Speech by

Mr M. ROWELL

MEMBER FOR HINCHINBROOK

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PRIMARY INDUSTRY BODIES REFORM BILL

Mr ROWELL (Hinchinbrook—NPA) (11.29 a.m.): As a person who is involved in both the sugar industry and the horticultural industries—

Mr Mickel: Are you going to declare your pecuniary interests?

Mr ROWELL: If the member would like me to, I certainly will. That is exactly what I am doing at this time. Maybe the member cannot understand what I am saying.

Mr Mickel: My word I can.

Mr ROWELL: Good. Yes, I have an interest in a range of primary industries. There is little doubt about that. They provide export income for this State and they provide a lot of jobs. Anybody who has been involved directly in primary industries would understand some of the difficulties in the industry. It is all right for some members to be very swish and go out and look at factories and see the good side of primary industries, but they should get out there and get their hands in the dirt and see what it is all about. That would probably give them an understanding of what primary industries are all about. Some of those industries are very successful and some of them face some very difficult times. Yes, sometimes we have good times and ride on the crest of a wave—

Mr Mickel: He hates the good times.

Mr ROWELL: I hate the good times? I am afraid to say that the member is quite thick. If I am not mistaken, the member is interjecting from his incorrect seat.

Mr DEPUTY SPEAKER (Mr D'Arcy): Order! The honourable member does not have to take the interjection.

Mr ROWELL: I did take it, because I thought that it was appropriate that I answer it. I also wanted to point out that the member was interjecting from his incorrect seat.

A Government member: That's a reflection on the Chair.

Mr ROWELL: I am just pointing it out. Maybe the Chair has missed the point.

Mr DEPUTY SPEAKER: I draw to the attention of the member for Logan that he interjected from other than his correct seat.

Mr Welford: What a sook.

Mr ROWELL: I would like to take that interjection.

Mr DEPUTY SPEAKER: Order! This is frivolous. Will the member please get on with his speech.

Mr ROWELL: I certainly will. This Bill is one of the worst Bills introduced into the Queensland Parliament in recent years. It is not that the coalition is opposed to moving away from a compulsory levy and membership system for the five primary producer representative bodies affected by this Bill; in the medium term, there may be a lot of advantages in having a non-statutory base with voluntary membership. That allows the bodies to develop strategies best suited to their membership and does away with unnecessary State Government controls. Although I say that, I also say that there are some very good elements in having controls, and I do not want that statement to be taken incorrectly. The Opposition recognises the advantages that exist, in theory at least.

However, in some cases, the current legislative situation has existed for more than six decades. There are a lot of implications in moving away from the current legislation, such as legal, taxation, social, regional and human resource implications. It is not something that can be done overnight. It is very complex and, with the amount of assets involved and differences between the various industry bodies and within the different parts of the industry bodies, such changes have to be approached in a sensible and practical way. I am saying that they do not need to be rushed, the foot does not need to be down on the accelerator—which is what has occurred. Of course, the implications are sometimes very costly and the decisions that are made may not always necessarily be in the best interests of the bodies concerned.

In addition, if the changes are to work and there is to be sustainable reform, the key stakeholders in these industries have to be involved. There has to be a process of proper consultation. For example, in terms of the sugar industry, there are lots of assets located in various parts of the State. A lot of the so-called secondary bodies in that industry have views about how very valuable assets located in regions should be dealt with. Some problems have arisen already with a lot of wild claims being made. Yet, in terms of this Bill, we have seen the Government give the industry bodies next to no time. Just a few months ago, the Minister announced that he was going to scrap the levy legislation and then he moved the goalposts by introducing legislation even quicker than was anticipated. I think that this Bill is about divide and conquer. It is about confusion in primary industries.

The Minister's department has briefed the industry bodies. But the consultation was hurried and not all of that consultation was comprehensive. It could not have been so because, when that consultation was taking place, the legislation had not even been drafted. So there was no time for the primary producers to be properly informed. Even worse, the Government determined on a course of action that deliberately excluded any democratic involvement. I say that because there was a dealing with the industry body heads, and I do not think that the average person working in primary industries was fully aware that that was occurring. Previously, there had been some consultation but not of the nature that is evidenced by the provisions of this Bill.

For a start, the Government pulled down the cone of silence on its discussions with the industry bodies and, at the outset, did not permit them to give critical information to their membership. Obviously, from the beginning this Government ruled out any concept of conducting a poll of producers to ascertain whether they wanted to scrap the compulsory levies. The Government has simply foisted its policies on every single primary producer in these industries without any regard or concern as to what the major stakeholders think about it. That is totally unsatisfactory and represents a very arrogant and out of touch approach by this administration.

The Minister claims that he had no choice because of doubt arising from High Court decisions. However, those decisions were handed down in 1997 and, in the interim, the only court case of relevance—which the Minister pointed out—was a lower court decision that actually upheld the levies. For the Minister to come into this Parliament with rushed legislation that has systematically denied primary producers a say in their destiny and to claim that it is urgent because of High Court cases that have gathered dust for two years gives him no credibility at all. The fact of the matter is that for some time the Government has wanted to disband the primary producer bodies. It wants to fragment Queensland's primary producer peak bodies and fragment the voice of Queensland's rural community.

The Minister says that this move will facilitate the provision of agri-political representation by the reformed bodies. In response to that, I draw the Minister's attention to an article in the Queensland Country Life of 7 October, which contains an interview with Bundaberg canegrower, Graham Cossart. He states—

> "Our organisation, Canegrowers, has served us well for about 75 years and I can't see any reason for the statutory levy system to be abolished ... Even though it's compulsory, I don't have a problem with the concept."

I believe that many canegrowers would go along with those comments for a variety of reasons, which I probably will not get the opportunity to outline during this second-reading debate. In that article, after complaining that the time frame set by the Government was too short and adding that he never objected to paying levies as farmers had to have someone to look after them, Mr Cossart stated—

> "Farmers like me aren't into agri-politics and we rely on Canegrowers to lobby the Government for us on a whole range of issues."

That sums up the issue. Obviously, the Government has no idea of what really concerns farmers and what their priorities are. The way in which this Bill has been rushed in and been pushed to the top of the list on the Notice Paper in a mad scramble to get it debated before the House rises in early December highlights the unsatisfactory state of affairs.

Under this Bill, all of the clauses, with the exception of those contained in Part 9 and Part 10, are deemed to commence on 29 October. The reason for this retrospectivity is that the day for transfer

of the rights and obligations of producer bodies to replacement corporations is deemed to be the day after the assent for the Bill. The Opposition has a problem with that and will be discussing it later.

Therefore, this Bill now requires primary producers to start developing complex transfer plans and corporate entities and to have them in place by whatever time this Bill is passed by this House and assented to. As the Scrutiny of Legislation Committee pointed out, that requires both public servants, the lawyers acting for the primary producer bodies and the bodies themselves to engage in illegal acts on the basis that this Bill will be passed. Instead of the Government giving a proper lead time and ensuring that this legislation had only prospective effect, it has gone about the exercise in an unusual and totally unsatisfactory manner. In effect, it has presented this Parliament with an ultimatum to pass a Bill and is already forcing people to comply with a draft law by putting a loaded gun to their head. The loaded gun is clause 14, which provides that, if a primary producer body has not appointed a replacement corporation, the director-general of the Department of Primary Industries can make an application in the Supreme Court to wind up the producer body or secondary body of the producer body. What a lovely state of affairs! It is almost as if we have gone back a few hundred years to the time of the divine right of kings, when the Parliament was held in absolute contempt and bypassed. Here we have a Minister and a Government forcing people to do things without the authority of an Act of Parliament, and threatening them with winding up proceedings if they have not acted by the day after the proposed legislation becomes law. All of the talk of the Premier about bringing new standards into this place is now coming to fruition. However, the standards he is bringing in are so low that we would have to look through a history book to find any precedent.

What really concerns me is that the implications of this legislation will not become clear for some time. As I have mentioned, we are not just talking about transferring five primary producer bodies to five replacement corporations. As the Bill makes clear, at least two transfers will need to occur. The first of them, which will occur immediately before the transfer day, is the transfer to the producer body of all the assets and liabilities of each secondary body of the producer body. It is not as if all of the assets of these bodies are situated in Brisbane or one or two regional centres—far from it. For example, in the sugar industry one of the major issues that has to be dealt with is the way that district funds and assets are to be treated. I am very concerned about this. Clearly, a lot of local money was put into the creation of those assets. Any replacement corporation has to ensure that its constitution, articles and so on deal with the issue of the identity and integrity of funds and assets of those district bodies. In particular, it has to ensure that the funds and assets are held in a manner that accords with the wishes of the membership. For example, that may mean that they are held in a form of trust. In addition, there is the issue of whether the replacement corporation will provide for the same type of structure in the districts, whether a new structure will or can be agreed upon or whether time does not permit this and negotiations will continue.

One major concern that this Government has to face is that there is a clear perception of local ownership of assets, and that includes not just physical assets but also liquid assets—operating accounts and the like. People in these areas do not want to see their autonomy snatched away from them. They do not want to see their local assets being placed into accounts that they no longer own, the total control of which is determined by a trustee to whom they can only make representations. This has caused—and I am worried it will continue to cause—problems for organisations such as Canegrowers. I have to put on the public record that Canegrowers has done an extremely good job in dealing with these unrealistic time frames and trying to negotiate in a way that has the best interests of the districts at heart. By rushing this issue, the Government has caused a lot of anguish up and down the coast. In addition, by mandating a ridiculously short time frame, it is not giving the primary producer bodies enough time to work through all of the very difficult issues that they need to work through.

I put it to the Minister that, if an organisation such as Canegrowers, COD or the Queensland Pork Producers—to name just three of the five bodies—is confronted with a demand to convert to a corporation, which could be a corporation limited by guarantee, by shares, a cooperative or a body under the Associations Incorporation Act, a raft of issues will have to be addressed. No doubt these organisations have had many meetings with lawyers and accountants, not to mention all of the discussions with either the Department of Fair Trading, the Australian Securities and Investments Commission and other entities.

Then there are the staffing issues. This Bill denies an existing staff member any compensation should they be sacked upon the transfer. My colleague the member for Crows Nest has already dealt with that. I mention this as it highlights the fact that conversion into new entities could result in staff turnover in some cases. By abolishing the compulsory levy, even if it is delayed for three years, the Government is causing these bodies to totally rethink their operations. Their revenue base is being transformed. In these circumstances, it would be very silly not to have anticipated that a raft of problems could arise. Earlier I spoke about the implications of the Bill. One implication that I think could bite down the track relates to the operation of the Sugar Industry Act. The Minister has just finished presenting to this Parliament legislation designed to modernise and reform this essential industry. At

the core of that Bill was the maintenance of collective agreements and the use of various industry funded representatives. When we read the Sugar Industry Act, we see that it is largely predicated on sugarcane farmers representing other farmers in a range of circumstances, particularly on negotiating teams. In addition, when disputes arise and proceedings or arbitration is required, the farmers are required to pay their share. At the moment, all of this is funded through the compulsory levy—a source of funds that is stable and consistent throughout the State. When we take away that stable and consistent source of funds, we introduce into the equation considerable uncertainties. Some localities may well be unaffected by this, whereas others could be severely affected. The point I make is that, if a Bill such as this, which will have ongoing structural, legal and social implications for years to come in a range of circumstances, is to be properly developed and debated, far more time than was given is required.

Let me speak about what is at risk through this Bill. In doing so, I will quote the Queensland Fruit and Vegetable News of 7 October. Queensland Fruit and Vegetable Growers Chairman Paul Ziebarth stated—

Time expired.