



Speech by

John-Paul Langbroek

MEMBER FOR SURFERS PARADISE

Hansard 11 May 2004

AURUKUN ASSOCIATES AGREEMENT REPEAL BILL

Mr LANGBROEK (Surfers Paradise—Lib) (4.03 p.m.): I rise today as Liberal shadow minister for natural resources, mines and energy to speak on the Aurukun Associates Agreement Repeal Bill and would immediately like to remind the House of the double standards that are being applied to bring this bill before the House. On 27 April this year, with regard to the CMC inquiry into the 'winegate' affair, Mr Beattie said—

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 ...

Then on 28 April this year Mr Beattie said—

The opposition is behaving like a small child. When they don't get what they want, they attack the independent umpire.

Not to be outdone, in 2002 on two separate occasions with reference to Condamine-Balonne water resource planning, the minister sponsoring this bill stressed in this place the importance of abiding by the independent umpire's decision. What does this show us? It shows us that just 13 days after Mr Beattie accused the opposition of acting childishly for attacking the independent umpire Mr Beattie's government comes before this House seeking to pre-empt and/or bypass the independent umpire's decision without even waiting for such a decision. Just 14 days after Mr Beattie said he had the courage to stand by the umpire's decision, his government decides that the independent umpire's decision may not satisfy their needs.

These double standards, however, are not like some double standards from the current government. The consequences of these double standards are not simply confined to frustrating this parliament and creating debate in this House. These double standards affect the lives of ordinary Queenslanders. These double standards place in jeopardy the economic growth of Queensland and creation of jobs in our state. It leaves a dark legacy on the international attractiveness of Queensland to foreign investment.

There is a huge problem here with the interference by the government in the legal process. The top law official of this state, the Attorney-General, stood in this House this morning advocating what he called the time honoured principle of the separation of powers. I could not agree with him more. In this instance, the government has commenced legal actions for reasons still not defined to strip a company of its lease. It has done so in the hope that the holder of the lease would simply roll over and give in. When the company has not rolled over, the government has decided not to wait for the independent umpire's decision but to take matters away from the court by passing an act of parliament. This is the most blatant disregard for the time honoured principle of separation of powers I have ever seen.

This is simply a case of not wanting to risk what the court might hand down and, as such, degrading the court's power. This is not just a chorus from this side of the chamber. Along with us are the Queensland Resources Council, the Australian Aluminium Council and the Minerals Council of Australia. That chorus sings that sovereign risk is substantially increased with this bill. Sovereign risk encompasses all of the risks associated with cross-border investment. The main elements are the legal, political and settlement risks.

Considering this, what I find staggering is that the only explanation that can be offered for this bill is limp rhetoric about job creation. Yet a government pre-empting a court's decision sends a signal to the

world that the political and legal mechanisms in Queensland are not independent of each other and the risk of interference by government is high. If the government can say this is good for business, it obviously has no regard for Queensland.

When a business considers entry into an area or expansion of operations, the fact that a government can strip it of its lease is a big black mark. It is an obvious disincentive to set up operations and large corporations will take their business elsewhere as a result. On this point, that the government is taking this action as an avenue to create jobs, I ask: why is it that Alcan's assurance of a feasibility study so that the project would be started as soon as possible is not good enough? Here we have a company that employs 1,500 people in Queensland—a company that has been doing business in this state since 1965 and a company that owns over 40 per cent of the world's largest alumina refinery in Gladstone.

Alcan has been a major contributor to the state's economy for almost 40 years. Surely, if the government were serious about securing a quick start to this project and the jobs such a project would bring, the government should withdraw this bill and allow this company to start looking into feasibility as an avenue to production.

What we are proposing not only respects time honoured legal traditions—traditions our legal system is based around—it also makes clear business sense. Let us not even use the name Alcan. Let us say one is sitting a university exam in which one is forced in a question to choose between two companies. Company A has local knowledge that has been gathered over a 40-year association with the area. Company A is one of the few companies big enough to mine the resource, employing 88,000 people in 63 countries. Company A has, in the short time since acquiring the lease, committed itself to a \$15 million feasibility study of the area.

Company B is an unknown company which is the sole supplier to another country. It does not have any local knowledge and does not match company A in size. Company B has no stated commitments to anything should it receive the lease. This question is a no brainer. Of course, company A—in this case, Alcan—is the correct choice. This illustrates that our stance is not about any affiliation with Alcan because no affiliation exists. This example shows the government that the way to achieve its catchcries of jobs and economic prosperity is to honour this lease.

Perhaps the reason the government does not want to honour the lease is that the government may have had a better offer. As my esteemed colleague the member for Moggill pointed out, Aldoga executives have had meetings with State Development Minister Tony McGrady. I refer to an attempted point of order put forward by the minister claiming Dr Flegg was misleading the House and I refer to an article from the *Courier-Mail* entitled 'City Beat; Jet Set McGrady' dated 29 April 2004. I seek leave to table the *Courier-Mail* article.

Government members interjected.

Mr LANGBROEK: It has been in the paper. You all read the *Courier-Mail*. If it is not right, you have had two weeks to correct it. It says—

New minister for big projects, Tony McGrady, did not waste any time post election before dipping into the ministerial travel budget and jetting off to Japan, South Korea and China, and naturally with him in the world's most overheated major economy were executives from aluminium hopeful, Aldoga, who took the opportunity to introduce the minister to their Chinese partner, the quaintly named China Non-ferrous Corporation.

A government member interjected.

Mr LANGBROEK: You have had two weeks to correct it if it is not right.

Mr Hayward: You try and correct something in the *Courier-Mail* and see how you go.

Mr LANGBROEK: I am also concerned about the connection between directors of Aldoga and prominent members of the Labor Party.

Mr English: Point of order.

Mr DEPUTY SPEAKER (Mr Poole): Order! Show some respect to the chair. Point of order.

Mr ENGLISH: The minister was just in here and corrected the record categorically outlining his position there. The member is misleading the House. He knows this to be untrue.

Mr DEPUTY SPEAKER: There is no point of order.

Mr ENGLISH: If he is quoting an article, that is fine.

Mr DEPUTY SPEAKER: There is no point of order.

Mr LANGBROEK: I seek leave to table a copy of an article dated 8 February 2001 from the *Australian Financial Review* titled 'Behind Beattie's Smelter'.

Leave granted.

Mr LANGBROEK: The main arguments put forward by members opposite in favour of this proposal do not make sense. Another argument put forward by the minister is that this issue needs to be resolved

quickly using as few taxpayer funds as possible. Today it has come out that Mr Beattie does not have any hard feelings towards Alcan, that Alcan are just bystanders who acquired a doomed lease. As such he has offered the very generous offer to Alcan that they can apply when the lease is tendered.

I ask: if Alcan is a serious contender to win this bid, then would it not make sense to honour the lease, cut through all that red tape and preserve the legal political relationship in Queensland? Moreover, the Scrutiny of Legislation Parliamentary Committee came to the conclusion that given the complex circumstances and history of this matter the committee does not feel in a position to reach any firm view as to the extent of Pechiney's current legal right. The committee is clearly saying that this is not the forum in which legal questions should be answered. I fully support this view. We have a separation of powers and, more importantly, the judiciary is the most separate branch of power for a reason. Neither the committee nor any person concerned about the integrity of this parliament would agree to this House deciding on what is and is not a company's legal right.

So what do we have when it all boils down? We have a bill that seeks to bypass the time-honoured, well-established foundations of our legal system. The government's justification for doing so is that jobs will be created and economic prosperity will ensue. Yet when one looks at the situation we see that economic prosperity will not result from this bill, rather quite the opposite. Why do it then? Why put forward a bill of this nature when the alternative that is being put forward makes perfect sense from a legal and economic perspective?

Why will Mr Beattie not answer the letter written to him by federal Industry Minister, Mr Ian Macfarlane? All of these questions need answers, answers that I do not have, answers that have not been canvassed in parliament and, most importantly, answers that have not been given to the Queensland people.

Morning after morning we sit in this chamber and we hear a government that prides itself on issues of accountability. Well, we want accountability now. We want the government to tell us why it does not want to tell Queenslanders the real reasons for its actions. Maybe we should go and find Wayne Goss, a former leader of many members opposite, who supported the continuing of the lease in his time as Premier. Maybe he will tell us why his good mate Peter Beattie has decided to renege on this lease. Everything that the Beattie government supposedly stands for is squashed by first the intention and then the result of this bill.

The government says they stand for abiding by an independent umpire. It would seem this only happens when the ruling is to their liking. They say they stand for governmental accountability. Yet the arguments they have given make no sense at all, leading one to believe they are concealing something from Queenslanders.

For instance, why is it that the government was pleased to accept rent for the site up until last year, then all of a sudden had a change of heart? It makes no sense that all of a sudden the rent would no longer be accepted, yet for 13 years, six of which were under the current administration, the rent was collected as normal. It would make sense that if there was such an abhorrent failure under the lease surely at the first opportunity the lease would have been revoked. Instead this administration let it go on for six years until last year—yet another aspect of this bill that does not make sense.

Moreover, one would ask: why is this bill being pushed through this House today? The reason is that on the day of a federal budget this bill will not receive the scrutiny it deserves. Is the government trying to push something through parliament that the public may not like? The government says it is being a creator of jobs, jobs and jobs. Yet the result of this action will be less foreign investment in Queensland. Why would the government risk losing investments over just one lease?

This bill poses more questions than it provides answers. Moreover, these questions are not being answered by the government. Similarly, the majority of this bill simply does not make sense. So many actions do not match their objectives.

I conclude with this quote—

They are denigrating the proud institution of parliament. As I said, Mr Speaker, all they are doing is attacking the independent umpire.

This comment was in reference to the Speaker of this House, the independent umpire of this place. It was made by Mr Beattie on 5 October 2000. Let me change it for you, Mr Beattie—

The government is denigrating the proud institution of the judiciary. As I said, all they are doing is attacking the independent umpire.