




Speech By  
**Trevor Watts**

**MEMBER FOR TOOWOOMBA NORTH**

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**COMMERCIAL ARBITRATION BILL**

 **Mr WATTS** (Toowoomba North—LNP) (6.12 pm): I rise to join the debate to support the Commercial Arbitration Bill 2012. The main objective of the bill, put simply, is to allow business to operate and get on with what it does best. Unfortunately, Queensland finds itself in a situation where we are not leading the pack in terms of the other states in that this harmonisation bill has already been passed in many other jurisdictions, as has been previously mentioned. It is unusual for Queensland to be behind the pack and something that the Newman government would very much like to change. This bill, as I said, put simply, should make business easier, but let me go over the objectives of the bill.

The bill will govern Queensland domestic commercial arbitrations in a manner consistent with the national model bill agreed to by the former Standing Committee of Attorneys-General. When it was preparing that model bill, that was done in reference to the United Nations Commission on International Trade Law. So the bill is not only applicable for us in Queensland but also needed to ensure that business can be done effectively across state borders and effectively across international borders, and the arbitration model and rules will still stand.

The bill replaces the current Commercial Arbitration Act 1990 in Queensland. As I have said, principally it is to adopt the United Nations Commission on International Trade Law with some supplemental domestic provisions for local commercial arbitration in Australia and certainly within Queensland and interstate. It is designed to maintain a high level of consistency between Queensland's commercial arbitration regime. Similar legislation, as I said, has been adopted everywhere except for the ACT, and I am sure that it will be catching up with the rest of Australia shortly. It will also provide a more accessible, cost-effective and timely process for the fair and impartial resolution of commercial disputes through arbitration. It will also ensure Queensland's adherence to world standards in dispute resolution, and that is important. If Queensland wants to be taken seriously on the world stage, it is important that we have world's best practice in many areas. Obviously commercial dispute resolution is an area where it is fundamentally important to ensure that we are certainly at pace with the rest of the world.

Why was the bill necessary? Ultimately, we had got to a situation where commercial arbitration had become incredibly litigious in Queensland and the whole point of arbitration was to try to replace some of the legalistic and court processes to simplify things for business. It is in the DNA of our side of politics to want to make things simpler for business to get on with business, but by its very nature business from time to time will have a dispute. A mechanism that is efficient and effective is something that is fundamentally important to have and will bring us up to date. The previous arbitration act is outdated and, as I said, has become quite litigious and therefore it is well and truly time for it to be updated, and it is with great pleasure that I can take part in updating that.

While talking about joining the debate, I should also mention my role on the committee. The committee has been a very busy committee which has had a lot of legislation referred to it from the

Attorney-General as we have tried to get law enforcement back on track in Queensland. This was one of many bills that have been referred to the committee. As someone who has been involved in business all my life, it was good to see a bill that can help business. We have done a lot about law and order with our anti-hooning legislation and other legislation to ensure that justice is being done in Queensland and people are being appropriately punished.

**Mrs Frecklington:** Red-tape reduction.

**Mr WATTS:** I take the interjection relating to red-tape reduction. This bill will also reduce red tape for people in business, and they have to be competitive on a world stage. To be competitive on a world stage, you need world's best practice if you get into a dispute with another business. You need a quick, efficient methodology to deal with that. That is certainly not what Queensland had. I certainly will be supporting the bill but want to talk more about the background as to why the bill was needed and what exactly is involved.

Arbitration is a formal dispute resolution process in which two or more parties refer their commercial dispute to an independent third party—the arbiter—for determination. The results of the arbitration, known as the award, are enforceable in the same manner as any court judgement. From a business's point of view, once they have that judgement, it is enforceable and has commercial validity and they can use the normal judiciary to ensure that it is complied with. Commercial arbitration is commonly used in many industries and in some industries that are very important to business in Queensland. The construction industry is one where disputes will often arise and arbiters will be used to settle those disputes. If we want to get our economy going again, we know that construction will form one of the four pillars and therefore we do not want construction being held up for a long time with people arguing and in dispute over the way forward. Having a mechanism to deal with that effectively is certainly very important for Queensland and the construction industry.

Likewise, you cannot have a good construction industry without good engineering. This is an area that often is in dispute. To reduce the litigious nature of a dispute and to be able to get that done efficiently I think is also important.

Some really important industries for Queensland in the coming 20 or 30 years, starting pretty much from now, and ones that will certainly be affecting people on the Western Downs in my area are the gas, oil and resources industries generally. These industries are critically important to us in Queensland and certainly to businesses in Toowoomba that service a lot of those industries.

**Mr Dillaway:** What a great city.

**Mr WATTS:** Toowoomba is a great city. I take that interjection. I love Toowoomba. Where is Toowoomba? It is at the heart of Queensland.

**Mrs Frecklington** interjected.

**Mr WATTS:** It borders the Nanango electorate. I take that interjection as well.

**Mr Dillaway:** The home of Clifford Park.

**Mr WATTS:** It certainly is the home of Clifford Park. I must make mention of the sports minister, who currently is in convalescence. I must thank him for his contribution to getting a grass track back on the racecourse.

**Mr Berry:** A great minister.

**Mr WATTS:** A great minister. Certainly, I know the industry at Clifford Park is very excited. There is another industry where arbitration may be used from time to time. Certainly, the racing industry is a big industry on the downs. I return to the oil and gas industries. These are industries in which a lot of businesses are coming in from overseas and setting up offices here in Queensland.

**Miss Barton:** Just like you.

**Mr WATTS:** I will not take that interjection. I should mention that I was born overseas of an Australian father and an Australian grandmother, I might add. As these businesses come in, I think it is very important that, when it comes to best practice, they understand that Queensland is up to date with the rest of the world. It is a great state in which to do business. We need to be able to show those industries as they arrive in Queensland that if they get into dispute it is not going to drag on endlessly and cost a lot of money. If that does not happen, they will simply go to other countries to carry on their business. If we want to be commercially competitive on an international scale, we need to make sure that we have best practice legislation. That is exactly what the Commercial Arbitration Bill 2012 is. It

brings us into line with the United Nations Commission on International Trade Law and how it views this area of legislation.

**Mr Berry:** And the 21st century.

**Mr WATTS:** And the 21st century. As I have said, arbitration is intended to provide parties to disputes with cost-effective, expedient access to enforceable determinations as an alternative to lengthy and public court proceedings. I know there are a few lawyers here who will be disappointed to hear that their colleagues in the industry might not be making as much as they would. I still think the lawyers will have their place, but Queensland would like to make sure that industry can get on with what it does, which is operating efficiently and effectively. The less they need to get into fights that go through our judicial system, the better.

The Queensland Commercial Arbitration Act 1990, which currently governs the conduct of domestic commercial arbitrations in Queensland, is one of a series of substantially uniform laws across Australia that are commonly referred to as the uniform commercial arbitration acts, which were developed under the auspices of the former Standing Committee of Attorneys-General. The new model commercial arbitration legislation was agreed to by that standing committee and settled in July 2011. Here we are, 2013, and we are still looking to get that legislation enacted in Queensland. As a government, we hope to do much better in the future in making sure that we are leading the pack and not following it.

There were a couple of criticisms of the previous legislation. As discussed previously, disputes became too litigious and proceedings were increasingly resembling those of a court. So there was a need to modernise and update the uniform commercial arbitration acts to ensure that arbitration provides an efficient and cost-effective alternative to litigation, which is consistent with international best practice. We have spoken a little bit about international best practice today. If we want Queensland to be a place where people can come and do business and be effective and make sure they are competitive on the world stage, we need to have best practice in all areas, whether that be infrastructure—something like the Toowoomba range crossing will always help business.

**Mr Dillaway:** Has Gillard given money for that?

**Mr WATTS:** I take that interjection. No. Julia Gillard has not given any commitment at all to the people of Queensland with reference to the range crossing. I have an open invitation for her to come and stay at any of our beautiful motels located along James Street where she, too, can listen to the 6,000 B-doubles that drive through the heart of my city, rumbling through. I look forward very much to her coming to Queensland, bringing her federal election roadshow, arriving in Toowoomba and telling us that she will fund 80 per cent of the estimated \$1.6 billion that the business case has outlined.

**A government member** interjected.

**Mr WATTS:** I take that interjection. My friend and colleague Ian Macfarlane will very much be looking forward to that. As I am talking about being internationally competitive in business, with the changes to the Commercial Arbitration Act that we are looking to bring forward, infrastructure is critically important. My friend and colleague Ian Macfarlane has secured funding for that road. I am sure that not only will those companies that are coming to Toowoomba from overseas to be involved in the CSG industry be very pleased to know that our commercial arbitration legislation is meeting world's best practice but also they will look forward very much to our infrastructure matching that standard.

**Mr Berry:** And they can arbitrate here in Queensland.

**Mr WATTS:** They certainly can arbitrate here in Queensland. At the moment, those decisions will be able to be enforced across all the borders of Australia, except for the ACT, which I am sure will fall into line shortly.

**Mr Johnson:** There are a lot of the businesses in Toowoomba that will welcome this legislation.

**Mr WATTS:** There certainly are a lot of businesses in Toowoomba, particularly businesses that are starting to deal internationally more and more. Wagners in Toowoomba is a company that is involved in the construction and gas industries. It is very important for them to make sure that, if they get into dispute with some of these big international players, they have a forum in which they can arbitrate that dispute effectively. I am sure Wagners and many other businesses in Toowoomba will not want to be caught up in long and expensive legal wrangling.

**Mr Berry:** There are some great lawyers in Toowoomba.

**Mr WATTS:** There are some great lawyers in Toowoomba. Some of them are good friends. I take that interjection from the member for Ipswich. I would always put a Toowoomba lawyer in front of an Ipswich lawyer. But that is a debate for another day.

This bill will apply to all domestic and commercial arbitration. It recognises that the Commonwealth act will govern the international and commercial arbitrations

**A government member** interjected.

**Mr WATTS:** I have a copy of the bill. I thank the member very much for that.

**Miss Barton:** Have you read it?

**Mr WATTS:** Yes, I have been through it. Certainly, the committee went through the bill at great length. I would like to thank the secretariat that supports the committee. It does a great job in ensuring that the committee members are well briefed and that all the details have been followed. Certainly, when it comes to fundamental legislative principles we rely on the secretariat of the committee to make sure that they are followed closely.

After examining the bill and in consideration of the policy objective which, of course, is to make sure that we are not wasting our time in courts and spending too much money, I certainly support the bill and I note that many of the submitters to the committee supported the bill. I would like to thank the Attorney-General and Minister for Justice for bringing Queensland up to speed. I hope very much going forward that I do not have to stand up here and apologise for Queensland being one of the last states that has adopted this kind of legislation in the future. When we need something to be effective and efficient, Queensland should be leading the pack. I look forward very much to the Attorney-General ensuring that we lead the pack and not follow it. I would like to thank the Attorney-General for introducing the bill. I commend the bill to the House.