Liberal Party would agree to that form of legislation. Whilst it may in the short term help some of the growers, in the medium to long term there would be less reliance on sugar and other products would be looked at. I do not think that is a solution.

The bill and its regulation will provide for a three-step change to arbitration for the 2004, 2005 and 2006 seasons. These include an interim period in 2005 for compulsory arbitration between growers and millers in the negotiation of cane supply contracts. From 1 July 2004 to 31 December 2004 the current system of mediation and arbitration will apply via regulation. However, unless agreed by the parties final offer arbitration, where each party puts up a bid and the arbiter must choose one or the other, will be replaced by a normal commercial system where the arbiter will have the ability to broker an outcome.

From 1 January 2005 to 31 December 2005 a limited form of compulsory arbitration will be available where the arbiter is able to determine a compromise position. Final offer arbitration will not be available. The model for interim arbitration for the 2005 season is based on the following arrangements: arbitrated contracts will last for only one year; growers must sign an intent to contract before arbitration is initiated; growers who enter arbitration are bound by the outcome;

arbitration can only be initiated by a collective representing growers with 75 per cent of the average production supplied to a mill involved in the dispute from 2000 to 2004; two key issues have been excluded from the scope of arbitration, that is, the division of proceeds between growers and millers and the ownership of sugar; and before the parties can access arbitration they must participate in mediation.

The industry has also agreed to a set of principles for interim arbitration for the 2005 season which emphasises that it is not to be used to prevent change in the industry. These principles are: the system should encourage the changes necessary to make the industry viable in the long term; the system will promote sound economic outcomes; recourse to arbitration should be available for the key issues of cane supply contracts; access to arbitration is available for both growers and millers; arbitration should be able to be initiated where an issue arises affecting the eligible parties involved in the negotiation of a contract, that is, it should not be able to be used by smaller groups to prevent a larger group from moving to a new outcome; the basic division of proceeds must be negotiated in partnership and not arbitrated upon; and the interim system must be consistent with the ability under the new bill for growers to collectively bargain in one or more collectives.

This compromise underpins the legislation for the removal of the statutory bargaining system. The bill will remove the current statutory bargaining system from 1 January 2005. This system provides for a negotiating team to negotiate a collective cane supply and processing agreement with the mill which is binding on all holders of cane production areas.

While it is currently possible to have an individual agreement with the mill outside the statutory collective, the mill suppliers committee is entitled to know all the terms of this agreement, save the price for cane, and may take court action where it perceives the individual agreement to impose a significant adverse effect on growers supplying to the collective.

From 1 January 2006 parties will have access to arbitration by agreement. The bill will continue to provide for dispute resolution for disputes arising out of contracts. Final offer arbitration may not be used. However, a mediation and arbitration process involving the Sugar Industry Commissioner is prescribed.

An important feature of the bill is the creation of supply contracts. This bill provides that a supply contract is required for supply of cane to a mill. The contract may be entered into either individually or collectively. For the first time, third parties may also participate in supply contracts. This will allow, for example, cane harvesters or other industry participants to become directly involved in commercial arrangements.

The bill supports normal commercial processes to drive positive outcomes and trends for the sugar industry. The bill allows growers to freely engage in the market for the supply of their cane. Importantly, the bill also enables growers to participate in 'opt in' collective arrangements with millers as well as other interested third parties. There is an opportunity, not an obligation, to bargain collectively.

Parties to supply contracts are provided with the scope to participate in more than one such contract. Removal of the existing and onerous statutory bargaining system will result in industry participants benefiting from greater freedoms to direct and control their own interests. The heads of agreement include an industry initiative to establish a working group to develop voluntary marketing arrangements as soon as possible.

The objective of this working group is to work towards a new system for marketing of raw sugar prior to the national competition policy review on sugar regulatory arrangements in 2006. This is an initiative of industry itself, and the Queensland government will monitor progress with interest. Therefore, the opportunities for value adding have been expanded through this bill and further changes will be considered as a result of the working group's deliberation prior to the conduct of the review. This is potentially a significant initiative and industry will be encouraged to continue working together to develop and improve commercial arrangements. In the interim, the bill provides an effective approach to introduce commercial arrangements to enhance the prospects of long-term industry viability. As I said earlier, these reforms have been agreed to by the peak organisations representing growers and millers—that is, Canegrowers and the Australian Sugar Milling Council. We have signed a heads of agreement.

Last year when the Beattie government announced it would not proceed with reforms due to the failure of the Howard government to respond and guarantee its funding under the memorandum of understanding, the federal member for Dawson, De-Anne Kelly, cheered. Mrs Kelly claimed it was a victory for growers. We have heard the member for Hinchinbrook saying

that there is not much change to the legislation that we are debating here today. It is tinkering at the edges. In that time the world sugar price has declined and the Australian dollar has risen. It has cut the prices for our growers. That is not good for the sugar industry. Mrs Kelly loves a melee but she does not like the work. She likes the limelight when it is switched on, but she also likes to duck the hard issues and the hard questions. She likes people to think she is in there working for the sugar industry—growers, harvesters and millers—but she is not. It is just like she wants people to think she opposed the full sale of Telstra, but she has voted for it twice when at least one of her colleagues had the courage to abstain from voting.

I draw the honourable member's attention to the fact that canegrowers in the Mackay/Whitsunday region still remain ineligible for the full exceptional circumstances assistance. Mrs Kelly made a lot of fanfare about that. During the last state election she and the member for Mirani jumped on a plane and flew to Canberra. They were going to bring home the bacon but we are still waiting. It really shows Mrs Kelly's commitment to local growers. She cannot squib it. This is an issue of support for the sugar industry in her own backyard. The fact is when there is a positive announcement Mrs Kelly will be front and centre, and I am sure she will be on Thursday when the Prime Minister, Mr Howard, is due to visit the Bundaberg region to announce the long-awaited package.

Unlike the federal member for Dawson, the major players in the sugar industry in the Mackay district have not been sitting on their hands waiting for the state and federal governments to reach agreement. They have been actively working together to progress solutions to local problems. The Central Region Sugar Group based in Mackay with representation from the growing, harvesting and milling interests between Proserpine and Sarina is a fine example of what the sugar industry can achieve by putting the old adversarial nature of their relationships behind them and developing a joint position on the best way forward.

Rather than joining their state counterparts at the time with drawn swords and promising to fight until the last man standing, the industry in the central region came together late last year and instigated the development of a three-year regional plan designed to address local issues confronting the sugar industry. Remember Hildebrand said that the future of the industry lies with a regional focus. That is what this group has done. It believes the proposed changes to the legislation will not adequately deal with the need for improved efficiency and cost-effectiveness within the industry which is seen as vital for its survival and a lower raw sugar price environment. As a result, the group has initiated a planned approach for further productivity improvement programs, a planned approach to creating better economies of scale for the farming and harvesting sectors, and further investigation of mill rationalisation opportunities which it believes is the key to success.

The central region group's regional plan is about stabilising an industry that has been confronted with a combination of difficult circumstances such as low commodity price, currency exchange rate moving in the wrong direction and a series of extreme weather and disease events over the past five years. For example, the industry has been adversely affected by the 1998 August rainfall—a one in 100-year event. In 1999-2000 it faced standover cane, rat plague and orange rust, and then we had the 2002-03 drought.

The group's regional plan is about breaking down the barriers that have existed between sectors to enable a reduction of cost right along the value chain. The legislative changes put forward by our government have provided the impetus for the Central Region Sugar Group to seek to discover the benefits of this different relationship. It is great to see the sugar industry in the central region taking such a proactive measure and working collectively through the development of this regional plan. When the federal government finally makes its announcement on reform assistance later this week, the central region will put the finishing touches to its plan. This will enable the Central Region Sugar Group of Proserpine Sugar Cooperative and its growers, Mackay Sugar Cooperative and its growers, CSR Plane Creek and the Plane Creek growers to lodge an early request for their share of the funds to start the job of consolidating the sugar industry in the central region.

The sugar industry is an important part of the Mackay region's economic, social and cultural make-up, and it is heartening to see industry representatives collaborating to defend the local industry. I praise the group for its enthusiasm and enterprise. It is clear that the state government's commitment to reform under this bill is helping those within the industry to embrace a new approach that will vastly improve productivity and sustainability. I commend the bill to the House.

**Ms MENKENS** (Burdekin—NPA) (4.37 p.m.): I stand here today to represent my constituents, who are the canefarmers of the Burdekin, the harvesting and planting contractors, the many sugar mill workers, the sugar mills and the commerce and business houses of the Burdekin. This Sugar Industry Reform Bill before the House today impacts upon the growers' basic structure—the structure that has made this industry one of the most successful primary industries in Queensland today.

The sugar industry is in serious trouble. The sugar industry has provided the economic foundation for so many coastal Queensland communities since the turn of the century, and the vision of green cane fields is synonymous with the tropical north. In the words of Prime Minister John Howard on 2 March this year, the Australian sugar industry is in a parlous state. It is in a parlous state through no fault of its own. It is a victim of a corrupt world trading system, not a victim of its own efficiency or indeed of its unwillingness to adjust to substantial change.

As 85 per cent of the current Queensland sugar production is sold on the export market, the world sugar price plays a very strong determining factor on the economic success of the sugar industry. Of course, the Australian sugar industry is not subsidised, but most of the players in the world market are, which has made it increasingly more difficult for growers and millers alike.

More than 90 per cent of the world's sugar is protected and it is estimated that the world sugar price is half what it would be under free trade. The exchange rate of the Australian dollar of course, as has been previously stated, greatly impacts upon this price of sugar. Australian sugar producers are efficient producers. Australian sugar technology has been at the cutting edge of commerce. Australian machinery and sugar technology has been exported and utilised right across the world's sugar producing nations. The Australian sugar industry is internationally recognised and it is highly respected.

The Brazilian industry produces 10 times the Australian production. However, I would like to note a few points of difference between these two industries. In Brazil the whole industry is owned and controlled by very few people. The land, the mills and the marketing are owned by a very small number of individuals. The actual sugar growers in Brazil own the land, the sugarmill and all of the infrastructure. One of the reasons that the Brazilian industry is said to be more efficient is that the profits from the industry end up in just a few hands.

**Mr Pearce:** What wages do they pay?

**A government member:** \$2 an hour!

**Mrs MENKENS:** That is true. That is exactly what they do pay.

In Queensland, consider the paddock to plate chain. Canegrowers own their own farm and achieve a profit or, sadly, a loss, which everybody is accepting at the moment, from their own enterprise. Cane is generally planted by an independent cane planting contractor who generates their profit. Cane is harvested by independent harvesting contractors who also achieve their livelihood. The mills are variously independently or cooperatively owned and managed. Profits are achieved also from the transport of cane, from the marketing arm of sugar and from the various ports where sugar is exported. Honourable members will notice that there is a huge difference. This independence, this philosophy of small business ownership, is the central pivot of our Australian ethos and one that has sustained the Queensland economy for many years. Labor seems to want to lose all of this.

This bill destroys the protection of the small farmer who has been responsible for most of the technological innovation in the worldwide sugar industry. Bill Gates did not develop Microsoft while working for IBM. He did it while working in a small business. The Australian sugar industry is the Microsoft of the sugar world. Currently, the world's most efficient form of growing and the most efficient form of harvesting and milling of sugarcane were developed in Queensland. This technology was created under a system of private enterprise, not a system that protects corporate giants like Brazil, but under a system that protects small farmers and free enterprise. This bill is trying to destroy that system. This government would prefer that four or five companies own all of the sugar industry and, therefore, most of the east coast of Queensland. This will not lead to more efficiency. All it will lead to is an increase in the number of union members, and that is what Labor wants because that is what funds Labor.

I will outline just a few points about the sugar crop itself. At present when cane is planted, it is not harvested for another full year or more. At the commencement of crushing in the middle of the year only a small part of the crop is harvested and a small interim or part-payment is made for that cane. The rest of the crop and payments are slowly progressively made over the rest of the year. This sugar is stored and sold well into the following year. The first pay for a sugar crop is not

made until July of the second year after it is planted. In specific terms, cane currently being planted will not be finally paid for until July 2006. This cane is also ratooned, or regrown, for up to six years. Thus, the cost of planting sugarcane is almost akin to that of planting a tree. Cane planted this year will be spread over the following years until 2011. The actual payment for this will go right through to 2011. Therefore, growers are in trouble this year to fund their planting costs.

This bill does not address any of those fundamentals. Of course, there is a practical way that this government could help farmers, particularly Burdekin farmers, and that would be to allow SunWater to lower its exorbitant charges on water and to also lower the exorbitant electricity charges. Is it not somewhat immoral that canefarmers are working at a loss when government corporations such as SunWater and Ergon are generating huge profits out of the Burdekin?

The explanatory notes of this bill argue that the removal of the statutory bargaining system will allow growers to engage in a free market for the supply of sugar. This is totally wrong as most growers can supply only one mill due to sugarcane's high freight costs. As an individual, they have no bargaining position as they do not have other mills to send to. A horticulturalist, a grazier, a business person can choose their market. It is not so with the majority of canefarmers. The removal of statutory bargaining will only advantage the corporate mills to the disadvantage of the growers. It will not increase productivity; it will only increase confusion. Growers will either have to bargain with the mills or leave the industry. This bill will force productive, innovative small farmers to leave the industry.

However, sugar producers are desperately aware that the only way to ensure a sustainable industry is to diversify revenues generated from the sugarcane crop as, again, our most efficient competitors in Brazil and Thailand are currently doing. They are aware that the industry is in a state of change and they are demonstrating that they will move with that change if it will lead to long-term benefits for the industry as a whole.

Queensland cane producers do have plans for a way forward. They are aware of the need to diversify. They are aware of the need to become more than just sugar producers. They are aware that to survive they will need to benefit from the downstream products of the cane biomass such as ethanol production, bioplastics and the many, many other options that are available.

There are various groups who have presented economic plans for a way forward. One particular group is the Future Directions Group—food, fibre and energy. This structure would put cane producers in a better position to value add their crop. It would put canegrowers in a better position to control their destiny and benefit from the biodiversity of the sugarcane products and, as a result, carry the industry viably forward into the future. However, the reality is that canegrowers can diversify under the existing legislation. Groups such as the Future Directions Group do not need this bill to be able to diversify. The innovative people who are promoting this group assure me that it can be set up under the current legislation.

This legislation currently before the House does nothing to actually benefit and promote the position of canefarmers. It does not improve their productivity or their economic gain. The Queensland Sugar Industry Reform Bill should not be considered deregulation but really re-regulation of the sugar industry. This bill before us that removes the protection of growers' rights to supply sugar mills with the phasing out of compulsory arbitration is the final admission by the Queensland Labor Party that it has abandoned the little people who have made the state of Queensland great. That is who the Queensland Labor Party originally stood for. They have chosen to desert their heartland. Why should the government dictate the method of preferred arbitration by stipulating what arbitration system to use?

The reform bill being presented here today, whilst being a death knell for the sugar industry and many of its participants, is also an indication that the government is prepared to desert the workers who provide the backbone of the sugar industry—people who have looked to Labor for direction; people who have voted Labor their whole lives. They will be saddened. They will be saddened that the true industrial heart of Queensland is being ignored by Labor for the corporate way of life—the Suncorp Stadiums of metropolitan Brisbane.

It is amazing how Labor in both Queensland and nationally could get so much of its foundation and years of support from country people and yet in parliament, where this support should be rewarded, they consistently abandon it with bad legislation. The fact is that the Labor Party started in country Queensland and this bill shows that the government is quite happy to abandon the farmers, their workers, small business and literally whole townships to satisfy the unrealistic agendas of corporate giant mentality.

Removal of CPA, the cane production area, is another nail in the coffin. The argument is that it allows growers to transfer from one mill to another. There are only a very few farmers who could possibly benefit from this. The majority of farmers are not in a geographical position to be able to do this. The overall effect of the removal of the cane production area is a removal of the value base of cane farms.

The Canegrowers organisation is on record as having signed off on this legislation. Did they sign off because they totally support all that is in this bill? They signed off because they had no option. They had no option because their backs were up against the wall. They were forced to sign this or face the consequences of a possibly worse outcome.

The ministerial directive currently requires all vested sugar sold in Australia to be sold at export parity prices. That, of course, is the corrupt world market price. Australian sugar producers are not only faced with world market price on exports but also on all sugar sold on the domestic market within Australia. Under this bill, this directive remains and it is a grossly unfair system. The coalition policy at the last election was to remove the ministerial directive. This has the grassroots support of all growers. Why is the ministerial directive still in this legislation?

**Mr Palaszczuk:** Because you introduced it in 1999 when you were in government.

**Mrs MENKENS:** Well, let us remove it. It should be noted that, despite what the government is trying to make us all believe with this bill, there is no level playing field out in country Queensland. Stripped of its dignity by national competition policy, the effects of globalisation, the influence of multinational corporations and now a corrupt world sugar market, the Queensland sugar industry will not exist following the amendments in this bill.

Maybe Mr Beattie thinks he has made a level playing field at Lang Park. One thing I do know is that the same Mr Lang would be turning in his grave as he watches this party pass bill after bill destroying the principles that established a fair go for people in all parts of Queensland.

Where is the imagination that once made the Labor Party great? It is not in this bill. This is not a sugar bill for the future; it is principally a document that abandons the principles of the past and condemns the industry to failure. In the history of this parliament there has been no bill that has been as scrutinised and publicly ridiculed by the people of Queensland than the present Sugar Industry Reform Bill. Well, Mr Beattie, one thing is for sure: the people of Queensland will not be building a Beattie football park in Queensland in 100 years time. Abandoning his party's principles of empowering people on the job, there will be no established industries in the country areas of Queensland to be able to support that kind of wealth. In conclusion, this bill does nothing to benefit cane growers and does nothing to carry the sugar industry viably into the future.

**Hon. F. W. PITT** (Mulgrave—ALP) (Minister for Communities and Disability Services) (4.55 p.m.): I rise in this debate to support the Sugar Industry Reform Bill 2004. I congratulate my colleague the Hon. Henry Palaszczuk, the Minister for Primary Industries and Fisheries, on its introduction. I am saddened to see the National Party so locked into the past. They seem willing to pander to those who will not accept the reality that change is necessary if the sugar industry is to survive. They seem more intent on short-term political gain than offering genuine hope for a long-term and sustainable future. This government is determined to give the sugar industry its best chance of survival.

As I have told the House in previous parliaments, the need for regulatory reform to unlock the potential of the sugar industry has never been greater. The future of the industry, and of the many communities whose economic base is underscored by the industry, demands that we meet this challenge.

My colleagues on this side of the House have discussed the economic scale of the Queensland sugar industry and its importance to Queensland. In view of these figures, I would like to highlight two things: firstly, the opportunity for value adding to sugarcane production that this legislation enables; and, secondly, the link between the economic and social dimensions of the industry and the response of the Queensland government given this relationship.

As the Minister for Communities and as a resident of far-north Queensland, I am keenly aware that the sugar industry is a cornerstone of many Queensland regional communities, providing employment and livelihoods for many Queensland families. The prospects for the sugar industry in the current climate are of concern to me, especially as the member for Mulgrave but also as the Minister for Communities. A more profitable industry is essential to the prosperity, even survival, of many communities in regional Queensland.

The bill is based on sound, thorough, independent advice that the Sugar Act 1999 acts as a restraint to productivity and diversification opportunities that exist within the industry. Only the kind of reform proposed in the current bill can facilitate the reform of the industry necessary for its survival.

The gravity of the situation was graphically identified by the Centre for International Economics when it reported that at prices of \$200 per tonne, in the absence of reform, the sugar industry was likely to shut down within five years in all regions of Queensland. This would result in the loss of some 35,000 jobs to communities up and down the coast of Queensland. The reliance of the Queensland sugar industry on export markets has ensured its vulnerability to world market conditions. This bill provides the flexibility required to foster a climate of innovation in the pursuit of value adding opportunities, allowing for the diversification of income streams that is essential for the economic future of the industry and the communities it supports.

As I have previously noted in the House, the Mulgrave Central Mill in my electorate and its board of directors has shown strong support for reform legislation introduced by this government. The Mulgrave Central Mill is a farmer owned mill. Its directors and shareholders are of the view that reform is the only course for the industry to follow. They see it as an opportunity rather than as a threat.

The bill will enable the industry to make the most of these opportunities, supported by the package. It will ensure that growers, millers and investors have the possibility of sharing in the profits of these opportunities. Further, the state sugar package that will follow the passage of this bill includes \$10 million for innovation and value adding grants.

Sugarcane and its components can potentially be used in a variety of products, including paper, stockfeed, food additives, bioplastics, fertilisers, pharmaceuticals and industrial solvents. Integral to this reform is the process of exemptions from the current single desk arrangements. Under those arrangements, all sugar produced in Queensland is currently vested in Queensland Sugar Ltd for marketing purposes.

The bill enables exemptions from the single desk to encourage the development of alternative products. From 1 July raw sugar will be able to be exempted from those provisions if it is used for manufacture of alternative products such as ethanol or plastics or if sold in bags for export. The bill enables any supplier of sugar to apply for an exemption from the single desk. This will apply from 1 July, with a 'supplier' defined as the person who owns the cane immediately prior to its being crushed. This can widen the scope for participation in the exemptions process from just mills to include growers or outside investors. For example, a group of canegrowers would be able to enter into a commercial arrangement with other investors to use the cane they produce to develop an alternative product or to be used for an alternative use, such as the cogeneration of electricity.

In sharing in such investment and risk, these growers would then benefit from any returns on that investment. This is about enabling canegrowers to become businesspeople involved beyond the farm gate in their own industry. The range of products that can be potentially developed from cane must be assessed and developed so that a diversified sugar economy becomes economically sustainable. No single product or process will be the magic pill for the industry's problems, but the potential that this bill unlocks and the Beattie government's commitment of funds to support product innovation will provide previously unavailable opportunities. Observers of the sugar industry have suggested that culture and capacity to change will be more important to the future of the industry than simple increases in technological efficiency in sugarcane production. Key issues for the sustainability of the industry include management, capacity and leadership. This bill is just one of the Beattie government's responses to lessening the impact of current market forces and to promote cultural change and innovation.

The state sugar package that accompanies the bill is focused on support to the industry to improve productivity, to promote innovation and diversification and, ultimately, to improve profitability. In this way, direct support to the industry will result in flow-on benefits to communities. There are also other measures by which the Queensland government will provide direct support to Queensland communities that have had a longstanding reliance on the sugar industry. The Department of Communities has a key role in assisting members of communities who face impacts from sugar industry reform to access the support they need during a time of uncertainty and of change. The government has a social responsibility to work through these issues with people and to give them the necessary support.

As the Minister for Communities, I do not want to see anyone stranded without access to a support service they require to enable them to cope through this period of transition. My department is working closely with officers of other government agencies, in particular the Department of Primary Industries and the Department of State Development, to ensure the industry reform process is well understood so that those affected can make an informed assessment about how they will be affected and their need for support. I express my gratitude to the staff of those agencies for clearly recognising the community dimensions of this reform process and working with the Department of Communities to ensure community support can be appropriately targeted.

At a regional level, Department of Communities staff are working in close partnership with officers of other agencies to ensure that local circumstances can be taken into consideration when developing appropriate responses. My department will effectively utilise its skills in impact assessment, social planning, community service provision and capacity building to ensure people are supported through the reform process. My department also funds an extensive network of community agencies which are uniquely well informed and well placed to support individuals who may experience stress or hardship as a result of reform. I appreciate and admire the vital work these non-government agencies provide to individuals, families and communities right across the state, and I take this opportunity to express my confidence in their ability to perform this key function.

There are a number of other specific ways in which my department will work to support communities. Firstly, the Queensland government recognises that economic, social and cultural factors interconnect. It also recognises that different people require services to be tailored to their circumstances. In sugar regions, community service providers funded by the Department of Communities are linked closely with the staff of farm financial counselling services provided through the Department of Primary Industries. This very successful program has the respect and the trust of farming families across the state and it is often the first port of call for people who are experiencing some degree of hardship.

While it is a responsibility of financial counsellors to help farm families cope with trauma associated with financial loss, they do not provide social counselling. However, as they are usually the first point of contact when emotional and social problems arise, financial counsellors approach these situations with sensitivity and tact and refer growers to a network of professional service providers for help. I recognise that many canegrowers have been growers all their lives and that many are second and third generation growers. For these men and women the prospect of change or even exit from the industry may present a significant personal conflict or even induce a sense of failure. I would encourage anyone finding themselves in a position of hardship, be it financial or emotional, to discuss matters with a skilled professional. The farm financial counsellors have established links with social support networks and can provide referrals to appropriate service providers.

Secondly, the Queensland government also recognises that the sugar industry supports many other associated industries and businesses to varying degrees and that many businesses that are not directly engaged in sugar production will also experience impacts from adjustment in the industry. Staff of the Department of Communities will work closely with the Department of State Development and Innovation so people in these circumstances can be linked into programs and services offered by that department to support local businesses. Currently, senior staff from my department and the Department of State Development and Innovation are working to ensure affected people are aware of available assistance.

Thirdly, staff of my department will work with communities for the long-term future for sugar communities. This bill offers the hope that many regional communities will prosper in the future following reform. Other communities may diversify their economies into other agricultural and non-agricultural spheres in conjunction with sugar production to achieve economic sustainability. Just as the reform of the sugar industry is led not by government but by those involved in the industry itself, so must the move towards long-term economic and social futures be led by communities themselves. My department will work with communities and other government agencies over coming years to build community capacity to develop and implement long-term visions for change and sustainability.

As the Minister for Communities, I am committed to ensuring that my department works towards a better, more sustainable future for regional Queensland. Just as cultural factors, leadership and the capacity to change are of paramount importance to the sugar industry, the same factors will be crucial in relation to community changes that accompany industry reform. My

department will work to ensure the ability of communities to capitalise on their inherent leadership and build their capacity to change to ensure a sustainable future. As these examples demonstrate, the Department of Communities will fund support services, deliver support services and will also act to ensure access to the services offered by other departments.

It is my intention to ensure that such cooperation becomes the hallmark of the new Department of Communities. It is only through working together at central, regional and local levels that complex circumstances and challenges can receive the kind of response they require. The response to the reform of the sugar industry is one of the very significant challenges facing the Queensland government and the people of Queensland. The Queensland government has introduced the Sugar Industry Reform Bill 2004 to this parliament to ensure that our sugar industry is sustainable. These reforms warrant the full support of parliament. These reforms are critical to the sustainability of the sugar industry and local economies, and a sustainable economic base is the cornerstone of regional community vitality and development. I strongly support the bill and urge all members of this House to offer their support as well.

**Ms LEE LONG** (Tablelands—ONP) (5.10 p.m.): I rise to speak to the Sugar Industry Reform Bill 2004. This is really a bill telling the Queensland sugar industry that the federal and state governments no longer want the traditional small canefarmer growing cane for the sugar that it produces. They are telling those farmers loudly and clearly that, unless they can find an alternative use for their cane, to not bother growing it, especially if they cannot survive on the low rates of return that are offered to them at the present time and which are expected to continue into the future.

The cane industry is now being told that it is no longer efficient enough to compete with Brazil and that our cane industry has had a very low uptake of new technology and practices. If that is the case, then one must question industry leaders and governments who have known for the past 20 years that these present difficulties could occur. But it is important to keep clear about some things and that is that, although the industry could have done better, it is our governments, both state and federal, that have embraced free trade, national competition policy and all the rest of the free trade snake oil that is at the centre of the industry's problems. Indeed, this issue was highlighted by the unstinting support provided last week by the Premier and a tag team of ministers for the Independent notice of motion about concerns about national competition policy and privatisation. The problems now facing the sugar industry are deeply rooted in economic rationalism and its parasitic offspring, national competition policy, deregulation, free trade and so on. The Premier used the electricity industry as an example in his support of that motion. Others pointed to liquor sales and the taxi and hire car industry.

I turn to liquor sales. The Premier argued that it was correct not to deregulate that sector as it would cost Queensland jobs. That is correct and I applaud the Premier for that stance. But it seems that this government will not do the same for the sugar industry. It will back Queensland's clubs, hotels and bottle shops—and so it should—but not Queensland's farmers. The Minister for Transport and Main Roads, the Hon. Paul Lucas, pointed out quite clearly that national competition policy has created a nation of winners and losers. I agree. But there are very few winners and they are frequently the big corporations. The losers almost invariably are the farmers, local workers, small businesses and their towns and communities.

That is certainly true in my electorate. As I mentioned last week, the tobacco industry has gone, the dairy industry is struggling to survive and the sugar industry is in dire straits. Yet, despite all of the evidence and the agreement of the Premier and the ministers about the risks of national competition policy, today we see that same government forcing deregulation upon sugar growers. It is true that many growers accept that their industry needs to change and that a measure of deregulation is required, but what is proposed here is not what they want.

Members, or at least members representing rural electorates, will be very well aware of the terrible position of fruit and vegetable growers especially. They are hammered by the big retail chains, which use their market power to stand over individual growers. That is what is being proposed for sugar farmers. They will essentially be left to fight David and Goliath battles against the milling giants and all in the interests of a policy stance that the Premier himself said last week was all about driving competition for its own sake, and that alone.

Indeed, under this new bill, growers will lose a whole range of provisions that, at present, give them at least a little parity when it comes to negotiations with the mills. I think that it is important to remember that the growers, wherever they are, are not facing fair and even competition. The only mills with which they can even think of negotiating are those that are located within a viable transport distance. Growers in the Tablelands electorate, for instance, would never be able to

send their cane to the mills in the Burdekin. Of course, most of the mills are in the hands of just two corporations anyway. It hardly leaves growers with crops to sell in a very strong bargaining position at all. With this proposed legislation, I believe that the removal of the compulsory arbitration process will mean that growers will simply be offered whatever price suits the mill, and that will be on a take-it-or-leave-it basis.

I note in the explanatory notes quite some unbelievable comments. It is stated blandly that our sugar industry has seen its efficiency eroded with a very low uptake of new technology and practices and, worse, that Brazil is a more efficient and commercial exporter. I turn to a few home truths. Brazilian growers do not operate under the same workplace health and safety requirements. They do not have to meet the same standard of wages and conditions for workers. They have no real constraints on the clearing of virgin forest or other land to put in cane and they do not have anything like similar environmental controls on them. But they do have a massive ethanol industry and massive government subsidies. The comment that the world market price is below the cost of production for many participants is true. The difference is that not only are our growers expected to compete unaided with slave labour wages and Third World cost imports but also massive government subsidies. The fact that they have done so for years speaks highly of their efficiency.

There are also claims that a range of reports—Hildebrand, CIE, Boston Consulting Group, and the updated CIE report—all agree that the adverse effects principle was hindering the industry. The CIE report argues that the industry's real problems all lie at the feet of the farmers, and especially the small farmers and the so-called culture within the industry. The Beattie government has taken that report on board and taken a stance that the small farmers must go.

Time and again, thanks to national competition policy, the WTO, economic rationalist theory, the GATT and the GATS, we hear the same thing: get big or get out. But it does not work. In fact, the entire premise that bigger is better is seriously challenged by a groundbreaking study undertaken by the National Farmers Union of Canada and published in November last year. It is called *The farm crisis, bigger farms and the myths of 'competition' and 'efficiency'*. This study was undertaken by a group from another country but one which shares very many similarities, especially in regard to having well-established, massive agricultural industries that are under severe stress. The report demonstrates that that cannot be due to inefficient farmers. It demonstrates that, by using wheat, corn, pigs and barley as examples, farmers have received no price increase for the past 25 years, even though the bread, cornflakes, pork and beer produced from them have all undergone massive price rises. It is the same situation that exists here in Australia.

What conclusions does this study draw? The reasonable one—that an industry that can continue production without a price increase for 25 years suggests a very high degree of efficiency. We do not see Holden selling cars at 1979 prices, or public servants on a 1979 wage, nor doctors or nurses or teachers for that matter. The report also examined whether increased farm size improves efficiency. It argues that if bigger is better, then bigger and bigger processors and retailers must be extremely efficient and becoming more so as they expand. If farm prices have not increased in decades, then our food should be getting cheaper as processors and retail efficiency increases. But, of course, food does not. In fact, retailer prices continue to climb. In my electorate, milk is a real example of that, with farm gate prices plummeting and retail prices increasing.

Perhaps the sugar industry can be saved by increased farm production. That is certainly suggested in the various suggestions for increased productivity in the explanatory notes. But this Canadian study found that while productivity has increased, farm income has not. The reason? Skyrocketing input costs strip away the benefits of increased production. If only fertiliser and tractors and so on were also still available at 1979 prices!

Again, the explanatory notes refer to the poor uptake of new technology. This Canadian study compared farmers' gross revenue, net income and technology adoption from 1947 to 2003 and found that, while gross revenue increased as technology was adopted, net income actually fell. Technology comes at a price and sometimes it seems that that price is more than what it is worth.

My point is that the basic theories behind this legislation are flawed. In the real world, they just do not work, because they are based on incorrect assumptions and so, of course, the results such as this legislation, based so heavily on competition, free market and economic rationalist theory, are also flawed. Nonetheless, the explanatory notes make it clear in a number of instances that, unless there is change and if the current world price scenario remains in place, our

proud sugar industry will 'cease to exist' from 2006-07. We have just two or three years in which to save it.

I also note that there are concerns expressed in the explanatory notes about some departures from fundamental legislative principles and that this has happened due to the need for urgent reform. Urgent reform or not, fundamental legislative principles are just that: fundamental. I do not accept that the need for speed is an excuse for breaching fundamental principles, nor is there any suggestion that, once the reforms are in place, there will be any review or revisiting of those areas of concerns.

I will outline the particular areas. Clause 25 allows the word 'region' to be prescribed by subordinate legislation. As this is vital to the functioning of the act, I believe this is inappropriate. Clause 15 includes very high penalties for offences relating to commercial dealings and exemptions. A maximum penalty of 3,000 penalty units, or \$225,000, will apply. That is indeed a substantial penalty. Similar penalties apply for the offence of using exempt sugar under an exemption for a use other than that stated in the exemption or the use decided by QSL. Clause 30, which deals with the abolition of existing cane production areas, takes away a statutory form of property in the individual cane production area agreement, specifically with no compensation. There may be arguments for all of these things, but it is becoming too frequent that this government brings before this House legislation that breaches fundamental principles.

I am also appalled to see that the consultation process is now blatantly discriminatory. The explanatory notes indicate the results of a general consultation to be as follows—

In general it is apparent that the majority of economic weight (in terms of both earnings and investment) in the industry support legislative change.

I was shocked also to see a Labor government turning its back so coldly on average Queenslanders and trumpeting the fact that the big end of town likes its proposals. I believe there is no alternative but radical change for the sugarcane industry, but I believe that the industry desperately needs government assistance in research, development and marketing support for real, on-the-ground adaptation to new and niche markets, for example the aggressive support of ethanol. The sugar industry does desperately need help, but this bill is no help at all.

**Mr PURCELL** (Bulimba—ALP) (5.21 p.m.): I rise to support the Sugar Industry Reform Bill 2004. As most people in this House would know, I am not a great supporter of economic rationalism. I caution the previous speaker about what she said with regard to economic reform and what is needed. Some years ago the wool industry found out very quickly that we just cannot shovel money into an industry that is doing it tough and keep shovelling it in over many, many years. That just about brought that industry to a standstill. Producers went out of business. Australia's wool clip went down to numbers that had not been seen since this country was settled. We had a massive debt that the growers in that industry had to repay. It has taken them many years to do so. I can see that the minister is nodding his head. Those growers are just getting back on their feet after paying off that massive debt, and wool prices are on the rise. World markets will not buy our commodities if they know we have miles of it piled up sitting in a shed or we are going to shovel money into our industry.

As everybody is aware, there has been a desperate need for reform in our once highly successful and valuable sugar industry. I do not think anybody in this place would say it is not a valuable industry. It has been a very valuable industry over many years. The sugar industry is export dependent. We export over 85 per cent of our production to markets in Asia, North America, the Middle East and anywhere in the world that wants to buy it.

We need to start looking at the mentality here. I have heard the Premier say that we dig it out of the ground or we grow it and send it overseas. We need to get smarter. We need to do more with our product in this country. We are starting to turn the manufacturing industry around slowly in Queensland. It has taken a lot of years to do so. The Beattie government will continue to do it. The southern states did it a bit before us, but we need to do it for the sugar industry. We are the biggest sugar producing state in the Commonwealth and we need to look at that very closely.

I will outline some of the reasons why the industry has the problems it has at the moment. Its historic advantage and efficiency has been eroded, with very low uptake of new technologies and practices. I have heard speaker after speaker from the other side of the House refer to this, but they have not really addressed it. To my knowledge only one mill has been built recently. It is very efficient and very modern. It has a great way of handling its sugar. It does it with, sadly, very little labour to keep costs down. It generates power that it puts out into the grid. It runs efficiently and

sends out trucks to pick up the sugarcane from the farm and bring it to the mill. There is not a big line of trucks; it is timed pretty well. The trucks are rolling in as they are needed.

Growers in the district around that mill are not allowed to supply that mill because they are tied to other mills. The legislation in Queensland does not allow them to go out and make contracts singly with a mill. They are tied into other mills for a period of time with the collective. They cannot increase their sugar production and they cannot get out of the contracts they are in. This legislation is to allow for that to happen.

Brazil, as we know, has emerged as a major competitor. It has a more efficient and commercial export sector. Anybody in this House who believes that Brazil is not efficient does not really know what is happening in Brazil. The latest technologies in sugar production are used in Brazil and have been used for some time. Our mills are very old. It is a sad case that they are very old. To retool and rebuild them would be an enormous cost to industry, and the money is not there to do that. The banks will not lend money to mill owners and the CSRs of this world to retool their mills when they are so inefficient and the price for sugar is so low.

Brazil will increase its cane production this year by the size of the total Australian industry. That is a frightening and alarming fact. That will not go away. That will happen. We can imagine what that will continue to do to the price of sugar. The long-term downward trend of commodity prices has combined with an oversupply on the world market. That will continue. This in turn produces a world raw sugar price that is below the cost of production for many in the industry in Queensland. That will continue if commodity prices do not turn around in the near future.

Of course, we cannot forget that the high value of the Australian dollar has also decreased returns. That is a sad fact faced by a lot of producers at the moment—not only of sugar but also of wheat and all our other commodities. Even our coal exporters have had a jump in coal prices fourfold just recently. That is because there is a shortage of coal, but the prices they were receiving until just recently when contracts were renegotiated were below cost. Coal producers were putting in something like \$4 a tonne. They kept their operations going and sustained that loss, knowing that there was a price rise hopefully coming in the future. How many growers could continue to do that? I do not think too many sugar growers could continue to put in \$4 for every tonne of sugar they produced.

As I said earlier, our sugar industry has remained focused almost entirely on raw sugar exports. We have done little to promote alternative products from either sugar or cane. Let us look at what the federal government has done with regard to that. About 18 months ago or two years ago Howard put a ban on the import of ethanol, just when companies were looking at building ethanol plants. Companies that want to build an ethanol plant have to borrow money to do so. Not too many companies would have—

**Mrs Lavarch:** \$100 million.

**Mr PURCELL:** A couple of years ago they were talking about \$65 million to \$80 million. I would believe the member if she told me it is now \$100 million, because it has probably gone up that much in a couple of years. Banks will not lend people money if they cannot go out and pick up contracts and point to them and say where they are going to use their ethanol and what returns they are going to have. If the federal government has put a ban on the import of ethanol, how are they going to top up their contracts until they get their mills up and running? We will need more than one mill. We will need probably three or four up the east coast of Queensland for sugar. How are people going to get money from banks if they cannot tell the banks how they are going to make their business profitable?

Howard banned the import of ethanol. He did it while there was \$5.5 million worth of ethanol on the water coming here and he just blew a company out of the water. Some people in the Riverina were producing ethanol and the fact is that ethanol can be produced much cheaper and more efficiently with wheat. I can assure the House that the downs growers of grain, those in the west at North Star—probably the largest wheat growing area in Australia—and Goondiwindi will not be sitting on their hands if they think they can make money out of turning their wheat into ethanol. We need to look at value adding and how we go about doing it.

The Queensland government has combined with all involved in the industry in this state and is totally committed to supporting and promoting comprehensive legislative reform. This legislative reform needs to ensure the long-term future of the sugar industry. Interestingly, it has turned to the government for assistance and advice. It needs to survive. We need to make sure it survives. The number of jobs that hang off this sugar industry is enormous. We only have to go into a sugar town and have a look at how much work the sugar industry generates to see that.

As the Sugar Industry Act 1999 has been hindering the industry from making the appropriate changes to remain competitive in today's global sugar market, it is obvious to all that changes need to be made. To this end, four separate reports have been commissioned since early 2002. So it has not come upon the industry very quickly. I can remember holidaying at Coolum over a period of years. A sugarcane producer owned the motel where I used to stay. He got out of the sugar industry some years ago, saying that there was not much profitability left. He had to work too hard. He had to work the ground too hard. He had a lot of sons, so he said he had to work his sons too hard. One really has to work hard to make a dollar in sugar these days. The writing has been on the wall for some period of time.

The four reports that I mentioned earlier focused on the causes of and remedies for the industry's decline. I will not name all the reports. Most members would know what they are if they have done a bit of homework on the sugar industry. The last one, the updated CIE report *Cleaning up the act; More important than ever*, was produced and hit the deck in February this year.

The sugar industry, in partnership with the Queensland government, is fully committed to comprehensive reform for the long-term future of the industry. This will be achieved in this bill by the removal of the cane production area system. As I said earlier, we need to let people sell their cane to the mill that will give them the best price possible. We need to reward those growers who grow cane in the most efficient way that they can, to give them an ability to get a higher price for their cane. I am referring to those growers taking up the new types of cane with the higher sugar content. Sugarcane can be harvested green. Less water is needed. There is less fungus in the plant. Allow those growers who will put money and effort into their properties and their cane production to benefit from that.

This bill will remove the statutory bargaining system. I have belonged to the union movement for a fair period of time and we need to allow people to bargain freely. This will allow them to do that. The bill will also achieve the creation of a supply of contracts, a phased change from compulsory arbitration and provisions for exemption from vesting of sugar. There are no real alternatives to this current bill. Queensland and Queenslanders need this industry to remain viable. It has and should remain a major part of Queensland's farming landscape.

One thing that sugarcane growers should do—and I am sure the minister would agree—is look at other areas where they can expand and look at other alternatives to sugar. Not too many farmers these days, as the minister would know, put all their eggs in the one basket. We need to have alternatives and we need to be able to grow other things on farms where there is good soil, great weather and plenty of water. They need to look at cash crops that they can cash in on and spread their risk over a bigger area. I support the bill before the House.

**Mr McNAMARA** (Hervey Bay—ALP) (5.35 p.m.): I am delighted to rise to support the Sugar Industry Reform Bill before the House, not just because it is very good legislation but also because this is an election commitment. As I have mentioned in this place previously, reconnecting with the people and re-establishing the trust which is so vital in politics depends in large measure on governments implementing policies that they take to elections. This was a policy that we took to the election. It was a clear election commitment. Those on the other side who ask us to defer this legislation or not vote for it are asking us to commit some sort of a fraud on the electorate.

I am very pleased that the minister has brought this legislation forward at the earliest opportunity. It is vital that when we say we will do something—when a government goes to an election and announces one of its central policies that will affect an enormous part of Queensland, that is, an incredibly important industry—it is very important that we do it, that we do it soon, that we do it without equivocation and that we do it with purpose.

I am delighted that the Liberal Party is supporting this bill tonight. Again, it is disappointing that the National Party finds itself out of step as it was on the Vegetation Management and Other Legislation Amendment Bill. Unfortunately, very early in this parliament the National Party has cast itself as the nay sayers of the room, the ostriches of politics.

A bill like this gives the parliament a great opportunity to unite and send the powerful message that we are listening to what the industry wants. When the canefarmers and the millers line up and say, 'Yes, we want to be part of this, this is the way to go,' and when the Liberal Party and the Labor Party stand up and say, 'Yes, we will give this industry what it is asking for,' I think it is a shame that the official opposition, Her Majesty's loyal opposition, feels that pandering to a very small segment, the Katers, is somehow more important. It is not.

The member for Burnett's rather disgraceful contribution earlier impugning the motives of Canegrowers in signing the heads of agreement was a dreadful thing.

**Mr Horan:** He hasn't spoken yet.

**Mr McNAMARA:** The member for Toowoomba South is right. It was the member for Burdekin. I apologise to the member for Burnett. He may make a useful contribution. We live in hope.

The member for Burdekin, in standing in this place and questioning the motivations, the competence and the professionalism of Canegrowers does not only her party but also the industry a disservice. She does that organisation harm. They come to the table with clean hands and with an honest position. Undoubtedly there needs to be compromise on all sides to make this work. As I think Gough Whitlam once said, only the impotent are pure and, regretfully, the sort of purity that the National Party seeks would leave this industry impotent.

The reality of globalisation—and I note that the member for Tablelands dearly loves to chat about globalisation—is that it is an historical process. It is not a policy. It has been going on in this country since Captain Cook arrived. All of the regional communities that have built a proud history around the cane industry have done so on the backs of globalisation. As a number of speakers have pointed out, it is an industry in which 85 per cent of the raw sugar is exported. Well, hello! It is a global industry. Pointing to micro-industries like newsagents or chemists and saying, 'Why aren't they subject to this sort of arrangement?' misses the point that my local newsagent is not competing on a global market. The local chemist is not competing on a global market.

A global industry which, by definition, has no choice but to compete on a global market is subject to globalisation. No matter what we say, no matter how pure we might want to be, the inescapable reality is that unless we can find ways to get the cost of production down under that current world price they are finished. I congratulate the industry on working with the government and with the minister—the different ends of the industry coming together—to find a way through this. There is no question that the only way through the challenges which globalisation puts forward is to innovate and to become more productive. Those are the only tools.

Globalisation is a topic that has generated more newsprint than the Second World War. Academic writers are churning out stuff at length about whether it is good or bad. People like Owen Hughes feel it is inevitable. People like John Quiggin from the University of Queensland point to negative outcomes. However, the reality is that it is here with us. There is no status quo to stay with. There is no choice to say, 'We are going to stay with the industry as it was.' There were good times from globalisation. There were good profits made up and down the length and breadth of Queensland over the last hundred years in the sugar industry. But now we have to compete.

I would like to congratulate particularly the minister on bringing this legislation forward. He is well aware of the challenges around the world. The sugar industry in Cuba is going through an agonising debate over whether it can continue to exist. The sugar industry in Taiwan is effectively shutting down. The value of land in Taiwan as opposed to the value of production in sugar in Taiwan means that that nation, which very much sees sugar as central to its ethos, is faced with exiting the world industry. We do not have to do that yet because we have a sugar industry that is prepared to adapt, to innovate, to generate new ways to make profits. This bill will assist them to do it.

I am very proud to support this bill before the House. I congratulate the minister and all the parties to it. I implore once again the National Party and the opposition to step up to the plate and not try to score points for the lowest common denominator. Let us all finally unite around the need to give the cane industry a future and support this bill.

**Mr MESSENGER** (Burnett—NPA) (5.42 p.m.): I rise to reject the Sugar Industry Reform Bill 2004 because the Labor Party has once again lived up to its bullyboy reputation and has placed a legislative gun to my canegrowers' heads. In the words of a senior Canegrowers representative, who was quoted by the shadow minister for primary industries, when asked to comment honestly on the Sugar Industry Reform Bill 2004, 'It was a case of either choosing to lose two fingers or the whole hand.'

The Sugar Industry Reform Bill 2004 is essentially the same piece of legislation as the Sugar Industry and Other Legislation Amendment Bill 2003, against which Canegrowers and the federal government fought for approximately a year—since last April. The fight was for very good reasons. The cane production areas, or the CPA, will be removed, which will effectively devalue any assets for many of my canefarmers. Mandatory arbitration will no longer be a standard for the

future. It will be replaced by arbitration by agreement, a system which will place many canegrowers at a disadvantage when it comes to negotiating a fair price with the multinational millers. The price of domestic sugar will still be linked through a ministerial directive to the current corrupted world sugar price, a situation that will keep domestic sugar prices low. The basic fact is that even when this piece of flawed legislation is passed it will not put one extra cent in the pockets of the majority of farmers. So I am honour bound to vote 'no' along with my fellow National Party members when it is time to divide.

The industry knows it needs restructuring and change, but it does not need this kind of dangerous and radical deregulation, which will make life even more difficult for growers. This is the key point to my argument. The last thing that our 6,600 growers need right now is for a state government to make life difficult for them. The financial health of those 6,600 growers is vitally important to the survival of 38,000 workers in a primary industry that is worth \$3.7 billion in GDP annually and adds approximately—this is according to the Sugar 2020 report—a further \$22.7 billion to our economy in flow-on effects. So based on those figures, if the sugar industry were to collapse, then Queensland would lose around \$26 billion. That is a figure close to the size of the Queensland government's total budget—maybe a little bit more. Of course, we would lose 6,600 growers and 38,000 workers.

The sugar formula could not be any simpler: no farmers equals no millers equals no workers. So it is not just farmers who lose under this bill. Once again, the Beattie Labor government, true to form, is abandoning regional and rural workers—38,000 of them—and also abandoning the communities they live in and the small businesses that service those regional and rural communities. Even the AMWU, a union which raises large amounts of money for the Labor cause, has finally pushed the panic button and is now trying earnestly to have some meaningful dialogue with all members of the sugar community.

Just recently I attended a community meeting where farmers, millers, workers, community leaders and unionists all came together for some earnest and frank talk. We all know that it is crunch time. We all know that the industry stands on the edge of an abyss and that this crisis must be properly addressed. In this bill, tragically, the Labor Party forgets to offer some real hope for the growers. It has missed an opportunity to give something substantial back to the sugar communities.

**Mr Palaszczuk:** Give us your plan.

**Mr MESSENGER:** The Premier has it within his powers—if members on the other side would like to hear my plan—right now to lower the cost of production for sugar growers and to give some rural and regional families and some workers hope. All he has to do is, firstly—step one—lower up-front water charges. Some growers are facing quarterly bills of \$11,000 for the part A component of the SunWater charges because they have to pay 70 per cent of their water allocation before they use a drop. It is a ridiculous system which encourages water wastage. If a farmer is blessed with a rainy season and does not need to irrigate to turn on the water winch, what do honourable members opposite think they will do if they have already paid up front for that water and there is not any hope of a refund on unused water? Of course they will turn on the water winch, even while it is raining outside. They will shake their heads and curse the Premier and his Minister for Primary Industries, who are responsible for this mad wastage.

If the Premier really wanted to help the industry he could lower stamp duty on cane farms and land transfers, forgo record government owned company profits, lower canefarmer power bills and get rid of the unfair ambulance levy. Exempting farmers from gifting provisions would be good, too. He could also increase the amount of state assistance available to the industry, which I remind the House employs 38,000 workers. If the government is really fair dinkum they will see that \$30 million is not enough.

The government could also mandate 10 per cent use of ethanol in Queensland fuel. Just on that point, for the life of me I cannot understand why the Beattie Labor government does not enthusiastically implement and endorse a mandatory 10 per cent of ethanol in our fuel. It is an environmentally responsible initiative to take to mandate ethanol in our fuel as well as providing hope to the sugar industry because it would diversify income and revenues. It would also be good for the environment. Clean air and clean water are just some of the obvious benefits. So I ask myself: why? Why has the Labor government not mandated ethanol? Why the lack of political will from a party that prides itself on positive environmental credentials? Ethanol is surely a win-win situation for farmers and environmentalists.

After conversations with prominent Greens spokespeople in my former occupation as an ABC Radio broadcaster, I have come to the conclusion that the Greens would ultimately like to see every canefarmer driven off their land and into the sea which surrounds the Great Barrier Reef. I believe it is most likely that the green lobby group and Looney Left are exerting pressure to stop Queenslanders from using ethanol in our fuel because that would give hope to our canefarmers. To mandate ethanol may also mean that canefarmers survive.

It is for this reason I believe the Greens' perverted philosophy and logic proceeds as follows. The environmental benefits of using ethanol in our fuel are far outweighed by the environmental benefits achieved by shutting down the sugar industry and all the horrible damage that the Greens think the industry inflicts on our country and waterways. I am ever alert to the possibility that Mr Beattie and Labor will not mandate ethanol because of undue influence from the green lobby group. After all, it is in the not-too-distant past that we have seen Greens fingerprints on other legislation before the House.

**Mr Palaszczuk:** Such as?

**Mr MESSENGER:** Maybe we could think of some examples. What about the vegetation management bill that we debated in the House last week. Labor is dancing to a tune being played by Bob Brown and his mates. Let us hope that the unions representing the 38,000 workers depending on the sugar industry's survival will silence Mr Brown's little ditty. Let us hope that unions have more influence with the Premier than the Looney Left and the Greens.

After speaking with the federal member for Hinkler, Mr Paul Neville, who has put in a mighty effort advocating in Canberra for Burnett and Bundaberg farmers, workers and, indeed, the whole of the sugar industry with the Prime Minister—and while I am not privy to any details—I am of the opinion that the Commonwealth will provide a sensational assistance package for the industry.

This bill before us today falls a long way short of being sensational and what the majority of farmers want. Queensland sugar growers are some of the most efficient primary producers in the world. The current crisis within the industry is not because of any inefficiency on behalf of growers. According to world leading sugar analyst Landell Mills Commodities growers in the Burnett and Bundaberg districts, like all sugar farmers in Queensland, have pursued improvements in efficiency and sustainability on every front and have raised their productivity by nearly 40 per cent in the last three years.

It is a well-known fact that Queensland growers are one of the world's top two most efficient sugar producers. The only reason that sugar growers and the industry are in trouble is because of a world market which has been corrupted by an oversupply of sugar from Brazil. In fact, Australia has the cheapest domestic raw sugar price anywhere in the world, including Brazil. Let us put to rest any thoughts that may be harboured by members on the other side of the House that our growers deserve to be in the situation they find themselves in.

I still stand by the comments I made in my maiden speech. The only reason we still have a sugar industry today—employing 38,000 workers—is because of the loyalty, the tenacity and the courage of canegrowers. In my electorate, Childers growers, Kolan growers, Wallaville growers, Rosedale growers, Bundaberg growers—all growers—have made massive losses over the past three years. The only people who have really made any money are the 38,000 workers. It is time now for Mr Beattie and Labor to repay that loyalty and reward their tenacity and courage. The bill, as it stands now, only adds to the growers' burden. For that reason, I cannot and will not support the bill.

**Mrs LAVARCH** (Kurwongbah—ALP) (5.54 p.m.): I rise to support the Sugar Industry Reform Bill 2004. The major policy objective of this bill is to implement the commitment by the sugar industry and government to comprehensive reform. As set out in the explanatory notes, the industry now faces a fundamentally changed market situation. Those changes are that the industry's historic advantage in efficiency has been eroded, with the very low uptake of new technology and practices. Brazil has emerged as a major new competitor with a more efficient and commercial export sector. The long-term downward trend in all commodity prices has combined with the oversupply on the world market to produce a world raw sugar price that is below the cost of production for many industry participants. The high value of the Australian dollar has also reduced returns. The industry has remained focused almost entirely on raw sugar exports and has done little to either promote alternative products from cane or sugar or to further value add.

Many speakers on our side of the House have spoken about the need to value add in the industry if it is to survive. The previous speaker quoted equations from a National Party

perspective. He said that if the reforms were brought in it would equate to there being no industry. Nothing could be further from the truth. In fact, the equation reads in a pure mathematical sense—no bill equals no reform equals no industry.

When one asks the previous speaker and other opposition members what they plan to do to support the sugar industry or grow the industry or to overcome the global impacts on the industry at present, what do they answer? They blame the water prices—it is all SunWater's fault. If it is not the water prices, then it must be the stamp duty that they pay on their contracts. What about the power bills and the ambulance levy? I have never heard such microthinking in all my time in this place. If they are the advocates and the ones leading the way for the agricultural industries in this state and in their seats and this is their thinking, then pity help us all. It is no wonder they are in the state they are in today.

There can be no doubt that the state government has acted decisively by creating this historic opportunity for the sugar industry to reshape itself. I have heard speakers from the opposition say today that the industry knows it has to reshape itself. They know they have to do it. But they do not want the reforms. They do not want to have to look at the hard facts of how they should reshape themselves. How do they bring about a business environment that expands thinking from having a single focus on one product? The present regulatory regime has been the biggest barrier to expanding and moving the focus away from one product.

When one's eggs are all in one basket one knows that the risk is accentuated to the extent that one can collapse quite easily. How many businesses have put their eggs in one basket and are not here today to tell us what happened to them?

**Mr Palaszczuk:** And it is also the magnificent package that is coming from the federal government. The reason is because they could not secure the sugar industry to be part of the free trade agreement. That is the only reason the federal government is coming into it now. Otherwise their \$120 million was all they were going to supply on a 3c a kilogram levy. Not a cent from the federal government before.

**Mrs LAVARCH:** No, and that shows the commitment of their colleagues, does it not?

It is incumbent now upon the industry to embark on diversifying. Many speakers in this debate have spoken about innovation. Yes, there have been innovations in farm practices and, yes, there have been innovations in cane production. But it is not so much the innovation in producing more cane; it is diversification in what we do with the cane once it has been cut. This is an area in which we as a government have been committed to further research. Value adding by the mills is one way to make the industry more viable. We need to attract new investment into Queensland to look at other products that can be made from cane. Everyone in the debate has so far spoken about ethanol, and I think the National Party believes that ethanol is the only other product from cane that is even worth looking at or pursuing. But if one looks outside Australia, sugar has been used in many ways. In fact, the minister was telling me earlier that there are 76 other products that can be made from sugar.

**Mr Palaszczuk:** That is in Cuba.

**Mrs LAVARCH:** In Cuba. As the minister says, Cuba is making 76 other products from sugar. What is the population of Cuba? Is it less than ours?

**Mr Palaszczuk:** It is less than ours and its cane industry is about the same size as ours.

**Mrs LAVARCH:** Cuba has not only been able to be innovative but also diversified the use of its sugar. The products that interest me are the conversions. There has been the conversion of sugar into ethanol, but there is also the conversion to other sugars such as sorbitol. Sorbitol is a modified form of glucose that does not lead to tooth decay, as does sugar, and is now used as a low calorie sweetener in a variety of products including toothpaste, vitamins and cosmetics. Maltodextrin, which is a long chain of sugar molecules that is similar to starch, is used in the food industry as a thickener and to alter the mouth feel of foods. Then there is the wonder derivative xylitol, a sugar alcohol, which is again used in the food industry but is a non-calorific sweetener. As sugar has been maligned over time as being the cause of obesity in our society, it could actually have the answers to overcome obesity itself as a low calorie sugar derivative.

Before I conclude, I want to add that stockfeeds, as other members have said, are another example of cane products that can be developed in a relatively short time. I attended a business round table at the University of the Sunshine Coast on Friday and was advised that, even though there is no mill now for the sugar being grown in the Sunshine Coast area, it is looking very positive for them to have a commercial plant at Bli Bli to produce stockfeed.

**Ms Nelson-Carr** interjected.

**Mrs LAVARCH:** Yes, it is excellent. It shows that you can think outside the square and you do not necessarily need a mill to have a use for the cane. Of course, for the industry to continue it is essential for canegrowers to remain in the industry and to keep growing cane. Many value-added products from sugar will take time, but we are supporting research and development within the sugarcane industry. We are supporting the Bureau of Sugar Experiment Stations, the Sugar Research Institute and the sugar CRC. In fact, the Queensland government gave a \$4 million grant to the Sugar Research Institute and leveraged nearly \$4 million in Commonwealth funding and \$38 million in industry funding for a range of projects to improve mill efficiency. This research identified a range of ways as to how mills can be more efficient and channel more energy into cogeneration. A new way to break down bagasse into useful products and a new way of making ethanol are being trialled.

The Queensland government has also provided funding over seven years to assist the cooperative research centre for sugar industry innovation through biotechnology. This is a longer-term approach to developing new kinds of products from cane, and the sustainable future in the industry is in value adding—that is, diversification in the use of cane. I commend the bill to the House.

**Dr LESLEY CLARK** (Barron River—ALP) (6.04 p.m.): I rise to support the Sugar Industry Reform Bill 2004, which is vital for the future viability of the Queensland sugar industry. The minister in his second reading speech referred to a number of reports commissioned by this government, the federal government and the industry which pointed to problems which have become apparent with the current sugar legislation. The consistent message from the Hildebrand report, the CIE report and the Boston report is that the sugar industry must achieve significant productivity increases if it is to be viable in the long term and that opportunities for such productivity improvements definitely exist and must be seized. Failure to reform the industry at current world prices will have disastrous results for all regions.

I want to quote from the CIE report as it relates to my particular region of far-north Queensland. It estimates that income and employment in the north would fall by \$132 million, which is 3.8 per cent of regional output, and 2,794 jobs, which is 2.8 per cent of regional employment. The gross value of sugar output would fall by some \$332 million with flow-on impacts of up to \$564 million lost in output for the region and a maximum loss of jobs of up to 7,264—that is, 10 per cent. I give these figures just to show how serious the situation is and how the case for reform is so compelling. Canefarmers in the Barron Delta must embrace this change, because they do not actually have the option of selling their land for residential development, for example, because they are in a delta and the kind of flooding that occurs there means that that land will be retained for its present use for agricultural purposes. Obviously, they also will be dependent on the continuing function of the Mulgrave mill, which is where they take their cane. So for the industry as it relates to my electorate, these reforms are absolutely compelling.

The industry itself has recognised the need for these changes, and that is why it is so disappointing to hear the opposition failing to recognise what the industry leaders themselves have acknowledged and embraced as shown by the heads of agreement with the government which was signed off by the Premier, Canegrowers and the milling industry. It is clear then that the Sugar Industry Act 1999 is holding back innovative thinking and opportunities for widespread productivity gains in a number of ways. The current act provides for four main components that restrict the industry's development, and these are the cane production area system, the statutory bargaining system, the system of compulsory dispute arbitration, known as final offer arbitration, and the compulsory vesting of sugar without exemptions.

The current cane production areas are statutory licences that assign growers to a particular mill and prevent the transfer of cane supplied between mills. This arrangement has been very restrictive and has not assisted those growers who have wanted to pursue opportunities with other mills. The reform bill removes the cane production areas from the act from 1 January 2005 and stipulates that from this time all growers must have a written contract to supply cane to a sugar mill. The current statutory bargaining system provides for a negotiating team to negotiate a collective cane supply and processing agreement with a mill. Currently, this agreement binds all holders of cane production areas. While it is not possible to have an individual agreement outside the collective arrangement, they are difficult to achieve and have limited confidentiality.

The reality is that there is little incentive for growers to pursue this type of flexibility and, as a result, very few individual agreements exist in the industry. This prevents changes to the terms and conditions of the cane delivery and sustains inefficient harvesting group sizes, scheduling

and transport. The reform bill removes this archaic system from 1 January 2005 and gives growers more commercial options. Growers will be able to choose to collectively bargain or develop a suitable contract for themselves or enter into multiple supply contracts.

With regard to marketing, the current act provides that all sugar produced in Queensland, regardless of whether it is destined for the domestic or export markets, is vested in Queensland Sugar Ltd, a single desk marketing arrangement. This creates inflexibilities for potential investors and others wishing to innovate in areas which could assist industry but not necessarily detract from the performance of the single desk in bulk raw sugar marketing. Therefore, under the reform bill, raw sugar will be able to be exempted from the single desk arrangement if it is to be used for the manufacture of alternative products.

We had a long debate about that in this particular discussion on the bill, and it is quite clear that the support exists. I do commend the member for Kurwongbah for her most recent contribution pointing out from research that has been carried out at the CRC for sugar biotechnology the kinds of innovations that are possible and the kinds of alternative products that are possible. There are some 75 products produced just in Cuba, and here in Queensland we are only just really beginning this process which we should have commenced years ago.

It certainly has exciting possibilities, but it is essential that we embrace this particular move because the alternatives are simply not sustainable. I am very pleased to say that in far-north Queensland, our mills have certainly looked to those alternative products such as ethanol and bioplastics. The Arriga mill, the most modern mill in Queensland on the Tablelands, is certainly designed in such a way that it could in fact be added to in terms of its actual physical capability to adapt to these sorts of alternative products. I certainly hope to see them going down that track.

The Sugar Authority, the independent third party, will have the authority to grant these exemptions from vesting. Under the bill and in accordance with the agreement with the industry under the heads of agreement, bulk raw sugar will remain tied to the single desk arrangement. However, the arrangement is to be reassessed as part of the national competition policy review which is required to commence in 2006.

The primary direct pressure on industry participants that will result from regulatory change will be the need to operate their businesses in a more commercial environment. That is a reality that just cannot be avoided. The regulatory system has served to shield industry participants from normal commercial decisions and they may lack the necessary skills to survive in the new environment. The change management program, the Sugar Innovation Fund of the state government, together with programs run by the Commonwealth and industry bodies will address this outcome of regulatory change. These programs will serve to greatly improve the ability of industry participants to deal with change.

The \$30 million state sugar package has already been approved and is in place. On 20 April 2004 the minister announced a further enhancement of this program and the state's package is scheduled to become available on the passing of this reform bill. We all obviously hope that the federal government's announcement this week will actually deliver what is also needed.

In conclusion, this reform package of legislation and funding will significantly assist the industry to adopt a culture of change and to build its capacity for increasing competitiveness to meet the continuing challenges of the world market. I commend the bill to the House.

**Mr McARDLE** (Caloundra—Lib) (6.11 p.m.): The history of the economy of the Sunshine Coast has in part been linked directly to the growth of the sugar industry. In fact, it has been only in recent years that that industry has started to be superseded by other endeavours. Nevertheless, we on the Sunshine Coast owe an enormous debt of gratitude to the people who have been and still are engaged in the sugar industry. The industry not only provides economically for the coast but also has in large part been responsible for much of the development of infrastructure and community spirit. We are all well aware that farmers band together. They are akin to a large family unit, with a unified focus in achieving a goal that they set themselves. This spirit has seen many towns grow and develop on the coast and in many ways the same spirit has unified those towns into a strong community. Those comments generally apply equally across many other areas of Queensland.

The sugar industry now faces its most critical time. It is suffering from a number of threats and in my opinion it is our responsibility to acknowledge and repay the substantial contribution that it has made. These threats include a downturn in prices, an oversupply of sugar and new suppliers moving into the market. These threats have placed the sugar industry as we know it in jeopardy, with the consequences for the Sunshine Coast including the closure of the mill in

Nambour with the ensuing loss of employment both directly and indirectly and a real concern across the Sunshine Coast that sugarcane farmers are no longer going to be able to make a living from their traditional source. The situation can only get worse unless this position is rectified.

The Sugar Industry Reform Bill provides some hope in that it assists in deregulating the industry by allowing more competition and removing pricing and sales mechanisms. The legislation provides \$30 million to the industry. However, in my opinion only \$10 million will be given directly to the industry. The balance will be advanced by way of loans or used to relocate people. Accordingly, only one-third of the package is going to reach the farmer family directly.

Although the bill will provide some money for the industry, in my opinion it does not go sufficiently far enough. It is nowhere near enough if it is meant to assist an industry that is comprised of families: fathers, mothers and children. It is nowhere near enough to provide for the future of many communities across the Sunshine Coast.

On the coast, there is enormous pressure to sell sugarcane properties for development. I must stress that, equally, that pressure is being resisted. Yet it is the farmers and their families, plus those who rely on the industry, who are under the greatest pressure. The Howard government is moving to announce a package of in excess of \$250 million to assist our sugarcane farmers at a time of extreme crisis. This package acknowledges that crisis and proposes strategies to achieve a number of potential solutions. The package is realistic in that it offers an alternative usage for a traditional product. It is this form of leadership that Queensland desires and needs—leadership that understands the needs of the industry and that has taken the time to sit down with local canegrowers and local millers to discuss their problems. It is as a consequence of this approach that the Howard government learned of the needs of the industry. The Howard government is going to provide solutions—real solutions—to an industry in crisis.

In the final analysis, there are to be two packages: one of \$30 million, the other of over \$250 million. We all acknowledge the importance of the sugar industry. Although I support the bill, I urge the government to increase the amount payable under it and, more importantly, ensure that those funds are paid directly to the farmers.

**Mr O'BRIEN** (Cook—ALP) (6.16 p.m.): I rise to speak in support of the bill. My electorate of Cook encompasses sugar-growing country, mostly around the town of Mossman in the Douglas shire. Mossman also has a sugar mill, which I think probably has the smallest crush of any mill in Queensland. No doubt someone will correct me if that is not correct. The mill has been operating for over 100 years. It provides direct employment for about 150 people and services nearly 200 growers. Being a small mill, in recent years there has obviously been a fair bit of concern and conjecture about its future, and this reform bill that is currently before the House has been the topic of considerable debate in the district.

The Mossman mill has been finding it hard to keep its head above water. After having met with the board, I can advise that they are very supportive of the bill. The bill is both an outcome of an exhaustive review process for the sugar industry that has been in progress for more than two years and the honouring of an election commitment by the Beattie government. Members will be aware that the government's 2003 reform bill did not proceed owing to a number of factors, including the intransigence of the Commonwealth in reaching a final agreement on the necessary reforms and industry concerns in certain areas. The bill lapsed with the rising of the parliament and the calling of the state election. However, as industry conditions have continued to deteriorate, the need for reform with appropriate assistance has been ever more pressing, particularly in places such as Mossman. Accordingly, this government announced a commitment that, if elected, it would proceed with the reform to aid the embattled industry.

The necessity for regulatory change was prompted by several studies commissioned by the federal and Queensland governments and the Queensland Cane Growers Organisation regarding the impact of the Sugar Industry Act 1999 on the industry's competitiveness, productivity and future viability. All of those reviews are on the public record and were widely circulated. The first study was the Commonwealth government commissioned independent assessment of the sugar industry, commonly known as the Hildebrand report, which was released in June 2002. It identified six major issues and areas impeding the future of the Queensland sugar industry.

Recommendations were made on the necessity to address the issue of the industry and competition, with a focus on the industry taking greater responsibility at mill and regional area levels; on the market, with the government and the industry to increase pressure to access protected European, US and Japanese markets; on diversification, with encouragement for product diversification of cane and sugar, but with caution about ethanol; on the environment,

with the industry to adopt an engage and not defend approach; on the social aspect, with an exploration of options to support change in the industry and communities; and on research and development, with efforts to address the contracting research base.

On 25 September 2002 the Commonwealth and Queensland governments signed a memorandum of understanding on the reform of the Queensland sugar industry. This agreement committed the government to provide up to \$150 million in assistance on condition that the industry make changes to ensure its long-term economic, social and environmental sustainability. As part of the industry reform, the MOU committed both governments to a joint approach on regulatory changes to the act.

In August 2002 the Queensland government commissioned the Centre for International Economics to undertake an impact assessment of legislative change to the act to determine if it impeded competitiveness and efficiency. The CIE report identified that change to the regulatory structure of the Queensland sugar industry was not only desirable but also necessary to improve the industry and regional viability, income and employment to enable the industry to survive at its current size.

The Canegrowers commissioned the Boston Consulting Group to report on issues confronting the sugar industry and advise on the impediments to and opportunities for greater competitiveness. The Boston Group was also asked to comment on the CIE report. The Boston Group report concluded that the industry must urgently consider a broad range of radical reforms to the way that it operates and is organised and that industry characteristics could prevent deregulation having the desired effect on industry competitiveness but that the potential for a return to reasonable profitability exists if the right steps are taken.

The conclusions of these studies were the subject of an extensive consultation process by the Queensland government last year on regulatory change in the Queensland sugar industry. Over 1,500 individual submissions were received by the government, including submissions from the main industry peak bodies—Canegrowers, the Australian Sugar Milling Council, the Australian Cane Farmers Association and Queensland Sugar Ltd. In addition, a large number of meetings with industry stakeholders, including the Queensland Cane Harvesters Association, were held to discuss the issues raised in these studies. Based on the results of these studies and public consultation, as well as on the MOU with the Commonwealth government, the Queensland government tabled in April 2003 the Sugar Industry and Other Legislation Amendment Bill (No. 2) 2003—the bill which, as I said, lapsed with the calling of the election.

The government's election policy on sugar—'A way forward for the sugar industry'—was announced by the Premier on 22 January 2004. The government committed to break the impasse on sugar reform and deliver workable reform to take effect from 2005. It contained the following commitments: immediately reactivate discussions with the industry and the federal government about the shape of industry change; after these discussions urgently reintroduce and pass changes to the act with effect from 2005; after the legislation is passed make the \$30 million state package available; hold further discussions with the federal government to unlock its \$120 million contribution to the joint package; establish regional guidance groups in major sugar producing regions; and maintain the Queensland government's spending of \$35 million over four years on the sugar industry.

On 17 February 2004 the Premier, the Minister for State Development and Innovation, the Minister for Primary Industries and Fisheries and the Minister for Communities, Disability Services and Seniors met with Canegrowers chairman, Jim Pederson, and the Australian Sugar Milling Council chairman, Geoff Mitchell, to discuss the price collapse, the legislative reform and restructuring the industry. The Premier tabled an updated CIE report and emphasised the need for the industry participants to work together in partnership with the Queensland government. The industry participants displayed a real appreciation of the difficulties confronting sugar and an acceptance of the need for reform and restructuring. They also recognised the need for urgent action.

For many older growers, the prospect of reform is frightening, and change management had to be a key part of implementing reform. The need for cooperation and trust between growers and millers was raised and affirmed. As a result of intensive consultation and mutual compromises, the heads of agreement on the reform of the sugar industry was signed by the Premier and the leaders of Canegrowers and Australian Sugar Milling Council on 1 March 2004.

The heads of agreement states the industry's agreement in principle to the changes in the bill. The agreement acknowledges that the legislative impediments to reform must be removed

and that the Queensland sugar industry and the Queensland government are committed to supporting and promoting comprehensive reform and restructure. It also states that the industry is committed to transformational change required to achieve sustainability. The elements of the heads of agreement have been outlined in detail by other speakers.

It is clear from the detailed process undertaken by this government that the government has been extremely consultative and transparent in its approach to the review. All relevant parties have been given opportunity, in many cases more than once, to provide input. Clear majority support has been achieved for the proposals.

It is true that concerns remain from some quarters, principally growers demanding assistance yet opposed to any reforms. However, it is clear that this government has established a mandate to proceed following its detailed election commitment. Also clear is the federal government's insistence that real reform precede the provision of its assistance package. The state's \$30 million sugar package will be available when the reform bill is passed by parliament. The bill will implement the memorandum of understanding with the federal government. There is a strong expectation in the industry that the Commonwealth should unlock its package following the agreement of regulatory change. Recent media indicates that the federal government is close to announcing a significantly increased assistance package following its failure to have sugar included in the recently negotiated fair trade agreement with the United States.

Both governments will work with industry to implement necessary reforms and provide assistance needed to ensure the long-term viability of industry. Hopefully this will include the Mossman central mill. As I said earlier, the mill is doing everything it can to survive. It has pared back its debt from \$9 million to \$3.5 million. Growers have taken cuts, and workers have been affected considerably by the mill's fight for survival. It is seeking to diversify its product into such things as molasses and has the strong support of the Douglas Shire Council. It also has the support—I acknowledge it here today—of the federal government, which has granted the mill \$500,000 to help it develop new sugar by-products and become a model of reform for other mills.

I should probably end on that positive note, but I cannot help recalling an incident I witnessed during the election campaign. The incident occurred in Cairns, where the federal member for Kennedy and about a dozen members of the flat earth society aggressively approached the Premier in what can only be described as one of the ugliest incidents of the election campaign. What it demonstrated was that there are some people who just will not accept change, will not accept reason and will not accept the undeniable circumstances in which we find ourselves. Thankfully, sensitive people like those in Mossman are facing up to that reality. With the help of all levels of government, they will be able to prevail and prosper. I commend the bill to the House.

Sitting suspended from 6.27 p.m. to 7.30 p.m.

**Mr SHINE** (Toowoomba North—ALP) (7.30 p.m.): It is a great pleasure to speak on this important bill, although I must say that, Toowoomba North being somewhat far afield from cane fields, it has been asked of me what my interest was in this matter.

**Mr Wallace:** It is a sweet city.

**Mr SHINE:** It is a sweet city, as the member for Thuringowa knows. I am proud to be on the minister's backbench legislative committee. As such, I am slowly, in my case, gaining a broader perspective of primary industry in this state. I thank the minister for the invitation that he extended to me to attend the dinner last Saturday night for the Primary Industries Week celebrations. It was a very enjoyable occasion. It was good to see so many people from the various and diverse primary industries of Queensland at that dinner.

One of the other reasons why I am very pleased to be able to speak on this legislation is that, as a proud member of the Labor Party, I am cognisant of the Labor Party's history with respect to the cane industry. Tonight we have heard reference to the part played by the second, technically, Labor government in Queensland, the T. J. Ryan government, and the assistance and help given to the industry right back to 1915. Of course, many members would or should be aware that the Forgan Smith government, the Hanlon government and, indeed, the Gair government—which I can remember—up until 1957 were very highly regarded by members of the cane industry. It is for those reasons that I am very happy to take part in the debate tonight. It is because of that association that the government takes very seriously the concerns of all affected by the situation that the cane industry finds itself in today. The government is resolved to play its part in rectifying, so far as is sensibly possible, the problems within the industry.

It is important that the government assesses what the true position is, both within Australia and more importantly ex-Australia, to study the impact of any proposals that might be suggested, to have adequate and extensive consultation and then to actually do something by way of legislation. Tonight we have reached the last point in that four-point exercise, which is this legislation.

**Mr DEPUTY SPEAKER** (Mr Fouras): Order! The member for Yeerongpilly should come to the chamber properly dressed. I suggest that he does not do that again.

**Mr SHINE:** Because of time constraints, I want to restrict my brief remarks to three aspects of the bill: the removal of the cane production areas, the removal of the statutory bargaining systems, and access to arbitration in a passing sense with more detailed comments on single desk marketing and the question of ministerial direction.

The research that I have been able to do over the last week or so with respect to this legislation leaves one with an overall feeling of great pessimism and a sense of futility as to what the outcome will be for the industry in the long run. Why do I say that? I refer to the comments of many members tonight, such as those of the member for Mirani. He quite effectively told us of the difficulties that Australia has in competing in all areas of production, and he gave particular examples relating to harvesting costs. Members have referred to the nature and extent of the Brazilian industry and the difficulties in competing with it. Reference has been made to the current poor prices and the long-term outlook not being much better because of oversupply. There was a simple logic that one cannot keep going as a farmer or as a miller when one's returns are less than what it costs to produce. The member for Thuringowa referred to a study that predicted that there will be a close down of the industry within five years if reform is not carried out. Even with reform, there will be some areas in which activity will be marginal at best.

Of course, there will be political pressure as well. The question will be asked: why should you as a state government or you as a federal government be spending money on an industry that, on all indications, is ultimately going down the gurgler? It is imperative, therefore, that this state government does what it can and does it quickly. Hence we have this legislation before the House tonight. In essence, this bill recognises the realities of life which were set out very clearly in such reports as the Hildebrand report and the CIE reports.

As I said, I want to deal briefly with three areas. The first is the removal of the cane production areas. CPA was the system whereby statutory licences assigned growers to a particular mill and prevented the transfer of cane supply between mills. This is to be done away with from 1 January 2005. Replacing the cane production areas will be contractual cane supply arrangements. I note that the *Alert Digest* makes comment that no compensation is payable to a holder of a CPA. However, very importantly, it also points out that CPAs were issued at no cost in the first place and, in any event, there is very little trade in them.

Moving on to the termination of the statutory bargaining system, it is noted that no compensation will be paid as a consequence of the terminations. That is, current members of cane production boards, mill suppliers committees and negotiating teams will not be compensated for losing their positions. However, the effect again of this move should be minimal as these positions were part time only and they really were paid for sitting fees only to compensate people for being absent from their normal economic pursuits or employment. Now that they will not be at those meetings, they will be able to continue on in the normal course of their employment and, hence, suffer no economic loss.

Turning to access to arbitration, there is set out a model for interim arbitration for the 2005 season, designed to overcome any of the policy problems identified with compulsory arbitration in a commercial setting. Of course, before access to arbitration can occur, mediation must take place.

As I indicated, I wanted to refer in some detail to two other issues, the single desk marketing issue and the ministerial direction. Sugar reforms have been a constant focus for more than two years and—despite a series of reports such as the Hildebrand report and the other reports I referred to earlier pointing to the need for substantial reform, the conduct of industry operations and repeated calls from the Prime Minister down for the industry to embrace change—progress has been difficult to achieve in the face of sometimes extreme reluctance from parts of the industry to contemplate anything much more than unconditional direct grant support from the government. In response to this situation, it did seem noticeable last year that the federal government became quite circumspect and uncommunicative in finalising its position on necessary reform and assistance. Fortunately, following implementation of the election

commitment by the re-elected Beattie government, a sensible approach has now been agreed and much needed reforms can proceed with state and federal adjustment assistance.

One of the most contentious and difficult issues to resolve is in relation to the marketing of sugar. Presently, Queensland's single desk marketing arrangements for raw sugar operated by Queensland Sugar Ltd—QSL—are created by compulsory acquisition. The act vests ownership of all sugar upon manufacture in QSL. This creates a monopoly which would not be permitted in the normal marketplace by the Australian Competition and Consumer Commission and the Trade Practices Act—TPA. However, following the 1996 national competition policy review of sugar legislation, the Commonwealth and state governments accepted that it was in the public interest for single desk marketing to continue and the necessary TPA authorisations were included in the sugar legislation. There are good reasons for this approach, given that around 85 per cent of sugar produced is exported on the world market. Justification for the single desk approach for the Australian domestic market is addressed by the much discussed ministerial direction.

Under the act, the Minister for Primary Industries has the power to issue directions to QSL as to its conduct of the single desk. The only direction that has been issued requires QSL to sell sugar on the domestic market at export parity prices. That direction was first given under the National Party's Borbidge government. The opposition would be aware that the policy for this ministerial direction was a condition for the retention of the single desk of the domestic market following the 1996 Sugar Industry Review Working Party report. The current direction simulates deregulation, albeit imperfectly. To remove it without allowing domestic deregulation of sugar sales would invite the National Competition Council to reopen the whole issue of the public interest of monopoly control of raw sugar through the vesting powers of QSL. A financial penalty imposed on Queensland's competition payments may be threatened as a result.

Some growers have been agitating for some time for the removal of the direction and have made this a contentious issue throughout much of the grower sector in the mistaken belief that cane prices would increase substantially as a result. Their objective is to allow QSL to artificially increase the price of sugar on the domestic market. At present, Australia imports almost no sugar. Given that no tariff can be expected to be imposed, QSL would need to be careful about the price set for sugar. If the domestic price was increased above the cost of importing sugar, it could lead to imports and the loss of market share by Queensland sugar in this country.

However, with any single desk arrangement, inflexibilities and inefficiencies can become apparent over time. In the current difficult market conditions, opportunities to value add and innovate must be encouraged. The challenge in the current reform process has been to determine the best way of achieving this. A wide range of views has been put forward in this regard. The initial CIE report concluded that the removal of compulsory acquisition of raw sugar on the domestic market was a low risk strategy with some possible small benefits, mainly to provide increased market orientation to producers and give them responsibility for marketing.

This approach was subsequently included in the government's 2003 Sugar Industry and Other Legislation Amendment Bill, which also allowed for the removal of the ministerial power. An alternative approach was included in the opposition's failed private member's bill, the Sugar Industry Amendment Bill 2003. This would have seen QSL empowered to grant exemptions as it saw fit, the ministerial direction removed and growers given the right to veto exemptions. The system would appear most unlikely to meet the public benefit requirements of NCP, given the extensive conflicts of interests created for QSL and growers. Ultimately, following further consultation with the industry, a compromised position has been agreed to through the heads of agreement in the bill currently before the House.

The bill will provide a scheme for exemptions, a transparent and accountable process involving an independent third party—the Sugar Authority—with the power to grant exemptions from vesting. The bill will enable exemptions from 1 July 2004 from compulsory vesting of sugar used in the manufacture of an alternative product such as ethanol and sugar exported in bags. However, as a result of the heads of agreement, the bill will maintain the domestic single desk for raw sugar used in manufacturing, for example for refining, and will retain the provision for the ministerial direction for export parity pricing of domestic sales in order to simulate domestic deregulation.

The bill introduces the concept of the supplier being the person who owns the cane immediately prior to it being crushed. Once cane is crushed it becomes sugar and automatically vests. The exemption system is open to suppliers. This concept is intended to widen the scope for participation in the exemptions process from just mills to include whomever may be commercially

negotiating to own the cane immediately prior to crushing. This could include growers or outside investors.

Sugar marketing arrangements are due for a major review commencing in 2006 under NCP. Industry has acknowledged this in the heads of agreement and is working now on new approaches to address concerns and deficiencies of the current system. While incremental in nature compared with this government's initial proposals, the amendments to enhance the flexibility of the single desk have the support of the major industry stakeholders and are an important step forward in assisting the development of alternative products for the sugar industry. For those reasons, I commend the bill to the House.

**Ms NOLAN** (Ipswich—ALP) (7.45 p.m.): I rise to speak in support of the Sugar Industry Reform Bill brought to the House by the Minister for Primary Industries, Henry Palaszczuk. The bill, as other members have outlined very well, establishes among other things a new process for arbitration between canegrowers and millers. Sugar, like many areas of agriculture, does not operate in a perfect market. Frequently, although not always, a homogeneous product from many sellers is sold to only one potential buyer: the local mill.

The past price agreement between growers and millers had been reached by a process of growers collectively bargaining with the mills. Under this process, if price agreement is not reached, a process of final arbitration began in which growers collectively and millers individually nominated terms. Bizarrely, the arbiter simply chose between the two. There was no discussion and no moderated agreement. While anyone with any understanding of economics or negotiation would see final arbitration as just bizarre, canegrowers have, disappointingly, clung to it for years—clinging to the security of knowing that when things get hard Big Brother is there to decide.

In an environment of a tight market with a low world sugar price, this system of final arbitration is clearly fraught. It creates the potential for the arbiter to price mills out of business by determining an uncommercial price and it entrenches product homogeneity and prevents growers from innovating by creating a false security in compulsory collective bargaining. This might have worked fine 80 years ago in an industry without price pressure. In the current environment it sets the industry up not for processes of steady, moderated adjustment but for a calamitous, thumping fall.

In recent years Minister Palaszczuk has set himself entirely to the task of avoiding this fall. It is sad and ironic, given that he is a Labor minister, that he has done it in the face of opposition from the lowest common denominator elements in the sugar industry, that is, those who are protected by collective bargaining and those who are represented here by the National Party.

The new system, as has been outlined, establishes a process of transition to commercial price bargaining and, to protect all parties, insists that a process of dispute resolution be explicit in all contracts between growers and millers. While the National Party has tried in here to present this simply as a process of deregulation, that is far from the case. This is a process that creates flexibility. It is also a process in establishing that there must be dispute resolution in every contract that sets out to protect both parties in every contract every time. This change—which has finally been agreed to by government, canegrowers and millers—is a central part of the Beattie government's reform package, which is putting \$35 million into the sugar industry over the period 2002 to 2006. In addition, the Beattie government is committed, as part of a joint package with the Commonwealth, to provide another \$30 million for the industry when regulatory change occurs.

I am not all that old, but I have been around in politics for a while. In that time, I have heard some drivel. But hearing the National Party speak on economic policy broadly and specifically on the sugar industry goes pretty close to taking the cake.

Tonight we have heard from the member for Burdekin that sugar is not a subsidised industry. We need to understand that this industry was bailed out in the mid-1980s, in the mid-1990s and in 2000 on the condition that there would be regulatory reform—regulatory reform that never happened. Now it is being bailed out again by the federal government to the tune of some \$350 million. We cannot say that this is not a subsidised industry.

Every time one of my constituents buys a kilo of sugar they pay an extra 3c. They pay that 3c to assist this industry which is decreasingly competitive in an open world market with the process of transition. No-one can tell me that that is not a subsidised industry. The reality is that sugar is the most propped up, subsidised, mollycoddled industry in Australia. They are worse than Mitsubishi.

We have also heard tonight from the member for Tablelands that the great threat to the sugar industry is the snake oil of globalisation. It always strikes me as ironic when we hear primary producers talk about the dangers of globalisation. We need to understand that 85 per cent of Queensland sugar is exported.

We can go down the path of fortress Australia. We can seek to not have free trade. We can have a sugar industry that produces and sells 15 per cent of its current production—that is, that which only supplies the domestic market. Without globalisation and without free trade we do not have a sugar industry at all. So to argue that globalisation is the problem is really taking economics to some kind of pretty wacky extreme.

We have talked about solutions to the sugar industry's problems in here tonight, and our new friend the member for Burnett suggested that the problem was that the sugar industry has to pay a real price for its water and that the solution would come if SunWater—that is, the government and the taxpayers—would prop up this industry with subsidised water. That does not work for other industries and it should not work here because, as with every other industry, we have to pay the real price for our inputs.

We have heard dragged out the usual cargo cult of ethanol. We understand that sugar, as many speakers have said, is not the best source, the most economic source, from which to create ethanol. What we have heard this evening is a lot of economic gobbledegook about how we can prop up this industry in different ways, through different means, through different kinds of taxpayers' funds and different kinds of subsidies through the backdoor and front door.

The problem is that sugar is competing on the world market. It is competing with other countries. Sometimes it is competing on a corrupt world market, but it is competing with other countries that can produce sugar more cheaply than we can. The other part of the problem is that Queensland's regulatory environment does not make it easier—it makes it harder for our sugar industry to compete.

Australians believe fundamentally in looking after themselves. We are happy to help the vulnerable and, in terms of our economic policy, we are happy to help new industries stand on their own two feet. We are happy to give them a start. But we cannot fundamentally go on subsidising and propping up forever an industry which will not change and which is not able to stand alone in the world market. If this reform does not happen this time, that is exactly what we will continue to do.

I owe it to my constituents, as other members, including those in the sugar seats, owe it to theirs, to give this industry a chance to stand on its own two feet. We need to give it a chance to compete, a chance to be independent, a chance to be the best it can be. We do not do that in a regulatory environment and with a drip feed of ongoing subsidies that are cemented in the past. It is very disappointing to me to see the National Party come in here tonight and not even represent what canegrowers want but represent something that canegrowers do not want and that a small proportion—the lowest common denominator in that industry—want, and do it in the name of wacky economics.

This bill gives this industry its only chance to go forward. After 100 years it has to stand on its own two feet. Without this bill, that will not happen. The industry will not fade away. One day canegrowers will wake up in the morning and it will just be gone. This is the only chance for this industry. If those in the National Party were honest enough to admit it to themselves and to the people they seek to represent, they would acknowledge that, too.

**Mr SPRINGBORG** (Southern Downs—NPA) (Leader of the Opposition) (7.56 p.m.): The Sugar Industry Reform Bill before the parliament tonight is not a panacea to fixing the sugar industry's problems despite what honourable members opposite have led us to believe during the course of today's debate. There may be some aspects of this bill which superficially we could find ourselves supporting. However, there are many aspects of it that concern us. The honourable member for Toowoomba South outlined those concerns during the course of his contribution to the debate.

I listened to the member for Ipswich talk about this industry which is supposed to be so grossly subsidised. It may be news to her, but in the middle of the 1990s it was one of the first industries to enter into the brave new world of tariff reduction. It was submitted to chill winds of global market forces in an environment where other sugar industries throughout the world were subsidised and, in many cases, were competing against the Australian industry with far more competitive cost structures.

There are no direct subsidies. It is true that there has been some assistance to the industry over a period of time. Income support has been provided for people who have gone through a period of hard time. There is no doubt about that. That is no different to a lot of other sections of the Australian industry, regardless of whether they are agricultural industries or other types of industries to which the honourable member's constituency may be traditionally aligned and may also be able to take some benefit from.

The member for Ipswich also went on to mention the issue of subsidies. Is it not very interesting that we soon forget the fact that the train and bus services that services her electorate are subsidised. I do not argue against that. That is fine. That is a simple reality.

**Ms Nolan:** It's a service.

**Mr SPRINGBORG:** So it is fine to have a service that is subsidised? So they say it is fair that people do not have to pay the full cost when it comes to accessing a service to get to work, but then say that assistance packages are not right and that they are some form of subsidy. I find that a rather ludicrous argument.

I argue against neither. We have heard the luminaries from the Labor Party stand up in here and talk about how this so-called panacea piece of legislation is going to provide these enormous benefits to the sugar industry and force it to stand on its own two feet. It is not. There is not one red cent in this Queensland. The structures which have been put in place are not going to assist them anyway. What it does is by and large shift market bargaining power from one more to the other. That is constant trend in the way that things seem to have gone across this nation over the last few years.

We do not argue against sensible structural reform and have not at any stage, but the coalition at that stage put out a nine-point plan during the election campaign containing a whole range of innovative processes and—

**Mr Shine** interjected.

**Mr SPRINGBORG:** It actually did assist us in the sugar seats and had the backing of the canegrowers themselves.

**Mr Shine** interjected.

**Mr SPRINGBORG:** Because it was sensible. It made a sensible contribution, unlike the honourable member for Toowoomba North who has done some sort of two-minute course on the sugar industry and stands up here and pretends to be erudite on it but would not have a clue. But what about ministerial directive, something which is a major encumbrance to the sugar industry in this state and the capacity of sugar growers to be able to benefit? What about that? Not once did the member mention that, something which artificially knocks down the price of sugar for sugarcane producers in this state. By ministerial direction, it says that they must sell sugar on the domestic market at export prices. That is what it basically says.

**Government members** interjected.

**Mr SPRINGBORG:** What we are saying is that it is time for it to go. Members opposite are talking about structural reform. They are talking about things that can actually provide some form of benefit, provide an immediate cash injection benefit to sugarcane farmers throughout Queensland. What the minister and honourable members opposite are saying is that they want structural reform when it suits them, but they do not when it does not. They only want a little bit here, a little bit there and a little bit somewhere else. That is one of the most practical things that they can actually do to assist the sugar industry.

**Government members** interjected.

**Mr SPRINGBORG:** I am happy to table it. I can read it all into *Hansard* if members want, but I am certainly very happy to table it if I do not get a chance to go through the whole thing. What is the government actually doing for the ethanol industry in Queensland other than duck showing, like it always does when it says, 'The Commonwealth government should do this. Somebody should do that. Somebody else should do something'? When it came to an opportunity to support a private member's bill in this parliament to do something about innovation in the sugar industry to provide another market, where were members opposite? Nowhere to be seen! They ran away and voted against it.

We have to do the same thing in this state that has happened in the United States, and that is that some states have to start to lead by example with the ethanol industry. That is the simple reality. That is the simple fact. The Premier stood in this place this morning and said that in

Queensland our commitment to reducing greenhouse gases and emissions will be equivalent to taking two cars per person off the road. By using a mandated level of ethanol to 10 per cent or a particular volumetric level in our motor spirits sold in Queensland, we can take off that much again. But, no, where was the government? It was nowhere to be seen. We can assist the sugarcane industry along the way as well.

I agree with some of the things that honourable members opposite have said, including the honourable member for Ipswich. Even though I have points of contention with many of her comments, she said that the sugar industry is in a very difficult state and the honourable member for Toowoomba North has said that. We have all said that. We know that there are some significant problems. It is not an efficiency issue. It certainly is an issue of what is happening with regard to the very export nature of it. Some 85 per cent of it is exported—there is no doubt about it—and we are also competing with the likes of the Brazilians and Thailand. However, the Brazilians in particular have a lower cost of production. Who is going to advocate that we have the same wage structure as Brazil in this country? I am not, but they are the sorts of issues that we are dealing with.

Next year the Brazilians are going to plant sugar in an area that is one and a half times the size of Queensland's entire production area, so it is extremely difficult. But I believe and have said for a long time that the way forward for the sugar industry in Queensland is a move away from the reliance on export crystal sugar and more to what we can do with the product of sugarcane in our very own country as a biofactory, as a way of providing opportunities for pharmaceuticals, bioplastics and the likes of ethanol. That is a way that we can guarantee ourselves domestic security in a whole range of commodities with products such as fuel but also to put us out there at the cutting edge.

Areas that are producing sugarcane are in many cases broadacre and not really attuned to anything else. We could try to grow tomatoes, mangoes, bananas or something else, but there are only so many mangoes we can grow. There are only so many bananas we can grow and only so many tomatoes we can grow. Chicory was going to help out, but unfortunately that is not going to happen now. When looking at agriculture set up like that, it makes sense to use sugarcane for something else. I agree that the reliance on crystal sugar is something which is holding the industry back, but the industry does want to innovate. There is not much in this legislation that allows more than partial innovation in that particular area—not much that allows more than partial innovation.

There are some other issues that also concern me that I need to touch on. There is the issue of compulsory arbitration. I find it interesting to hear honourable members opposite argue about doing away with that when they subscribe to a union movement. They subscribe to a process which for years has advocated compulsory arbitration. If it is good enough to do it in the work force, then why is it not good enough to have some formal process of arbitration in an ongoing way? This is going to be phased down and phased out, and the concern I mentioned before is that this shifts the power to bargain and the power to address issues from one more so to the other. That is my very strong view and the very strong view of people in the industry and a concern which was held by the federal government and the Prime Minister. We cannot say that the Prime Minister is somebody who is anti regulatory reform. The industry held that particular concern, as did the coalition's sugar reform group in Canberra as well. There may be things in this legislation that it supports, but a big concern from the Nationals is the phasing away of the arbitration arrangements.

The honourable member for Ipswich said, 'We've got this process of collective bargaining.' Once again, she is a member of a party which was basically formed on collective bargaining. It has a foundation of collective bargaining. Those opposite want collective bargaining when it suits them and not when it does not suit them. In his contribution the honourable member for Toowoomba South talked about a range of other industries that have been through this and said that it is a case of divide and conquer. That is what it is, and it has only been in recent times that the ACCC has agreed to have some form of collective bargaining process in the dairy industry.

So collective bargaining has a role. To stand up there and say, 'Collective bargaining has propped this up and it's unfair' is unfair to the roots of the honourable member if she looks at the way that the Labor Party was formed and the union movement and what has been a fundamental tenet of ensuring an appropriate amount of ability for those people who are removed from the process or can be removed from the process to have some form of empowerment along the way.

I have already spoken about the ministerial directives. I just simply say: do something about that. We will support the government absolutely. We have no hesitation whatsoever. What is the government's financial solution and assistance to the industry in Queensland, other than throwing platitudes at it and saying, 'It's up to the federal government to throw all the money at it'? When the federal government was offering \$120 million, the state government was offering \$30 million. The Commonwealth government is now offering a package that looks to be at least \$250 million, if not much more. What is the state government offering? No more! Once again, it says, 'We'll change some regulations. We'll chew around the edges and wait for the federal government to come in with the money that is going to assist the industry adjust for the future.' But typical of this government, it thinks the Commonwealth government needs to pay for the problems of the industry and to assist it to be able to make those particular structural adjustments and those adjustments into new innovative products here in Queensland. I challenge the minister and this government that if the Commonwealth government—

**Government members** interjected.

**Mr SPRINGBORG:** The Nationals have been doing a lot in Canberra, I can tell you. That is one of the reasons members will see a very generous package released in Bundaberg come Thursday. But where are you guys? Absolutely nowhere to be seen whatsoever! There will be a generous package and a package which will hopefully allow the industry to restructure and to be able to innovate into the future. With regard to the abolition of the CPAs, CPAs—cane production areas—are not an issue in all the sugar growing areas around Queensland, but there are particular areas where they are and there are particular areas where they are important, and have been important, in guaranteeing a degree of certainty in that industry. We have some concerns with regards to doing away with those.

The free trade agreement has been mentioned by some members in this place. I think that the real benefits or otherwise of this agreement are yet to be seen. I am adopting a wait-and-see attitude to see what comes to pass.

**Mr Shine** interjected.

**Mr SPRINGBORG:** I will wait and see what comes to pass, because—

**Mr Shine:** Don't you worry about that.

**Mr SPRINGBORG:** Those guys opposite would not have a clue what they are looking at with a free trade agreement. We are yet to see the benefits to the industries that are subject to it—whether it is the beef industry, the avocado industry, the peanut industry, or whatever the case may be—because it has such a long lead time. I hope that the benefits that have been talked about and promised come to pass, but that is yet to be witnessed. The simple point that I make about the free trade agreement is that I am not necessarily convinced that the inclusion of the sugar industry into that agreement would have given that industry any greater benefit than what the Commonwealth government is going to be offering them with regard to the cash and the structural assistance package that will be released by the Prime Minister in Bundaberg on Thursday.

The worst possible outcome for the sugar industry in Queensland would have been for the Commonwealth government to have negotiated, with the consent of the United States government, an extra 50,000 tonnes access into that market. That would not have meant any more than a few million dollars equivalent to the industry in Queensland each year. Anything less than maybe 300,000 or 400,000 tonnes would not have been enough to provide any meaningful way forward or support to the sugar industry. Whilst I was initially disappointed that sugar was left out of the free trade deal, I think that a lot of us in the cold light of day sat back and looked at the difference between a token amount of extra sugar access into the United States market and this particular package and saw the benefit from this package, because it is going to be immediate. It is not going to take years to filter down.

In the early 1960s, we had something like 900,000 tonnes access into the American market. It is now down to less than 100,000 tonnes. It is certainly true that the Americans look after their own. There is no doubt about that. But I think that this package, which the Commonwealth government will hand down on Thursday, will provide far greater benefit than, say, 50,000 or 100,000 tonnes of additional quota would have been able to provide the sugar industry in Queensland.

There are some other things that this government could do if it does not want to assist by way of a direct assistance package for the sugar industry, and one of them is waiving the stamp duty on generational transfers. If, as the members opposite are saying, they want a greater

degree of innovation in the industry—and that is going to have to happen, there is no doubt about that—that will also mean that structural change is going to happen by way of people moving out and the younger generation taking over. There is stamp duty on the generational transfer of property. If the government is not prepared to put direct cash into the industry, why does it not waive that stamp duty charge as a way of assisting that industry go through that structural change rather than putting a direct cash contribution into the industry? I believe that the government should be prepared to put more cash—

**Mr Messenger:** It might cost real money.

**Mr SPRINGBORG:** As the honourable member for Burnett said, it might cost real money.

A moment ago the honourable member for Ipswich talked about the real cost of water. Unknown to her—or she probably does not understand it—these people are actually paying a part A water charge of 70 per cent of the price of their water for water that is not even being delivered. It cannot be delivered because of drought, allocation restrictions, or whatever the case may be. That is not really fair. Most people would belly-ache and muck around a bit if they had to pay for a service that was not delivered to them. These sugarcane farmers are paying 70 per cent of their part A charge for a service that is not being delivered. I know that that is fine for the honourable member for Ipswich with her economic rationalist, duplicitous mind, because she thinks that subsidies or assistance are okay sometimes, but not other times. That is fine, but all we are saying is that people should not be paying for something that they are not receiving. Most people would argue that. They would think that that is pretty fair. But not the honourable members opposite in this place.

This bill will not be a panacea. It is not going to fix all the problems in the sugar industry. Unfortunately, there is going to be significant change in the industry. People are going to leave the industry. As hard as it is going to be, we know that that is going to happen. That is why we need to have a process in place that allows this industry to be able to adapt, to be able to restructure. The Commonwealth government is the only government that is putting any meaningful amount of money into the process—\$250 million at least. Maybe it will be more money. The state government is putting in \$30 million.

But we need to have something that encourages the development of the ethanol industry in the state beyond platitudes—something that goes some way towards enabling that industry to innovate in the area of turning sugarcane into biofactories for a whole range of product. They are the sorts of things that we can do. The sugar industry in the long term is going to be much better off for that.

We will not be supporting this bill, because there are many aspects of it that we have concerns about. We will continue to lobby and we will continue to see that the process is addressed properly. I table the coalition's nine-point sugar plan.

**Hon. R. J. MICKEL** (Logan—ALP) (Minister for the Environment) (8.15 p.m.): This August marks 20 years that I have been either an adviser or an elected member. There have been two consistent themes in that 20 years: every two years or so there is a sugar industry bill and on every occasion it is opposed by the National Party—20 years of opposition by the National Party. We talk about the package, but the National Party tries to put it off. Two years ago the federal government threw over \$60 million at the industry and said, 'Go away and reform yourselves.' If that had happened, if that had been money well spent, we would not be needed here tonight. The reality was that no reform took place.

**Ms Nolan:** They just took the cash.

**Mr MICKEL:** The cash was taken. There was no incentive to reform. Now we have heard all the same old stuff from the National Party. We have an industry that exports 85 per cent of its product. One of the members opposite said, 'One of the things hurting us is national competition policy.' So we have an internationally competitive industry that should not be nationally competitive. What a lot of rot! Where do those jokers get off with this stuff? We have been arguing consistently for a better trade deal. One comes off with the United States. What is the industry that is left out? The sugar industry. How can the members opposite ever get up and apologise for that? It was a damned disgrace, and they know it. The Australian sugarcane farmers should have been in that agreement, otherwise it should have been torn up and sent back. Anybody standing up for Australia would have insisted that the Australian sugarcane farmers be included in that deal. How can that lot over there get up and defend that? In reality they cannot. It is indefensible.

By putting off the reforms, by trying to delay them, by trying to kid sugarcane farmers that there is some other way around it, the members opposite are trying to put off the inevitable. Reluctantly, we have been handed a report that says that, with no reforms at all, there is every likelihood that there may not be a sugar industry in five years time. That is the situation. I find that as a matter of great regret—a great regret for the rural towns that depend on the sugar industry.

When we were in government federally, we inherited an economy that was moribund. What did the Hawke government do? We had to look our constituency square in the eye and say, 'These are the only choices.' They were difficult choices. But whenever it comes to its own constituency, the National Party can never stare anybody in the eye and say, 'These are the hard choices. These are the ones that we reluctantly have to make.' Tonight there has been a continuum of policy failure by the National Party. I do not want to be dragged into that. The minister can speak about that.

Why we need an industry standing on its feet and why I as the Environment Minister want that is simply that we cannot get decent environmental outcomes unless we have a viable, sustainable sugar industry. This government is about a sustainable future for the sugar industry. In fact, you cannot be green if you are in the red. A sustainable future involves sound environmental practices. That is why we are working with industry to address issues such as nutrient run-off on the Great Barrier Reef. The sugarcane farmers whom I visited in Mackay with the honourable member for Mackay are doing just that. They understand the need for decent environmental practices. Why? Because it brings down their cost of production. They need less fertiliser if they are environmentally sound. They know it. They are already practising it. We are also working with the industry for decent reef water quality protection, because we know that there is another industry that is dependent upon successful on-farm management, and that is for the protection of the Great Barrier Reef and the tens of thousands of jobs that operate from that Great Barrier Reef.

As I previously told this House, I am impressed with the work being done in Mackay to recycle treated water. Why? Because it is a four-win—a win for ratepayers, a win for the sugarcane farmers, a win for the aquifer and a win for the Great Barrier Reef. That is why we need that plan. That is why we need De-Anne Kelly in there fighting to get the funds to make sure that scheme happens. We want De-Anne Kelly to be Queensland's voice in Canberra, not what she is now: Canberra's voice in Mackay. That is what it is all about. We know that canefarmers support this project, and they will benefit from it.

We have heard the Leader of the Opposition saying that he wants to broaden the industry's base. We all want that, but that cannot be achieved unless you have the fundamentals right. You need a fundamentally sound sugar industry before you can get any value adding, otherwise all you get is cost adding. We want to see an industry that is looking at bioplastics.

My own department has committed \$1.2 million for this sugar reform package. That is why we want to see it succeed. We have devoted \$300,000 to projects, including a pilot project in Mackay which assesses the use of an auction process to assist farmers to make water quality changes to farms and a workshop to discuss environmental management systems for the cane industry. The next round of funding will focus on projects which improve the economic, environmental and social impacts on farms and, just as importantly, in sugarcane farm regions. The emphasis will be on Innisfail, Mackay, the Burdekin and Maryborough regions and the Douglas shire.

In addition to these projects, my department's Sustainable Industries sector is working on several projects with industry, including a pilot project to develop sustainable farm management systems involving 50 canefarmers in the Mackay region. I am pleased to report to the House that this is due to start later next month. There will be a further demonstration to be established in Innisfail.

We are also working on catchment partnerships to improve water quality and reduce nutrient flow in the Douglas shire in conjunction with the canegrowers, the Mossman mill and the Douglas Shire Council. We will also hold discussions with the industry about the development of new technologies which will add value to the sugar milling process.

This government is looking ahead. We want an industry that is going forward. We want to provide a future for the sugar industry—for the producers, for their families and for the businesses which rely on them for their livelihoods. We want a mature industry, one where millers and the producers are working together on a better outcome. The confrontation and divisiveness of the past should be a thing of the past. Not only do we want to protect existing jobs; we would like to

see more jobs created. We want to protect the environment to ensure that the industry is sustainable and can diversify into other areas, and through that process it will generate more jobs.

This bill is long overdue for support from the National Party, but that day will never come. The minister deserves credit for the patience he has shown with the industry time and time again in the face of what has been narrow, base political purposes. It has been rhetoric rather than true policy, and all it has done is hold up the progress of what has been an historically important industry in regional Queensland, and that is why this bill deserves support.

**Mrs LIZ CUNNINGHAM** (Gladstone—Ind) (8.25 p.m.): In rising to speak to the Sugar Industry Reform Bill, I would like to place on the record my appreciation to the minister and his officers for the briefing that I received last week. Because I was here in this chamber when the dairy reforms went through, I was particularly concerned about this process having the support of the industry participants themselves and I asked a number of questions. During the dairy reform, which occurred during 1996-97, I took a lot of advice from a National Party person who himself was a dairy farmer.

**Mr Lawlor** interjected.

**Mrs LIZ CUNNINGHAM:** As it transpires, the advice that I received was certainly not across-the-board. Dairy farmers in my electorate were significantly disadvantaged by the dairy reform. So I was concerned that sugar industry people be brought along in concert with the process rather than having the process imposed upon them. The advice I received was that the sugar industry in the main—there were several small pockets of dissidence—concurred with the direction that this legislation took.

There are two pieces of communication I want to place on the record and genuinely seek the minister's response to. I do not have sugar in my electorate, but if the industry is in support of this legislation I am certainly keen to support it. I seek to outline these two emails that indicate concern and seek the minister's response.

The first email is dated yesterday, Monday, 26 April. It is from Margaret Menzel from the Sugar Industry Reform Committee. I do not know the woman; this just came through. The heading of the media release is, 'If Beattie wants National Competition reviewed, he must put a moratorium on sugar industry deregulation'. I have just listened to the member for Logan and other speakers in relation to the majority percentage of sugar from Queensland that is dealt with overseas and therefore would not be affected by NCP. I take on board those comments. However, I want to put these two emails to the minister for his response. The first states—

'Premier Beattie's support for a review of National Competition Policy will only have meaning if his government now puts a moratorium on plans to deregulate the sugar industry,' according to the Sugar Industry Reform Committee.

'It would be hypocritical for the Premier this week to call on the Federal government to review National Competition Policy and next week vote in the Queensland Parliament to deregulate the sugar industry' according to Margaret Menzel, Burdekin canefarmer and spokesperson for the SIRC.

Mrs Menzel said that most Queenslanders would regard as 'historic', the resolution passed in the Queensland parliament to 'convey its concerns to the Prime Minister in relation to the impact of national competition policy and privatisation proposals on Queensland business and industry and the devastating effects being felt by Queensland farmers.' The motion passed without opposition.

After Independent Dolly Pratt moved the motion, Premier Beattie rose to support the resolution, as did Labor members Paul Lucas, Minister for Transport and Main Roads, Stephen Robertson and Primary Industries Minister, Henry Palaszczuk.

Paul Lucas told the parliament that the Federal Government was hypocritical in forcing the states to accept deregulation of 'rail, bottle shops, taxis, electricity, industrial relations, waterside workers, you name it. But when it comes to federal areas where it might be held politically accountable, such as pharmacies as newsagents, suddenly there are overwhelming arguments not to have competition.'

Mrs Menzel said that if the Queensland government is not going to be as hypocritical as the Federals, then they should now place a moratorium on deregulation of the sugar industry. "We have over 4000 out of 6500 Queensland canefarmers signed to a petition strongly opposing deregulation and calling for an alternative policy agenda for the sugar industry. The government admits that dairy deregulation was a disaster, further deregulation of the sugar industry will prove just as devastating in this industry," she said.

In a strongly worded speech, Premier Beattie said that Queensland had suffered costly NCC penalties as a result of the state's refusal to acquiesce to the deregulation of the electricity industry.

The Premier said: "Competition can help to grow our economy, provide more jobs and provide lower prices for consumers. However, it does not follow that all competition will necessarily boost living standards or protect the community. The reality is unfortunately lost on the federal government's competition commissars at the National Competition Council—that is what they are. The NCC is all about driving competition for its own sake and that alone. It does this through the threat of reducing national competition payments.

That is the first email. I wrote back to Margaret Menzel on the basis that the contents of that email dated Monday the 26th contradicted what I was advised in the sugar bill briefing with officers of the minister's department. My advice was that the sugar industry agreed with the legislation and I asked her to clarify. This is her response, and I quote—

The Sugar Industry farmers DO NOT AGREE WITH THE LEGISLATION!

The ACFA and the Sugar Industry Reform Committee and most of the growers have repeatedly and stridently argued that National Competition Policy that is driving this legislation has been and is already detrimental to this industry. The SIRC have over 4000 growers signatures on petitions to oppose further deregulation. We have held a rally in Townsville with growers supporting our stand against deregulation and we have held numerous grower meetings along the coast which have been some of the largest grower or communities that their respective towns have had—all have unanimously supported our representation and opposed deregulation and the aims of this legislation —only one person spoke against us at one meeting in Innisfail —all other meetings supported us unanimously.

Since partial deregulation in the sugar industry was implemented our price has halved...we receive the same price now that we received 40 years ago. Yet our costs have risen in some areas by 1000 % since that time. This is due to the state government imposing partial deregulation in 1996—

I am not sure whether that was under the Labor government or the coalition. I remember the dairy deregulation but not that of sugar. It continues—

... and also imposing price control through their Ministerial Directive. This legislation WILL NOT give us a share in value-adding, in fact it will ensure that we MUST be paid on the formula according to sugar content alone.

This legislation does not put 1 additional cent in farmers pockets, it forces us to continue to accept a price which is currently a half of the average world cost of production!

We urge you and your fellow members to OPPOSE this legislation!

I seek leave to table both of those emails.

Leave granted.

**Mrs LIZ CUNNINGHAM:** My concern is that this deregulation will, in general terms, improve the farmers' position. As I said, I was part of the vote and voted in support of dairy deregulation when the numbers were very close. As time has shown—

**Mr Rowell** interjected.

**Mrs LIZ CUNNINGHAM:** I am sorry: when the coalition was in government was when deregulation started and I received advice from Mick Veivers. Therefore, I saw the damage that deregulation caused to farmers in my area. At that time ours was not a huge dairy area, but at different times we had been strong in the dairy industry. It had shrunk to a degree, but because of deregulation farming families in my area, in a number of instances, have been significantly disadvantaged. I would hate to see that happen to sugar farming families. That legislation that passed through here, albeit with the best of intentions, ultimately undermined or bankrupted families.

I seek the minister's genuine response to those emails and those concerns. I acknowledge the fact that 85 per cent of the sugar is sold overseas and that a lot of the NCC issues do not apply. However, my vote in this legislation will depend on farmers being benefited by it, not disadvantaged by it. I look forward to the minister's response.

**Ms MOLLOY** (Noosa—ALP) (7.34 p.m.): Australia has enjoyed a flourishing sugarcane industry dating back to the 18th century. For a long time Australia led in world's best practice. However, in the early 1990s this changed with Brazil increasing its production, exploiting its poorly paid employees and adopting innovative practices. I suggest that the Brazilians were able to create a competitive edge in the world market not only because of their use of new technologies but also because they are typical of most Third World economies and pay their workers appalling wages, something we here in Australia have not yet stooped to as a general practice.

Queensland is no longer the leader in this export area. The Hildebrand report states that Australian industry had adapted around the needs of the small farm more than the small farm had adapted to the change required to improve international competitiveness. So what we see now in the sugar industry are those farmers who have struggled to survive but who desperately need federal government support in concert with that offered by these reforms.

The Labor government is introducing this legislation to reform the sugarcane industry. We have heard an address to the House from the member for Burdekin, who has acknowledged the role of multinational corporations in Brazil and the inherent exploitation of the Brazilian workers. If the member suggests we socialise the loss, she forgets that the industry players privatise the profit. We do understand the role of multinational corporate organisations. There is no fairness in

the world market and the member is foolish to think that the Queensland state government should subsidise a dying industry. The reforms help sort out this dying industry.

The sugar industry is being offered a long-term viable future, not only due to the international forum but because of the industry's tardy response to the warnings to innovate and to look to new ways to diversify their practices. These factors have combined with a history of unemployment and unfavourable weather so that the industry is now failing.

The returns from the industry have declined dramatically from about \$2 billion per year to \$1 billion per year. Rather than doing nothing, the government has decided to work on an action plan. The industry itself has joined with the government after assessing the position the industry now finds itself in. Extensive consultation with industry stakeholders, the growers, the millers, Hildebrand and Boston consultants has occurred. What has come out of the research is that the industry needs to change its culture.

The adverse effects principle seems to be the cultural mechanism that, if changed, will allow for the reform process to occur. However unfair this may seem to those who benefit from it most, those being the least efficient and reluctant to change, those farmers who are able to adopt new practices and evolve within the industry will move forward. Those least able will succumb. Failure to keep up with world markets will mean greater loss to the industry in the long term.

No doubt Australia needs a federal government prepared to be proactive rather than reactive, and by this I mean we need greater funding for research and development. Queensland is at least doing this. We must look a bit like a Third World economy every day in Australia when industries such as this go to the wall. I think we need to be questioning the way we fund research and how we have sold out as a nation to multinationals.

Some of the canegrowers on the Sunshine Coast will most likely survive due to the passion of a small group of canegrowers who are producing cow candy, which is a sugarcane feed. Nambour has seen the last crush at the Nambour mill and I was the only member of parliament on the Sunshine Coast to attend the launch of the documentary of that last crush. That is a brilliant historical documentary made by the students of the Sunshine Coast University. It was researched by students Inez Mahony and Mike Garry. It was a story that no-one on the Sunshine Coast will forget and it was a story that may inspire other farmers to take farming into the 21st century. Congratulations to the minister, and I commend the bill to the House.

**Mr WELLINGTON** (Nicklin—Ind) (8.38 p.m.) I rise to speak to the Sugar Industry Reform Bill 2004. In doing so, I say that the issue that we are debating tonight is not new to this parliament. This bill is about the state government and the Minister for Primary Industries trying to respond to change on the world market in the best interests of Queenslanders who are directly impacted on by the sugar industry.

I have been listening to the contributions made in this debate by members of the government, the Nationals, the Liberals and my colleagues the Independents. I also took the chance to reflect on *Hansard*. I refer to the Queensland parliamentary debate of the Legislative Assembly in 1923 when the Cotton Industry Bill was being debated. During that debate there was significant reference to the Sugar Works Act 1922, which was an act to authorise the construction, the establishment, the maintenance, the management and the control of sugar works by the state and for other purposes. During that debate there was reference to and quotes from the *Brisbane Courier*.

During the debate on the Cotton Industry Bill, I note one of the speakers, the Hon. Mr Farrell, the member for Rockhampton, at page 1669 when referring to the minister, said—

I know that the Minister in placing this Bill before the House has many interests to consider. He has first of all to consider the State and the industry, and he has to consider the grower. But what is of more importance to me—

the then member for Rockhampton—

is the man who works on the farm—the labourer—and that aspect of the ratoon cotton question ...

During that debate on the Cotton Industry Bill, the member for Rockhampton, Mr Farrell, went on to say—

We see the same thing in the fruit industry in Australia; we see the same thing in the meat industry of Australia, where the policy of not catering for the best and the best only has ruined practically two of the biggest industries that we have in this Commonwealth. Nobody can deny that the meat industry in Australia has been ruined chiefly on account of bad marketing—neglect in connection with the export of our meat to the other side of the world—and the Argentine with its more up-to-date methods and with its policy of producing the best article has captured our trade in that line. As the Secretary for Public Works pointed out to me when discussing this matter with him yesterday, the same thing applies to the fruit industry. Owing to carelessness in the classifying of fruit and owing to careless canning of the fruit we have lost trade ...

Yes, they lost trade and they spoke about the world market back in 1923.

I listened to the debate tonight and this morning, and I do not believe things have changed very much. I listened to the Leader of the National Party and many other speakers. I listened to the challenges. I really believe that this bill is the best option that Queensland sugar growers have of responding and moving forward. If we do not respond and support this bill, I believe that we may see the Nambour sugarmill domino effect happening right along the coast of Queensland.

We have heard here tonight about what has happened in Nambour, but some of the growers in Nambour have moved on. They have not looked for hand-outs; they have used the initiative of which we are very proud in Queensland and Australia. We can develop some of the best technology that goes around the world. They are now entering the world market in a new area—cow candy—about which my colleague the member for Noosa just spoke. I would also like to put on the public record that the reason I was unable to attend the viewing of the last crush was that I was attending parliament on that night.

I genuinely believe the sugar industry must reform. If it does not it will fail. At the moment I see no other realistic alternative other than to support this bill. To me the Queensland sugar industry is a simple, real-life example of how an industry can one day be a world leader and a few years later be struggling to survive. That is no different to what happened many years ago in 1923 when they were talking about the cotton industry—facing challenges and responding to challenges on the world market.

The leader of the National Party spoke about avocados and custard apples. A number of other speakers have spoken about Brazil. My question is what happens when the Brazilian growers of avocados and custard apples want to take over the world market as they are doing with sugar? What are our Queensland avocado and custard apple growers going to do? I do not think the response will be very much different to this, simply because Brazil can beat us every time when it comes to employing people. When it comes to water quality, they do not have to meet the same standards. When it comes to workplace health and safety, they do not have to meet our standards. When it comes to health and safety welfare records, they do not have to meet our standards. When we talk about police and security, they do not have to meet our standards.

We cannot compete with Brazil on a level playing field. The sooner we realise that the better. We have to move forward. We have to respond, and respond in a positive way. I say that this bill is responding in a positive way. As I speak here tonight, I have not seen any other realistic alternative. In saying that, I also say that I understand the passion of some other members of this House. However, I disagree with one of the members who said that support for this bill would be the death knell of the sugar industry, support for this bill would be condemning the Queensland sugar industry to failure. For the record, I say that opposition to this bill is condemning the sugar industry to failure.

I realise that time is getting away from us, that many members have spoken and that the minister is about to respond. I simply say I commend the bill to the House. I believe we should be learning from history. I challenge other members to look at the debates on other acts of parliament. Perhaps we can gain an insight. I commend the bill to the House.

**Hon. H. PALASZCZUK** (Inala—ALP) (Minister for Primary Industries and Fisheries) (8.46 p.m.), in reply: At the outset let me say thank you very much to all honourable members who participated in the debate today. It was quite robust and quite interesting. Unfortunately, I have to make this observation before I start to sum up. I was very disappointed that members of the opposition in some way thought that they have the divine right to be the font of knowledge in relation to the sugar industry. They derided some of the members on the government side. They derided some of the Independents. They derided some of the Liberal Party members. Unfortunately, those days when the National Party thought that it had the divine right to be the representatives for industries such as the sugar industry are long gone.

In my legislation committee I have 11 backbenchers. The Minister for Communities has 11 as well. It shows the great interest that exists in our government to ensure that our mandate of being a government for all people in Queensland is honoured. To think that the opposition would deride our members by calling them ignorant, unaware of the facts that are occurring within the sugar industry, makes me feel very sad.

I will go one step further. What is the National Party's relationship currently with industry bodies such as the Canefarmers organisation? It has now been 71 days since the Leader of the Opposition called the Queensland Farmers Federation, the representative body of more than

18,000 farmers, completely gutless. That is what he called them. Remember, the Queensland Farmers Federation also includes the Canegrowers organisation. They feel very slighted by that attack. Look, we have a new shadow minister for primary industries in the member for Toowoomba South. I say to him: for goodness sake, convince his leader and his deputy leader, who tried to bullyboy Agforce and other groups during the election campaign, to apologise to them publicly so that once again they might have some ability to be able to negotiate with them. Enough of that. Let me turn to the contributions of various members.

A lot was made about the state government's package. Our government signed a memorandum of understanding with the Commonwealth in which we promised \$30 million to the industry. We went to the last election promising to unlock this \$30 million package by passing reform legislation. Today, I believe we are fulfilling that commitment. The package is very appropriate to the circumstances in the industry. There is a \$10 million innovation fund which supports value adding initiatives which I am sure—and from what I have heard—all members agree with.

The \$10 million change management plan is a key part of our package. This plan involves five key agencies working with the sugar industry to help it change. These agencies are the Department of Primary Industries, the Department of State Development and Innovation, the Department of Natural Resources, Mines and Energy, the Department of Employment and Training and the EPA. All agencies will provide new services to the industry under this plan.

My department will shortly advertise for five additional staff to work on sugar in addition to the staff we are now deploying from other areas. This is part of our future cane initiative which increases the value of our package from \$30 million to \$33 million. What will these services do? They will help our grassroots growers, our millers and harvesters and also our workers to be able to manage change. It must be remembered that this is in addition to the state government's normal spending on the sugar industry.

I believe the \$10 million farm consolidation loans will be of assistance to the industry. Opposition members deride that. The uptake of these types of loans with QRAA has been growing exponentially. I expect those in the sugar industry to do the same thing. These are popular loans. I believe they will be taken up by those in the sugar industry.

Other members referred to state government charges. The Premier has received oral representations from industry, from the Canegrowers organisation, from the millers organisation with respect to state charges—for example, water charges, stamp duty on farm consolidation, harbour dues, electricity charges and so on. I am advised that these matters are to be the subject of further written representations from industry which will be considered when received. As it stands, this package constitutes a most responsible approach to address the current industry situation. The Queensland government will work closely with industry to ensure that these measures are delivered to achieve the maximum positive effect.

I cannot understand where honourable members opposite are coming from. We have agreement with the Canegrowers organisation, we have agreement with the milling council, we have agreement with the harvesters, we have agreement with the workers for this package.

**Mr Horan:** They didn't want to sign.

**Mr PALASZCZUK:** I refute and reject completely any allegation of bullyboy tactics. I ask the shadow minister to supply me with the information on this that he referred to in his speech.

**Mr Horan:** I gave you the quotes. I read them out to you.

**Mr PALASZCZUK:** But give me evidence. Produce the evidence. I have asked DPI staff to go right through every press release from those industry bodies. There has been absolutely nothing on that.

**Mr Horan:** It is in the *Hansard*.

**Mr PALASZCZUK:** So it is your quote?

**Mr Horan:** It is quotes from canegrowers.

**Mr PALASZCZUK:** Give me the quotes.

**Mr Horan:** They are in *Hansard*—in my speech.

**Mr PALASZCZUK:** Fair enough, they are in your speech. It is obvious to me that the member for Toowoomba South and the National Party are not interested in saving the industry. What they are after is good politics. Is it not good to see that the Liberal Party, once they broke the shackles

of the National Party, finally seeing sense and supporting this legislation. They know that there is a problem within the industry and they can see that this is one way to find a solution for the industry.

It is irresponsible for those opposite to come into this House and say, 'We are going to oppose the bill.' They fail to provide us with a coherent argument as to what they intend to do. The member for Toowoomba South and other National MPs were eager to explain the problems on one hand and then attempt to defend the status quo. These reforms are about trying to save the industry. These reforms will make the industry viable in the long-term, save the livelihood of growers, millers, harvesters and the communities that depend on the sugar industry. Without reform, we all know that the industry will collapse because it will not be able to change quickly enough.

**Mr Malone** interjected.

**Mr PALASZCZUK:** I see the honourable member for Mirani sniggering and laughing. I cannot believe it.

**Mr Hopper:** How many canefarmers do you have on your side? There are a few here.

**Mr PALASZCZUK:** There we go, the divine right to be the font of all knowledge in primary industries. What a nonsense. Those opposite dared to call the QFF gutless. I believe that these reforms will create opportunities for the industry. The choice for all MPs is to start. Support this bill with reforms agreed to by peak industry groups and help save the sugar industry. They could back their proposal, they do nothing approach and sit on the sinking ship called the status quo.

Members also spoke about the much vaunted ministerial direction. I will not go through the history of it because the Leader of the Opposition quite rightly took the blame. It was their government back in 1997 that brought in the ministerial direction for obvious reasons. We all know what those obvious reasons are. The ministerial directive was introduced by the Borbidge government when it agreed with the Howard government to remove the sugar tariff. The Borbidge government's decision to introduce the ministerial directive was due to NCP implications. I remind honourable members that the government proposed last year in legislation to remove the ministerial direction. That was part of our legislation last term. What did they do? They opposed it.

**Mr Rowell** interjected.

**Mr DEPUTY SPEAKER** (Mr O'Brien): Order! There is too much audible conversation and too much interjection. The House will come to order.

**Mr PALASZCZUK:** I will have to finish at 9 o'clock, but I will continue tomorrow. I want to talk about a certain person. Honourable members who served in the 49th parliament would, after listening to the contribution of a certain member, agree that Shaun Nelson is alive and well. He is in this parliament. He is living in the member for Burnett!

The member for Burnett claims that the proposed sugar reforms are dangerous, but he also says that there needs to be reform. Where is the opposition's plan for the sugar industry? I listened to their plan. It was an interesting plan. If they have a plan, bring in a private members' bill.

I say to honourable members opposite that if I do not get a chance to speak about their contribution I will personally write to them, as I normally do. I thank all honourable members on the government side. I thank them for a job well done. I really appreciate their strong support. I congratulate the member for Toowoomba North for his strong support. I also congratulate the member for Ipswich. The member for Nicklin is a very caring member who fought so hard for the sugar industry in the Sunshine Coast region. Unfortunately, we could not save the industry there, but I thank the honourable member for Nicklin for his contribution.

**Question—**That the bill be now read a second time—put; and the House divided—

**AYES, 65—**Attwood, Barry, Barton, Beattie, Bligh, Boyle, Briskey, Choi, E. Clark, L. Clark, Croft, Cummins, J. Cunningham, English, Fenlon, Finn, Flegg, Fouras, Fraser, Hayward, Hoolihan, Jarratt, Keech, Langbroek, Lavarch, Lawlor, Lee, Livingstone, Lucas, Male, McArdle, McNamara, Mickel, Miller, Molloy, Mulherin, Nelson-Carr, Nolan, Nuttall, O'Brien, Palaszczuk, Pearce, Pitt, Poole, Purcell, Quinn, Reilly, N. Roberts, Robertson, Schwarten, D. Scott, Shine, Smith, Spence, Struthers, Stuckey, C. Sullivan, Wallace, Welford, Wellington, Wells, Wilson. Tellers: T. Sullivan, Reeves

**NOES, 19—**Copeland, E. Cunningham, Hobbs, Horan, Johnson, Knuth, Lee Long, Lingard, Menkens, Messenger, Pratt, Rickuss, E. Roberts, Rowell, Seeney, Simpson, Springborg. Tellers: Hopper, Malone

Resolved in the **affirmative**.

**ADJOURNMENT**

**Hon. A. M. BLIGH** (South Brisbane—ALP) (Leader of the House) (9.06 p.m.): I move—  
That the House do now adjourn.

**Preschool Unit, Roma**

**Mr HOBBS** (Warrego—NPA) (9.06 p.m.): Tonight I wish to advise the House of the urgent need for an additional preschool unit to be provided to Roma. For a number of years—in fact, from 1996 when the sixth program closed—Roma has had preschool students who have not been offered a position in a state school-run program. This year a waiting list of 22 was evident. This came back to 15 in the early weeks of the school year. However, it has now risen again to 23, which members can imagine is a very serious situation for that community. It is most unsatisfactory. In September each year an assessment is done for the next year, and that seems to be a hard and fast rule in relation to what facilities will be provided for that preschool unit for the following year. The policy is for there to be no change to this assessment. There is just no flexibility and it is not reasonable on the basis that preschool is not compulsory.

The government has committed to bringing in a full-time preparatory year on a full-time basis in the future, and the trials are being undertaken at the present moment. More children may be out there who have not been placed on waiting lists because parents are aware of a waiting list and have not bothered to put them on it. There are good non-government facilities which provide a preschool program. However, they are fee-paying establishments and, although there are subsidies available, sometimes this is still out of the reach of some of those families.

I understand that there is a threshold of 16 students required to operate an additional preschool unit. This should be immediately commenced. The government commitment would be only 0.5 of a teacher plus 0.5 of a teacher aide, a total of about \$45,000 plus some on-costs and resources. The local sub-branch of the QTU met recently and condemned Education Queensland for refusing to reopen the Roma central preschool unit class 2 despite waiting lists exceeding minimum enrolment requirements. Both the QTU and I agree that these children on the waiting list will be inadequately prepared to enter into year 1 socially, emotionally and academically.

Education Queensland talks about the equitable distribution of resources throughout Queensland. It needs to have flexibility. It made the assessment in September of the previous year. It is just not good enough that it sticks hard and fast to those particular rules. We are meant to be the Smart State, but we are not being very smart if we cannot provide a reasonable education for our students, especially our young ones. Education is so important during that part of their life. It is an essential part of the program. It allows those students to be able to at least adapt into a better school life. Given that background, it is one issue that we definitely—

Time expired.

**Mr W. J. C. McBride**

**Mr NEIL ROBERTS** (Nudgee—ALP) (9.10 p.m.): It was a poignant moment when Bill McBride's name was called at Zillmere's Anzac Day service on Sunday. Bill had planned to be at the service and to march with his sister Linda proudly wearing the service medals earned by his late father, Lambert. William James Cameron McBride—Bill or Billy to his family and extensive network of friends—was born on 10 January 1955. He died unexpectedly in Sydney in his 49th year on 14 April 2004. Bill is survived by his sisters Linda and Monica, his nieces Georgia and Alinta, his partner Michelle and former partners and children whom he loved and cared for. Bill also had a strong family and spiritual connection with the Butchulla and Bungalung people of Hervey Bay and Casino in New South Wales.

For the record, I table two copies of the order of service for Bill's funeral which contains the eulogy, some aspects of which I have used in this tribute to this great man. Bill was a proud indigenous Australian. I am privileged to have known Bill and his family, who have all made significant contributions towards our local community, the wider indigenous community and to the worthy cause of reconciliation.

I particularly recall Bill's involvement in the Zillmere community and police action group, which he helped to establish. His passion for giving and making a positive contribution to his community was plainly evident in his work on this committee, particularly his interest in supporting and encouraging the aspirations and dreams of young people.

More recently, Bill returned to Brisbane to participate in the official naming of Lambert McBride Park, named in honour of his late father. Lambert McBride Park, situated in Muller Road, Zillmere, now stands as a stark reminder of the lives of both Lambert and Bill McBride. Like his father, Bill served his country in the armed forces. He joined the navy in 1972, and through hard work and perseverance rose to the rank of petty officer. But for his untimely death, we are all confident that Bill would have progressed to more senior levels, continuing to blaze a trail that he had already established for other indigenous Australians.

Bill completed a Bachelor of Science in Health Promotion earlier this year to add to his long list of personal achievements. Photography and rock 'n roll dancing were Bill's passions. He won awards within Australia and the United States for his photographic works and his passion for rock 'n roll was aptly displayed during a Christmas break-up of the Zillmere community police advisory group where his skills and his love of the pastime were self-evident to all who witnessed his spectacular display. Bill also dedicated much of his time in the navy to the issue of drug and alcohol rehabilitation, for which he was awarded the Conspicuous Service Medal in 1994.

Bill's funeral was held on Thursday, 22 April in the presence of hundreds of family and friends. The final words of his eulogy are an apt way of concluding this brief commentary on his life on this earth: God had a sailing boat in heaven and needed someone to sail it and he chose the best, Billy McBride.

### **War Memorial Plaque, Gympie; Anzac Day Memorial Services**

**Miss ELISA ROBERTS** (Gympie—Ind) (9.13 p.m.): Last Saturday, along with the federal member for Wide Bay and the mayor of the Cooloola shire, I had the pleasure of participating in the unveiling of the third war memorial plaque, located in the centre of Mary Street, Gympie. The combined efforts of the Returned and Services League, the federal government, the Cooloola Shire Council and the generous donations from the public have contributed to this wonderful memorial.

The plaque that was unveiled on Saturday depicted Australia's participation in four colonial conflicts, including the Sudan, South Africa, New Zealand and China. This plaque is displayed alongside other plaques depicting various conflicts in which Australians have played an active role and instances where they have earned their first-grade reputation world wide. Being able to assist in the official launch of this plaque had special significance to me as my great-grandfather, Commander Melnott Roberts, was a member of the New South Wales naval contingent that went to Peking in 1900 to fight in the Boxer Rebellion. I was proudly able to show those in attendance a photograph of my great-grandfather, his fellow naval colleagues and their Chinese servants. It is an incredible feeling to be able to honour an ancestor publicly more than 100 years after an event. I was very privileged to be given the opportunity to do so.

As part of the Anzac Day memorial ceremonies, Cooroy RSL held a luncheon for both retired and current serving members of the armed forces. It was wonderful to see a record number of people at the lunch and watching the parade. For the second year in a row the Cooroy sub-branch has included within its particular memorial service the reading of the names of locals who lost their lives during a time of war. These names were read out by local school students and gave a personal perspective to the proceedings. The number of families and children who were in attendance was reassuring as it is our youth who will be carrying on the tradition of ensuring that we never forget the ultimate sacrifice that was made by so many so that we could maintain our democratic way of life.

It is very important that we do not glorify the act of war but that we acknowledge those who fought and died for freedom and to assist in putting an end to tyranny in other lands. They shall not grow old and age shall not weary them, and the patriotic and proud members of the Gympie electorate will make sure that they are never forgotten.

### **Western Bypass**

**Mr FRASER** (Mount Coot-tha—ALP) (9.15 p.m.): Reports in the media yesterday and today suggest that the federal government is proposing to fund the construction of a western bypass. The same reports referenced the infamous route 20 freeway proposal, which was killed by fierce community opposition in the late 1980s. As I said very publicly during the election campaign, and I repeat today for the record, route 20 is dead and buried. I am pleased to take this early opportunity to ensure that members of the inner-west community are fully aware, and once again

assured, that route 20 will not be built—not by another name and not while I am the member for Mount Coot-tha.

No-one should confuse or conflate any proposals for a western bypass with the long-interred route 20. Indeed, the investigation of a western bypass was initially proposed as part of an alternative plan put forward by the community in their fight against route 20. Tonight, I table the relevant article from a 1987 edition of the newspaper produced by community activists opposed to route 20.

Any western bypass will not traverse the residential suburbs of the Mount Coot-tha electorate. Residents can be assured that I have been in discussions with the Transport Minister over the weekend. Indeed, yesterday the Minister for Transport said in a media statement that any idea that a bypass could follow route 20 was 'ridiculous and defies logic'.

The proposal from the federal government is yet to be fully detailed. Whether or not a western bypass is economic, viable, or in fact environmentally possible remains to be proven definitively by its proponents. Indeed, the western bypass proposal needs to be meshed into the transport needs of the south-east corner beyond the construction of roads and inclusive of public transport needs. The federal government's acknowledgment of its role in funding vital and properly planned infrastructure in the south-east corner of Queensland, Australia's fastest-growing region, is not before time.

The residents of my electorate are a discerning lot. They are well informed and educated. They do not want a freeway through their suburbs, and none will be built. The residents of my electorate are also well informed about the traffic issues along the corridor requiring attention, in particular the intersection of Jubilee and MacGregor terraces with Simpsons and Coopers Camp roads and also at the Toowong roundabout. My electorate office is located along the corridor assumed by the conservative state government in 1983. On a daily basis I see the flows of traffic along the corridor and my No. 1 priority is improving pedestrian safety at MacGregor Terrace. I am hopeful that my efforts will result in work occurring sooner rather than later. The awakening of the federal government to the challenges faced by the south-east corner is to be welcomed, but sensible, informed and holistic planning should underpin their intentions.

### Seafood Industry

**Mr MESSENGER** (Burnett—NPA) (9.18 p.m.): Whenever I visit the parliamentary canteen I feel very privileged because of the wonderful food that is on offer. I especially enjoy the prawns being served by the parliamentary chefs and staff. But the next time members enjoy this delicious food, I would like them to think about where those prawns come from. Are they caught in the waters off Queensland by Queensland fishers, or are they imported from overseas?

There are some huge challenges that face the Queensland seafood industry. One of those challenges that the industry now faces is the importation of the Vannamei prawn. According to John Olsen, who is the President of the QSA—the Queensland Seafood Association—the Vannamei prawn is having an enormous impact on the seafood industry and has been for the past six months at least.

The importation of Vannamei prawns will have a serious effect which will be ongoing. There does not seem to be any relief in the near future. The Vannamei is a prawn that is produced by the aquaculture method. It is farmed in enormous quantities in China and Thailand. It is a smaller sized prawn, so it affects the lower size ranges of our prawn market in Australia and Queensland in particular.

The seafood industry is a very important industry to my electorate of Burnett and our next door neighbours of Bundaberg. Out of a total Queensland industry turnover of around \$800 million, the Bundaberg and Burnett regions account for about \$37 million. The industry in Queensland employs just over 800 people. Of those 800, approximately 40 or 50 people in the Bundaberg and Burnett region earn their living from prawning. Unfortunately, those fishers are getting very low prices for their catches because of the importation of the Vannamei. These prawns are produced by a method of intensive aquaculture in China, where something like 40 to 50 tonnes per hectare are harvested. We produce only eight tonnes per hectare. The difference in return to overseas producers is achieved by using antibiotics—something that Australian producers certainly do not use.

According to John Olsen, one of the things the state government could do to help the industry is put the case to the federal government for a better environmental standard. The other

thing is that it could make a serious effort to promote the industry that we have in Queensland. I urge all Queenslanders to support our local seafood industry and to support our wild catch.

### Youth

**Mr HOOLIHAN** (Keppel—ALP) (9.21 p.m.): When I look around I see people expressing concerns at the problems caused in our society by youth. Newspapers and television seem to highlight the fact that crimes and other problems are caused by young people. But each time a problem occurs and our youth get the blame, the media seem to overlook the fact that the problems are caused by about one per cent of our youth and never pay any credence to the 99 per cent of our young people who just want to get on with their lives.

How many critics who go into a supermarket, buy takeaway food, rent a video or buy a newspaper look at the person who serves them? They are usually teenagers or young people, many of whom are working to pay their way through university or for their education because they have been shabbily treated by our federal government. Even in those football teams, hockey teams, basketball teams and other sporting teams which have some older stars, people should take account of the many thousands of young players and competitors who train hard and just want to achieve. I have had a long involvement with junior sport, and criticism of our young people is not justified.

Society generally seems to lump all of our youth together and blame the majority for the deeds of the minority. People should go on to any university campus and see the number of young people who just wish to prepare for their adulthood or look at the number of young apprentices and TAFE students who are undertaking training courses to provide for their future. We must look at some policies which really act to protect some of our daredevil young from themselves. But who of us in our own youth did not take risks which may have caused us harm if they backfired or worked out wrongly?

I see my own children and the children of friends, and their whole occupation is to ensure they are able to earn sufficient income to provide for themselves and their partners and children. I believe that society as a whole must look behind the small number of misfits and dysfunctional youth and consider the large number of successful youth who contribute to the high quality of life which we enjoy in Australia. For those misfits and dysfunctional youth we need to have a strong and effective legal system and to help institutions that either force them on to the straight and narrow or seek that the present knockers in society provide an example to them, to show there is another way to live a fruitful and happy life.

In my own electorate of Keppel we have a large number of young people who are too busy getting on with life. They participate in eisteddfods, art, theatre, sport and all the enjoyable things in our society which give it the values it has today. After watching the thousands of children and young adults who attended and supported Anzac ceremonies, I am pleased that the future of this country will lie in the hands of these committed and concerned young Australians.

### Psychiatric Patients

**Dr FLEGG** (Moggill—Lib) (9.24 p.m.): I rise to speak in relation to the closure of the psychiatric ward at the Wesley Hospital, commonly called ward MB1. This is an in-patient psychiatric ward of 20 beds. Of those 20 beds, 16 are in single rooms. In its last 12 months of operation the ward serviced 305 psychiatric patients. Patients in the western suburbs are recommended by the Wesley to attend the Toowong Private Hospital. This is purely a psychiatric hospital. There does not appear to be any formal agreement between the two hospitals. Toowong has 55 beds, most of which are in shared rooms. They also have shared dining facilities. An inquiry at Toowong today revealed that the hospital is full. Of 75 private in-patient psychiatric beds in the western suburbs of Brisbane, this is a loss of 20 beds. This has a major impact.

The number of public hospital in-patient psychiatric beds in Brisbane is chronically short and they are perpetually full and do not offer free access to people. Psychiatric patients insure, even though they may not be well off, in order to gain access to beds as private patients. Psychiatric beds are not so attractive to hospital proprietors because the length of stay for psychiatric patients is longer, averaging 21 days. The longer you are in hospital, the less the hospital receives for your bed day. Medicolegal issues have also made this less attractive.

In particular I am concerned that patients who have conditions as well as their psychiatric problem—in other words, co-morbid medical problems—will not have access to the wider services that are available in the hospital. I have here a petition signed by 563 patients and staff from ward MB1. I seek leave to table that document.

Leave granted.

**Dr FLEGG:** These patients and former staff have a genuine distress about the loss of this facility. They have approached the Health Minister, Mr Nuttall, who has refused to see them. I appeal to the minister to be compassionate and see and consider the plight of these people, who are genuinely distressed by this major loss of facility. The minister's claim, which appeared today in the local press, that he could not force a private operation is an inadequate response. The minister has considerable authority.

Time expired.

### **Cooktown Youth Association**

**Mr O'BRIEN** (Cook—ALP) (9.27 p.m.): I want to join with the member for Keppel tonight in talking positively about young people, particularly in the Cook electorate. I think the member for Keppel got it exactly right when he said that 99 per cent of young people are hardworking, study hard and are just trying to get ahead in life. I think he hit the nail right on the head.

In Cooktown in my electorate is an association called the Cooktown Youth Association. I took the opportunity two weeks ago to meet with members of the association and to have a look at the facilities that the Cooktown Youth Association has under its control. The Cooktown Youth Association has facilities to broadcast from its town office. It uses those facilities to broadcast to the wider Cooktown community, particularly focusing on young people. It also uses those facilities to train young DJs. It provides DJs to local blue light discos, parties and so on. It is able to recoup some costs by providing those services to parties and blue light discos.

The Cooktown Youth Association also has a hall, which is located on three acres of land just outside of the town. The hall is very much in its infancy. The land was actually bequeathed to the young people of Cooktown a number of years ago. The Cooktown Youth Association has finally taken control of the land and has managed to get hold of a demountable. When I was there it had just managed to get the electricity connected to the demountable. They are really gearing up to provide some services and facilities to the young people of Cooktown. I acknowledge that the Minister for Communities has just approved a grant for a culturally appropriate mural to be painted on the hall as part of a crime prevention grant.

The Cooktown Youth Association is being ably assisted by the Cook Shire Council through its support of the Cooktown District Community Centre. I acknowledge Peter Evans, who is the youth worker for the Cooktown District Community Centre, and Robbie Shay, the President of the Cooktown Youth Association. Robbie was actually recognised as the young citizen of the year in Cooktown last year.

While I was in Cooktown, I held a youth forum which over 50 people attended. The priority for Cooktown that came out of that forum was for a youth and recreation centre to be built in Cooktown. The Cook Shire Council is currently preparing a submission and we will be hearing more about that in the future.

### **Lockyer Catchment Centre**

**Mr RICKUSS** (Lockyer—NPA) (9.30 p.m.): I would like to express my concern about the funding for local catchment centres. The Lockyer Catchment Centre is a wonderful resource that has been functioning as a community service for many years. The member for Logan and Minister for Environment, the Hon. John Mickel, visited the Lockyer Catchment Centre on 23 April. He acknowledged the wonderful asset that the centre was for the community.

Unfortunately, due to a lack of funding the catchment centre no longer has a full-time centre manager. We cannot underestimate the value of volunteers who assist the Lockyer Catchment Centre, but the workload is so great, so challenging and so important that we definitely need a full-time coordinator/centre manager.

The Lockyer Catchment Centre assists local councils and state government departments as well as the general public, farmers and land-holders. There are some wonderful achievements in the local catchment centre that have been instigated, assisted and supported by a group of

dedicated workers. Unfortunately, without the support of a full-time centre manager some of the benefits and relationships that have been built up over the past years will lapse into stagnation.

I urge all levels of government to support the Lockyer Catchment Centre as it is too vital a resource to let wind down. Unfortunately, the state government departments are renegeing on their responsibility to the Lockyer Catchment Centre and the community benefit that is generated from this centre. They pass the issue to the Commonwealth government's Natural Heritage Trust II. This is not good enough. The Lockyer Catchment Centre should be resourced appropriately. These types of centres need to be maintained and resourced for the benefit of the community and the state as a whole.

I stress to the House that the Lockyer Catchment Centre is an important resource that needs and requires support. I call upon the relevant ministers to support the Lockyer Catchment Centre with financial assistance to employ staff to make the catchment centre functional to its full capacity. To assist the public, farmers and all levels of government to achieve environmental outcomes to benefit the state, the local community has built up a lot of trust in the Lockyer Catchment Centre. Its involvement in Landcare, remnant vegetation, creek bank stabilisation and other important environmental issues only highlights the importance of a properly resourced centre.

I cannot stress too much how the Lockyer Catchment Centre is important for water quality, land quality and improved land management practices. We all live in a catchment. Let us ensure that the catchments are well looked after.

#### **Lakes Creek Meatworks**

**Hon. R. E. SCHWARTEN** (Rockhampton—ALP) (Minister for Public Works, Housing and Racing) (9.33 p.m.): I celebrate the first adjournment I have had in some six and a half years, by necessity and desire. A great piece of news has filtered through today regarding my electorate, and it is great to see the member for Keppel here. There is a great possibility of the reopening of the Lakes Creek Meatworks, which was regrettably closed two years ago due to the incompetence of the management of the day and their antiunion behaviour.

The fact is that it is now in the hands of the Thiess brothers who have an excellent record when it comes to industrial relations and the ability and capacity to run a meatworks. I am not here to pre-empt anything that that company has to say, but I had the privilege of meeting with the three brothers last week. We talked at some length about what the future may hold for that plant.

By and large, this meatworks has been a mainstay in our economy for a long period. I heard with interest Mr Wellington's contribution about the meat industry, in which he referred to it being a foregone conclusion back in 1923 that it would collapse. I can assure him that Mr Farrell, my predecessor in this place, was wrong. That has not happened. However, what we did see was the untimely closure of that plant. Despite the fact that Packer, who owns it, spent some \$60 million on it—depending on whom one listens to—it was never able to function properly. Of course, the workers were blamed for that. I am here to say in this place, as I have said before, that that simply was not the case.

Now the task before the Teys brothers is to get the plant up and running and get a work force in, should that be their desire. I am delighted with the response that the Australian Meat Industry Employees Union has had. They have had very positive discussions with Thiess in order to strike an EB to get the plant under way. I am delighted with that level of cooperation. I am sure that that will carry forward into the plant.

One of the great things that the government has done may hamper the putting together of a work force. We have retrained a lot of the meat workers in the other jobs, none the least of which is that we turned meat butchers into wood butchers. A number of carpenters now work for the Capricornia Training Company. It was surprising how quickly they were able to adapt. There may be some difficulty in putting together a work force of the skill needed to run a meatworks, but I am sure that the community will rally behind that. In fact, the day that it reopens will be a very important day in our community as we move forward into that great industry once again.

Motion agreed to.

The House adjourned at 9.36 p.m.